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Abbreviations

ADB	-	Asian Development Bank (or "the Bank")
AKRSP	-	Aga Khan Rural Support Programme
APWA	-	All Pakistan Women's Association
CBO	-	community-based organization
CIDA	-	Canadian International Development Agency
FPAP	-	Family Planning Association of Pakistan
GO	-	government
NGO	-	nongovernment organization
PAVHNA	-	Pakistan Voluntary Health and Nutrition Association
PNF	-	Pakistan NGO Forum
SAP	-	Social Action Plan
TVO	-	Trust for Voluntary Organizations
UNDP	-	United Nations Development Programme

ADB

A Study of NGOs

Pakistan

1999

INTRODUCTION

Pakistani NGOs

Nongovernment organizations have existed in Pakistan since Independence in 1947. NGOs generally have worked for rehabilitation and social welfare and to serve the poor and marginalized. The number of NGOs had remained static for some 30 years, but has mushroomed in the 1980s and 1990s.

Some NGOs in Pakistan have played an important role in creating awareness of issues such as human and legal rights, women in development, and overpopulation. Others have provided badly needed services such as basic health care, water and sanitation, and employment opportunities to underdeveloped areas. By showing their ability to succeed where the Government has had difficulties, NGOs have helped change national perceptions and policies concerning sustainable development.

In recent years NGOs have become increasingly important players in designing and delivering community-based programs. Today NGOs in Pakistan range from completely voluntary organizations with small budgets contributed by volunteers to those run by well-paid full-time professionals. The majority are somewhere in the middle. Increasingly, NGO sector is becoming institutionalized, motivated both by altruistic goals as well as the ready availability of funds from external aid sources.

With a very few exceptions, NGOs in Pakistan do not have well defined governance, transparency, and accountability structures. While some rely entirely on financial support from the Pakistani public and Pakistani institutions, a larger proportion rely almost entirely on project aid from international funding agencies. They are constantly challenged to prove their integrity.

The Pakistani Government has in general been positive about the development of NGOs, starting from the first Five-Year Plan (1955-1960), when a permanent social welfare section was created within the Planning Board (now called the Planning Commission). More recently, the Seventh and Eighth Five-Year Plans contained supportive policy statements, many of which have guided government action to assist NGOs.

There are five laws under which NGOs in Pakistan operate. The Societies Registration Act of 1860 pertains to professional, cultural, and educational bodies. The Trust Act of 1882 provides legal cover for private acts of public charity. Many NGOs are registered

under the Cooperative Societies Act of 1952. The Voluntary Social Welfare Agencies (Registration and Control) Ordinance was promulgated in 1961 to regulate and assist the development of NGOs undertaking welfare activities. The Companies Ordinance of 1984 allows NGOs to set themselves up as nonprofit companies.

Pakistan NGOs and the Bank

The Asian Development Bank is interested in promoting greater NGO involvement in Bank-funded projects. However, staff members at the Bank's Resident Mission recognize that there is limited opportunity for NGOs to be involved in all Bank projects. One reason for this is that the energy and infrastructure sectors are major areas of cooperation between the Government and the Bank, while NGOs are largely involved in the social sectors. At present, direct cooperation between the Bank and Pakistani NGOs and community-based organizations (CBOs) is limited.

When the Bank's Resident Mission administers a project in which NGOs are involved, the mission tends to be in close touch with these NGOs. Currently, NGOs are involved indirectly in the following Bank-supported initiatives.

- ***Social Action Plan (SAP)***. The Bank has provided funds to the Government which, in turn, has involved NGOs in the delivery of a part of this program.
- ***Swabi Salinity Control and Reclamation Project (SCARP)***. An NGO called the National Rural Support Programme (NRSP) is working with the provincial government in North West Frontier Province (NWFP) on community development, community contribution, and cost recovery.
- ***Barani Area Development Project***. An NGO called the Sarhad Rural Development Corporation is working with the provincial government on training, savings, and credit programs.
- ***Pat Feeder Canal Project***. An NGO called Balochistan Rural Support Programme is working on training and credit programs.

In the latter three cases, the Government has contracted the NGOs under a joint Government/Bank decision. However, these contracts were not advertised. The view was expressed within the Resident Mission that on the current projects where NGOs are involved, the Government and NGOs often came from different perspectives and could not always manage to form a team. In a recent move, the Government involved NGOs in the design of the technical assistance project for participatory development in the Punjab Farmer-Managed Irrigation Project.

At present, Bank staff feel that NGO participation is more a matter between the Government and NGOs, since the Bank does not fund NGOs directly. There is some optimism within the Resident Mission about future participation of NGOs because of positive Government policies, the Bank's increased interest in NGOs, and the national SAP.

THE NGO COMMUNITY

Origin and Growth of NGOs

The history of Pakistani NGOs goes back to Partition in 1947, when British India was divided into the two sovereign states of India and Pakistan. Although not referred to as NGOs at that time, many voluntary organizations were set up to provide humanitarian aid to the refugees pouring into the country and to help victims of communal riots. A very large proportion of these voluntary organizations were set up and run by women, many of whom had played an active role in the Pakistan Movement.

During the first few years of Pakistan, many of these NGOs concentrated on rehabilitation and basic services such as health and education. Some of these voluntary organizations remain active today, although their roles may have changed somewhat. Many continue to be led by *begums*, the wives of influential bureaucrats, politicians, and businessmen.

The next upsurge in the formation of NGOs took place in the late 1970s, when the Martial Law Government expounded its philosophy of social work and welfare. During the 1980s, many new NGOs emerged to avail of the funding set aside for development through local bodies (district, municipal, town, and local councils). In the party-free polls of 1985, many legislators encouraged the growth of new NGOs to absorb the special funds available to them for the development of their constituencies. A number of women's NGOs were also instituted during this period, coinciding partly with the International Women's Decade of Development and the Government's attempts to curtail the rights of women. A large proportion of these NGOs were registered under the Social Welfare Ordinance, particularly when the Population Welfare Department and Women's Division made a large part of their support to NGOs conditional on social welfare registration.

In the early 1990s, there was another rapid increase in NGOs, when new organizations were formed to take advantage of new available funding under the People's Works Programme, particularly in rural Sindh and Punjab.

It is difficult to estimate the number of NGOs working in Pakistan. Because NGOs can be registered under five different laws, with registration offices in different provinces, and with a general lack of systematic updating, only rough estimates are possible. In a recent publication, the United Nations Development Programme (UNDP) suggested that

the number is between 8,000 and 16,000. Many of the organizations, however, may simply be social welfare organizations. If nonregistered NGOs and CBOs are added to those registered under the five laws, the number of Pakistani NGOs could be anywhere between 25,000 and 35,000.

Classification of NGOs

NGOs in Pakistan can be divided into several broad categories:

- those involved in advocacy and lobbying
- those involved in policy issues and debates
- emergency, rehabilitation, and relief organizations
- those involved in implementation of development projects and programs, including service delivery organizations and CBOs

Advocacy and Lobbying NGOs

Advocacy NGOs usually get the most attention. Being interested in mass contact, they know how to use the media well (particularly newspapers and magazines) and are well-known, even if their actual impact is low. These include organizations focused on legal rights, literacy, women's issues, children, minorities, and human rights. Many of these are favored by funding agencies because their founders and managers are usually very articulate and espouse causes of interest to such agencies. Some are involved in training and awareness programs, but not in the actual implementation of development initiatives at the community level.

NGOs Involved in Policy Advocacy

Policy-based NGOs are relatively new in Pakistan. Their purpose is to participate in and initiate dialogue about policy issues, be it with the Government, other NGOs, or international organizations. Policy-based NGOs are usually top heavy, involved in international and regional networking, and keen on conferences and seminars. They most often do not get involved in project implementation or service delivery.

Emergency, Rehabilitation, and Relief Organizations

The majority of NGOs in Pakistan fall into the category of emergency, rehabilitation, and relief organizations, including some of the finest and oldest in Pakistan. These include the Eidhi Foundation, the Fatimid Foundation, the Red Crescent, the Layton Rahimtoola Benevolent Fund, and the Marie Adelaide Leprosy Centre. Smaller grass-roots organizations are overwhelmingly in this category.

NGOs Involved in Implementation of Development Programs

Only a small proportion of NGOs in Pakistan can be described as development-oriented and even fewer as CBOs. They are largely service delivery organizations, many of which are trying hard to transform themselves into either CBOs or community support organizations. A handful have been successful, and others are working hard to get there. Since the Bank's interest is mainly in this type of NGO, the examples used in the rest of this document are taken mostly from this group.

Role and Impact of NGOs

Although NGOs are seen as major actors in the development sector, success stories of Pakistani NGOs in the development sector are few. The majority remain poorly developed and require continuous support to exist. Having little exposure to the more organized development sector, small-scale NGOs often look to the established ones for help in starting. They seek the help of government departments and friends for patronage.

Of the well-established NGOs in Pakistan, some go back 40-50 years and have documented track records and professional staff. Above all, they have developed reputations for hard work and efficiency. A good example is the Family Planning Association of Pakistan (FPAP). FPAP can provide information on any aspect of its work quickly and comprehensively, is a member of several international and national networks, has a total current staff strength of 1,485 (137 administrative staff and 1,348 program staff), and a network of 70,000 volunteers. It holds elections every two years and has 4,487 eligible voters. Currently it is involved with 23 projects serving 4,000 villages across the country. About one-third of its expenditure has been on integrated community-based projects. Its impact has been considerable, particularly at the grassroots level, a very difficult area where the Government has encountered enormous problems. FPAP has cooperated extensively with the Government.

Only a handful of other national NGOs involved in the implementation of community-based projects have comparable credentials, coverage, linkages, delivery mechanisms, and documentation systems. There are, however, several smaller NGOs that serve parts of provinces or smaller areas but do so efficiently and effectively. A recent publication by the Canadian International Development Agency (CIDA) states that there are less than 100 effective NGOs in Pakistan, but thousands of generally weak CBOs.

A few well-established NGOs work in such sectors as women's development, policy debate, research, and publications, but their impact and outreach is rather limited, either because they lack resources or because their target group is narrow.

In recent years several new NGOs have been set up that can be referred to as support and funding mechanisms for other NGOs. Typically, they receive funding from international funding agencies and/or the Government to help grass-roots NGOs by channelling funding to them, through networking, or by using the funds for capacity building. Some of the larger long-established NGOs also act as support mechanisms for smaller grass-roots NGOs.

It is very difficult to estimate the total funds administered by Pakistani NGOs, for a number of reasons. Very few NGOs report regularly, and when they do it is usually in terms of individual project funds. Not all NGOs are able to answer precisely when asked about income. Some identify funding sources by name and give partial information on expenditures, but do not give actual figures for income and/or funding. Few attempts have yet been made in Pakistan to define and regularly update their funding status.

According to UNDP, 38 percent of NGOs did not collect any kind of donation and 60 percent earned no income at all (in Balochistan, 89 percent were in this category). More than one third (35 percent) of the selected NGOs did not receive government support and more than one quarter (28 percent) received less than about \$250 from the Government in their last fiscal year. Slightly more than one-third (36 percent) reported their last year's expenditures as ranging between \$250 and \$375. Meanwhile, a large percentage (41 percent) of voluntary organizations did not have any type of physical assets.

Consolidated figures from government departments and funding agencies concerning disbursements to NGOs are difficult to compute. Information about individual incomes of some NGOs is available, as is information about funds disbursed by individual funding agencies and funds disbursed by individual government agencies, but consolidating all this information is virtually impossible. Following are a few examples.

- FPAP received a total income of \$3.9 million in 1995, of which 60 percent was provided from a single source (International Planned Parenthood Federation).
- The Aurat Foundation had an income of \$400,000 in its last financial year, largely from donations and grants.
- The Sindh Graduate Association, which works only in one province, had a total income of only \$10,000 during its last financial year.
- A local NGO that serves in a low-income Karachi area reported an income of \$85,000 in the last financial year.

NGOs in Pakistan are more numerous and most active in the traditional social sectors: emergency support, rehabilitation, health, and education. Other areas include income generation, poverty reduction, vocational training, nutrition and food security, and maternal and child health and family planning (now more commonly referred to as reproductive health).

In the past, NGOs avoided sectors considered the domain of the Government because of the need for huge infrastructure development. These include water and sanitation, irrigation and drainage, urban development, environmental issues, and roads. Increasingly, however, there is a trend to involve both NGOs and CBOs in these sectors. The Orangi Pilot Project and the Aga Khan Rural Support Programme (AKRSP) led the way in this trend. One of the key factors in the success of the Orangi Pilot Project was its linkages with both government and private sector. This implies that when NGOs begin to operate in sectors requiring huge investments in infrastructure, a network of linkages with other sectors of civil society is necessary because NGOs do not have the capacity to do it alone.

Capacity of Pakistan NGOs

Recent literature on NGOs has suggested that although NGOs and CBOs do not perform as effectively as had been assumed in terms of poverty reduction, cost-effectiveness, sustainability, people participation, gender equity, and innovation, they can still provide these services more cost effectively than the Government. Exaggerated claims of NGO success have often clouded the needs of capacity building within the NGO sector. NGOs in Pakistan are typically small or medium-sized and interested mainly in welfare work. An NGO is often the vehicle for the good intentions and enthusiasm of a founder, who also uses it for self-expression. In order to grow out of these tight confines, NGOs need education, organization, long-term goals, and managerial skills.

Many mid-level Pakistani NGOs are characterized by the retention of boards of directors composed of the same people, often family members, year after year. Such NGOs require education on the merits of an open system of transparency and accountability that allows new blood in management so that the NGO does not become moribund.

Studies of Pakistani NGOs over the past decade have repeatedly pointed out the need for capacity building. NGOs request support for learning the skills of planning, management, documentation, accounting and financial management, negotiating, and technical skills in development sectors.

NGO Apex Bodies

NGO apex bodies are a relatively new phenomenon, although some NGOs are themselves consortia or networks of NGOs. Examples are:

- the All Pakistan Women's Association (APWA), which has many branches, each registered separately as a social welfare agency, and
- the Pakistan Voluntary Health and Nutrition Association (PAVHNA), a consortium of 30 NGOs throughout the country.

Other networks of NGOs have existed from time to time, but these have mainly been sectoral.

NGO apex bodies, defined as representative bodies of NGOs that modulate the conduct of NGOs and negotiate on behalf of NGOs, have become visible during the last few years. Their formation has been prompted by two processes:

- In the early 1990s, the United States Agency for International Development tried to form a single trust for NGOs into which all bilateral sources of aid could deposit their contributions, along with those of the Government. The trust would then control the grants to NGOs. Pakistani NGOs opposed this idea vigorously, and the founding of several NGO networks at that time was probably spurred by this development. The Trust for Voluntary Organizations (TVO) was in fact formed, but only as a depository for US and Pakistani funds. The Trust has undergone many changes and is an important source of funds to NGOs. From 1992 to 1995, TVO approved 59 projects and contributed about \$4.5 million.
- The Government attempted to tighten control on NGOs through the passage of a bill called the Voluntary Social Welfare Agencies Registration and Regulation (Amendment) Act in 1995. So many versions of this bill were prepared due to criticism raised by NGOs and funding agencies that the original was watered down substantially. But the fear of its passage led to the coming together of Pakistani NGOs into apex bodies. It remains to be seen whether these bodies can survive, now that the tightening of controls on NGOs is not an immediate issue.

Pakistani branches of foreign NGOs played a leading role in the opposition of the NGO bill and in the formation and activation of some of the apex bodies. Existing Pakistani apex bodies are national, regional, and sectoral in character.

National Apex Body

The Pakistan NGO Forum (PNF) was announced in 1986, but did not become active until 1995, as a result of the NGO bill. It is not itself registered and has been described as a "formal/informal" body. At present it is more a network than a truly representative body of NGOs. Each member pays 100 rupees (\$2.50) per year, and each of the four provincial bodies pays 10 percent of its membership fee to PNF. At present funds are neither solicited nor dispersed.

NGOs that meet certain conditions can become members. They must undertake an annual audit, hold democratic elections, not act in fraudulent ways, and not engage in maligning other NGOs. PNF's agenda includes:

- developing a common platform and voice for NGOs
- lobbying with Government and donors on issues and policies
- networking and sharing
- advocacy
- unity on the NGO bill

PNF has so far not drawn up a code of conduct for NGOs, but has played a role in the debate on the NGO bill.

Provincial Apex Bodies

The provincial apex bodies were even more informal and loosely formed. As possible Bank partners, these bodies have been evaluated more thoroughly in the last section.

Sectoral and Regional Apex Bodies and Networks

Sectoral and regional organizations see themselves more as networks than as apex bodies. Examples include the Network of Lyari NGOs (very active in low-income areas of Karachi) and the networks of community empowerment that have emerged out of long-term NGO training programs and are still struggling to define their goals and action plans.

GOVERNMENT POLICY TOWARD NGOs

The Government of Pakistan has long recognized the importance of NGOs, a fact that is reflected in its development plans, most recently the SAP, which is already in Phase II, and the Eighth Five-Year Plan.

The key interface between the Government and NGOs is registration. Registration provides the opportunity for NGOs to clarify their role and objectives and inform the Government of their activities. On the other hand, registration is sometimes viewed as an attempt by the Government to regulate and control NGOs.

The Law and Pakistani NGOs

There is no legal definition of the term "NGO" in Pakistani law. However, an NGO is normally considered to be an organization not affiliated with the Government that works for the welfare, benefit, and/or development of society or certain sections of society. It is usually constituted by a body of volunteers.

Each NGO can draw up its own constitution, articles, rules, and by-laws, provided these conform to the law of the land. If the NGO is registered under any act or ordinance it is expected to observe the provisions of that particular act or ordinance.

An NGO in Pakistan does not have to register itself to perform charitable, welfare, or developmental activities. However, some specific types of activities can only be carried out if the NGO is registered under a particular act or ordinance. An NGO may gain certain important advantages upon registration which it would otherwise not obtain.

Registered NGOs obtain legal status at the official level and among funding agencies and other organizations for a number of reasons—members are able to represent the organization, and the NGOs can open a bank account in the name of the organization, sign contracts in the name of the organization, and offer personal indemnity to its members against the liabilities of the organization. A registered NGO can also qualify for financial assistance from certain government agencies and local, national, and international funding agencies.

The trend of seeking registration as an NGO has much to do with current trends in the development sector. Increasingly, government and international funding agencies encourage NGOs to seek registration in order to avail of the financial assistance they offer. Many funding agencies also make technical assistance and consultancies conditional upon registration.

Pakistani Registration Laws

The history of the five different types of registration available to Pakistani NGOs goes back 140 years.

The oldest of the five laws is the Societies Act of 1860 in pre-Partition British India, dating back to the late 1800s and early 1900s and still surviving at the Societies Registration Office in Karachi. Organizations originally registered under this act were usually professional, scientific, and fine arts societies. Changes appeared during the middle decades of the 20th century, which showed an upsurge in religious, relief, and rehabilitation societies, reflecting the upheavals associated with the creation of the new State of Pakistan. At present, the act mainly regulates charitable, educational, and social organizations.

The Trust Act of 1882 provided legal cover for private acts of public charity and allowed the creators of trusts tremendous powers and flexibility. Today, the situation is much the same, although very few active NGOs are trusts. The full extent of registration under this act is difficult to determine because the trust deeds, unlike the files of the other four types of registration, are not open to public scrutiny. There is no known directory or listing of trusts available from the officials who register the deeds.

Some NGOs are also registered under the Charitable Endowments Act of 1890. These endowments are trusts for charitable purposes and the advancement of any object of public utility.

The Cooperative Act of 1925 reflected the egalitarian and participative spirit of the times, when workers movements expanded around the world. This cooperative movement was brought to the Indian subcontinent by British colonists. Although cooperatives are not strictly considered NGOs by many people, in Pakistan their functions and style are much the same as those of NGOs registered under other acts and ordinances. The Cooperatives Act and its accompanying procedures are very comprehensive, and publications from the offices of registrars seek to educate members not only about the law but about the international cooperative movement. A visible trend over the past three decades is the proportional growth in credit and housing societies, putting many cooperatives at par with commercial organizations. A scandal in the misuse of these laws resulted in the freezing of cooperatives in Punjab province in 1995.

During the years following Independence, societies, trusts, and cooperatives were formed by and for people migrating to Pakistan from post-Partition India, and many agencies were also built around religious and ethnic groups. A number of these agencies were led by women who worked tirelessly to rehabilitate and provide services to the refugees, and who laid the foundations of some of Pakistan's leading national NGOs.

The Voluntary Social Welfare Registration and Control Ordinance of 1961 was based on the concept of social welfare that recognized the poor and destitute of society who needed institutional, rather than merely charitable, support. A program of financial support to agencies that provided required services (as defined in the law) to those in society who headed them was then introduced as part of a larger program in which the Government also took part. As a result, there suddenly was a flood of new agencies hastily organizing themselves and queuing for registration. Many others previously registered under the Societies Act now sought this new form of registration.

A look at societies registration records after 1965 shows a drop in purely charitable agencies. These charities probably opted for the social welfare registration.

The Joint Stocks Companies Ordinance of 1984 contained clauses for nonprofit companies. The registration of nonprofit NGOs under this ordinance allowed an NGO to operate much like any other profitmaking company, except that it was limited by guarantee and not by share capital. Any profit that the NGO made could not be shared by the members and had to be used to advance the NGO's objectives.

Very few NGOs are registered under this law. Such NGOs tend to be professional organizations with objectives that can often be described as developmental. They are almost indistinguishable from commercial organizations in their style and operations.

Each of the laws dealing with NGO registration requires that NGOs operate as stipulated by the terms set out by the law under which they are registered. Except for the trusts (which operate under the terms and conditions laid down in the Trust Deed) all the other types NGOs are required to submit periodic audit reports (and in some cases annual activity reports), hold regular elections, and keep the registration authorities informed of their activities. There is, however, little actual contact between the registration authorities and the NGOs once registration has taken place. There are several reasons for this:

- Registration offices are short-staffed and do not have the skills or authority to monitor NGOs.
- Smaller NGOs look to registration offices as a source of support and constant attention, while the registration officers cannot fulfill this role.
- Many of the more vocal NGOs, who view the whole question of registration as an imposition on their independence, register because they have to, knowing that they will probably not be audited and can therefore do as they please.

It may be noted, however, that the leading successful NGOs in Pakistan are quite meticulous about meeting their legal obligations and it is usually NGOs engaged more in rhetoric rather than actual work that shy away from their obligations.

The failure of many Pakistani NGOs to meet their legal obligations and to be open about their sources and amount of funds has produced an environment of suspicion around NGOs. A result of this has been that the whole NGO sector is viewed as fraudulent by large sections of the public and many government officials. The high salaries, perks, and visibly ostentatious lifestyles of many employees and volunteers of international NGOs adds to the impression that all NGOs are fronts for earning money and evading taxes while claiming to be working for the people.

Few serious attempts have been made within the NGO sector to meet the challenge of recognizing the negative trends and stamping them out while building on the positive elements. Questions about overheads, perks, and remuneration are often met with rhetoric and defensiveness. None of the NGO apex bodies has as yet seriously taken up the issues of developing a code of conduct and operational ethics.

A recent development has been the Local Dialogue Group of the Pakistan Consortium, where funding agencies, the Pakistani Government, and Pakistani NGOs come together to tackle the issues of legal framework, government/NGO/funding agency collaboration, and codes of ethics for NGOs and funding agencies.

Government Policy Toward NGOs

Historically, the government has maintained a supportive policy framework for NGOs and provided them with financial and technical assistance. Active assistance has included helping NGOs develop viable organizational structures, as has been the case in the Social Welfare Department, whose officers are stationed right down to the district level, and who are available to assist NGOs.

Government and government-sponsored institutions that provide financial grants to NGOs include the following:

- National Social Welfare Councils
- Provincial Social Welfare Councils
- Zakat Councils
- Social Action Programme
- Trust for Voluntary Organizations
- National Trust for Population Welfare
- National Education Foundations
- Provincial Education Foundations
- National Health Foundations
- Provincial Health Foundations

Although there are problems and delays due to bureaucratic procedures, the commitment of the Government to NGOs is quite clear.

An NGO can also apply for funding to any government line department. If the project or activities match with the Annual Development Plan for that year, the NGO will receive support. There may be bureaucratic hitches and delays, but these reflect the way the whole system works in Pakistan, and are not an indication of mistreatment of NGOs. Many NGOs have received funding from the Government in this way.

Much of the alarm of Government about NGOs is recent and a direct result of the activities of the new breed of NGOs that appear less interested in delivering services or implementing development projects than in lobbying and advocacy. Many of these NGOs have sprung up overnight, and many appear to have huge funds and international support at their command, even though they lack a track record. They are often perceived as agents of outsiders with agendas that may be detrimental to Pakistan.

Current government concerns with NGOs have to do with funding sources, monitoring, accountability, transparency, and true intentions. But the recognition within the Government of the growing importance of NGOs as partners in development is also steeply rising. In a very positive way, the Government, through its provincial machinery and sometimes directly, channels bilateral and multilateral funds to NGOs for development work. In many cases it has channelled loan funds (on which it will have to pay interest) to NGOs as grants. It has also, in some cases, provided funds from the Government's budget to NGOs and to projects that support NGO and CBO development.

The interest of the Government in NGO and CBO development is prompted at least partially by the realization that the Government cannot go on bearing the substantial costs of operations and maintenance of infrastructure schemes, and that the beneficiary communities must make a contribution.

GOVERNMENT/NGO RELATIONS

Pakistan is relatively advanced in terms of relations between the Government and NGOs, at least in terms of the Government's willingness to extend cooperation to NGOs. The experience of NGOs in recent years suggests that at the level of policy planning, government servants already recognize the need for working with NGOs and some expound the value and successes of NGOs openly and regularly. At the grass-roots level, government staff connected with the communities in which they work enjoy collaboration with NGOs and CBOs.

Government/NGO Relations

A major barrier to improved government/NGO relations is the reluctance and resistance of middle management in the bureaucracy to learn new concepts, new development paradigms, and innovative ways of working. They often view NGOs as nuisances. The fact that government officers responsible for dealing with NGOs are not trained to work with them adds to the problem. Even if a government officer wants to work with an NGO, rules and regulations do not tell the officer how to do this. There is little time and budget for exposure visits, and frequent transfers mean that the good work of a key official with an NGO is lost easily.

In terms of the attitudes of NGOs towards the Government, there are four distinct trends.

- Many small NGOs are looking for guidance, grants, and mentorship. They want the Government to lead them. They frequently request the social welfare registration offices for help in organizing themselves and seek support from such government agencies as the National Social Welfare Council and the Zakat Fund. They want to be meticulous about legal requirements and are often found chasing skilled and experienced people to help get their affairs in order.
- The majority of well-established NGOs look to the Government as partners and facilitators for joint ventures. They have good relations with both Government and funding agencies, and, despite being critics of the Government on some issues, recognize their own limitations as well. Their legal affairs tend to be in order and they are also more likely to be transparent. Their funding sources are often diverse, and they receive funds from the citizenry and business and philanthropic institutions.

- A majority of the "new breed" of NGOs are obsessed with proving the inefficiency and corruption of the Government, and with presenting themselves as the panacea for all development problems. They want to replace—rather than work with—the Government. Their demand for independence is often an euphemism for a rejection of regulation and coordination. Their links are more likely to be with the international funding agencies than with their own Government. In these NGOs, governance is frequently a major concern.
- The fourth type of attitude belongs to NGOs set up as overnight operations to absorb funding and which subsequently disappear. These NGOs do not care about their relationship with the Government. A good example is one of the large number of NGOs that came into being to receive funding from the People's Works Programme and that later disappeared. Another example is one of the many NGOs that died in the wake of the withdrawal of funds from the United States.

The latter two attitudes have given the whole NGO sector a negative image and proved to be a real obstacle in developing a healthy long-term relationship with the Government.

In this environment, caution is needed to ensure that funding and support reaches the right NGOs. If the Government is to channel money through NGOs, stringent control, clearance, checking, and monitoring are required. Funding agencies are not ready to provide loans to NGOs, because NGOs cannot provide guarantees for debt-servicing. Pakistani NGOs need to understand that if the Government is to support their activities through these loans, it is entitled to ask certain questions and demand strict accountability.

Funding agencies agree that the existing capacities of NGOs to implement projects is limited. Grant assistance is needed for institutional support of NGOs. While the Government has provided limited support for NGO institutional development through grants out of loan funds, more resources are needed and international funding agencies should increase their support for capacity building for NGOs.

Relations Among NGOs

There are many coordination bodies of NGOs. Usually they form sectoral networks and come together for conferences and seminars. They are quite different from the international NGO apex bodies, which meet on specific issues like the NGO bill and the TVO formation.

Examples of these networks include the Coordinating Council of 40 Women Volunteer Organizations in Karachi spearheaded by APWA and women's networks in NWFP and

Balochistan supported by the Embassy of the Netherlands. Coordination Councils for Child Welfare, several provincial networks, and networks developed out of institutional development programs.

However, Pakistani NGOs have a history of in-fighting and opposition to each other on forums where they could be united. This is one reason they fail to present a strong and united position when dealing with the Government and funding agencies.

It is important that the apex bodies of NGOs and their networks represent all types of NGOs if they are to negotiate effectively with the Government. Opposition to the Government should not be the rationale of such bodies.

NGOs must also drop the idea that they are superior to the Government and understand that they have neither the national structure, the resources, nor the ability to guarantee long-term sustainability as serious challengers to the Government in the development sector. In their present state of development, NGOs have far more to achieve by becoming collaborators of the Government in the service of the people.

This is a crucial area of conscientization where the Bank could usefully invest resources. Effective cooperation between NGOs and the Government is required for efficient use of resources, with the Government guaranteeing loans, and NGOs and CBOs working in partnership to deliver development assistance.

Relations Among Government Departments

Just as there are problems in the relations among NGOs, so are there problems among the various government departments, in particular the registration agencies. A comprehensive 1992 study showed that the registration authorities were largely ignorant of each other, did not have sufficient knowledge of the others' procedures, often misled NGOs who came to them, and had little or no contact with other government departments. To date the situation remains much the same. Registration officials are rarely invited for discussions where their presence would be of value.

At present there is no mechanism or agency within the Government to ensure coordination among the five registration agencies. This has resulted in different standards and approaches. However, the Government's attempt to resolve this issue by bringing all NGOs under the direct control of the Ministry of Social Welfare is inappropriate because NGOs are involved in a wide range of activities beyond the mandate and scope of any one ministry.

The Government also must develop its knowledge about and modes of cooperation with NGOs and come to NGOs on a single platform. This would facilitate effective consultation and negotiation.

Mechanisms for Dialogue and Cooperation

The cross-currents of part cooperation, part misunderstanding and part adversity, lead at best to an uneasy relationship between the Government and NGOs. At a time of accelerated interaction and partnership between the Government and NGOs, the Government/NGO (GO/NGO) relationship in Pakistan currently is at a low ebb. A fresh perspective is needed in the debate and new mechanisms that match the current priorities in development work.

This is an area where the Bank can assist substantively. Support for this dialogue at the provincial level with the new participants will help break the deadlock and focus attention on key issues:

- how to improve the existing legislation covering NGOs
- how to improve transparency and accountability of NGOs
- how best to cooperate in the provinces, where the disbursements and actual development work takes place
- how to develop real networks and mechanisms of cooperation between provincial departments, provincial registration agencies, and NGOs

NGO/FUNDING AGENCY RELATIONS

When the term "donor" is used in Pakistan, it usually means a foreign bilateral or multilateral funding agency. It does not usually refer to Pakistani philanthropic organizations, corporate donors, or individual citizens.

Funding agencies in Pakistan typically have provided funds for economic and public sector development, particularly for large-scale infrastructure development. Because of the Government's budgetary priorities, little is available for social development. In the absence of internal resources, bilateral and multilateral funding agencies have become the backbone of social development and support to NGOs.

Interestingly, part of the Government's support program for NGOs has been made possible through the pressure of such agencies, particularly the NGO involvement in the ADB/World Bank-funded SAP.

Major Funding Agencies

The World Bank and the ADB currently provide assistance in a range of sectors, including education, health, population programs, water supply, sanitation, drainage and irrigation, and infrastructure. Both have contributed to the SAP. The World Bank, through the Management Support Unit, supports NGOs in its Participatory Development Programme. NGOs have also been involved in some ADB-funded projects.

The multilateral agencies, including various United Nations agencies, have substantive programs in Pakistan. Their focus has been on education, health, water, nutrition, safe motherhood, reproductive health, children's health education, and other issues. They have also provided support to many NGOs for advocacy and networking around their concerns and programs.

Of the bilateral sources of aid, Canada, Germany, Japan, and the United Kingdom are noteworthy in their contributions to the social sectors. They also work closely with NGOs. For example, CIDA has been funding the Aga Khan Rural Development Program extensively for several years, as well as other NGOs. CIDA also contributes to SAP.

Several embassy-based programs of support to NGOs also exist, notably those of Australia, the Netherlands, Norway, Sweden, and Switzerland.

There are also several international NGOs active in Pakistan. These include Oxfam, Save the Children Fund, Asia Foundation, British Council, Action Aid, Christian Social Services, and Aga Khan Foundation. Sometimes they run their own projects, but all have NGO support programs, mostly for CBOs.

Funding Agency-Initiated NGOs

There has been a significant increase in recent years of NGOs formed at the behest of, and supported by, funding agencies. NGOs financed in this way offer good salaries and benefits. Well-educated and articulate people are attracted to these organizations, both as directors and program managers. These NGOs have taken the leadership of attempts supported by funding agencies at NGO network building and have become spokespersons of NGO apex bodies.

The objectives and programs of these NGOs reflect concerns of the funding agencies and the focus changes frequently according to dynamic concerns of international development. When circumstances change, these NGOs are often abandoned by their sponsors, who then set up another program and a new set of NGOs.

This phenomenon, which has less to do with programs and implementation than with attitudes and current trends, is a major factor in the sometimes strained relations between the Government and the NGOs, and the questions raised about NGOs by the public.

NGO Participation in Projects Funded by External Aid Sources

Pakistan NGOs participate widely in projects, both directly and indirectly. This participation, however, is usually at the stage of implementation. Since NGOs' methods are quite different from those of the Government and since NGOs do not participate in the project planning stage, there often are problems. A good example is the Bank-supported Barani Area Development Project, which underlines the importance of training and orientation for government departments that are to work with NGOs but have no previous experience in doing so.

Two outstanding examples of projects that included collaboration with the Government and support from funding agencies are the Orangi Pilot Project and AKRSP. At opposite ends of the country and in completely different environments, both succeeded largely due to planned collaboration with the Government and linkages with the private sector.

The most successful projects are those built on a solid base of government/NGO people collaboration, sometimes with funding agency support and sometimes with funds raised from Pakistani philanthropists. This is a lesson that both the NGO community

and the Government must learn. They may be able to do without contributions from foreign institutions, but they cannot do without each other. Once this lesson is learned, funding agencies will see their inputs utilized more effectively. It is therefore very much in their interest to promote a relationship of mutual reliance and support between the Government and the NGOs. This is without question the surest way to ensure that their investments are safe and that their intervention has been meaningful.

POTENTIAL FOR INCREASED NGO/BANK COOPERATION

Discussions with the Bank's Resident Mission in Pakistan revealed that dialogue with NGOs is limited. This is largely due to the understanding of Bank procedures within the NGOs. Staff members at the Resident Mission suggested that NGO participation should be encouraged in all the following stages of the Bank's project cycle:

- program mission
- project identification
- project preparatory technical assistance
- fact-finding mission
- loan agreement
- appraisal mission

Each Bank project is managed from the Manila headquarters for the first year of its operation. In the second year, management is frequently transferred to the Resident Mission. By the time the management of a project rests with the Resident Mission, however, it is too late to change the structure of the project to include NGO participation. NGO involvement must begin at an earlier stage in the project cycle.

At present the decision to involve NGOs in loan projects is made by the Government based on the project design and recommendations agreed by the Bank. The project preparatory technical assistance team can design a project for part or full implementation by NGOs. If this design is agreed upon by the Bank, it is up to the Government to accept the design and sign the loan agreement. If a project involves NGOs, the NGOs are selected by the Government, usually on the basis of criteria mutually agreed by the Government and the Bank. The NGO selection can also involve competitive bidding.

Increased cooperation between the Bank and NGOs is hampered by limited knowledge and understanding. The Resident Mission was very supportive of the Local Dialogue Group process and supported the inclusion of NGOs in the dialogue. Regular opportunities for dialogue between the Government, the Resident Mission, and NGOs are needed. This is an area where the Bank can help the Government, particularly through the provision of assistance in developing and managing a broad-based and comprehensive relationship with NGOs.

Interest of NGOs in Collaborating with the Bank

Many NGOs have indicated interest in working with the Bank. However, given the multitude of coordination structures, networks, and apex bodies, this interest needs to be considered in terms of the mechanisms available for GO/NGO/Bank cooperation.

Possible Channels for Collaboration

The possible channels for collaboration are divided into four categories:

- autonomous and semiautonomous government-funded organizations (including government departments)
- international agencies and programs
- NGOs
- NGO apex bodies

Target NGOs for Bank Support

It is recommended that these NGOs lend themselves to partnership with the Bank because of their proven capacity to reach out to NGOs and CBOs for the provision and monitoring of grants and/or institutional and capacity-building support:

- Trust for Voluntary Organizations
- Sindh Education Foundation
- Provincial Development Programme
- All Pakistan Women's Association
- Family Planning Association of Pakistan
- NGO Resource Centre
- Pakistan Voluntary Health and Nutrition Association
- National Rural Support Programme
- Strengthening Participatory Organization

These NGOs all have an active involvement with a network of local NGOs/CBOs and are judged to have the necessary capacity to work in partnership with the Bank and the Government. These organizations could assist in convening meetings of local NGOs to provide advice to Bank missions. They have the capacity to be involved in project design and development missions. They can also identify local NGOs capable of being involved in project implementation and provide training to local NGOs and monitor their activities.