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Abbreviations

ADB	- Asian Development Bank (or “the Bank”)
AKRDP	- Aga Khan Rural Development Program
CBO	- community-based organization
CCSS	- Central Council of Social Services
CIDA	- Canadian International Development Agency
CWSSP	- Community Water Supply and Sanitation Project
EIA	- Environmental impact assessment
GEF	- Global Environment Facility
GM	- gramodaya mandala
GO	- government
IRDP	- integrated rural development program
JTF	- Janasaviya Trust Fund
MOU	- memorandum of understanding
NDTF	- National Development Trust Fund
NGO	- nongovernment organization
NNAF	- NGO National Action Front
PO	- people’s organizations
PP21	- People’s Plan for the 21 st Century
SANASA	- Sakarusuruwam ha Naya Ganudenu Pilibanda Samupakara Samithiya
SLCDF	- Sri Lanka-Canada Development Fund
UNDP	- United Nations Development Programme
USAID	- United Nations Agency for International Development

ADB

A Study of NGOs

Sri Lanka

1999

INTRODUCTION

Origin and Growth

Social service in Sri Lanka originated in ancient times, from the Buddhist doctrine of compassion and equality irrespective of caste, class, or creed. The idea of devoting one's time, energy, and resources to the service of others derived from the notion of loving kindness or *maithri*. Such acts were performed with the objective of accumulating merit, not wealth and power. Thus the idea of *maithri* and the attendant concept of *dana*, or donation, is at the core of the doctrine of social service in the Buddhist tradition. These cultural and religious practices also placed great value on the idea of community.

Traditionally, social ethos were represented by the tank (village water reservoir) and the temple, the former representing the economic sphere and the latter the spiritual. The corresponding social institutions were the *wew sabhas* (organizations of farmers benefiting from tanks) and the *dayaka sabhas* (associations of laypersons involved in temple activities). These were not welfare organizations, but were geared toward the upliftment of the community through collective efforts and can be considered early and highly successful forms of community-based organizations (CBOs). *Shramadana*, or the giving of one's labor freely to the collective enterprise, is embedded in these values. The *maranaadara samithiya*, or death donation society, an enduring rural social organization in Sri Lanka, is perhaps the best example of these principles in an institutional form.

These activities were centered around the temple and school, and the monks, schoolteachers, and village-level philanthropists typically took the lead. They were founded on the notion of self-help and were not donor-dependent. There was a wide range of activities at the village level, including the construction of roads and rehabilitation of tanks.

The *wew sabhas* also were founded on the basis of collective self-help and were the main institutions involved in the planning of agricultural activities, including the management of irrigation. Although title to land was nominally held by the crown, the majority of villages (especially those not under major irrigation schemes) received little state patronage in the organization of their affairs. The *wew sabha* was the principal social institution in the economic life of the villages, making decisions regarding water management, cultivation, seasonal crop plans, watershed management, and maintenance of irrigation systems.

A series of ceremonies such as the *vap magula* (plowing ceremony at the beginning of the season), *ran karal uthsavaya* (ceremony associated with the first reaping), and *aluth sahal mangalyaya* (festival of the new rice) were also conducted at the village level by these organizations. The *wew sabhas* are the historical roots of collective action, participatory decision making, and sustainable development in Sri Lanka. They were in no sense welfare societies since they were developmental in both approach and practice.

The third type of organization, whose activities did not principally derive from government regulation and decree, is the *gam sabha*. This institution points to the tradition of democratic decision making at the village level that was practiced in this country prior to the arrival of the Europeans. The system of social organization in which these institutions had played key roles disintegrated during the colonial era as a result of ordinances such as of the Waste Lands Ordinance, whereby all lands previously nominally held by the State were seized by the British in order to expand plantation agriculture. However, these institutions still survive in rural settings although the form and content of their activities have changed to greater or lesser degrees.

Before the term "nongovernment organizations" or "NGOs" entered the lexicon of development, most organizations that provided services were called voluntary service organizations. Their functions mostly took the form of charities, and during the colonial period most of them were tied to religion.

There were exceptions:

- The Lanka Mahila Samithi (Women's Society), founded in 1930, has been successful in developing a network of island-wide village organizations on its own, without the sponsorship of government agencies.
- The All Ceylon Peasants Congress, established in the early 1940s, was active in the rural sector, taking the lead in many struggles and agitations on behalf of the peasantry.
- The Cooperative Credit Society was founded in 1906, a date that stands as a landmark in the history of agencies outside the state apparatus because that was the year moves were initiated toward the improvement of the opportunities for the rural poor.
- The Temperance Movement, an organization with a long history and a significant bearing on the struggle for independence, was founded in 1912.

Religious organizations are NGOs with a long history of social involvement. The Baptist Mission was established in 1802, followed by a number of other religious organizations:

- Wesleyan Missionary Society (1814)
- Church Missionary Society (1818)

- Buddhist Theosophical Society (1880)
- Young Men's Christian Associations (1882)
- Young Women's Christian Associations (1882)
- Salvation Army (1883)
- Muslim Education Society (1890)
- Mahabodhi Society (1891)
- Young Men's Buddhist Association (1897)
- Vivekananda Society (1902)
- Ramakrishna Mission (1929)

The growth of the NGO sector can be traced to the changing political landscape in the country beginning with the *hartal* (civil disturbance). The unprecedented electoral victory of the Mahajana Eksath Peramuna in 1956 created heightened expectations among the rural population whose support was critical during the election campaign. The state-led policies, although addressing some of the grievances of social segments left out of the development process, especially in the spheres of education and health, nevertheless fell short of the aspirations of these people. It was in this climate that the search for alternative strategies began in earnest, with SARVODAYA, formed in 1958, leading the way.

A series of "special years"—International Women's Year, International Year of the Child, International Year for Housing and Shelter, the Water Decade—all gave further impetus to the growth of NGOs and increased their focus on disadvantaged groups.

Further encouragement for the growth of NGOs at the village level came with the Parliamentary Act of 1981, whereby *gramodaya mandalas* (GMs) were established to improve village level organizations. Thirty-six types of organizations, all formal, voluntary, nonpolitical, and village level, were recognized by the Government for membership in the GMs. A negative outcome of this legislation, however, was that aspiring local politicians formed organizations simply to capture power in the GM.

Another contributing factor was the deterioration of the human rights situation in the country, prompted by ethnic strife and the zealous reaction by the State to combat the rising tide of social protest over harsh economic conditions. Violations of human rights, denial of democratic freedoms, and the disintegration of civil society saw the country slipping into anarchy throughout the latter part of the 1980s. During this time there was a sharp growth of NGOs concerned with human rights and advocacy issues. In 1991, a *Directory of Development NGOs* was published by an international NGO called IRED. The directory lists 14 NGOs concerned with human rights issues, 13 with "peace and harmony," 26 with "relief and rehabilitation," and 41 with "awareness creation and conscientization." Other NGOs were listed in the categories of information/communication/media and workers' rights.

During this period of increased violation of human rights, recipients and funding agencies lost faith in the State's ability to deliver services to the people and instead looked to the NGOs as the best available vehicles for obtaining services.

Information extracted from the IRED *Directory of Development NGOs* shows their growth during this century.

Before 1900	3
1901–1920	5
1921–1930	6
1931–1950	13
1951–1960	21
1961–1970	18
1971–1977	43
1978–1983	62
1984–1990	109

The notion of a "developmental" NGO is relatively recent and reflects a shift of focus from charity to the provision of knowledge and other resources to the targeted group or community. The basic idea is to remove the need for charity. A development NGO therefore is strongly committed to the idea that a system of handouts to the poor by those in control of resources cannot effect a lasting transformation in their quality of life. It identifies its own role as that of a facilitator of the process by which the poor and the disadvantaged can improve their quality of life. Most developmental NGOs, to a greater or lesser degree, subscribe to the notion that people are the masters of their own destiny and that they alone can transform their natural and social environment through their own efforts.

The Significance of NGOs

There is no reliable record of the total number of NGOs currently operating in Sri Lanka because, quite apart from definitional problems, relevant records are dispersed among national, provincial, and divisional authorities. The Social Service Department, the principal state institution responsible for the registration and supervision of this sector until these functions were devolved to the Provincial Councils around 1990, reports a total of 2,192 organizations registered with them under the Voluntary Social Service Organizations Act of 1980. A more recent estimate from the Social Services Department suggests 50,000, although another 1960 estimate suggests 60,000. Using stricter criteria, a 1991 estimate cites 25,000 functioning NGOs. According to an NGO Donor Forum chaired by the United Nations Development Programme (UNDP), more than \$25 million is transferred annually to Sri Lankan NGOs.

In terms of geographical coverage, more than two-thirds of the NGOs responding to a questionnaire described themselves as being "national." Given the multiple interests of both NGOs and external funding agencies, it is understandable that NGOs embrace more than one area of activity. Thus, although 23 NGOs describe themselves as being interested in development, others that classify themselves under the categories of welfare/relief, gender, advocacy, and environment, also engage in activities that are clearly developmental in character.

SARVODAYA, one of the earliest development NGOs in the country, is the largest both geographically and sectorally, with a network of organizations in 11,400 villages, organized around 35 regional centers in 34 district centers.

A significant growth in CBOs was stimulated by the World Bank-funded Janasaviya Trust Fund (JTF), and its successor, the National Development Trust Fund (NDTF). JTF was established by the Government in 1991. Under these programs, NGOs were contracted as partner organizations whose task was to promote the formation of CBOs. The IRED directory counted 293 respondent organizations to their appeal for information.

Beginning in the early 1990s, the Government also began a process of handing over the vast irrigation network to the farmers themselves for operation and maintenance. Farmer organizations were seen as the vehicles through which this policy could be implemented. The sudden proliferation of farmer organizations in the country was also seen increasingly in other areas, such as, water supply where user groups were perceived by the Government as a means of increasing participation and reducing operation and maintenance costs. Apart from the resultant increase in CBOs, this policy also involved development NGOs as agents contracted by the Government to help establish the new groups.

The significance of the NGO contribution to Sri Lanka's development has varied according to the Government's policy toward NGOs. When the relationship has been positive, the Government has readily involved NGOs in development activities. However, the sheer number of NGOs actually registered, along with their recognition by the State as important partners in development initiatives, indicate that the NGO sector has developed into a significant force in recent times.

Sectoral Focus of NGOs

The evolution of traditional village self-help organizations into modern NGOs has been described earlier. This process entailed an implicit move toward role expansion and a tendency toward the proliferation of advocacy and awareness-building activities. The concerns regarding issues such as deforestation, loss of topsoil, global warming, and the thinning of the ozone layer, gave impetus to the growth of environmental NGOs, while feminism generated growth among NGOs concerned about women's issues. With

JTF/NDTF emphasizing credit and nutrition, a number of organizations also became active in these areas. This is in addition to Sakasuruwam ha Naya Ganudenu Pilibanda Samupakara Samithiya (SANASA), the Thrift and Credit Cooperative Society, whose primary orientation has always been credit.

By definition, development NGOs are more concerned with the approach and process of development than the specific sector in which it is undertaken. Development NGOs accordingly operate over a wide range of concerns, among which are agriculture, irrigation, health and nutrition, education, rural development, gender issues, children, small enterprise development, savings and credit, housing, self-employment, urban poverty, fisheries, and science and technology. The fields of activity include training, management, institution building, networking, provision of support services, research, documentation, awareness building, human rights issues, development of information, and communication.

As has been observed for NGOs in general, there is a growing tendency for local NGOs to react to market signals. Thus, within certain undefined limits, the activities of a significant section of the NGO community tend to be supply-driven, in response to the availability of resources of external funding agencies.

Capacity of NGOs

The capacity of any organization is a function of its financial strength, expertise, and experience, including its geographical and sectoral coverage, and its track record. The major problems faced by the NGO sector are the lack of funds, and inadequate human resources, especially technical personnel. As well, NGOs have limited capacity to manage funds and monitor projects, and there is danger of "drowning" local NGOs with too much money. Dependency on funding agencies has been cited as one of the major drawbacks affecting the development of NGOs in Sri Lanka, and only a few organizations have addressed the question of institutional sustainability.

On the positive side, NGOs have demonstrated a fair degree of competence when engaged in community development. The more successful NGOs have a good track record in identifying beneficiaries and raising awareness. The capacity of NGOs in nurturing increased community participation at the grass-roots level and empowering the poor at the village level is widely recognized, especially among aid agencies. This is a major role for Sri Lankan NGOs because the Government tends to focus on assisting village development paternalistically and does not encourage participation of beneficiaries. Another comparative advantage enjoyed by the NGO sector is its flexibility, which means that NGOs are better equipped for a more decentralized delivery system, though coordination issues must be addressed. Finally, the role of NGOs in promoting sustainable practices, strengthening civil society, and promoting trust and harmony between communities has been widely accepted.

The Government's experience in implementing nationwide village development programs such as JTF/NDTF and the Samurdhi program has led the Government to be critical of NGOs for their lack of national coverage. Only SARVODAYA and SANASA have developed a coordinated nationwide network. The lack of any effective national coordination mechanism for the NGOs further compounds the problem. However, the strength of NGOs lies in their ability to facilitate local participation rather than to coordinate national programs. In implementing NDTF, the Government relies on NGOs, although in the Samurdhi program the Government is training local youth and establishing its own CBOs. Recognizing the specific contribution of NGOs and providing capacity building for strengthening NGOs in their areas of weakness could assist in enhancing their contribution to development.

The recent trend in developing issue-related NGO consortia can also be seen as a positive step in strengthening the capacities of NGOs. The emergence of various consortia implies an organized NGO sector, better positioned to negotiate with funding agencies and government agencies. It also suggests that the possibility exists for resolving issues such as duplication and coordination of activities—in other words, for the development of a more efficient system of operation.

A survey of selected NGOs revealed that the boards of management of the vast majority of the responding NGOs were elected (31 of 37). There were five whose boards of management were self-appointed, while one had an advisory board. However, a significant number of NGOs in the country are run by one or two persons, the so-called "suitcase" NGOs. Thirty-five of 37 respondents mentioned that audit reports were regularly published, which shows a high degree of accountability for NGOs.

Local NGOs in Sri Lanka need assistance for capacity building and institutional strengthening, and several funding agencies have begun to provide such assistance. The Canadian International Development Agency (CIDA), through its Sri Lanka Canada Development Fund, has provided funds to establish the National NGO Management Development Centre. This independent center, with technical and financial assistance from Canada, runs regular training programs for NGOs and has trained more than 20 trainers. In 1996, the Centre ran 36 training programs and developed seven training modules. The Norwegian Government has provided funding to the Centre for a training program to train plantation workers and to provide training for NGOs working in Batticalore district. Further assistance is needed for capacity building for local NGOs.

NGO Coordination and Networking

National Coordination

The first organization working at the national level is the Central Council of Social Services (CCSS), which was founded in 1946 and which currently has 312 affiliated

members. The National NGO Council also serves as an umbrella organization for NGOs and currently has 104 NGO affiliates. The Council was constituted subsequent to the World Conference on Agrarian Reform and Rural Development in 1979, which offered the first opportunity for development NGOs to come together. The National NGO Council was also involved in the formation of the Asian NGO Coalition. The NGO Council supports its members by negotiating with the Central Bank and the state banks for credit access for its members, provides support to obtain funding assistance, provides training, and maintains a directory of partner NGOs.

SANASA, a thrift and credit cooperative movement formed in 1978, has grown into a nationwide network of village-level societies variously organized in:

- cluster societies—consisting of 7-10 primary societies
- regional societies—consisting of primary societies within divisional secretariats (areas of jurisdiction)
- district unions—which come together to form the Federation of Thrift and Credit Co-operative Societies

SANASA has more than 700,000 members grouped into 8,000 primary societies.

The World Bank-funded NDTF works with some 300 local NGOs and meets several times a year to discuss development and program administration issues. The Forum provides the World Bank with an opportunity for regular dialogue with a representative group of NGOs.

The Sri Lanka-Canada Development Fund (SLCDF) has also initiated a process to build NGO networks at the district level and has met with reasonable success. The Hill Country Federation of Community Organisations was the first such consortium, founded in 1991 in Nuwara Eliya District. There now are district consortia in 17 districts. In 1995, SLCDF assisted the consortia in formulating the NGO National Action Front (NNAF) and promoted the code of ethics for NGOs through affiliated consortia at the national apex. Three representatives from each district consortium constitute the apex body. Over 150 NGOs are registered with NNAF, which is itself registered as a separate NGO with the Department of Social Services. Its main activities are:

- lobbying regarding policy
- functioning as a funding mechanism

In 1996, when the NDTF moved to terminate partnership with certain NGOs, the NNAF engaged in much lobbying and initiated dialogue in an attempt to improve relations between the Government and NGOs. Similarly, when the establishment of a National NGO Secretariat was being considered, the NNAF lobbied to have at least

50 percent NGO representation in the proposed institution. When the National NGO Council failed to take up these issues, many NGOs lost confidence in the council and transferred their trust to NNAF. Recently NNAF organized lectures about the controversial devolution of power to the regions. NDTF also maintains a listing of partner organizations, including NGOs and CBOs involved in various projects.

Recognizing the importance of coordination in order to prevent duplication and to improve efficiency, an NGO Secretariat under the Ministry of Health, Highways and Social Services was established on 1 January 1997, following a cabinet decision. The relevant legislation is in the process of formulation.

The operations of the NGO Secretariat are as follows:

- function as a focal point and clearinghouse for NGO programs
- function as a referral point for NGOs that want to engage in a particular field of activity for those individual agencies with particular expertise and resources
- provide a convenient central base for funding agencies to communicate
- function as an information center about NGO activity in Sri Lanka
- monitor NGO activity
- function as a resource base for NGOs and as an activity coordinator

Given the potential for misunderstanding or even antagonism between the Government and NGOs, the business of networking, when initiated by the Government, almost always invites suspicion from NGOs. In any event it can be clearly said that there is little effective networking or coordination of NGOs at the national level.

Sectoral Networks

In certain sectors, there appears to be a greater level of coordination among NGOs than in others. For example, NGOs involved in human rights and other advocacy areas tend to have a greater degree of cooperation compared with NGOs involved in other sectors. This is less the case with environmental NGOs, where there have been various issue-based coalitions in the past. The Environmental Congress was the first such gathering of NGOs, and recently another coalition, led by the Environmental Foundation Ltd., emerged. This coalition's rationale is to challenge the legal validity of certain presidential regulations alleged to have bypassed environmental laws for regulating harmful power generation plants.

There have also been some effective networks established on a geographical basis. As a result of efforts initiated by Satyodaya, a Kandy-based NGO, the Coordinating Secretariat for the Plantation Areas (CSPA) was formed in 1974. CSPA

is a consortium of 16 NGOs concerned with the promotion of ethnic harmony and cooperation among plantation workers. Most of these NGOs are Christian-funded organizations.

The NGO Water Supply and Sanitation Decade Service is another sectoral consortium. It was established in 1983 under the auspices of UNDP, as part of the International Drinking Water and Sanitation Decade, to promote NGO participation to achieve the goals of the UN Water Supply Decade in Sri Lanka. The organization has been registered with the Department of Social Services and has a membership of 32 affiliated partner organizations.

The objectives of this consortium are:

- to develop linkages and understanding among NGOs
- to strengthen the capacities of member NGOs to formulate and implement programs and projects in water supply and sanitation in particular, and community development in general
- to assist NGOs to develop themselves as a channel of communication between the Government and the community

The Water Decade Service is also active in the World Bank-funded project in which 103 partner organizations are registered with the Community Water Supply and Sanitation Project (CWSSP), of which 77 are NGOs. CWSSP is being implemented in Badulla, Matara, and Ratnapura districts.

In addition, an important consortium known as the People's Plan for the 21st Century (PP21) has recently come into prominence. This is a Sri Lankan affiliate of a large international network concerned with certain conceptual problems of development. PP21 was very active prior to the Food Summit in Rome and devoted energy to delineating the various aspects of the issue of food security.

Other sectoral networks include the NGO Credit Forum, which brings together the NGOs active in small village credit schemes every two months, and the Forum of Humanitarian Organizations, which brings together international and local NGOs as well as funding agencies to share information and coordinate assistance to the war-affected regions of the North and East. The Humanitarian Forum is coordinated by CARE International, Oxfam, and Save the Children Fund, UK.

GOVERNMENT POLICY TOWARD NGOS

Legal Framework

There have been various initiatives to prepare comprehensive legislation addressing NGOs, which indicates a desire on the part of the State to regularize links with the NGO sector. However, the moves for legislation have not always been constructive in character. More recently, the Government has made a concerted effort to develop a constructive policy framework, but this initiative remains in an embryonic stage.

Government/NGO (GO/NGO) relations in Sri Lanka are characterized by two interrelated processes:

- formulation of legislation
- establishment of appropriate institutions

The first of these two processes is discussed below while the second is dealt with in the next section, where the structures available for government/NGO dialogue and cooperation are considered.

There are four legislative enactments relevant to NGOs:

- Societies Ordinance of 1891
- Companies Act of 1938
- Cooperative Societies Act of 1992
- Voluntary Social Service Organizations Act of 1980

The Societies Ordinance of 1891 was the earliest legislative attempt to establish formal links between the State and the nongovernment sector. The purpose of this ordinance was to make provision for the registration of mutual, provident, and other societies. Societies may register under this ordinance with the Registrar of Companies:

. . . established with the object of promoting thrift, of giving relief to members in times of sickness or distress, of aiding them when in pecuniary difficulties, and for making provision for their widows and orphans . . . [as well as societies] which the Minister may, by notification in the gazette, authorize as a purpose to which the powers and facilities of this Ordinance ought to be extended . . .

The Cooperative Societies Act of 1992 complemented the Societies Ordinance and was enacted to:

... consolidate and amend the law relating to the Constitution and control of cooperative societies and to provide for matters connected therewith and incidental thereto.

The following types of societies can be registered under this law with the Registrar of Cooperative Societies:

- those promoting the economic, social, or cultural interests of their members in accordance with cooperative principles
- those facilitating the operations of a society of the type mentioned above
- those consisting of registered societies established to provide education and training, advisory services, and other services for the promotion of the cooperative movement
- those consisting of registered societies established to plan, coordinate, and facilitate the activities of cooperative societies engaged in marketing, industry, agriculture, fisheries, or in any other activity approved by the Registrar

With the proliferation of NGOs in the 1970s, and the emergence of the NGO as an important player in development, it was felt that legislation should be introduced to provide for the their registration, and to facilitate the coordination of their activities as well as their inspection and supervision. The result was the Voluntary Social Service Organizations (Registration and Supervision) Act No. 31 of 1980. Under this Act, organizations may register with the Department of Social Services, provided they are:

- formed by a group of persons on a voluntary basis
- are nongovernmental in nature and dependent on public contributions, charities, grants payable by the Government or donations, local or foreign, in carrying out their functions

The Companies Ordinance of 1938 also made provision for the registration of organizations operating on a nonprofit basis. Only a small number of NGOs have opted to register in this way.

Certain NGOs are also registered in specific subject ministries. For example, environmental NGOs and women's organizations are registered with the Ministry of Transport, Environment and Women's Affairs. This facility does little more than confer a degree of recognition on the particular organization. In addition, international NGOs are

required to sign a memorandum of understanding (MOU) with the Ministry of Planning. Such organizations also come under the purview of the Defense Ministry and the Foreign Ministry, to which all transactions and operations have to be reported for perusal and, where necessary, approval. An additional, rarely used, method of conferring recognition by the Government on individual NGOs is through an Act of Parliament, as in the case of SARVODAYA.

Until the implementation of the 13th Amendment to the Constitution, many functions of the Center were devolved to the respective provincial councils, including that of the Social Services Department, the principal state agency responsible for dealing with NGOs. It was with the Social Services Department that all voluntary service organizations registered under the provision of the Voluntary Social Service Organizations Act of 1980. In turn, the Social Services Department offered the facility of approving visa applications of volunteers from overseas, disbursing relief aid, and approving import duty waivers.

When the 13th Amendment went into effect, the function of registering voluntary organizations moved to divisional secretariats in the various provinces. As the law stands today, an NGO can register with any of the divisional secretariats provided it has been accorded the status of an "A" grade state department. Previously, direct monitoring of NGO activity had been possible through the Government Agent and the Assistant Director of Social Services. Devolution of power has reduced the possibility of monitoring at the national level.

In December 1993, the Government introduced new regulations whereby all NGOs receiving funds in excess of 50,000 rupees per year were required to register with the Director of Social Services. Surprisingly, only 278 NGOs responded. The vast majority of these were based in Western Province, while only one NGO from the North and East of the country (the Batticaloa Young Men's Hindu Association) responded. It has been suggested that the vast majority of the NGOs operating in the country handle more than 50,000 rupees per year, and that the lack of compliance reflected the long-relaxed traditions, and perhaps a negative atmosphere prevailing at the time.

Institutional Framework

The Department of Social Services was established in 1946 to serve the needs of the Government sector, while CCSS was established to coordinate the nongovernment sector. Although several voluntary service organizations in the country that sometimes cooperated with state agencies in the disbursement of relief existed at that time, the links between these organizations and the State were voluntary. The NGO Unit, which comes under the Regional Development Division of the Ministry of Plan Implementation, is the agency responsible for overseeing the activities of international NGOs.

An international NGO is required to sign an MOU with this ministry. At present, such MOUs have been signed with 23 international NGOs, the first in 1961 with CARE International. These NGOs are required to submit progress reports on their various projects to the ministry, which, in consultation with the Ministries of Foreign Affairs and Defense, approves certain tax-free concessions and visa applications. The ministry is responsible for monitoring and evaluating the activities of these NGOs and has the power to probe any charges of malpractice or fraud. The NGO Unit has established a constructive relationship with the international NGO body despite a very limited budget.

The other major state agency responsible for overseeing the NGO sector is the recently formed National Secretariat for Non-Government Organizations. The Secretariat was set up under the auspices of the Ministry of Health, Highways and Social Services, which was established in January 1997 following a cabinet decision. This Secretariat is vested with the power to coordinate all the activities of the NGO sector. In particular, it is expected that any inconsistency in documentation that resulted from the devolution of powers to Provincial Councils will be corrected by this institution. It is understood that the divisional secretariats will forward all relevant documents, including those of registration and progress reports of the NGOs operating in their administrative regions. The secretariats will thus be better equipped to coordinate NGO activities, prevent duplication, and effect better utilization of development aid. All this, however, will be dependent on acquiring the basic staff and facilities to carry out their work.

Policy Environment

The policy environment for government/NGO relations has largely been defined by two recent political events: the 1990/91 Presidential NGO Commission, and the 1995 Presidential Commission of Inquiry into the activities of the JTF. These two inquiries were established by two different presidents, but it has been suggested that the commissions affected the atmosphere for GO/NGO relations.

Over the past few decades, the GO/NGO relationship has fluctuated but is still characterized by an underlying feeling of mutual suspicion. This perception has filtered into the bureaucracy, but in spite of this, the Government recognizes the importance of the NGO sector in the implementation of development strategies. This is evident both in terms of policy statements as well as on the implementation of projects. At the same time, the specific nature of the GO/NGO partnership has never been negotiated in any detail. From the government perspective, officials frequently insist that NGOs should come under the control of relevant government bodies. The main concerns have characteristically been:

- financial transparency
- political involvement
- promotion of NGO personalities

The Government's ambivalence toward NGOs has been seen as both efforts to encourage the involvement of NGOs and to limit their involvement in government development initiatives. NGO involvement has been encouraged in integrated rural development programs (IRDPs), CWSSP, and various projects of JTF and NDTF. But in the Samurdhi program of the President, emphasis was placed on recruiting unemployed youth directly and forming a new network of CBOs at the village level to deliver the program.

Opportunities for NGOs

Emerging opportunities for NGOs are in the areas of social mobilization/organization of poorer groups and the formation of CBOs, particularly of the user group type. The strong emphasis of both government and funding agencies on poverty indicate that NGOs with demonstrable capacity in this area will attract ready support whether in social organizing, microfinance, or income/employment generation.

Specialist groups, such as the Center for Women's Research, and environmental groups have been appreciated for their detailed and relatively unbiased expertise, and opportunities are likely to grow for such groups. In more technically focused areas, such as water supply and sanitation, irrigation, and community resource management, a clear need exists for NGOs to assume the role traditionally played by government. Increasingly, government institutions are perceived as not always effective in dealing with the poor.

Another sphere in which there has been an increased recognition of the NGO over the years is that of IRDPs. Whereas the first generation of IRDPs, funded by the International Development Association of the World Bank, concentrated on infrastructure development, the second generation of IRDPs, funded mostly by bilateral funding agencies, focused on poverty reduction. Here, the relevant funding agencies began using NGOs as implementing agencies. Since the IRDPs themselves come under the Ministry of Plan Implementation, this can be cited as one instance where the role of the NGO was recognized, and appropriate opportunities for its active involvement in development were facilitated by the State.

To effectively respond to the growing opportunities, NGOs will be required to face up to a number of significant challenges. In general, the major challenge will be to achieve much higher standards of professionalism without compromising the sense of commitment and dedication that, in theory, characterize the NGO spirit. Many NGOs have already encountered difficulties in recruiting suitably qualified staff at reasonable salaries. Others have been reluctant to recruit staff who may be technically qualified but lack demonstrable commitment to development.

Many NGOs have emerged in an opportunistic manner to take advantage of funding under schemes such as JTF/NDTF. The performance of many of these NGOs has been

discredited, as indicated by subsequent events such as the Government's reluctance to involve NGOs in the all important Samurdhi program. Although much of the criticism of NGO performance in the JTF program might be considered unfounded, there is little doubt that when faced with the harsh realities of rural development, many NGOs have difficulty in translating the rhetoric of NGO advantage and abilities into concrete achievements.

Tensions Between NGOs and the Government

Many GO/NGO tensions have derived from issues related to the war in the North and East. Even high-profile international NGOs such as the Red Cross have come under fire for alleged involvement in the conflict. There have also been problems regarding the leaking of information and news reports alleged to be detrimental to the interests of the security forces and their operations. The Government has at times painted NGOs as sympathetic to the insurgents, but also has established a GO/NGO forum within the Reconstruction and Rehabilitation Authority for the North under the President.

There is good cooperation with NGOs in service delivery in fields such as health and education, but there is tension and conflict in the fields of resource exploitation and in fields that affect the environment, such as hydro and thermal power development, coastal mangrove exploitation, and tourism. Similarly, various human rights and civil rights organizations have often been at odds with successive governments over alleged abuses. Although the issue is now not as adversarial as it was at the turn of the decade, such organizations are adept at mobilizing support at short notice to protest actions taken by the Government seen to be detrimental. The issues taken up are not limited to human rights issues, but include governance-related matters such as media freedom, censorship, and election malpractice.

Environmental groups in particular have protested certain policies of the Government. In the lead up to the Earth Summit, for example, a group of environmental NGOs, led by the People's Movement on Environment and Development, contested the official country report for the Summit and launched an alternative study involving people's organizations from all over the country. The resulting *Citizens Report on the Environment* was a vote of no confidence in the Government's perception and policies concerning environmental problems.

Recent examples of NGO protests against government decisions include the following:

- The Environmental Foundation Ltd. protested the cabinet decision taken in February 1996 to reduce the time allowed for the public to contest environmental impact assessments (EIAs) of given projects from 30 days to two weeks.

- In February 1997, the Government issued a statement that EIAs would be discontinued with respect to power generation projects. The Environmental Foundation Ltd. again issued a statement protesting this decision, which they considered to be a direct violation of pertinent regulations, and warned that agitation would follow.
- Various CBOs, supported by local religious bodies, opposed a proposal for an ADB-funded project to construct a fisheries harbor in Negombo. Environmental NGOs were also mobilized in this process. The strength of the agitation was such that the group was finally successful in persuading the Government to scrap the project.

The SARVODAYA Movement has come into conflict with powerful persons in the political leadership on at least two occasions, before and after 1977. In the mid-1970s, the increase in stature of SARVODAYA in terms of size, coverage, and visibility, perhaps created an impression that the organization had political ambitions. This led to charges being leveled at SARVODAYA. The situation was partly due to the fact that at that time the Government in power chose to adopt a policy of strict control, and thus the very existence of powerful NGOs caused a predictable irritation.

During 1988–1993, the stated political ambitions of the SARVODAYA leadership triggered an open conflict with the Government, and moves to curb SARVODAYA's activities resulted, including the appointment of an NGO Commission in October 1990 to look into alleged malpractices, including fraud, embezzlement, and proselytization. Despite the passage of time, the NGO Commission has left a residue of suspicion and hostility among many NGOs.

The deterioration in the democratic institutions at the turn of the decade saw the emergence of an increasingly vocal group of NGOs concerned with human rights issues. This process reached a peak around 1991, about the same time as the tension with SARVODAYA. This period can be characterized as a time when GO/NGO relations reached their lowest ebb.

The situation with respect to development NGOs is ambiguous. While there has been a trend toward increased incorporation of NGOs into the development program of the Government, this is not to say that there have not been any problems in GO/NGO relations over issues such as involvement in JTF/NDTF activities. In general, government officials are accustomed to being in control and resent any transfer of their responsibilities, especially if that transfer is to organizations with little accountability and questionable effectiveness. On the other hand, some NGOs resent any efforts on the part of the State to exercise supervision or control over their activities.

Since NGOs are variously registered in different government bodies under several parliamentary acts, it is to be expected that there would be diverse views regarding the policy of registration. The consensus opinion among a representative group of NGOs was one of caution. It was generally felt that registration was necessary since it:

- gives legitimacy to the NGO
- necessitates transparency of operations (both financial and administrative) and
- enhances accountability and legal responsibility

Registration also allows state agencies to develop useful databases on NGOs, including their activities, scope of operations, and impact. With this information at hand, the Government has the capacity to contract an increasing number of tasks to suitably qualified NGOs. Such a database will help facilitate coordination between GOs, NGOs, and funding agencies. Among the problems resulting from the absence of a comprehensive registration process was the lack of accountability enjoyed by organizations such as unscrupulous farmer organizations registered under the Agrarian Services Act.

The negative side of registration, it widely has been agreed upon, stems from a certain mistrust of government intentions. Again the point was made that though the present Government's objectives may be noble and unobjectionable, there could be no such guarantee for the future. The two main objections mentioned were interference and excessive paper work, while a minor complaint was that registration made organizations open to political pressure from local politicians. Another concern is that the Government could access certain information that might cause problems to NGOs working in sensitive areas such as human rights and democratization.

The Government and NGOs

Interviews with relevant government officials and key personalities in the NGO sector confirm that the most conspicuous aspect of government policy regarding NGOs is the absence of any clear policy. However, this is not to say that NGOs have been ignored. Successive governments have made various statements recognizing NGOs as important partners in development. It has been argued that although the Government has a positive attitude toward partnership with NGOs in some areas, for example in NDTF and certain development programs, lack of clear national policies has led to difficulties with respect to the coordination of government institutions, local government bodies, NGOs, and external funding agencies.

JTF, established in 1991 in order to reduce poverty, represented a significant shift in government policy in that it chose NGOs as the principal implementing agents in the project and designated them as people's organizations (POs). After the change of

government in 1994, the JTF was replaced by NDTF, which was critical of the performance of many of the POs and reduced the level of support for NGO capacity building as well as access to microcredit funds. Officially, however, NDTF remains committed to the role of NGOs and in fact has appointed an NGO Advisory Committee and expanded NGO representation on its Board.

In her address at the opening of Parliament in January 1995, President Chandrika Bandaranaike Kumaratunga was clear on the Government's position with regard to NGOs:

The Samurdhi Societies are expected to join any of the existing grassroots savings and loans institutions catering to the needs of the poor, including NGOs with national coverage such as SANASA and SARVODAYA. This can also include other small such institutions which may have more limited area coverage. In areas where NGOs have no presence, Samurdhi Societies will join the established banking institutions such as the People's Bank The JTF will now become the National Development Trust Fund (NDTF). All participating NGOs will be encouraged to seek partner organization status under this Fund.

Despite the clear intent of this statement it is perhaps indicative of the overall ambivalence of the Government towards NGOs that, to date, Samurdhi has largely ignored existing NGOs.

GOVERNMENT/NGO COLLABORATION

Extent of Collaboration

While the Government has collaborated closely with welfare NGOs for many years, involvement with developmental NGOs is a much more recent phenomenon, beginning most notably in areas such as IRDPs. Collaboration in IRDPs maintained and expanded this positive experience until the 1990s, when innovative programs such as JTF and CWSSP placed NGOs at the very center of large-scale development programs.

The second generation of IRDPs, funded by bilateral sources of aid, provided opportunities for NGOs to act as implementation agencies. The proven track record of the NGO sector in the field of rural community development was seen in a positive light and their services were solicited in the 13 IRDPs. NGOs were actively engaged in projects covering a wide range of subject areas including credit, social mobilization, environment, gender, nutrition, and water supply and sanitation. NGOs with proven capabilities in these fields were harnessed by the Government to implement the relevant projects. Since there is direct dialogue between the funding agencies and the partner NGOs in IRDPs, there is less room for GO/NGO conflict with the relevant government agencies, which mainly facilitate the involvement of NGOs in the various IRDPs.

The JTF/NDTF program, which ended in 1997, was a modified social action program with a strong focus on the poor and an almost complete reliance on NGOs for implementation of its social mobilization, savings and credit, and nutrition components. For the JTF to succeed, it was required to operate as an entirely new form of quasi-government development agency that would motivate, coordinate, and guide a large number of divergent development organizations along a previously uncharted course. At the same time, JTF needed to do this while keeping its distance from a powerful government. To add a further layer of difficulty to the task, the project was saddled with a \$90 million budget to be disbursed within the project's five-year life span.

At the outset, JTF encountered many difficulties because of the high level of tension between government and NGOs at that time. When these difficulties were eventually resolved, there was a perceived need to accelerate operations to reach an appropriate level of disbursement. In response to this pressure, a supply-driven culture emerged within JTF, which in turn gave rise to a plethora of POs being pressed to undertake activities for which at times they had no demonstrated capacity and little interest—and

often in locations where they had no roots. The same pressures also led JTF to provide levels of assistance to some POs that were unlikely to be effective or sustainable, and that led to a range of operational problems.

Despite these difficulties, through its PO network, JTF created a linkage system to the poor that involved some 250,000 households in small groups. Such groups saved more than 100 million rupees, most of which financed microenterprises supported by skills training from which more than 25,000 have benefited. Through its credit program, JTF disbursed large amounts of money to the poor in a manner the formal banking system could never match. JTF also invested in 2,200 rural infrastructure projects. The projects created more than two million days of paid labor as well as permanent employment for thousands. Finally, through its nutrition program, JTF deployed more than 8,000 trained staff, mostly volunteers, throughout most of the country. The cost of administering this program by JTF was kept to 12 percent of total expenditure.

By contrast, CWSSP was much less straightforward and problem-free in involving almost 100 NGOs in its three districts and 3,000 villages. A significant feature of CWSSP, however, was its location-specific character with a flexible and NGO-friendly culture. Under CWSSP, NGOs are contracted as POs to mobilize villagers as a prelude to forming a CBO. The CBO then takes responsibility for the design, construction, and maintenance of the water supply and sanitation scheme to serve the whole population. Based on the outstanding results of this project, the similarly designed Third Water Supply and Sanitation Project was approved by the Bank in 1997.

CWSSP has provided NGOs with an opportunity to tackle a program that, although it was not a priority for most NGOs, nevertheless provided them with a chance to mobilize staff and resources to assist with a priority need of the poor. Because it needed large numbers of NGOs with quite varied experience and capacity, CWSSP developed and introduced its own mobilization strategy and trained all NGO staff in its application. Despite the implicit pressure and lack of freedom involved in this process, the approach appears to have been largely successful and has had a major impact in demand-based provision of rural social services—and simultaneously expanded the pool of rural animators and technicians.

While NGOs are not involved in the Government's central planning processes, there are moves to increase GO/NGO cooperation at the district and division levels. Cooperation tends to be more extensive at the local level and the Government has established NGO forums in some districts. NGOs, particularly those involved in key areas such as health, irrigation, and agriculture, will in the future be invited to the monthly meetings of the district coordination committees. NGOs already participate in divisional agriculture committees in several divisions. The District Secretary (previously the Government Agent) and the Divisional Secretary (previously the Assistant Government Agent), as well as the Grama Niladhari at the village level, have the role of social facilitators

for the Government. Apart from having a good knowledge of the local situation and the NGOs working in the area, the District Secretary also has funds allocated in the Central budget to disburse through NGOs, CBOs, and other local organizations for local development projects. Many of the small local NGOs depend on these funds to implement their programs.

The Nature of GO/NGO Collaboration

Aside from the issue of environmental policy, GO/NGO relations have been relatively cordial. In spite of certain complaints from NGOs concerning the inclination of the Government to adopt a top-down approach in working with them, there does seem to be dialogue and some reason to expect improved GO/NGO collaboration in the future, particularly given the positive results in programs such as CWSSP.

When the entire range of activities of any given project where NGOs cooperate with government agencies is considered, it is clear that the term "collaboration" does not apply to every phase of the project. As the experience from IRDPs shows, NGOs were typically seen as delivery agents that carry out certain components of the Government's development program. On most occasions, NGOs are brought in only halfway through the entire process. Although the term "partner organization" is used liberally, NGOs were not partners in the real sense of the word. It generally was only at the implementing stage that any kind of partnership came into play. The experience of NDTF appear to parallel that of those involved with IRDPs, although in detailed work, POs retained considerable scope for initiative.

In CWSSP, seen generally as more successful than NDTF, POs were initially given a genuine partnership role, but with the passage of time, increasing levels of direction were assumed by the staff of the district project offices. The reasons for this apparently retrograde step were found largely in the disappointing response capacity of many of the POs. In retrospect, it was clear that the nature of "partnership" implies roles, responsibilities, and relationships that placed considerable demands on both sides. As is common in such a pioneering project, neither side was well prepared for this challenge and as a result the management style of the project gravitated increasingly toward the use of NGOs as contractors rather than partners.

An ongoing problem affecting the nature of collaboration is the absence of any formal avenue for dialogue. Although the National Secretariat for Non-Government Organisations is expected to facilitate such dialogue, no strategy has yet been developed. Effective GO/NGO collaboration will also require marked improvement in the level of collaboration within the NGO sector itself. At present there are only informal avenues of communication, and only NGO personalities and organizations of national standing are able to have ready access to key government officials. Even NDTF (for which there is NGO representation in monitoring activities) and CWSSP (for which the steering

committee includes NGOs) cannot be considered stable structures that facilitate useful dialogue between the two parties since they are highly project-specific.

Government/NGO Cooperation in Development

The issue of GO/NGO cooperation with respect to JTF/NDTF projects has, on the positive side, served to develop NGO capacity, improve access to credit, and confer a certain recognition on NGOs. Conversely, there is a notable lack of coordination within NDTF, no "NGO vision" as such, no comprehensive plan, no mechanism at the village level, inflexibility in procedure, nonsustainability of POs, and excessive overheads.

The partnership between the Government and NGOs is perceived as very poor by some, with very little NGO involvement evident in planning, design, or operation. The Samurdhi program is seen as bureaucratically dominated. Apart from certain political problems, these general problem areas were highlighted during discussions:

- poor project conceptualization
- inadequate integration of programs
- inadequate training
- poor coordination at the rural level
- inconsistent government policy

The World Bank-funded CWSSP has yielded important lessons. The Ministry of Plan Implementation, which was in charge of the project, recognized certain difficulties faced by government agencies in implementing such projects and decided that NGOs were better suited for the delivery of such a community-focused project. In particular, it was accepted that government agencies were delivery oriented, but that they were poor in follow-up activity. With regard to water supply and sanitation, there was no mechanism to monitor maintenance. Another factor that compromised such projects was the dearth of "doers" in government agencies, especially at the community level.

The centralized decision-making structure of such bodies also gave rise to certain problems. As a rule, such structures provide little room for tapping all the resources available, i.e., local government bodies, NGOs, CBOs, and the communities themselves. On the other hand, while many NGOs operated at the community level and developed certain capabilities, especially in areas such as nutrition and credit, there were no NGOs working specifically on water supply and sanitation. Another problem was that except for SARVODAYA and SANASA, no NGO really had an organizational network that could be utilized for scaling-up purposes of the project. Most POs contracted lacked the long-term vision to address sustainability issues, while others were merely one-project organizations and lacked the expertise and experience to handle projects of this sort.

CWSSP decided to go ahead with the project despite these shortcomings, which included the fact that NGOs lacked the managerial and technical skills and the professionalism necessary to implement projects of this nature. However, with the characteristic flexibility of the NGO sector, these challenges were boldly met and a reasonable success rate has been recorded.

The CWSSP experience has demonstrated that there is much to be gained through GO/NGO collaboration, where pooling of resources can produce effective results. It is important that the lessons from this project are absorbed before embarking on GO/NGO collaborative projects of comparable magnitude.

NGO/FUNDING AGENCY RELATIONS

A survey of 34 selected NGOs revealed a total of 36 separate foreign external funding agencies supporting various projects undertaken by the NGOs. A large number of these NGOs receive assistance from multiple funding agencies. The relatively long history of IRDPs in the country, with a large number of NGO POs implementing various projects under the auspices of the Ministry of Plan Implementation, and with the experience of the operations of the CWSSP since the early 1980s, point to a considerable history of NGO/funding agency relations.

Cooperation with International NGOs

There is significant cooperation between local and international NGOs and bilateral and multilateral funding agencies. About 60 international NGOs have registered by signing MOUs with the Ministry of Planning, with the majority of these working in partnership with local NGOs. The Government generally welcomes international NGO involvement with the local NGOs, but also wants them to work in cooperation with the Government. International NGOs appear to be more willing to develop an environment of cooperation with the local NGO community than with the bilateral and multilateral funding agencies. International NGOs see dialogue as a learning process and an integral part of strengthening solidarity and promoting the development of vision.

CARE International began operations in Sri Lanka in 1956 and was involved in feeding programs for most of the past 40 years. In the 1980s, CARE established a development program with a wide range of local NGO partners in agriculture, natural resource management, and small economic activities development. In addition, CARE has been engaged in relief work in the war-torn areas of the country through an agreement signed with the United Nations High Commissioner for Refugees. CARE makes the point that "partnering" does not automatically imply improved efficiency. Partner selection is a difficult and complex process and a great deal of time is spent organizing and coordinating with partners before program implementation can begin. CARE suggests that funding agencies characteristically seek a significant contribution of resources from partner NGOs and emphasize project replicability.

The Swiss NGO Intercooperative has supported microcredit programs as well as institutional development, and believes that an important area where much work is needed in order to improve NGO involvement in externally-funded projects is the assessment of absorption capacities. Intercooperative suggests that there is often a

gap on the part of both funding agencies and NGOs regarding estimated capacities to digest large amounts of money.

There have also been some innovative programs implemented through international GO/NGO cooperation. The World University Service Canada (WUSC) has worked with central and local government institutions to provide vocational training, especially for the victims of the conflict. The Vocational Training Authority has been funded by CIDA and its success depended on cooperation between WUSC and the Government.

Cooperation with Bilateral Sources of Aid

As the conflict in Sri Lanka increased over recent years, bilateral sources of aid increasingly channeled their assistance through NGOs, both international and local. Several sources have significant programs through NGOs, such as Canada, the Netherlands, Norway, and Australia. The United States Agency for International Development (USAID) provides assistance only through NGOs, and recently funded a major NGO project for Citizen Participation, Democracy, and Civil Society. Some agencies such as the Australian Agency for International Development (AusAID) channel aid to NGOs at the village level and receive assistance from the Divisional Secretary in checking the credentials of the local NGOs before funding a project.

The largest funding agency/NGO program is the CIDA-funded Sri Lanka Canada Development Fund, which has implemented the South Asia Partnership, originally a Canadian network but now a regional NGO network based in Sri Lanka. SLCDF channeled funds to 50 local NGOs under Phase I during the 1994/95 fiscal year. Under Phase II of the project, designed to promote linkages between Canadian and Sri Lankan NGOs, SLCDF assisted over 170 organizations during the 1995/96 fiscal year alone, while 52 projects under the broad title of Micro Initiatives was approved during the same period. SLCDF mentioned that it was most concerned in assessing a particular NGO's relationship with the community, the role of women in the planning and decision-making process, financial transparency, and sound accounting.

Cooperation with Multilateral Funding Agencies

United Nations Development Programme

UNDP enjoys extensive cooperation with NGOs. It coordinates the Donors Forum, which involves ten bilateral agencies, ten international NGOs, and multilateral funding agencies in monthly meetings. The Forum closely monitors the discussions regarding the NGO registration and the establishment of the NGO Secretariat. UNDP also maintains a database on funding to local NGOs, sorted into district and sectoral categories that can be accessed by the Bank and other funding agencies. UNDP

provides funding through the Small Grants Programme of the Global Environment Facility (GEF) of the World Bank, and NGOs are represented on the Advisory Board of GEF. Local NGOs are also assisted through a number of UNDP projects. For example, ten UN volunteers have been placed alongside ten Sri Lankan volunteers in CBOs at the local level in cooperation with the Divisional Secretary.

Under a regional program for South Asia, UNDP has funded a pilot project modeled on the Aga Khan Rural Development Program (AKRDP) in Pakistan in one district in Sri Lanka. A Pakistani adviser is working with local groups to help address the problem of marketing the products of microenterprises. Many local savings and credit groups have been formed throughout Sri Lanka and have successfully received small loans for microenterprises, though these failed to become sustainable. The AKRDP project seeks to help scale up these microenterprises and to assist with the development of marketing strategies and skills.

Other UNDP initiatives in Sri Lanka are:

- responsibility for the United Nations HIV/AIDS Program
- membership (along with NGOs) in the National AIDS Awareness Committee convened by the Ministry of Health
- funding of the National Dangerous Drugs Programme (involves local NGOs)
- co-convenor of the Forum of Humanitarian Organizations (25 members including NGOs)
- assistance in the formation of the NGO Credit Forum, which meets every two months and involves local NGOs, international NGOs, and some funding agencies

UNDP also participates in a range of informal forums of external funding agencies on sectoral issues, including the Education Donor Group (UK-convened), the Governance/Local Government Group (USAID-convened), Environment Group (World Bank-convened), and the Rural Development Group (Netherlands-convened).

Issues in Funding Agency/NGO Cooperation

Dialogue between funding agencies and NGOs is issue-oriented and project-oriented. In the case of projects funded by bilateral and multilateral agencies, NGOs have functioned more or less as delivery mechanisms. The room for issue-oriented dialogue in such cases seems to be rather limited. It often is said that NGOs are seen as mere tools in the process of implementation and do not participate meaningfully at all stages of a given project, from project design, through monitoring, to postevaluation.

The technical capacity of both NGOs and funding agencies is also a problem area in that often a gap exists between expectations and the actual capabilities of both parties. It has been suggested that NGOs sometimes overestimate capacities. It has also been pointed out by some NGOs that some of the technical experts recruited by funding agencies are overrated.

POTENTIAL FOR INCREASED BANK/NGO COOPERATION

NGO Interest in Cooperating with the Bank

Thirty-five of the 37 NGOs that responded to a questionnaire expressed interest in cooperating with organizations such as the ADB (the Bank) and the World Bank. One organization responded with a clear "No," while another was undecided. Despite the overwhelmingly positive response, at least six respondents expressed qualifications to their willingness to cooperate.

SANASA welcomed the idea of cooperation, but insisted that the internal matters of their organization should not be interfered with. SANASA added that it should not be used as a mere instrument in achieving the objectives of the lending agency. The NGO Water Supply and Sanitation Decade Services, a consortium of NGOs involved in water supply and sanitation projects, said that while 10-20 percent of the contributions should come from the community, in any given project all decisions must be taken with the participation of the community and its representatives.

Others echoed these sentiments, and maintained that the democratic process of decision making should be adhered to and respected. The Human and Environment Link Progressive Organization pointed out that, in the past, the Bank has worked through government agencies, and that experience has demonstrated that not all development schemes have been designed with the participation of the community and neither have they been beneficial to the community. Similar opinions have been expressed in other forums.

SANASA observed that in CWSSP scant attention was paid to the nature and structure of the POs involved in the project. SANASA works through its primary societies and, as a result, had run into problems because of the project's intransigence regarding a rule where each PO had to separately register itself with the project.

Concern has been expressed that in an era in which NGOs seemed to be operating as though responding to market signals, the NGO community must think seriously about what the ill-considered acceptance of projects might do to the identity, structure, and orientation of their organizations. NDTF, similarly, worked on well-defined areas such as

human resource development, microcredit, infrastructure development, and nutrition, but there was very little room for the POs to contribute to the conceptualization, planning, and operation of the programs.

Major Barriers to Increased Cooperation

The barriers to increased cooperation between NGOs and the Bank are the following:

- confusing policy framework
- GO/NGO tension
- inadequate coordination
- capacities of NGOs and
- top-down approach adopted by lending institutions

Confusing policy framework

Both relevant government officials and NGO representatives felt that a need exists for appropriate legislation pertaining to NGOs so that the operations in the sector can be streamlined, accountability enhanced, and greater efficiency achieved in resource utilization. The existence of several laws under which NGOs can register with one of numerous state institutions, and the devolvement of registration to divisional secretariats, create much confusion for GO/NGO relations.

GO/NGO tensions

Tensions between the two parties have often stemmed from conceptual differences regarding how each views the other. The way the Government perceives the idea of "democracy" can impact on the NGO sector. On the other hand, where NGOs fail to adequately acknowledge the responsibility and authority of the Government, tensions arise naturally.

Past attempts by governments to coordinate/oversee NGO activity and attempts at enshrining these objectives in the form of laws have drawn strong opposition from the NGO community, which views these moves as indicative of the Government's desire to control them. The stance taken by certain NGOs in protesting Government policy in sensitive areas such as the environment, media freedom, and human rights violations has, on the other hand, frequently prompted the Government to see NGOs as mere fronts for people with political aspirations.

Inadequate coordination

The National NGO Council and the Central Council for Social Services, both of which are NGO-based initiatives, as well as the government-established National Secretariat for NGOs, have not achieved effective coordination. Although the

Secretariat is still in its formative stage, much needs to be done before the prevailing suspicions of the NGO community can be cleared.

Capacities of NGOs

Except for a few NGOs, the capacities of individual NGOs to take on major projects is limited. NGOs are hampered by financial constraints, limited technical and managerial capabilities, and limited absorptive capacities. Any strategy for greater involvement of NGOs must therefore look at approaching capacity building in a manner that goes beyond that required to meet short-term, project-specific needs. At the same time, there appears also to be a need for much greater self-assessment by NGOs of their own limitations and a less opportunistic attitude to seeking grant assistance for development of their own infrastructure.

Top-down approach of lending institutions

A major concern of NGOs is the question of autonomy. It has been claimed that development institutions tend to bulldoze their way over the concerns of NGOs and POs. It was also argued that funding agencies in general are reluctant to take cognizance of the different objectives and capacities of the NGO community.