

DISCUSSION PAPER

Paris/Amsterdam, 8th September 1985

DEVELOPMENTAL IMPACT AND EFFECTIVENESS OF
NON-GOVERNMENTAL ORGANISATIONS :
THE RECORD OF PROGRESS IN RURAL DEVELOPMENT CO-OPERATION

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While the author is an official of the Organisation for Economic Co-operation and Development, the Paper was prepared in his personal capacity and does not necessarily reflect the views of the Organisation.

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by

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MAIN DISCUSSION POINTS

The record of rural development co-operation of the last 10 years reflects increased impact and enhanced effectiveness of NGO action in poverty alleviation. An estimated 100 million people -- mostly in rural areas -- are currently benefitting from NGO programmes which absorbed close to \$4 billion in 1984. By exploiting their comparative advantages, and increasingly stimulating and complementing official development assistance programmes, NGOs are beginning to have a significant impact on development in some of the poorer developing countries, such as Burkina Faso and Bangladesh, and in such key sectors as primary health care, family planning and small-scale enterprise development. There exists substantial scope and need for expanded NGO action in poverty alleviation and income and production growth. The "scaling-up" of the NGO approach to development requires measures to expand resources and increase the effectiveness of NGO rural development programmes, vigorous action to strengthen NGOs of developing countries, and dissemination of experience and research results. Evaluations reflect weaknesses in the NGO record of income-generating activities. For the future, of crucial importance will be imaginative programmes to extend the success of NGO action to income-generation and production activities in rural areas, particularly in Sub-Saharan Africa where progress with NGO action is lagging behind that of Asia and Latin America, and where the need is urgent for arresting, and eventually reversing, the decline in per capita rural incomes and agricultural production. This requires the further "professionalization" of the NGO approach, including new forms of collaboration between NGOs, and may also involve NGOs, official donor agencies, and the private (for profit) sector, in more complementary action.

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Introduction

1. Non-Governmental Organisations (NGOs) are becoming a significant element in development co-operation. In the last 10 years or so their development activities have increased impressively (1): at the present time, about 2 200 (2) NGOs are mobilising private financial and human resources in DAC Member countries and are channelling them, either directly, or indirectly through some of the 10 000 - 20 000 NGOs of developing countries, towards poverty alleviation and development acceleration programmes in over 110 developing countries: in 1983 no less than US\$ 3.6 billion in NGO support was granted, equivalent to over 10 per cent of total development assistance (Table 1). Two-thirds of this amount, or \$ 2.4 billion, constituted grants mobilised by NGOs from private sources in DAC Member countries (Table 2), while the remaining one-third, or \$ 1.2 billion (Table 3), were matching contributions from DAC Governments which have recognised the increasing relevance of NGOs, not only in financial resource mobilisation, but also in the area of development co-operation, and have mounted programmes, as part of their official development assistance efforts, to progressively supplement these private resources with matching contributions. In fact, these contributions increased about ten-fold over the last 10 years and currently account for about 4 to 5 per cent of total Official Development Assistance (ODA) (Table 5). Over 10 000 volunteers made available by European NGOs alone are now working with their local partners in developing countries, compared to an estimated 70 000 - 80 000 technical co-operation personnel financed through official development assistance programmes. The NGO sector is currently estimated to benefit some 100 million people in developing countries: according to Schneider (2) some 60 million people in Asia benefit from NGO-supported programmes, another 25 million in Latin America, but only 12 million in Africa, where NGO development is significantly lagging behind that in other continents. Most NGO activity is focussed on rural areas.

2. NGOs are also playing an important role -- through their development education activities -- in explaining to the general public (mostly of donor countries) the salient issues of development and of development co-operation, including those pertaining to the root causes of rural poverty, and are increasingly co-operating with each other, with governments of recipient countries, and with official national and international development assistance institutions. Thus, the institutional evolution of the last 10 years is of significance as well, leading to the recognition that the "NGO approach to development" is not necessarily an alternative approach to official development co-operation (3), but rather one which can be complementary to official development co-operation programmes.

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1. OECD: Collaboration between Official Development Co-operation Agencies and Non-Governmental Organisations, Paris, 1981.
 2. Bertrand Schneider: La Révolution aux Pieds Nus. Rapport au Club de Rome, Fayard, Paris. To be published in October 1985.

The "NGO Approach" to Development

3. The "NGO approach" to development essentially consists of:
- a direct attack on problems of poverty, disease and ignorance;
 - the provision of lacking human skills through training and the supply of critically important technical assistance;
 - providing institution-building support for "self-reliant NGO" and overall institutional development;
 - a participatory approach towards the involvement of recipients in the design, implementation and evaluation of assistance programmes;
 - a flexible, innovative and cost-effective approach towards development; and
 - a concern not only with immediate impact, but especially with the process of development co-operation.
4. The "NGO approach" necessarily leads to a relatively heavy concentration on programmes involving the poorer groups in developing countries; thus, a substantial portion of NGO assistance has gone towards rural development programmes. In recent years, NGO activities in rural development have been the subject of a series of evaluations -- by NGOs themselves, by DAC Member Governments, researchers and others -- and it is now becoming possible to cautiously draw upon some lessons of experience. This, in fact, is the purpose of this Paper, which will analyse the NGO record of the past 10 years in increasing the developmental impact, and enhancing the effectiveness, of rural development co-operation.

Development Impact

5. While precise data are not as yet available -- the NGO data base is currently being reviewed by the OECD Secretariat, inter alia to correct for probably substantial under-reporting of private grants being mobilised by NGOs -- it is fairly certain that NGO disbursements in 1984 will have reached close to \$4 billion, an amount which by itself is of significance in development co-operation (see Table 1). This amount -- which is being mobilised by the 2 200 NGOs of the developed world and which also includes some \$1.2 billion in matching contributions from DAC Member Governments -- excludes resources which are mobilised and disbursed by the NGOs of developing countries themselves, which have vastly increased in numbers over the past 10 years: India alone reportedly has some 7,000 NGOs, while information from the Save the Children Fund indicates that Egypt might have as many as 11 000. In Peru, of the 380 NGOs operating there, while not all have an institutional structure, juridical personality and receive foreign assistance, Mario Padron (4) reports that at least about 60 to 70 do. Amisur Rahman of ILO (5), reporting on the

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4. Mario Padron: Cooperacion al Desarrollo y Movimiento Popular : Las Asociaciones Privadas de Desarrollo. Leiden Development Studies No. 3, 1982.
5. Majed Rahnema: The Growing Role of NGOs: Autonomous Actors or Part of

particular case of Bangladesh, mentions that "the number of agencies, mostly private, working with the rural poor, has increased phenomenally, totalling now from 500 to 600". Schneider also gives an account of the impressive growth in NGOs (or "local associative structures") in the developing countries: about one thousand in Thailand, 370 in Kenya (of which only 100 some 5 years ago, reflecting the youth of NGO development in Sub-Saharan Africa), and perhaps some 600 in Nigeria. In the developed countries, NGO growth has been impressive as well: in Japan, of the 130 developmental NGOs operating there, almost 70 were created in the last 10 years alone (6). It is, therefore, not surprising that the NGO approach to development is beginning to have an observable impact on the process of development in a number of developing countries. While NGOs have long been active -- and effective -- in the provision of emergency and relief aid (witness, recently, the energetic NGO efforts to mobilise and distribute food aid to the affected populations of Sub-Saharan Africa), over the past 10 years there has been an encouraging further evolution in NGO activities, namely away from "need" as the major criterion for aid allocation and towards economic development support, including technical assistance. Vittorio Masoni lists examples of successful NGO action in support of development programmes (7), including work of Maisons Familiales Rurales of Paris with peasant communities in Africa; mass training by Accion Cultural Popular in Colombia, and by INADES (Institut Africain pour le Développement Economique et Social), throughout Africa; the pioneering work of Oxfam (UK) in the production and marketing of handicrafts from the Third World. In the case of Bangladesh, recently many NGOs have shifted their emphasis to income-generating activities. A recent survey (8) of 30 NGOs showed that these agencies employed over 7,000 workers and worked mostly in rural areas. They are involved in an impressive variety of income-generating activities in agriculture, handicrafts, rural industry, food processing, self-employment activities and in infrastructure. In addition, most of the NGOs are also involved in complementary activities including adult literacy, education, health and nutrition, provision of drinking water, maternal and child health and family planning, and contribute thus indirectly to rural welfare. Ten agency programmes involve over 50,000 people each.

6. Fragmentary data of NGO operations suggest that longer-term development activities currently represent a far greater share of NGO projects than relief, with emergency and food aid now absorbing substantially less than 50 per cent of NGO financing (see Table 6). NGOs now typically receive grants to finance their own investment projects (or are engaged as consultants or contractors on officially-funded investments) in such sectors as integrated rural and urban development, education, health and nutrition, and have extended their support to family planning activities, environmental projects, water and sewerage and appropriate technology. In the aggregate, NGO support for human resource development activities, in particular for education,

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6. Directory of Non-Governmental Organisations in Japan concerned with Development Co-operation. Economic Co-operation Bureau, Ministry of Foreign Affairs, Tokyo, Japan, March 1985.
 7. Vittorio Masoni: Non-Governmental Organisations and Development. Finance and Development, September 1985.

training and health projects, account for over one-third of expenditures, with support for agriculture, rural development and handicrafts now absorbing -- with differences from country to country -- almost a similar share. A number of NGOs cover the whole spectrum of economic, social, educational and medical projects, such as CEBEMO of the Netherlands, or Misereor of Germany, but others are more specialised, dealing with a limited number of subjects, such as blindness or vocational training.

NGO Comparative Advantages

7. It is widely believed that the unique features of NGOs ... or their "comparative advantages" -- are their ability to deliver emergency relief or development services at low cost, to many people, in remote areas; their rapid, innovative and flexible responses to emerging financial and technical assistance needs at the grass roots level; their long-standing familiarity with social sector development and poverty alleviation; their experience with small-scale development projects as well as with those requiring a high degree of involvement by, and familiarity with the concerned target groups. These are the very features frequently absent in LDC Governments -- and at times in official development assistance agencies -- helping to explain inadequate overall progress with rural poverty alleviation in the last 10 years or so. As a matter of fact, recognising the special contribution which NGOs can make to economic development, the Government of the Republic of China approached the UNDP in December 1983 to explore with European NGOs their interest in becoming active in China, not exclusively with the aim of attracting NGO financial resources, but also to obtain technical assistance services, including those from ECAD, a European consortium of agricultural NGOs (see paragraph 11). When applied, NGO efforts typically result in improving overall resource use in rural areas of developing countries through helping to resolve human resource, institutional and absorptive capacity issues, by their provision of technical skills and organisational know-how:

The World Bank reports (9), inter alia:

- For the Second Provincial Irrigation Development Project in Indonesia (1983), Pencatakian Sawahs, a local voluntary organisation, played a very useful role in advancing construction of canals and other irrigation schemes;
- In designing the 1983 Rural Water Supply Project in Mali, the Bank benefitted from the extensive country experience of Aqua Viva (an African organisation), the Pères Blancs (international), CARE (US), and Helvetas (Swiss). The latter proved particularly useful to plan pump installation and encourage community participation;
- Throughout Asia, village groups are appreciated for their effective involvement in development. In the Third Population Project in India (1983) ... women's clubs (Mahalasangha) are expected to promote expansion of family education centres. These centres were begun by the Directorate of Health Services in 1980 and have proven highly successful;

9. The World Bank: Co-operation between the World Bank and Non-Governmental Organisations. Second Progress Report, distributed by the Fourth World

- Co-operatives and local associations accounted for half the cases of co-operation (with NGOs) in Bank-financed projects. They acted not only as beneficiaries but also as intermediaries in Bank-financed credit schemes and farmers. This occurred for instance in the Seventh Livestock Development Project in Paraguay (1983), in the Rural Development II Project in Bangladesh (1983), and in the Second Agricultural Credit Projects in Turkey (1983).

As a result, returns on investment can be higher and reaped earlier, which is of obvious importance to, say, Sub-Saharan Africa where the low rate of return on investment (perhaps not exceeding 6 to 7 per cent. according to the World Bank, and below the opportunity cost of capital) is one of the root causes of the disappointing development performance of that region. The grass roots orientation of NGOs also explains why the preponderant share of NGO activities is directed at the rural areas of developing countries. In fact, Jan van Heemst (10) estimates that about 60 per cent of disbursements made by Dutch and Belgian NGOs flow towards the rural areas. Mr. Bertrand Schneider, in his Report to the Club of Rome estimates that currently some 100 million rural people are benefitting from NGO programmes in all parts of the world, of which 60 million in Asia, 25 million in Latin America and 12 million in Africa. These are rough estimates, but indicate an order of magnitude, reflecting considerable progress with NGO efforts in poverty alleviation and rural development co-operation. They also indicate that NGO programmes in rural development may, in terms of significance, approach those supported by official development assistance agencies. Hence, the emerging interest in analysing the effectiveness of NGO activities in support of rural development.

Impact at the Macro Level

8. There are other illustrations of the development impact of NGO operations at the macro-level.

- Ms. M. C. Guéneau (11) estimates that NGOs currently provide over 13 per cent of all aid granted to Burkina Faso, and that NGO disbursements account for some 20 per cent of development expenditures in that country;
- Albert Hirschman (12) concludes that "there exists today an impressive, loosely integrated network of national and international (voluntary) organisations which, at the level of any single Latin American country, performs important functions of education, public health, housing improvement, agricultural extension, development promotion of handicraft and small business";

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- 10. Jan J.P. van Heemst: European NGOs and the Third World: Some Comparative Observations. Institute of Social Studies, The Hague, July 1984.
 - 11. M.C. Guéneau: Analyse Economique d'un Echantillon de Petits Projets de Développement -- Evaluation Ex-Post de 30 Projets situés au Sénégal et en Haute-Volta. Centre d'Etudes du Développement, Université de Paris I, Paris. 1984

- With regard to Bangladesh, the North-South Institute (13) states "Nevertheless, compared to the government or official donors, the NGO community has been more active in launching programmes geared specifically to the needs of the rural poor, male and female";
- The World Bank reports (14) that the combined efforts of NGOs in Bangladesh aimed at providing non-farm rural employment exceed, in their effects, those of the Government.

Impact at the Sectoral Level

9. At the sectoral level, NGOs have had a significant impact in a number of developing countries, particularly in the fields of family planning and primary health care:

- In Thailand, the local NGO "Population and Community Development Association" reaches no fewer than 15 000 villages and has been taking principal responsibility for reducing Thailand's birth rate from 3.1 per cent per annum in 1970 to the current rate of 1.7 per cent;
- David Pyle (15) reports that "Some of the most remarkable success stories of improved health status have come from non-governmental organisations around the world. In fact, to a large extent the efforts by the PVOs have been responsible for developing the model which is currently being promoted as the way to achieve and provide "health for all" by the year 2000";
- The North-South Institute, again with regard to Bangladesh reports: "Some NGO programmes are already having a large-scale impact on the rural poor, and a few appear to be of national significance. Various contributions in the field of irrigation are gradually being disseminated. The production and export of jute handicrafts now employs 43 000 women... While this initiative may be reaching the limits of its potential, the Bangladesh Rural Advancement Committee (BRAC)'s oral rehydration therapy programme hopes to reach every household by the end of this decade. CARE's women's road maintenance project is still in its infancy but, with help from bilateral food aid, it too aims to cover the whole country";

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12. Albert O. Hirschman: Getting Ahead Collectively -- Grassroots Experiences in Latin America. Pergamon Press, New York, 1984.
 13. The North-South Institute: Rural Poverty in Bangladesh, Ottawa, April 1985.
 14. World Development Report 1983. Published for the World Bank by Oxford University Press, Washington D.C., 1983.
 15. David F. Pyle: Framework for Evaluation of Health Sector Activities by Private Voluntary Organisations Receiving Matching Grants. International Food and Nutrition Program, MIT, Cambridge, Mass. Prepared for Bureau for Peace and Voluntary Cooperation, USAID, Washington D.C., May 1982.

- USAID's evaluation of the NGO Meals for Millions (MFM) reveals that second and third-degree malnutrition cases have been dramatically reduced in all communities where MFM works in Honduras;
- Finally, the draft Independent Consultants' Study on Aid Effectiveness (16) reports: "NGOs probably administer the bulk of technical co-operation provided directly to poor communities ... Aside from their work in relief and welfare, their development activities include health delivery, family planning, women's organisations, co-operatives and small-scale enterprise. They have been innovators in areas shunned by governments, notably in health and population".

Scaling-Up

10. While NGO projects are typically small and numerous (the average size of the Netherlands NGO contribution amounted to some \$29 000 in 1982, and the project list of the World Council of Churches includes many grant requests for \$20 000 to \$50 000), there are also NGO-supported programmes that have been scaled up to much larger size:

- in Bangladesh, CARE managed a budget of some \$25 million in 1982/1983, while the budgets for all other NGOs combined was about \$30 million. Some NGOs operate with only a few employees; others like BRAC and Caritas, have well over one-thousand (13);
- the credit operation of the international NGO "6S" ("Se Servir de la Saison Sèche au Sahel et en Savane") which operates in Burkina Faso, Mali and Senegal, supports about 1 000 farmers' and village groups in 31 regions, covering about 400 000 people;
- the World Bank (9) reports that "In the Third Population Project in India (1983), the Kerala Association for Non-Formal Education and Development (KANFEO) linked with government health education officers in training 5 000 adult education workers -- ultimately to reach 200 000 people;
- one of the largest NGOs in India -- ASSEFA (Seva Sarva Farms) currently implements 104 projects, reaching 130 000 people directly;
- the "Senior Expert Services", at the end of 1982 had fielded almost 14 000 unremunerated advisory missions, in more than 60 countries. One member, the US-based International Executive Service Corps (IESC) maintains a network of 23 offices in developing countries (17);

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16. Does Aid Work? The Independent Consultants' Study on Aid Effectiveness. Commissioned by the Task Force on Concessional Flows established by the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries. (Development Committee) Draft Report
109c

-- Finally, the four Netherlands "Umbrella NGOs" (CEBEMO, NOVIB, HIVO and ICCO) handled about 3 500 projects over the 1980-1983 period, executed by about 2 200 partner organisations.

The NGO Sector : Fragmentation of Effort?

11. The above-mentioned examples, however, are not yet typical of the NGO sector which remains characterised by many projects of small size, numerous executing agencies, a wide coverage of countries, and a diversification of sectors. In 1982, CIDA of Canada supported 2 500 projects in 111 different countries, being implemented by some 180 NGOs, while the "development co-operation of the Finnish NGOs is directed to almost 70 countries" (18). This, of course, reflects the dynamism of NGO development in recent years, but raises serious questions regarding the consequences of this fragmentation of NGO effort : while it is true that NGOs have the advantage of serving relatively small populations in specific locations -- also giving them the opportunity to experiment with innovative rural development approaches -- and indeed are usually in a better position to work in isolated communities than governments and official development agencies normally are (as such being in a better position to understand the needs of their "target populations" and possibly implement, with greater effectiveness, projects designed to reach the rural poor directly), the lessons learned, and the experience gained, are not easily transferred from one NGO to another, all the more so since NGOs have not typically analysed the record of their experiences (19). However, in this area as well there has been an encouraging evolution : for example, recently five NGOs from Belgium, France, Germany, Italy and the Netherlands have created a European Consortium for Agricultural Development (ECAD), for consultations and co-ordinated implementation of programmes in food security. In Mali, Euro Action-Acord (EA-A -- a broadly-based international consortium of 22 NGOs) executed a five-year Regional Development Programme worked out between EA-A and a number of local NGOs, "one of the few instances in Africa where 15 NGOs have been co-funding a regional programme on a long-term basis" (20). Also, in Bangladesh collaboration is improving both among the NGOs and between NGOs and Government, partly through the efforts of the Association of Development Agencies in Bangladesh (ADAB). Large NGOs are starting to act as intermediaries between smaller organisations and the Government, drawing upon the innovative spirit of the former and developing better understanding and closer ties with the latter (13). Finally, increased attention is being devoted to the ex-post evaluation of NGO projects,

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18. FINNIDA: Government-Supported NGO Development Co-operation (Finland), Summary of Evaluation Report. Helsinki, December 1984.
19. Judith Tendler: Turning Private Voluntary Organisations into Development Agencies, AID Program Evaluation Discussion Paper No. 12, USAID, Washington D.C., 1982.
20. Euro Action-Acord, Annual Report 1983.

particularly by US NGOs with the support of USAID (see (19), (21) and (22), and results are disseminated for the benefit of all (see (19), and discussed in workshops. Of particular interest in this regard was the USAID-sponsored workshop on Small Enterprise Development, held in Washington DC in 1983 (see (23))

Increasing Macro-Impact

12. On the whole, the macro-impact of NGO rural development projects was minimal: the limited dissemination of lessons of experience, and the almost exclusive concentration of NGO efforts on discrete local projects, constrained both project replicability and possible contributions which NGOs could make to the design of sectoral or national development programmes and policies. There have, of course, been exceptions, and attempts to promote a greater macro-impact of NGO projects.

- The World Bank-NGO Liaison Committee has recognised that an effective way to facilitate interplay between NGO programmes and government-sponsored development is through increased government-NGO consultation on sector issues (9), and the participation of NGOs in development is increasingly taken into account : examples are the East African governments-NGO-World Bank Education Workshop of June 1983, and reflected in the Sierra Leone Agriculture Review, the Zaire Regional Development Report, the Zambia Population, Health and Nutrition Sector Review, as well as in the Water Supply and Sanitation Project Preparation Handbook;
- FINNIDA's evaluation report suggests (18): "In addition to their impact on community levels, many projects are also nationally important examples, e.g., schools for mentally retarded or orphanages may present a completely new attitude toward these groups of people. Also, a school that selects its pupils on the basis of regional quotas, and thus assists the children of undeveloped areas in getting to school, can be seen as nationally important";
- USAID has sponsored sectoral studies of small enterprise development, health etc., and has encouraged its Missions established in developing countries to involve NGOs in the development of USAID Country Development Strategy Statements;

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- 21. PVO Cost-Effectiveness Field Manual Prepared for the Office of Private and Voluntary Cooperation. Bureau for Food for Peace and Voluntary Assistance, by Robert R. Nathan Association Inc. Washington D.C., November 1984.
 - 22. Evaluation Sourcebook for Private and Voluntary Organisations, published by the American Council of Voluntary Agencies for Foreign Service, Inc., New York 1983.
 - 23. Robert W. Hunt: Report on the Small Enterprise Workshop, October 31-November 2 1983. Office of Private and Voluntary Cooperation; Bureau for Food for Peace and Voluntary Assistance, USAID, Washington D.C., 1983.

- The UNDP is involving the NGO community in the larger issues of development performances in Sub-Saharan Africa by encouraging their participation in the Round Table Aid Co-ordination process for some of these countries, e.g., in Togo;
- In a Memorandum presented to the Liaison Committee of development NGOs to the European Communities (24) Jean Perras stated "NGO aid can no longer be just a series of small-scale projects", and the Memorandum of the General Assembly of European Development NGOs which met in April 1985 in Brussels, refers explicitly to the need for NGOs to focus their attention on the root causes of declining per capita agricultural production which took place over the past 10 years in Sub-Saharan Africa, including "agricultural policies which act as a disincentive to food production". (25)

NGOs in Rural Development

13. As said before, the preponderant share of NGO action in developing countries is accounted for by rural development activities, with about one-third of NGO programmes focussed on agriculture, rural handicrafts and integrated rural development. This, by itself, reflects an exploitation by NGOs of their comparative advantages (see para 7), and is also consistent with the institutional realities of the agricultural situation in most developing countries (certainly in Sub-Saharan Africa) which limit the absorptive capacity of the agriculture sector for increased investment (it is estimated that Sub-Saharan African governments spend, on average, no more than 15 per cent of their resources on agricultural development), namely the lack of institutions able to serve as effective links between the central government and the farmers; the scarcity of competent technical and management staff, and, above all, the lack of effective village level organisations for enlisting the participation of producers, especially small farmers, in technical, financial and marketing actions associated with official aid programmes. Between 1975 and 1984 the CEE allocated more than 135 million ECUs to co-finance NGO projects. "Nearly half of this amount went to projects and schemes in the Sub-Saharan region of Africa. More than a third of the amounts earmarked for this region (35 per cent) went to agricultural projects, a quarter (25 per cent) for educational and training projects, and around one-fifth (18 per cent) for health" (24). Subsequent evaluations showed that project objectives had, on the whole, been met. However, shortcomings were experienced at the level of project start-up and implementation, reflecting "inadequate project preparation and a failure to mobilise fully the local community....". Finally, the micro-projects presented in annual programmes came normally from communities which had already a high level of

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- 24. Jean Perras: The Non-Governmental Issue of Hunger: Links Between Emergency Aid, Food Aid and Development Aid to the Peoples. Memorandum Presented to the Liaison Committee of Development NGOs to the European Communities, Brussels, March 1985.
 - 25. Liaison Committee of Development NGOs to the European Communities: Memorandum of the General Assembly of European Development NGOs, Brussels, April 1985.

organisation.... . The poorest communities were rarely able to get together sufficient pressure to attract support" (26).

Comprehensive Rural Development Approach

14. NGOs, particularly in the early 1970s, were quite task-specific and focussed their attention on areas of specialisation as livestock development, vocational education, training, etc. Soon, however, it was realised that rural development aimed not only at developing production in an integrated way, i.e. supplying at the same time all the necessary agricultural inputs, irrigation, credit, extension etc., but also aimed at transforming the rural environment and the way of life of rural people through focussing on non-agricultural components such as rural roads, health, training, water supply and off-farm employment. The latter particularly reflected the experience (27) that in nearly every country of Sub-Saharan Africa for which studies are available a substantial proportion of the adult male population and an increasing number of women engage in regular or seasonal wage employment and that anywhere from 15 to 80 per cent of total farm household income is generated by non-farm activities. Hence, the earlier-referred to impressive NGO record in off-farm employment activities in Bangladesh. Another consequence of the trend towards more comprehensive approaches was the development of some NGOs from task-specific to mini-development agencies, such as CEBEMO of the Netherlands. In moving towards more comprehensive approaches, however, some NGOs may have lost part of their comparative advantages derived from accumulated familiarity with specific sector issues. Other NGOs, however, reacted differently, by retaining their task-specific orientation, by joining with other NGOs in so-called "Consortia" (like ECAD, Euro-Action Acord), or by collaborating with other NGOs: the latter was specifically proposed and adopted by the 400 NGOs who are members of the EEC/NGO Liaison Committee and who met in Brussels in April 1985 in the light of the clear need for a merger -- in the case of Sub-Saharan Africa -- of NGO activities in the fields of emergency aid, food aid, and structural development aid. Closer integration between NGO activities and those of official donors and recipient governments has been another reaction of NGOs to the clear need for pooling resources, experience and expertise to solve increasingly complex rural development issues.

The Summary Record

15. In summary, the record of the past 10 years of NGO development reflects a trend towards a significant involvement by NGOs in the process of development. This is indicated by the growth in their disbursements (Table 4 -- although NGO net private grants themselves have not risen, the increase being the result of rising contributions from DAC Member Governments to NGOs), the increasing number of NGOs, not only in the developed but particularly in the less developed countries, and the already significant number of people that are benefitting from NGO activities, the latter now estimated at close to 100 million. The developmental impact of NGO action has also

26. Brian O'Neill: Small is Beautiful: Micro-Projects in the New Convention. Loné Briefing No.21, 1985. Liaison Committee Development NGOs to the EEC.

increased following a welcome trend among NGOs towards moving away from "need" as the main criterion for aid allocation and towards an orientation designed to further development. With their orientation towards grassroots development, NGOs devote most of their technical and human resources to rural development and, in this particular sector, play a role which is beginning to become as significant as the one played by the official development agencies. This is particularly the case in some sub-sectors such as off-farm employment, but also in general poverty alleviation in some countries, like Bangladesh and Burkina Faso. While the NGO sector is characterised by fragmentation of effort -- the result of multiple NGOs, wide diversification of sectoral involvement, and activities in a large number of countries -- there has also been movement in the direction of closer collaboration between NGOs, and better co-operation with official donor agencies and recipient governments. This will help in enlarging the macro impact of NGO operations, and lead towards an overall increase in the effectiveness of development assistance. Increased professionalisation of NGO approaches is also noticeable, inter alia, through the formation of Consortia permitting the pooling of experience and expertise. At the same time, the formation of these consortia permits a fuller exploitation of the comparative advantages of participating NGOs, while delivering a more comprehensive service to beneficiary groups. The latter is in line with recent studies indicating the importance of off-farm activities in the income stream of farm families in rural areas. Finally, there are NGOs in developing countries whose scale of operations has expanded to a significant level in recent years, no longer making a marginal contribution to development acceleration and poverty alleviation. Some NGOs are reaching over 100 000 people, indicating the possibility of "scaling up", thus raising the prospects for a significant future expansion of NGO impact. These positive trends, of course, need further systematic investigation; in particular, the question of effectiveness by which NGOs are reaching their objectives is a subject currently seen as vital in judging the performance of developmental NGOs. Fortunately, in recent years interest in evaluating the results of NGO programmes has risen, and while it is premature to make definitive judgements, it does appear possible to draw some general lessons of NGO experience of the past 10 years. These lessons bear on the prospects for expanding the developmental impact of NGO action in the rural areas, and for further official donor agencies' support for NGO activities.

Effectiveness of NGO operations

16. NGOs have indeed established a record of carrying out a variety of development activities, but the impact of NGO operations is different from country to country, from NGO to NGO, and from sector to sector. The key questions are: what are the major areas of NGO effectiveness, success and failure, and what are the principal limitations and constraints to increasing effectiveness? And have evaluations identified the measures which can be taken to increase the effectiveness of NGO operations? Various Governments have completed evaluations of NGO projects (France -- Frères des Hommes project in Burkina Faso (28); US Aid -- Small Enterprise Projects; the CEE -- 26 projects in 5 countries), or of their NGO Programmes (the Netherlands -- Evaluation of the Programme Financing Model 1980-1983 (29); United Kingdom

28. J.L. Anselle and E. Grégoire: Actions Frères des Hommes dans l'Est de la Haute Volta. Mission d'évaluation, Paris, August 1983.

-- Evaluation of Joint Funding Scheme 1982 (30); USAID -- The Development Impact of Private Voluntary Organisations: Kenya and Niger (31); US AID -- 1982 "Turning Private Voluntary Organisations into Development Agencies", and Finland -- Government-Supported NGO Development Co-operation -- Summary of Evaluation Report). Overall, the evaluations conclude that "success" of NGO operations stems from a complex set of factors, including technical, macro-economic and socio-political aspects, and generally define "effectiveness" as the degree by which NGO project or programme objectives are being achieved, at times measured against the resource costs incurred in achieving them. Appropriately, the Japanese NGO Organisation for Industrial, Spiritual and Cultural Advancement ("OISCA") has stated that effectiveness does not mean quick success, and that it typically takes 10 to 12 years to obtain meaningful results with the process of development co-operation which, OISCA feels, can be stimulated through increasingly involving developing country youth and women in rural development.

Lessons of Experience

17. Lessons of experience should only be drawn very cautiously from evaluative exercises. NGOs themselves have frequently emphasised that the evaluation of NGO activities must be seen in the context of long-term institution building and attitude-changing, rather than being judged on physical, quantitative or technical achievements in the short term, and that NGOs themselves (as well as recipients) should be substantially involved in the design and conduct of evaluations. The latter was done in the case of the FINNIDA evaluation and of the Netherlands evaluation. Some evaluations -- of a rather general nature -- reflect a generally positive view of NGO effectiveness:

-- A recent survey of the United Kingdom's co-financing scheme (30) has concluded that NGO assistance effectively complements official aid, operates with particular flexibility in areas not usually open to the official development assistance agencies, has an effective poverty focus, and can be expected to have potential returns quite disproportionate to the resources involved;

-- The FINNIDA Evaluation of December 1984 (18), conducted jointly with NGO representatives, came to the following conclusions:

"In many NGO projects long-term development objectives and immediate goals have been skillfully combined in a way that, due to multiple effects, has had a remarkable effect on development. Almost without exception, the objectives of the organisations have been realistic. The main finding of the whole evaluation exercise is that the aid channelled through NGO development co-operation generally reaches people who most urgently are in need of help (the poor, women, children, the sick, refugees etc.)".

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30. K.O.H. Osborn and G.A. Armstrong, "An Evaluation of the Joint Funding Scheme", ODA, London, January 1982.
31. Development Alternatives, Inc. The Development of Private Voluntary Organisations: Kenya and Niger.

- The CEE undertook a comparative evaluation of 26 co-financed NGO projects in five countries whose summary report was published in June 1981 (SEC(81)1052), and concluded "that micro-projects make a substantial contribution to the development process by concentrating resources at the grass-roots level.... The Commission, in its comparative evaluation of EDF micro-projects and those co-financed with NGOs, concluded that both systems were very effective in improving the living standards of poor communities, and that they helped to satisfy basic needs. In general, the objectives set for the projects had been achieved and the implementation was both efficient and speedy".
- The DAC Expert Group on Aid Evaluation concluded, on co-operation with NGOs, that although evidence is not yet sufficient to lead to definite conclusions, the limited evaluation work which has taken place in this area tends to point to a comparative advantage of NGOs in their ability to work at the grass-roots level, to address basic human needs, including problems of poverty, ignorance and disease, and to operate in remote areas often unserved by national governments or other donors.

18. It is clear from the foregoing that -- on the whole -- NGOs have been successful in achieving the overall objectives which they had set for themselves. However, these and other systematic evaluations of NGO activities in development and humanitarian assistance are also beginning to throw some light on the comparative advantages of NGO operations, and to provide a better delineation of problems affecting NGO operations and the means of reducing them. It will be remembered that some of the key postulated and comparative advantages of NGOs are their capacity to reach the poor, their participatory approach, their flexibility and willingness to innovate, cost-effectiveness and a concern to foster local institution-building. While there is not much doubt about the overall adequacy of the NGO approach, various evaluations are revealing that, indeed, the NGO record is uneven, differing from country to country, from NGO to NGO and from sector to sector.

Results from Evaluations

19. In France, the Services for Co-operation and Development of the Ministry of Foreign Affairs conducted an evaluation of rural development activities of "Freres des Hommes" in the Eastern area of Burkina Faso. The main conclusions were that the project unintentionally favoured the better-off farmers, mainly because of the high cost of inputs relative to the purchasing power of poorer farmers, and while the cost-effectiveness of the project compared favourably with projects designed and implemented by the country's rural development service itself, the project also unintentionally led to a further skewing of income distribution in the project area. In the United States, the Tendler Study found that NGO projects do not reflect the claims made by NGOs of reaching the poorest, using participatory processes in project design and implementation, being innovative and experimental, and at low cost. In many cases, NGO projects were found not to have reached the poorest 40 per cent of the population; many involve "enlightened" top-down control, and many involve the extension of an already known approach to previously-uncovered populations, rather than the application of innovative approaches. These findings were based on evaluations of projects heavily

concentrated in rural areas. An economic analysis of a sample of 30 small development projects of NGOs in Senegal and Burkina Faso was conducted in 1984 by the French researcher, M. C. Guénaud (11). The projects studied were in trade, banking and agriculture. Small projects were found to have a positive impact on employment in the dry season, and most projects had innovative features. However, only about one-fourth of the projects were able to continue, once external support was terminated. NGOs tended not to co-operate with one another, nor with existing host-country structures, "with negative consequences on farmers once foreign assistance was terminated". Finally, operating costs of projects carried out by expatriate NGOs were higher than those of projects implemented by national NGOs "because of the much higher salaries paid to expatriate staff".

20. It is unfortunate that most NGOs "do not do the research, monitoring and information dissemination on their experience that large donors have done" (19), so that conclusions on the effectiveness of NGO operations reflect only partially the analytical work undertaken by the NGOs themselves, and reflect for the most part findings from academic researchers and larger donors, both bilateral and multilateral. However, CIDSE (Coopération Internationale pour le Développement Socio-Economique), an international NGO umbrella organisation, is currently organising an evaluation of experience of its members with income-generating projects. Even though the experience of NGOs is diverse, different and, at times, difficult to measure, the general conclusions are beginning to clarify themselves: while the record of NGO involvement in development, particularly in rural development, is a positive one (and has been reflected by the encouraging trends in developmental impact described above, and recognised by official development assistance agencies, most recipient governments and beneficiary groups) there does appear to exist substantial scope for further increasing the effectiveness of NGO operations. Generally there appears to be scope and need for better project planning, leading to improved coverage of target groups, and for achieving project cost reductions permitting subsequent project replication. Improved project management will probably help in enhancing the economic impact of NGO "income-generating" activities and, more generally, would help in improved project start-up and implementation. More attention to local institution-building, i.e., of local associative structures, is particularly necessary in Sub-Saharan Africa -- where, according to USAID, the least progress has been made, and intensified training of NGO staff is also needed. Increasing the macro-impact of NGO operations through NGO participation in aid co-ordination exercises, and moving towards greater collaboration with recipient governments and official donor agencies would also appear to be a promising avenue for increasing effectiveness.

Participation

21. With regard to the question of participation and the reaching of target groups, evaluative exercises point to the need for the early (and earlier) involvement of project beneficiaries in project planning, starting with project identification. This has not always been done; the evaluation of micro-projects carried out by the CEE indicates (26) shortcomings in reaching project objectives under the second Lomé Convention "due mainly to inadequate preparation of projects and a failure to mobilise fully the local community. A Dutch evaluation of co-financed NGO projects in the Sahel concludes that in most cases target group participation only started with project

participation in project identification was limited (32). It is also becoming clear that local poor communities need much greater help to organise themselves and identify projects, and there appears need for NGOs to pay particular attention to this aspect of local institution-building. If not, there is danger that the poorest strata of the populations in developing countries may not be easily reached by NGO actions, dampening the prospects for progress with rural poverty alleviation in the 1980s. More systematic studies of rural poverty are also needed, and NGO participation in these studies would be helpful, as was done over the past few years in connection with World Bank-executed sector reviews of rural poverty issues (see para. 12).

Replication and Cost Effectiveness

22. Replication of NGO-supported projects will to a large extent not only be determined by their impact on the poor, but also by the cost-effectiveness of reaching the poor. In a number of countries, NGO projects indeed have demonstrated the possibility of lowering costs. In the case of Bangladesh, family planning costs per couple, assisted by NGO-supported projects, appear to be significantly lower than those of Government programmes (13), but this is not so in Senegal and Burkina Faso (11) where operating costs of NGO-assisted projects in rural development projects are higher than those executed by local organisations, indicating the need for vigorous action to support the development of lower-cost local associative structures. Jean Perras (24) reports on the evaluations of CEE-supported NGO projects, indicating that NGOs implement their projects ... "often at a cheaper rate than the bilateral or international organisations. However, their costs exceed local costs". A US comparative evaluation of NGO projects in Africa found that "replication of successful projects would have been too expensive ... and that little scaling-up took place" (19). A similar judgement was made on some NGO-assisted projects in India. There are, of course, examples where NGOs indeed demonstrated the feasibility and cost-effectiveness of certain projects which were replicated by governments: e.g., in the case of an animal health programme in Tanzania, a community development project in Korea, an agricultural research project in Guatemala etc. Several NGO programmes of credit to small business enterprise, particularly in North-East Brazil (19), have also attracted local government support, and it is interesting to note from Hunt (23), describing the evaluation results of this highly successful programme: "where the programmes have been successful in promoting new firms, employment and income, they have been well-administered over extended periods of time by well-trained, cost-conscious personnel. Successful projects had also had available regular information in their impact".

23. Much can obviously be done to reduce costs through the use of local volunteers and increasing the involvement of indigenous NGOs. Of importance in this regard is the recording and analysis of costs for subsequent dissemination to other NGOs. The International Council for Voluntary Agencies in Geneva (ICVA) is collecting cost information on rural health activities. Brian O'Neill (26) suggests that the CEE establishes a unit serving as a central depository of information on micro-projects. Improved project management is also key to achieving cost-effectiveness: the FINNIDA

32. Gert Jan van Apeldoorn and Henri Jorritsma: *Nederlandse Medefinanciering en Plattelands-ontwikkeling in de Sahel*. The Hague, Ministry of Development Co-operation.

evaluation (18) refers to weaknesses in this area: "One of the most important and, at the same time, most problematic components of project planning, in addition to schedules, is drawing up a financing plan, and a detailed estimate of costs.

Improved Project Management

24. Improved project preparation and management is also cited in the CEE evaluation (26) as needed to enhance effectiveness: "Delays were, however, experienced at the level of project back-up and implementation. These had to do with official procedures for procurement, delays in the delivery of materials, or with the availability of appropriate personnel. The use of inaccurate or outdated information when drawing up the projects, did not help either"; Tendler's (19) work in this area also signals the need for improved project management. An evaluation of US-supported NGO projects indicates that:

- construction projects are relatively easy (for NGOs) and accomplish their objectives;
- post-construction problems are the rule, rather than the exception; and
- successful transition from project construction to operation deserves special attention; but
- income-raising projects rarely achieve their objectives.

Income-Generating Projects

25. Lack of success with income-generating projects is also signalled by the Netherlands evaluation of NGO activities, as well as by FINNIDA. The latter evaluation goes as far as suggesting a division of labour between the official aid agency and NGOs as follows: "Large and long-term projects, e.g., those concerning the development of production, are more suitable as official development co-operation projects, whereas the NGOs can better work in remote districts, reach the poorest population groups ...". This recommendation contrasts with the stated intentions of the European NGOs, assembled in Brussels in April 1985, giving high priority to NGO involvement with the development of agricultural production in Sub-Saharan Africa so as to arrest, and eventually reverse, the declining trend in per capita agricultural production in that region. ICVA, at its Annual Meeting of May 1985 in Dakar, also gave special attention to the need for NGOs to improve the performance of income-generating projects, while the Development Assistance Committee of the OECD (DAC) will organise a workshop, sometime in 1986, for representatives of donor agencies and NGOs to consider what measures are needed to achieve better results with agricultural production programmes in Sub-Saharan Africa. For its part, US AID is currently funding a programme (carried out by CEDPA -- The Centre for Development and Population Activities) for the training of middle-level female cadres to assist with income-generating projects. A special exception to the lack of success with income-generating projects is US AID's supported NGO programme for small enterprise developments. Rates of return of between 19 to 200 per cent are being reported (23), indicating that NGOs "can promote and implement highly cost-effective small enterprise projects". While the reasons for this successful experience are

success. Further investigation of the reasons for NGO success and failure in income-generating areas appears to be called for, particularly since NGOs themselves are planning to raise the relative importance of this activity in their programmes, particularly in Sub-Saharan Africa where the need for increasing rural incomes is urgent.

26. The challenge to NGOs, official donor agencies and recipient governments to increase the effectiveness of NGO operations through achieving cost reductions and applying with imagination the positive lessons of NGO experience to the now key area of income-generation and production, could also be met, at the project, sectoral and macro-levels, through closer collaboration between NGOs themselves, between NGOs and the private (profit-making sector), a further integration of NGO programmes with those supported by official development assistance agencies, and by co-operation between NGOs and recipient governments. NGOs cannot create their own working conditions: their micro approach makes them dependent upon the general economic conditions, and also on the availability of local infrastructure, and on the co-operative spirit of the recipient local and national administrations.

Closer Collaboration between NGOs

27. With regard to closer collaboration between NGOs, there are some encouraging developments going on: some European NGOs, members of the EEC-NGO Liaison Committee, are planning to pool their resources in Sub-Saharan Africa, linking in particular emergency aid, food aid and longer-term development assistance, thus requiring NGOs to work closely together, each contributing its special expertise. NGO consultative fora have been established in a number of countries, such as GAP in Niger, SPONG in Burkina Faso, and CONGAD in Senegal. In Tchad, NGOs are in the process of establishing a central servicing organisation which can assist with market or feasibility studies and provide administrative support. German and Dutch NGOs have supported the creation of "umbrella organisations" in developing countries: "BEL" in Burkina Faso created with the assistance of Misereor Germany, and "FEMEC" with the help of CEBEMO of the Netherlands. The German NGO "EZE" has also been active in promoting NGO-support structures in developing countries: among these are "Development Promotion Institutions" which advice indigenous NGOs on project planning, implementation and evaluation. Others, like "Regional Advisory Units" specialise on certain sectors and functions like administration and management, health, education and training. Finally, US AID has supported the work of Private Agencies Collaborating Together (PACT) and Co-ordination in Development (CODEL) to foster country level consortia.

Collaboration with Official Donor Agencies

28. There are also some encouraging developments regarding closer NGO co-operation with the official donor agencies. At the meeting of the Development Assistance Committee (DAC), held in February 1985, when DAC Member Governments consulted on means to improve their collaboration with non-governmental organisations "to strengthen the effectiveness of development co-operation" (33), DAC Member Governments expressed their "interest in

33. DAC/OECD Press Release A(85)15 of February 8, 1985 'Members of the Development Assistance Committee Consult on Means to Improve their Collaboration with'

expanding the scale of NGO activities in developing countries and confidence in NGOs' ability to implement effectively development co-operation programmes ...". As to the NGOs, there has also emerged interest in working more closely with the official donor agencies, as exemplified by the establishment in recent years of liaison committees at the World Bank, the European Commission, and of other forms of consultations with other multilateral, regional and bilateral organisations. Significantly, the NGOs attending the Ministerial Session of the World Food Council in Addis Ababa in June 1984 referred to the question of co-operation in their statement as follows: "NGOs will ... act as channels for, and partners in, the effective implementation of official development assistance programmes and projects directed at reducing hunger -- especially at the local level" (34).

Increasing Macro Impact

29. NGO effectiveness can also be enhanced by increasing the macro-economic impact of NGO operations and enhancing complementarity with recipient government programmes. NGOs are now indeed beginning to contribute to the dialogue with recipient governments on the larger issues of development. In the case of Togo, NGOs are participating in the UNDP-led Round Table exercise, and the Government of Togo has followed up in July 1985 by organising a special aid co-ordination meeting with NGOs. In fact, the Government of Togo also established a special NGO support/liaison unit in the Ministry of Planning, inter alia to provide NGOs working in rural areas with the support sometimes needed from technical ministries. In the case of Sub-Saharan Africa, where overall development performance, but in particular agricultural performance, is seriously affected by policy deficiencies, positive developmental impact cannot be achieved until the overall policy framework becomes more stimulative. Hence, the NGOs' interest in participating in the policy dialogue, and indeed the role of NGOs in development is taken into consideration by the World Bank in an increasing number of reports of Bank country/sector review missions (Mauritius Population Review, Sierra Leone Agriculture Review etc.). Closer working relations with governments of developing countries can also help to solve common programming, logistical and management needs. The latter is all the more important in countries where "NGO dependency" is large, such as in Burkina Faso where NGOs account for about 20 per cent of development expenditures. It goes almost without saying that in situations of such high dependency, the need for NGO consultation with recipient governments is imperative. In this connection, it is of significant interest that the May 1985 meeting in Dakar of the International Council of Voluntary Agencies (ICVA) which brought together over 150 representatives of NGOs, as well as bilateral and multilateral aid agencies, stated that "greater information-sharing and co-ordination would be required among the voluntary agencies themselves, and between the agencies and governments and inter-governmental organisations" (35).

30. In conclusion, experience with NGO operations over the past 10 years clearly indicates the trend towards enhanced effectiveness of NGO operations.

34. World Food Council: Statement by Non-Governmental Organisations on the Issues Facing the Tenth Ministerial Session, Addis Ababa, Ethiopia, 11-15 June 1984.

35. ICVA: Statement of ICVA General Conference.

More progress, however, can and must be made, so as to enlarge the developmental impact of NGO action over the medium-term. Above all, NGOs could appropriately devote increased attention to the development of indigenous NGO capacity so as to reduce programme costs, and help remove the institutional constraint to development acceleration and poverty alleviation, particularly in Sub-Saharan Africa, where least progress has been made and where the needs are the largest.

Future Prospects

31. Clearly, the record of the past 10 years of NGO rural development operations warrants consideration of the means necessary for expanding their operations, so as to achieve accelerated progress with resolving rural income growth and poverty issues in developing countries. The preceding analysis indicated encouraging trends towards increased developmental impact and enhanced NGO effectiveness, and points to areas where progress is needed and possible with the "NGO approach" to rural development. Designing and scaling-up programmes which are replicable and cost-effective remains the greatest challenge to NGOs. As much is understood by the NGO community and official donor agencies. In fact, the University of Aix-en-Provence will hold a conference on 4th-5th October 1985 on this very subject, which will be attended by major European NGOs and representatives from official donor agencies. Also, a consensus is emerging about the need for extending the successful NGO approach to income-generating activities where progress has been least satisfying. As an example, the French "Commission Coopération-Développement" grouping French NGO umbrella organisations and government departments, is creating a special task force working in particular on the contribution which small- and medium-sized enterprises can make to rural development. This task force will benefit from Christian Joly's work (36) on this subject, which meets with an interest from both French NGOs and the enterprise sector to foster income-generating activities in developing countries. The latter is particularly important in Sub-Saharan Africa where the need is great for increasing food security and, hence, for increasing rural incomes. Much in the way of imaginative approaches is going to be needed. Expanding the NGO approach to development, however, will also heavily involve the steady building up of indigenous NGOs, in particular again in Sub-Saharan Africa where progress has been minimal in this respect. Finally, expanded NGO involvement in development co-operation will require energetic measures by NGOs to mobilise private resources, not only in the developed countries where private resource mobilisation has not been rising sufficiently, but also in the developing countries themselves. The latter would include the further introduction of cost-recovery mechanisms. While NGOs have made efforts to increasingly involve women in their rural development projects, there does appear to be further scope for emphasising the women-factor further. Finally, it is interesting to note that recently developmental NGOs considered, together with representatives from the World Bank the possible agenda for future action in Sub-Saharan Africa, and listed the following four priority areas:

36. Christian Joly: "Organisations Non-Gouvernementales et Développement". Editions Economica, 49 rue Héricart, Paris, 1985.

- improving the productivity of the small farmer;
- improving the level of literacy, particularly of women, with an impact towards higher agricultural productivity and reduced fertility;
- improving the physical environment of the poor, in particular shelter, health, water and sanitation; and
- assisting with reducing population growth.

32. In the final analysis, further progress with the NGO approach to development, particularly in the area of income and production growth, will not only be heavily determined by the interaction which can be fostered between NGOs, the official donor agencies (requiring longer-term commitments by official donor agencies to NGOs (37), and governments of recipient countries, but also by the support which the private sector can provide. This does not refer only to the need for a further "professionalization" of the NGO approach to development, which will be vital: private enterprise, including consulting firms, are going to have to be involved to assist, inter alia, with project preparation and management, and with the provision of institution-building and other policy-development services. The Australian Federation of Credit Unions, for example, has organised training programmes and helped establish credit unions, thereby facilitating the mobilisation of savings and credit availability (38). Institutional management support is also going to be needed to facilitate, where needed, the further scaling-up of NGO action, and it is encouraging to note, in this context, that US AID provides some "institutional strengthening support". Most important, however, is further progress with collaboration between governments, NGOs and the private (for-profit) sector to foster accelerated development in the Third World, which will be the key subject on the agenda of a conference being organised by the Aga Khan network of social and economic development institutions, to be held in Nairobi in 1986.

33. In expanding the NGO approach to development in the coming 10 years, the NGO efforts could become even more complementary to those of official donor agencies. The basis for such complementarity was identified in the review of the Australian Aid policy, which stated: "To be effective, aid policy should be focused on helping developing countries achieve growth that alleviates poverty and improves income distribution... Although poverty alleviation is its main objective, development cannot be achieved simply by providing poor people with basic needs. Development requires investment in people and in such capital-intensive facilities as roads, dams and points to increase productivity and so to create higher incomes. Unless the capacity to produce goods and services is increased, even the most effective direct assistance to poor communities cannot be sustained...." (38).

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TABLE 1

EVOLUTION IN FINANCIAL OPERATIONS OF NON-GOVERNMENTAL ORGANISATIONS, 1973-1983
(US\$ MILLION, AT 1982 EXCHANGE RATES AND PRICES)

	1973	1974	1975	1980	1981	1982	1983
<u>Accounts</u>							
Private Grants	2 549	2 080	2 027	2 250	1 960	2 304	2 407
ODA Contributions	<u>72</u>	<u>144</u>	<u>149</u>	<u>970</u>	<u>1 236</u>	<u>1 159</u>	<u>1 217</u>
= NGO Disbursements	2 621	2 223	2 176	3 220	3 196	3 463	3 624
<u>"Development Assistance"</u>							
ODA -- Net	15 722	18 532	18 800	21 849	22 677	27 730	29 299
Private Grants, Net	<u>2 549</u>	<u>2 080</u>	<u>2 027</u>	<u>2 250</u>	<u>1 960</u>	<u>2 304</u>	<u>2 407</u>
Total	18 271	20 612	20 827	24 099	24 637	30 034	31 706
<u>Percentage of GNP</u>							
Private Grants	0.044	0.035	0.036	0.036	0.028	0.031	0.030
ODA Contributions	<u>0.001</u>	<u>0.002</u>	<u>0.002</u>	<u>0.012</u>	<u>0.020</u>	<u>0.015</u>	<u>0.015</u>
= NGO Disbursements	0.045	0.037	0.038	0.048	0.048	0.046	0.045
<u>Other</u>							
ODA Contributions to NGOs as Percentage of ODA	0.46	0.78	0.79	4.44	5.45	4.18	4.15
ODA Contribution to NGOs as Percentage of NGO Disbursements	2.74	6.48	6.85	30.12	38.67	33.47	33.58
NGO Disbursements as Percentage of "Total Development Assistance"	14.35	10.78	10.45	13.36	12.97	11.53	11.43

Source: DAC/OECD, Paris

TABLE 2

PRIVATE GRANTS BY NON-GOVERNMENTAL ORGANISATIONS, 1973-1984
(NET, IN US\$ MILLION, AT 1982 EXCHANGE RATES AND PRICES)

	1973	1974	1975	1980	1981	1982	1983	1984
Australia	30.12	42.53	40.09	38.45	31.24	33.49	37.67	47.18
Austria	19.79	17.64	16.66	15.20	19.77	15.25	13.08	n.a.
Belgium	20.61	21.19	19.14	20.92	26.66	31.83	35.30	n.a.
Canada	122.73	73.20	84.02	111.50	107.63	123.00	124.87	141.92
Denmark	7.29	5.90	5.44	7.15	3.06	9.29	14.55	16.16
Iceland	2.19	2.42	2.44	11.31	11.70	14.32	19.79	24.50
France	11.74	15.39	13.08	18.50	24.50	30.40	44.22	n.a.
Germany	286.92	285.78	279.48	257.81	337.38	390.82	397.65	500.02
Greece	16.69	1.61	2.13	1.70	0.96	3.33	3.60	n.a.
Ireland	15.37	18.65	18.64	22.92	21.81	23.32	26.84	n.a.
Netherlands	30.02	32.82	31.52	48.88	78.86	107.89	120.10	138.43
New Zealand	4.80	4.92	6.42	5.24	5.71	6.69	8.35	n.a.
Norway	13.17	18.28	13.50	24.59	31.57	38.92	51.05	n.a.
Sweden	33.90	37.72	33.88	31.80	41.46	60.00	83.27	90.80
Switzerland	76.01	86.05	70.43	48.82	53.68	48.65	49.64	n.a.
United Kingdom	100.60	102.97	78.52	81.68	81.34	87.52	105.68	n.a.
United States	1 757.28	1 312.50	1 311.58	1 504.05	1 078.39	1 280.00	1 271.68	n.a.
<u>ALL DAC MEMBERS</u>	<u>2 549.23</u>	<u>2 079.57</u>	<u>2 026.97</u>	<u>2 250.48</u>	<u>1 959.71</u>	<u>2 304.72</u>	<u>2 407.33</u>	<u>n.a.</u>

Source: DAC/OECD, Paris

TABLE 3

DAC MEMBER GOVERNMENT CONTRIBUTIONS TO NGOS, 1973-1984
(US\$ MILLION, AT 1982 EXCHANGE RATES AND PRICES)

	1973	1974	1975	1980	1981	1982	1983	1984
Alia	0.25	0.16	0.73	5.52	5.43	10.18	12.14	21.07
ia	..	14.93	..	..	..	..	..	..
um	10.46	10.86	9.31	17.74	22.06	21.63	31.93	n.a.
r	19.72	31.72	39.72	..	73.09	103.89	117.96	148.09
ck	..	..	..	6.80	10.25	16.84	20.52	n.a.
id	..	..	..	1.02	1.57	1.93	2.52	5.40
y	..	..	..	1.79	12.27	16.33	17.44	n.a.
	..	..	..	121.56	159.95	169.68	190.12	n.a.
	..	..	..	..	1.94	..	..	n.a.
lands	0.91	18.11	18.18	23.36	22.98	27.70	27.55	n.a.
aland	..	32.59	28.80	54.52	79.43	97.13	97.05	111.97
	0.16	0.17	0.22	0.73	0.99	1.00	1.73	n.a.
	2.74	7.30	11.83	9.16	12.27	28.63	28.56	n.a.
land	10.72	6.19	8.76	26.50	35.12	49.31	39.45	52.65
	21.01	14.24	11.07	..	33.72	42.20	51.27	n.a.
Kingdom	6.47	7.47	5.87	2.35	4.80	4.57	5.42	n.a.
States	--	--	--	699.08	760.49	568.20	573.41	n.a.
<u>DAC MEMBERS</u>	<u>72.45</u>	<u>143.74</u>	<u>148.96</u>	<u>970.12</u>	<u>1 236.36</u>	<u>1 159.22</u>	<u>1 217.07</u>	<u>n.a.</u>

TABLE 4

TOTAL NGO DISBURSEMENTS¹⁾ 1973-1984
(US\$ MILLION, AT 1982 EXCHANGE RATES AND PRICES)

	1973	1974	1975	1980	1981	1982	1983	1984
Australia	30.37	42.69	40.82	43.97	36.67	43.67	49.80	68.25
Austria	19.79	32.57	31.12	15.20	18.77	15.25	13.08	n.a.
Belgium	31.07	32.05	28.46	38.65	48.72	53.46	67.23	n.a.
Canada	142.05	104.92	123.74	111.50	180.72	226.89	242.83	290.01
Denmark	7.29	5.90	5.44	13.94	18.31	26.13	35.06	16.16
Finland	2.19	2.42	2.44	12.32	13.27	16.25	22.31	29.90
France	11.74	15.39	13.08	20.28	36.77	46.73	61.66	n.a.
Germany	286.92	285.78	279.48	379.36	497.83	560.50	587.76	500.02
Greece	16.69	1.61	2.13	1.70	2.90	3.33	3.60	n.a.
Japan	16.27	36.76	36.82	46.28	44.79	51.02	54.39	n.a.
Netherlands	30.02	65.41	60.33	103.40	158.29	205.02	217.15	250.40
New Zealand	4.96	5.09	6.64	5.98	6.70	7.69	10.08	n.a.
Norway	15.92	25.58	25.33	33.75	43.84	67.55	79.61	n.a.
Sweden	44.62	43.92	42.63	58.30	76.57	109.31	122.72	143.45
Switzerland	97.02	100.28	81.50	48.82	87.39	90.85	100.91	n.a.
United Kingdom	107.07	110.43	84.39	84.03	86.14	92.09	111.10	n.a.
United States	1 757.28	1 312.50	1 311.58	2 203.12	1 838.88	1 848.20	1 845.09	n.a.
<u>TOTAL DAC MEMBERS</u>	<u>2 621.28</u>	<u>2 223.31</u>	<u>2 175.93</u>	<u>3 220.60</u>	<u>3 196.07</u>	<u>3 463.94</u>	<u>3 624.40</u>	<u>n.a.</u>

Source: DAC/OECD, Paris

NGO Disbursements equal Net Private NGO Grants (Table 1) plus DAC Member Government contributions

TABLE 5

DAC MEMBER GOVERNMENT CONTRIBUTIONS TO NGOs
AS A PERCENTAGE OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA)
(1973-1984 : AT 1982 EXCHANGE RATES AND PRICES)

	1973	1974	1975	1980	1981	1982	1983	1984
Alia	0.059	0.032	0.112	0.855	0.956	1.152	1.375	2.355
Canada	--	--	--	--	--	--	--	--
France	3.242	3.304	2.576	6.415	5.372	4.329	5.626	--
Germany	3.447	3.422	3.576	--	5.885	8.681	8.724	--
Italy	--	--	--	2.547	3.146	4.059	4.638	--
Japan	--	--	--	1.266	1.336	1.344	1.344	2.289
Netherlands	--	--	--	0.083	0.384	0.041	0.372	--
Sweden	--	--	--	5.562	5.531	5.383	5.575	--
Switzerland	--	--	--	--	0.352	--	--	--
United Kingdom	0.040	0.747	0.854	0.802	0.906	0.916	0.811	--
United States	--	4.440	3.529	5.385	5.685	6.599	7.247	6.431
Other DAC	0.642	0.510	0.334	1.314	1.743	1.532	2.320	--
Other	1.662	3.578	5.056	2.530	2.993	5.120	4.104	--
Land	3.434	1.344	1.770	5.110	5.436	5.001	3.834	4.850
Land	8.444	6.731	4.867	--	--	16.739	--	--
Kingdom	0.564	0.5604	0.440	0.186	0.273	0.251	0.266	0.459
ates	--	--	--	8.471	--	6.934	7.365	--
<u>DAC MEMBERS</u>	<u>0.461</u>	<u>0.7756</u>	<u>0.792</u>	<u>4.440</u>	<u>5.452</u>	<u>4.180</u>	<u>4.154</u>	<u>n.a.</u>

TABLE 6

COMPOSITION OF OFFICIAL CONTRIBUTIONS TO NGOs (1983 -- \$ MILLION)

	Australia	Denmark	France	Germany	Netherlands	Sweden	USA	EEC
<u>Food Aid and Relief</u>	<u>6.03</u>	<u>4.82</u>	--	<u>10.18</u>	<u>18.57</u>	<u>14.68</u>	<u>324.30</u>	<u>46.29</u>
Regular Food Aid	--	--	--	(4.11	9.81	--	(319.20	(46.29
Emergency Relief Food Aid	3.18	--	--	(..	--	1.62	((
Other Relief Commodities	--	--	--	3.68	--	0.14	4.10	--
Emergency Relief Cash Contributions	2.85	4.82	--	2.39	8.76	12.92	1.00	--
<u>Other Contributions</u>	<u>12.13</u>	<u>13.50</u>	<u>12.49</u>	<u>166.91</u>	<u>88.99</u>	<u>28.99</u>	<u>239.40</u>	<u>23.06</u>
Regular Programmes	12.13	9.68	3.31	165.15	88.99	26.75	214.50	21.10
Other	--	3.82	9.18(1)	1.76	--	2.24	24.90(2)	1.96(3)
<u>Contributions to LDC-NGOs</u>	<u>--</u>	<u>--</u>	<u>1.71</u>	<u>--</u>	<u>3.68</u>	<u>0.44</u>	<u>31.50</u>	<u>--</u>
TOTAL	18.16	18.32	14.20	177.09	111.24	44.11	595.20	80.92

Association Française Volontaires du Progrès
Ocean Freight Reimbursement \$7.5; Refugee Assistance \$17.4
Development Education