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**NONPROFIT SECTOR IN PAKISTAN:
GOVERNMENT POLICY AND FUTURE ISSUES**

**Aisha Ghaus Pasha
Hafiz A. Pasha
and
Muhammad Asif Iqbal**

Prepared by
Social Policy and Development Centre
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Center for Civil Society, Johns Hopkins University, USA**

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FOREWORD

This is one of a series of Working Papers being produced by the Social Policy and Development Centre (SPDC) as part of an international research initiative -the Johns Hopkins Comparative Nonprofit Sector Project spearheaded by the Centre for Civil Society Studies, Johns Hopkins University, USA. In Pakistan, this study is being undertaken by SPDC in collaboration with the Aga Khan Foundation (Pakistan).

The objectives of this study are to: document the size, scope, internal structure, finance and legal position of the nonprofit sector in the country; examine the relations between the nonprofit sector and government and identify the ways in which this relationship can be improved; to improve public awareness of this sector; and provide a more reliable basis for designing policies toward it. The essential rationale for this study is to accelerate the maturation of nonprofit sector by providing comprehensive information and analysis about the dimensions of the sector. The study will also provide the first true baseline of the sector.

The Working Papers provide a vehicle for the initial dissemination of the work of the project to a wide range of audience including policy makers, scholars, development practitioners, policy analysts, international donor organizations and country-wide or regional nonprofit organizations. Working Papers are intermediary products, and they are released in the interest of timely distribution of Project results to stimulate scholarly discussion, and to inform policy debates.

The study has been supported by Aga Khan Foundation (Pakistan). The Foundation's support for this study builds upon AKF's own programmatic interest in strengthening civil society and building human capacity in Pakistan. The study has been funded through the Pakistan-Canada Social Institutions Development Programme, which is supported generously by the Canadian International Development Agency (CIDA) and the Aga Khan Foundation Canada. The United States Agency for International Development (USAID) through a grant to the Aga Khan Foundation U.S.A. under the Pakistan NGO Initiative, has funded the support received from the Johns Hopkins University.

We are pleased to be able to make the early results of this project available in this form and welcome comments and inquiries about this paper or the project as a whole.



Dr. Kaiser Bengali
Acting Managing Director

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GOVERNMENT POLICY AND FUTURE ISSUES

INTRODUCTION

The nonprofit sector remains relatively small and underdeveloped in Pakistan. During the decade of the 1990s, it has demonstrated some nascent growth resulting from a number of favourable factors like the return to democracy, the growing push towards deregulation and privatization, the process of globalization and the emergence of international coalitions of civil society and the deterioration in the financial position of governments which has limited the public provision of social services. The objective of this paper is to examine the role played by government policy in fostering this process of growth of the nonprofit sector of Pakistan and to review the key issues faced by the sector at this time.

Of particular concern are, first, the overall posture of the government towards the nonprofit sector, the types of policies in place, and the underlying philosophy or principles that guide policy making. Second, the forms of support to the nonprofit sector by different levels of government. Third, the posture of international organizations and supranational governments towards local nonprofit organizations. Fourth, the role played by nonprofit organizations in introducing, shaping and implementing public policies and, fifth, the major issues facing the nonprofit sector at the present time.

The objective of this paper is to analyze government policy towards the nonprofit sector in Pakistan over the last two decades and review some major issues facing the sector at the present time. The methodology is primarily based on the review of available literature and government policy documents, and interviews with the experts of the field. The paper is organized in four parts. Section I describes the policy environment, including the posture of government and forms and extent of official support. Section II discusses the role of nonprofit organizations as vehicles of policy. Finally in Section III we identify some of the major issues facing the nonprofit sector.

I- POLICY ENVIRONMENT

Overall Posture of Government

A number of questions arise with regard to the overall posture of government, as follows: Is the national government generally supportive, hostile or neutral towards nonprofit organizations? Is there an explicit government policy towards nonprofit organizations (NPOs)? What are the philosophy and principles that lie behind this policy? Are there significant differences among major political parties or factions with respect to their posture towards the nonprofit sector?

By and large, government policy towards the nonprofit sector has lacked consistency. During the 1990s, there have been periods when the policy can be considered to have been broadly supportive. This is evidenced by increasing reference in recent five year plan documents which have emphasized the role of nonprofit organizations (see Box 1), as compared to previous plans. Other supportive acts include the granting of special fiscal incentives for philanthropic contributions by corporate entities or individuals to nonprofit organizations and the explicit recognition given to the role of nonprofit organizations in major programs of social development like the Social Action Program and the Family Planning Program. Perhaps as the ultimate symbol of recognition of the role of nonprofit organizations, well-known leaders of civil society representing different non-governmental entities were inducted into the federal cabinet in October 1999 following the military takeover. Important portfolios like information and broadcasting, education, environment, women, population planning and local government have been allocated to these representatives.

As opposed to this, a number of actions have indicated a hostile attitude, especially with regard to non-governmental organizations engaged in either social or political advocacy. This culminated in 1998 in intelligence enquiries, attacks and deregistration by provincial government of Punjab of advocacy groups. Since 1996, there has also been pending with the parliament, a NGO Bill which many see as an attempt by the government to bring the nonprofit sector directly under its control and regulation.

There are a number of factors that explain the dichotomy in government's posture towards the nonprofit sector. First, while government is supportive at the policy level, it is obstructionist at the operational level of line departments of federal, provincial and local governments who see non-governmental organizations as competitive with respect to funds and influence. Enhanced role of the latter is seen as cutting into the functions and responsibility of the former.

Second, government is generally supportive of the welfare and service providing role of the nonprofit sector, but openly hostile with regard to the role of nonprofit organizations in social and political advocacy. As highlighted earlier, the granting of tax exemption to charitable donations made primarily to social welfare nonprofit organizations like the Edhi Foundation and the explicit recognition of the role of nonprofit organizations in programs like SAP in social service delivery are demonstrative of the support. As opposed to this, governments, have felt increasingly threatened by the role played by nonprofit organizations in mobilizing support of civil society at large on issues like violence against women, honor killings, blasphemy law, freedom of the press, accountability and corruption, etc. The resulting hostility has been reflected in attempts at penetration of various nonprofit organizations and, in extreme cases, at attempts even for closure through deregistration.

BOX 1: NONPROFIT ORGANIZATIONS IN FIVE YEAR PLANS

The sixth five year plan (1983-88) exhibited a strong orientation towards welfare but makes no mention of nonprofit organizations as service and welfare intermediaries. The seventh five year plan (1988-93) mentions nonprofit organizations for the first time and highlights their emergence due to the inept functioning of public agencies. The eighth five year plan (1993-98) recognizes the heightened contribution of nonprofit organizations but emphasizes the need for monitoring and regulating their role. Moreover, the entire chapter on social welfare echoes a parochial and conservative view of nonprofit organizations as largely social welfare agencies. There is no recognition yet of the nonprofit sector as an autonomous and vibrant sector of the economy.

The posture has also tended to vary among different parts of government. By and large, politicians from the ruling parties (like the Pakistan People's Party and Pakistan Muslim League) have been neutral in their attitude towards nonprofit organizations. This is based on the perception that in Pakistan such organizations have not yet become influential enough to impact significantly on the political agenda and the voting choices of the electorate. Bureaucracies, especially in the finance and planning ministries, are mostly supportive because of the realization that in the presence of severe fiscal constraints, enhanced role of nonprofit organizations in service delivery saves money for the government. Line ministries have an ambivalent attitude and prefer to use non-governmental organizations only when there is a well-defined gap in capacity or resources. Intelligence and security agencies are generally hostile and openly distrustful of nonprofit organizations, especially those performing an advocacy role.

There appears also to be another major dichotomy in government's posture depending upon the nature of the nonprofit organization. There is a greater tendency to support 'indigenous' nonprofit organizations, which mobilize resources locally and frequently operate at the grass roots level in order to mobilize communities and prepare them for organizing the provision of local services. Such support arises from the recognition that there are serious limitations in the outreach of government especially to pockets of poverty in far flung backward areas and this task has to be left to local NGOs. It is also predicated on the need to promote 'self-help' by communities so that the burden on government is minimized. The best example of this is the establishment of Rural Support Programs at the national and provincial levels to perform the task of social mobilization through establishment of CBOs at the village level. In the mid-1990s the government (of the Pakistan Muslim League) made a sizeable allocation of Rs 500 million to establish an endowment fund for the NRSP, which has been modelled on the AKRSP¹, and has since played a major role

¹ The Aga Khan Rural Support Programme (AKRSP) is a private, non-commercial, and nonprofit company, established by the Aga Khan Foundation, to help improve the quality of life of the people of the Northern

in promoting the development of CBOs. It has also emerged as a major intermediary for channelizing microcredit.

As opposed to this, there is hostility to 'foreign-funded' nonprofit organizations, whose operations remain largely outside the regulatory control of government either because they are part of some large international umbrella nonprofit organization or because they receive funding directly from bilateral or multilateral donor agencies. However, the hostility arises not only because of the financial and functional autonomy but mainly because many of these nonprofit organizations have taken up causes like human and women's rights, environment, political freedom, nuclear disarmament, municipal building regulations, etc., which are considered politically sensitive or have security implications.

Given the lack of consistency in the government posture, no explicit comprehensive or cohesive policy has yet been articulated with respect to the nonprofit sector. This is also the consequence of the absence of an institutional mechanism to coordinate the role of different registration authorities (as highlighted in SPDC, 2002a). Nevertheless, some elements of the implicit policy towards nonprofit organizations can be adduced from behaviour and general policy statements.

First, the implicit policy appears to be that the nonprofit sector should preferably stay away from issues that impinge on national security or upon strategic interests and relations with other countries. Also, the advocacy role in the context of sensitive social, religious and political issues is to be discouraged. Second, the implicit policy encourages non-governmental involvement in the areas of social welfare and social sector delivery. For this purpose, fiscal incentives have been provided, a system of partial grant funding and, more recently, a more liberal approach towards public-private partnerships have been put in place to enhance the role of nonprofit organizations.

Third, there is emphasis now on the need to develop an appropriate legal and regulatory framework within which institutions in the non-government sector can operate in a transparent and accountable manner. The revival in 1999 of the NGO Bill, pending in the Senate since 1996, highlighted the motivation for greater 'control' of nonprofit organizations. Present negotiations over the draft of the Bill (and a version of the Bill proposed by the Pakistan NGO Forum), which involve greater consultation, indicate a change away from control towards an approach of facilitation and developing an enabling environment. This positive change in the implicit policy is possibly a reflection of the influence of NGO representatives in the federal cabinet

Areas and Chitral. AKRSP has, over the years, acted as a catalyst for integrated rural development, organizing local human, physical and financial resources in order to enable communities bring about their own development in an equitable and sustainable manner. Major program components of AKRSP include women's development, natural resource management, development of productive physical infrastructure, enterprise promotion and credit and savings services (RSPN, 2001).

and the need to provide some space for nonprofit organizations to operate as a substitute for the ban on political activity under the military regime.

A recent example of this change is the commissioning by the Government of Pakistan of the Pakistan Centre for Philanthropy to undertake a study and consultative process to produce an Enabling Regulatory and Fiscal Framework for civil society organizations. This is part of the “Enabling Environment Initiative” launched by the Pakistan Centre of Philanthropy. The set objectives are as follows: first, to facilitate policy makers and stakeholders to evolve a consultation-based regulatory mechanism that helps create an enabling environment for the growth and development of civil society organizations and provides for a regulatory role of the State as a facilitator without compromising the autonomy and independence of civil society organizations; second, to produce an enabling regulatory and fiscal framework for Citizen Sector Organizations (CSOs) and philanthropy that is supported broadly across society; third, to build confidence and understanding between the government and CSOs thereby establishing a new foundation for co-operation for sustainable national development and poverty alleviation; and finally, to enhance and evolve mechanisms for promoting transparency and accountability in the operations of CSOs to underpin the formal regulatory system.

What are the philosophy and principles that lie behind the policy? One of the fundamental principles that guide government policy is that ‘the government cannot deliver alone, civil society has to share the burden’. This realization has become more acute in the face of rising fiscal constraints and the fact that the bulk of public expenditure has been pre-empted by the costs of debt servicing, defense and civil administration. It is also based on the recognition of the impediments to government delivery to poor, marginalized groups in relatively inaccessible backward areas. Such delivery is unlikely to be cost effective and properly targeted. Therefore, the logical role for nonprofit organizations is to supplement government in the process of delivery of basic services.

The second principle is that of ‘self-help’. Communities need to organize themselves collectively to cater for some of their basic needs. This is especially true at the grass-roots level. As such, local self-government or community-based organizations need to be encouraged to collaborate and organize the provision of local services or for welfare of the more vulnerable members of the community. This also explains the philosophy of decentralization of government and devolution of power followed by the military government. As a result of implementation of the Devolution Plan, the discharge of a number of functions has been transferred to local governments, down to the union council level (a collection of villages or urban neighborhoods) and community-based organizations are expected to oversee the provision of services and make line departments more accountable.

A more recently accepted principle has emerged from the new development paradigm which emphasizes ‘peoples’ participation and empowerment’, arising from

the need to focus peoples' talents and resources towards development. This development paradigm has largely been promoted by international donor agencies. Based on this principle, the task is one of social mobilization through formation of community-based organizations at the village level. But, in Pakistan, this principle has not been carried far enough where such social mobilization can go beyond the provision of services to more active participation in the political process and in the advocacy of social change.

This takes us to the posture of political parties or factions towards nonprofit organizations. Mainstream political parties, like the Pakistan Peoples' Party (PPP) and the Pakistan Muslim League (PML), which have shared power since 1988, up to the military takeover in 1999, have a somewhat different posture to nonprofit organizations than the fringe religious parties like the *Jamaat Islami* or *Jamiate Ulema Pakistan* and other groups which pursue a fundamentalist Islamic agenda.

During the PPP tenure (1988 to 1990 and 1993 to 1996) some progressive steps were taken to enhance the role of the nonprofit sector and to improve its relationship with the government. Perhaps for the first time, there was some recognition of the legitimate role that nonprofit organizations can play in espousing social and political causes. This explains the emergence of NGOs promoting human rights in general and the rights of women in particular. But there continued to be elements within the PPP government that had an ambivalent attitude towards the nonprofit sector and harboured suspicions about its role. This explains the drafting of the NGO bill in 1996 by the PPP government, designed to achieve greater control over NGOs.

The Pakistan Muslim League government (1990 to 1993 and 1997 to 1999) also initially exhibited some enthusiasm for development of the nonprofit sector. Much of the emphasis, however, was for the use of nonprofit organizations as agents for social service delivery in order to reduce the fiscal burden on government. Consequently, a large endowment was given to the National Rural Support Program, the Pakistan Poverty Alleviation Fund was made operational, fiscal incentives were given for corporate and individual philanthropy, and space created within the Social Action Program for greater role of NGOs. But the PML was inherently distrustful of nonprofit organizations playing an advocacy role. The confrontation reached a peak on issues related to the nuclear blasts in 1998 and on criticism by NGOs of honor killings of women and the blasphemy law. This culminated in 1999 by attacks of NGOs by the government of Punjab and the attempt to deregister a large number of such entities.

Some religious parties have developed a strong antagonism towards nonprofit organizations. The animosity has been articulated more aggressively as religious parties have taken centre stage following the imposition of restrictions on activities of mainstream political parties, the PPP and PML, in the aftermath of the military takeover in October 1999. Religious parties have taken on a head on confrontation, in particular, with nonprofit organizations challenging the orthodox Islamic position

with regard to the status of women, blasphemy law, etc. The former have argued that such nonprofit organizations pursue a Western alien agenda aimed at transforming Pakistan from an Islamic state to a secular state on the basis of patronage from international umbrella civil society groups and sizeable external funding. A campaign has been launched to either ban such organizations or bring them strongly under government control. Even the lives and security of leaders of some controversial non-governmental organizations have been threatened.

BOX 2: PHILANTHROPY IN PAKISTAN

- S In 1998, it is estimated that the people of Pakistan contributed Rs 41 billion (about 1.5 percent of GDP) and volunteered 1.6 billion hours of time to philanthropic activities.
- S Of the total share going to organizations, 94 percent went to religious institutions and causes. Religious faith is cited as a motivation for 98 percent of donors.
- S A substantial 65 percent of all monetary giving went directly to individuals.
- S As a share of income, relatively low-income households contribute more than upper-income households.
- S Philanthropic giving is motivated by religious faith, civic duty, human compassion and social responsibility.
- S Giving in Pakistan is not yet sensitive to changes in tax incentives.
- S In comparison to other countries, Pakistan performs fairly well in charitable involvement and spirit of volunteerism.

Source: Philanthropy in Pakistan, Aga Khan Development Network, 2000

Underlying all this opposition by religious parties, there is the lurking suspicion that the real threat faced by them is the competition for funds and influence. Philanthropy is active in Pakistan (see Box 2) but much of it is currently channelized for religious purposes, like construction of mosques. The emergence of large nonprofit organizations like the Edhi Foundation (Box 3), which are seen as effectively utilizing funds made available for social welfare or provision of basic services, has increasingly led to a diversion of charitable donations towards such organizations. Therefore, it is clearly in the interests of religious organizations to stem this trend.

Forms and Extent of Government Support

The questions that arise with regard to the form and extent of government support to nonprofit organizations are as follows: How extensive is government financial support to the nonprofit sector? What forms does this support take and how extensive are the various forms - core support, grant support, contracts for services, vouchers or consumer subsidies, tax support, etc.? What are the perceived advantages and disadvantages of these different forms and why does the pattern that exists in Pakistan take the form it does? What considerations lie behind government's funding of nonprofit organizations?

Government support to nonprofit organizations in Pakistan is generally considered as inadequate. SPDC (2002) reveals that public sector contributes only 6 percent of cash revenues of the nonprofit sector in Pakistan. It also includes bi-lateral and

multi-lateral foreign aid. The lack of government support is clearly a reflection of the largely indifferent or somewhat hostile attitude of government towards nonprofit organizations, although it is possible that when the sample is extended to large nonprofit organizations the share of government funding will rise.

Despite limited funding, the sources are diverse. New sources have emerged during the 1990's, indicating that for nonprofit organizations, especially those engaged in welfare or service provision, medium run prospects are somewhat better. Traditionally, the principal source is small grants to nonprofit organizations registered under the Social Welfare Voluntary Ordinance of 1961 by the Social Welfare departments of the provincial governments. In addition, grants are available to nonprofit organizations managing orphanages and industrial homes for women from the religious *Zakat* and *Baitul Maal* funds.² Other agencies making small grants are the ministries of sports and youth affairs and environment of the federal level.

BOX 3: EDHI FOUNDATION

Edhi Foundation is one of the dynamic NPOs in Pakistan with branches spread throughout the country. It was founded by Abdul Sattar Edhi in 1948. Edhi began his work by shifting injured people to hospitals, and has since developed a service, which attracts funds of \$5 million per year, with no government assistance.

Major activities of the Foundation include: emergency services such as field ambulance, air ambulance, marine/coastal services, emergency check posts, etc.; medical facilities such as hospitals, dispensaries, drug rehabilitation centers; welfare activities such as baby cradles, destitute homes, services for missing persons (especially children), prisoner's aid, graveyard services, etc.

Foundation's radio-linked network includes 500 ambulances throughout Pakistan. Other facilities include 300 relief centres, 3 air ambulances, 24 hospitals, 3 drug rehabilitation centres, women's centres, free dispensaries, adoption programmes and soup kitchens that feed 100,000 people a month.

Source: www.telmedpak.com

The establishment of provincial educational and health foundations as semi-autonomous institutions for making grants and loans to nonprofit organizations has opened up a potentially significant source for financing the capital costs of new

² *Zakat* is a form of charity religiously mandated under Islam and is officially collected by Government of Pakistan from Muslims since 1980. An autonomous *Zakat* council administers the Central *Zakat* Fund maintained by the State Bank of Pakistan, which does not form part of the federal consolidated fund. *Zakat* funds are mainly distributed among individuals. However, limited grants are also available to NPOs.

Pakistan *Bait-ul-Maal* Fund (PBF) was established in 1992, mainly to provide assistance to those in need (such as minorities) who are not covered by *Zakat*. PBF is administered by an autonomous board of management. Funds for the PBF come from the federal government. The PBF also receives small grants from the Central *Zakat* Fund and provincial and local governments.

facilities like schools and hospitals by such entities. The financing formula is as follows: one third of the capital cost as a grant, one third as a loan at a relatively low interest rate, and the remaining one third to be financed by the nonprofit organization. The Education and Health Foundations generally only finance the capital costs, nonprofit organizations are expected to finance their annual recurring costs. The Participatory Development Program (see Box 4) of SAP also finances part of the capital costs of provision of social services by non-governmental entities.

BOX 4: THE PARTICIPATORY DEVELOPMENT PROGRAMME (PDP)

The Participatory Development Programme (PDP) was set up as part of the Social Action Programme (SAP) to foster stronger linkages among communities, NGOs, CBO, private sector and government. The purpose of PDP is to supplement SAP by involving civil society organizations and the private sector.

However, this program has not proved to be effective. NGOs have found that during the Phase I of SAP the PDP, and even during SAP-II, continues to be centralized and lacking in transparency, extremely slow in project selection and payment to the point of nearly collapsing some of the projects, and unfriendly in that government is unable to work effectively with NGOs. Its approach was found to be controlling in character, with a preoccupation on oversight and monitoring, and not supportive.

Nonetheless, SAP-II has attempted to address some of these issues. An important first step is the decentralization of project selection and administration to the provinces. The government has increased resources for monitoring by the private sector and plans to include training. Transparency has been improved by including NGOs on the PDP committees. However, many issues remain unresolved.

Source: *Social Development in Pakistan 1999*, Social Policy and Development Centre.

Another innovation in the financing of nonprofit organizations is the setting up of trust funds. The Trust of Voluntary Organizations (TVO) was established in the early 1990s on the basis of an endowment of 90 million dollars by the United States Agency of International Development (USAID) (see Box 5). This has emerged as a major source of funding to some of the larger nonprofit organizations in the country.

With regard to payments rendered as a part of the contract for services, there are a number of examples in the areas of family planning services and the provision of non-formal basic education by home based schools. This practice has also been extended to the area of immunization. Payments are expected to cover the costs of materials and equipment and a large component of the bill of salaries and utilities.

BOX 5: THE TRUST FOR VOLUNTARY ORGANIZATIONS (TVO)

The Trust for Voluntary Organization (TVO) was established as non-government and not-for-profit organization in 1990 by the government of Pakistan under a Special Development Agreement between the government of Pakistan and United States Agency for International Development (USAID). TVO's objectives focus primarily on strengthening indigenous NGOs and community based organizations to improve status of women and community participatory development in social sectors. The role of TVO is to strengthen NGOs and CBOs through financial grants and training; bring neglected and remote areas of the country into focus; encourage participatory socio-economic development; and empower marginalized segments of the society through access to information. Since its inception till 1999, TVO has made funds amounting to about Rs. 360 million available to 187 NGOs and CBOs in the country.

Source: Annual Report 1998-99, Trust for Voluntary Organizations, 1999.

Other mechanisms again, of recent origin, include the access of relatively large non-governmental organizations to wholesale credit lines for retail extension of micro credit to relatively poor households and for small investments in infrastructure. The Pakistan Poverty Alleviation Fund (PPAF) was set up in early 1997 to perform this function (see Box 6). The federal government has created an endowment of Rs 100 million to defray the overhead costs and the World Bank is expected to make available a large credit line of up to 100 million dollars for onward lending. As part of its poverty alleviation package, the military government announced in 2000 the establishment of *Khushali* Bank, primarily for the extension for micro credit partly through a network of nonprofit organizations and partly directly through commercial bank branches. The Government of Pakistan has already signed an agreement with the Asian Development Bank (ADB) for a loan of 150 million dollars to support the operations of the *Khushali* Bank under ADB's Micro-finance Sector Development Program (MSDP).

Another mechanism, although indirect but significant in character, is the funding of the National Rural Support Program (NRSP) by the federal government and the provincial Rural Support Programs (like the Sarhad Rural Support Program) by the respective provincial governments. These organizations are expected to engage in the task of social mobilization in the villages, through the establishment of CBOs, essentially modelled on the successful experience of the Aga Khan Rural Support Program (AKRSP). It is of interest to note that the NRSP has emerged as a major intermediary for channelizing micro credit.

With regard to tax breaks, there are two types of fiscal incentives for nonprofit organizations in Pakistan. In the area of income and corporation tax, the fiscal status relating to tax deductibility of charitable contributions by corporate entities or

individual tax payers is embodied in the Income Tax Ordinance of 1979. A major effort was made to relax the ceilings on donations in the Finance Act of 1997-98, where the maximum percentage of charitable contributions by companies was raised from 10 percent to 15 percent, while that for individuals was enhanced from 25 percent to 30 percent.

Another part of the fiscal framework that affects the nonprofit sector is contained in the Customs Tariff, and relates to the policy of granting customs duty exemptions on the import of equipment (including vehicles) by nonprofit organizations. By and large, this exemption has been restricted to large umbrella nonprofit organizations who have significant foreign grant funding.

Finally, there is government support in kind. This is reflected in either free or subsidized provision of land and lower tariffs by public utilities. Also, there are cases of public-private partnerships involving the leasing out of government facilities. Based primarily on disillusionment with the coverage and quality of government provision, some of the provincial governments and occasionally the federal government have opted for management contracts with nonprofit organizations, primarily of schools, clinics and hospitals. The expectation generally in such contracts is that the partner nonprofit organization will invest in upgrading the facilities and cover at least part of the recurring costs.

BOX 6: THE PAKISTAN POVERTY ALLEVIATION FUND (PPAF)

The Pakistan Poverty Alleviation Fund (PPAF) was set up in 1997 as a nonprofit and autonomous private company to mobilize and assist poor communities in developing income-generating activities through human resource development and micro-credit programs. The aims and objectives of PPAF are to improve the economic welfare of and income of poor people; to strengthen partner organizations and local communities; and to provide credit to eligible partner organizations to assist them expand their poverty-targeted micro-credit programs.

The fund has three components. A micro-credit/micro-enterprises scheme provides loans to partner organizations. A second component finances small-scale community infrastructure through grants and loans provided on a cost-sharing basis to partner organizations. The third component is aimed at improving capacity of stakeholders and partner organizations. A partner organization must be a registered NGO with a good track record, have the institutional capacity for implementation, be gender sensitive and have a transparent management system.

Source: Social Development in Pakistan 1999, Social Policy and Development Centre.

What are the perceived advantages and disadvantages of the different forms of support to nonprofit organizations mentioned above? We discuss each source in

turn. We evaluate the various sources of finance on the basis of a number of criteria. The first criterion is whether the particular form of support is non-distortionary in character or if it leads to changes in the behaviour of the recipient entity in order to qualify for the support, that is, if they affect autonomy or not. The second is certainty, indicating whether the support committed is disbursed in time at the agreed level. The third is objectivity, depending upon whether the disbursement of financial support by government is based on the application of objective criteria to determine the worthiness of different nonprofit organizations for receiving such support and whether the process of selection is transparent or not. The final criterion is sustainability, as to whether the form of support contributes to the continued operation of the recipient or not.

Recurring grants have the advantage that they are largely non-distortionary in character and do not affect the autonomy of the recipient organization, although a properly administered scheme should be accompanied by proper monitoring and evaluation of the use of funds. Disadvantages of recurring grants relate primarily to the other criteria. The lack of certainty arises in the irregular and unknown schedule of release of funds, depending upon the liquidity position of the entity making grants. Perhaps, the biggest problem is the absence of transparency and objectivity in the disbursements. Most interview respondents from nonprofit organizations have strongly complained that the process of selection of nonprofit organizations for grant support from the social welfare departments is highly politicized and usually based on kinship and other considerations. Transaction costs are high and the process of filing applications is complicated and cumbersome. In some cases, allegations have also been made about corruption in the process.

Capital grants can be distortionary in character, especially if they are oriented towards particular uses, like the construction of schools and hospitals. In the case of Education and Health Foundations and the Participatory Development Program of SAP there are allegations again of lack of transparency and favouritism in the allocation process. The Foundations also allocate state land for construction of the facilities and this has constituted a major motivation for many applicants to obtain such land at subsidized rates and engage subsequently in real estate speculation. This increases the possibility of corruption in the process. The other disadvantage is that in the absence of recurring grants, following the receipt of the capital grant, facilities constructed may remain underutilized.

Payments for delivery of services may be an efficient way of organizing the relationship between government and the private contractor. But the selection of contractors for delivery of services should be based on an objective bidding process, characterized by transparency. This is frequently not the case. For example, under Social Action Program (SAP), government launched Participatory Development Program (PDP) with the objective to deliver social services through tripartite partnerships combining government, the private sector as represented by NGOs,

and beneficiary communities. In this regard, SPDC (1997) notes: 'No selection criteria on procedures were published. Although private sector firms were invited to submit proposals and several firms prepared and submitted proposals...all were rejected...'. Also, there is the problem of the lack of certainty. Nonprofit organizations face many problems in the reimbursement of the agreed amounts. The process of validation of services rendered is generally cumbersome and time consuming in character.

For most nonprofit organizations, the creation of endowments is the preferred form of support. Its primary advantage is that it contributes to sustainability due to the guaranteed annual flow of income from the endowment. This also imparts a high degree of autonomy in the conduct of operations. The disadvantage, however, is that in the presence of a permanent source of funding, organizations may become more introverted, less accountable and slack in the achievement of the original mission goals. Therefore, it is essential that while endowments can be used to cover some of the core budgets, nonprofit organizations continue to face market pressures to perform well so as to be able to finance the rest of the budget.

Tax breaks have the obvious advantage that the costs of support are effectively shared by the government with philanthropic entities. They also have the advantage of targeting funds towards those entities which have a good reputation for judicious and efficient utilization of funds received. Unconditional philanthropic contributions also preserve autonomy and flexibility of recipient nonprofit organizations. But, in Pakistan, while the tax deductibility provisions in the income tax ordinance for charitable contributions are fairly liberal, the system of classifying nonprofit organizations, donations to which enjoy these provisions, is highly selective and arbitrary in character. In addition, widespread tax evasion implies that the fiscal incentive arising from tax deductibility provisions for donations is weak.

With regard to support in kind in form of leasing out of government facilities, the advantage is that if the relationship is properly structured then there is enormous scope for 'synergy' in the partnership, with each party benefiting significantly. But the basic problem is one of a general distrust among governmental and non-governmental entities and operational difficulties arising from fundamental differences in working styles. It is not surprising that public-private partnerships are of recent origin in Pakistan and there are only a few successful examples currently.

By and large, the pattern of government funding currently in Pakistan of nonprofit organizations is that of conditional grants and payments for services rendered. Also, there is a preference for once-and-for-all capital grants as opposed to recurrent funding. What factors explain this pattern of support and what considerations lie behind government's funding of nonprofit organizations?

The reliance on conditional grants is motivated by the concern that the behaviour of nonprofit organizations needs to be regulated by making support available only for activities that the government considers desirable. As such, the limited support is directed primarily towards nonprofit organizations that are either engaged in social welfare or provision of social services. Grant funding of such entities involved in social or political advocacy is, more or less, non-existent. Unconditional grant funding or the setting up of endowments is generally not resorted to by government because they make the recipient organizations more autonomous in their operations.

Capital grants are preferred over recurring grants primarily for two reasons. First, the effort on the part of government is to minimize its downstream liabilities in the provision of services and thereby reduce the fiscal burden over time. As such, the objective is to provide some initial assistance to a non-governmental entity in establishing a facility and then letting it operate largely on the basis of self-financing of its recurring costs. Second, there appears to be some aversion to creating a sizeable bureaucracy for managing a recurring grants scheme for a large number of non-governmental organizations.

Interview respondents have made a large number of useful suggestions for improving government support to nonprofit organizations as follows:

- i) Simplification of the system for making grant applications to the social welfare departments, accompanied by somewhat more rigorous scrutiny and accountability.
- ii) For sensitive activities (like a public radio broadcast) grants of an unconditional nature or endowments should be preferred.
- iii) Tax exemptions for philanthropy should be more widespread. The laws exist but their application is not easy. The certification of nonprofit organizations, donations to which are tax deductible, should not be done by the Central Board of Revenue (CBR) but by an independent rating authority. As an initial step, all nonprofit organizations registered under Section 42 of the Companies Ordinance, which requires relatively high standards of accounting and information disclosure, should be granted this status.
- iv) The Boards of Education and Health Foundations and the Steering Committee of the PDP should have majority representation from the private sector, consisting of distinguished members of civil society and the corporate sector. This model has been, more or less, successfully followed in the case of the PPAF. Grants should be based on proper criteria, applied with transparency.
- v) In the case of contracts for services, the bidding process should be made more transparent, and the process of validation of services provided made less cumbersome. In addition, revolving funds should be established with enough liquidity and a built-in monitoring system instituted.

Altogether, not only is there case for expanding the level of government support to nonprofit organizations, but also of streamlining the system and making it more autonomous, transparent and accountable.

Changes in Government Posture

We now examine how the overall posture of the government towards the nonprofit sector has changed over the last decade. Specifically, we address the following questions: What major shifts have occurred in the philosophy or principles that lie behind government policy towards the nonprofit sector? What changes have taken place in either the amount or the form of government support? Has the government introduced significant and new legislation/restriction related to the nonprofit organizations or changed tax laws that are beneficial to these organizations?

We have highlighted earlier that the government posture towards nonprofit sector has been variable and lacked consistency. But behind all vagaries in the relationship there is a growing recognition of the role of nonprofit organizations, especially in the areas of social welfare and social service delivery. This is a consequence both of major external developments like globalization, return to democracy, the emerging fiscal crunch and the influence of donor agencies in promoting the role of the nonprofit sector, as well as due to internal changes in the role and character of nonprofit organizations. During the last two decades, recognition of the role of non-governmental entities has been greatly facilitated by the visible and spectacular success achieved by some organizations like the Edhi Foundation and the Aga Khan Rural Support Program. Despite operating in difficult conditions, such organizations have achieved rapid growth and carved out a distinct role for themselves. More importantly, they have demonstrably contributed to significant improvements in the lives of those they have assisted.

There is now greater appreciation of the potential for greater cost effectiveness and better coverage and targeting by the non-government sector, especially in far-flung and backward areas. Given this recognition and in the presence of acute financial constraints, government has accepted the need for supplemental delivery by the nonprofit sector. As the priority for social development and poverty alleviation increased during the decade of the 1990's, inevitably more space has been created for operations by nonprofit organizations. Besides, non-governmental organizations have got more organized through establishment of coordinating agencies and resource centres (like the NGORC) for capacity building. This has culminated in a somewhat more active role of NGO representatives not only in policy forums but also in federal and provincial cabinets.

But as the NGO sector has grown, points of tension have emerged which have created hostility towards nonprofit organizations. Social and politically activist NGOs have come into confrontation with government and the more traditional elements of

society, like religious organizations. As the competition for charitable contributions has intensified, social welfare nonprofit organizations have increasingly been pitched against entities performing religious activities, like construction and maintenance of mosques and the organization of festivals. Professional and managerial personnel have been diverted away from the government towards non-governmental organizations, frequently with better remuneration.

With regard to the level and form of government support there has been more diversification in the sources than in the quantum of support. New forms of capital grant funding have emerged like the Education and Health Foundations and the PDP. There are new financial intermediaries like the TVO, PPAF, the Khushali Bank and the NRSP. Payments for services rendered by nonprofit organizations have spread to a wider range of services related to non-formal education, immunization, family planning, etc.

There has also been also an improvement in the fiscal environment for nonprofit organizations. Major changes in tax legislation were introduced in the second half of the 1990s. But while the tax laws with regard to deductibility of charitable contributions has been liberalized, their application has remained limited due to the very selective granting of the appropriate status for receiving donations to nonprofit organizations.

With regard to changes in the overall legal and regulatory framework, perhaps the principal measure was the introduction of the NGO bill in the late 1990s, which has not yet been promulgated. Salient features of the bill include its 'umbrella' character whereby all social welfare organizations (SWOs) must mandatorily be registered under this law; restriction on the "social education" role of SWOs but an increase in the list of permitted activities and the inclusion of the term "development" for a number of activities undertaken by NGOs; need for compulsory auditing of accounts; discretion with government to terminate any NGO, take over its assets and operations; creation of an appellate mechanism and more information disclosure on sources of funding (SPDC, 2002a).

Interview respondents have criticized many of the provisions of the Bill. Some have questioned the ability of one 'umbrella' law to capture all the differences among nonprofit entities. Others have voiced their strong opposition to the proposed granting of extraordinary powers to government to close down, dissolve, replace and control nonprofit organizations. In addition, the proposal that all foreign funding should be routed through the government has been considered as encroaching on the financial autonomy of donor agencies and recipient organizations. Also, doubts have been expressed about the ability of small NGOs to hire external qualified auditors. Generally, representatives of nonprofit organizations have emphasized on the need for introducing stronger self-regulation within the nonprofit sector to obviate largely the need for this role to be performed by government.

Overall Posture of Local Government

In the context of the overall posture of local governments in Pakistan towards the nonprofit sector, the following questions arise: does the position of local government towards nonprofits diverge significantly from that of the national government? What is the nature of the differences and what seems to account for them?

Local governments inherently are more concerned directly with the provision of municipal services and less with broader issues relating to social and political change. Therefore, given the greater acceptance generally of the role of nonprofit organizations as service delivery agents, it appears more likely that local governments see a natural complementary role of nonprofit organizations. In many situations there may even be a hierarchical relationship with community based organizations, at the level of a village and urban neighbourhood, acting as a kind of lowest, though informal tier, of local government. For example, school management committees have been constituted in various parts of the country, as in Punjab, to supervise the functioning of government-owned primary schools and, in particular, to monitor the attendance of teachers.

But there are also points of stress in the relationship. For example, in large metropolitan cities, like Karachi, a number of non-governmental organizations, like SHEHRI, have emerged to monitor the observance of municipal building and zoning by-laws by construction companies. Frequently, these laws are violated on the basis of graft and corruption by municipal inspectors. Therefore, the accountability introduced by the presence of NGOs has led to serious conflicts, which in many cases have had to be resolved through the courts.

More recently, in the Devolution Plan implemented by the military government an explicit provision has been made for the establishment of community/citizens' boards to oversee the provision of services at the local level by line departments. This is likely to create greater accountability in service provision and influence the process of allocation of funds. However, the registration process, staffing and funding of these bodies has not yet been clearly specified.

Posture of Supra-national Governments

We examine next the policies of supranational authorities like the World Bank, the UNDP and other international bodies towards nonprofit organizations in Pakistan. International aid inflows into Pakistan have been substantial, and have financed a large portion of fiscal deficits. In particular, we focus on the impact of international agencies on the policy of the national government towards the nonprofit sector and the attitudes or reactions of nonprofit organizations in Pakistan to these international agencies.

The policies of supranational agencies towards nonprofit organizations in Pakistan has undergone a fundamental transformation. Traditionally, the former had preferred to implement programs and projects through government ministries and departments. But the high levels of corruption and inefficiency in public delivery has led international donor agencies, like the World Bank, to adopting a much more flexible and pro-active attitude with respect to working with non-governmental organizations. This is also the consequence of the global criticism of international agencies as closed entities in which the voice of NGOs was not heard in policy and programming decisions. For example, the Bank has been under attack for not taking fully into account the human displacement and environmental implications of large hydro-electricity projects. Now, the Bank has NGO offices all over the world and there is a full-fledged NGO unit in Washington.

Similarly, agencies of the United Nations have an important advocacy role to play in the implementation of various UN conventions and resolutions at the national level. This has created a natural partnership among UN agencies like UNDP, UNICEF, UNIFEM, UNEP, ILO, UNESCO, WHO, et., and national NGOs working in the areas of human rights, status of women, labor laws, environmental standards, etc. This partnership in advocacy has, of course, led sometimes to confrontation and an uneasy relationship with national governments. In recent years, international agencies like the World Bank, Asian Development Bank, UNDP, European Union, etc., have moved in to motivate federal and provincial agencies to build in mechanisms for a larger role for non-governmental organizations. This is evident in major programs like SAP and the family planning program. But progress has been slow, given the resistance of line departments to handing over part of their functions to non-governmental agencies.

In the area of micro credit, international agencies have pushed aggressively for involvement of NGOs/CBOs. The Pakistan Poverty Alleviation Fund (PPAF) has been promised sizeable support by the World Bank while the Khushali Bank is expected to receive a large credit line from the Asian Development Bank. Both institutions will channel credit to households through non-governmental organizations. It is of significance to note that TVO finances its operations largely through a big endowment from the USAID, made at the time of the departure of this agency from Pakistan.

Beyond the process of service delivery, international agencies are also promoting a greater role of civil society in the formulation of policies and in monitoring the implementation of policies. The World Bank has insisted on a dialogue between government and non-governmental organizations in the preparation of the Interim Poverty Reduction Strategy Paper (IPRSP), which will form the basis for funding by IFIs. The UNDP has emphasized the role of participative processes in good governance and is expected to support the role of non-governmental organizations

in the area of poverty monitoring and in the design and establishment of social safety nets.

Besides support to nonprofit organizations engaged in advocacy, the role of international organizations has met with criticism from government, various political parties and religious organizations. There is, in particular, a strong aversion to the direct funding role of donor agencies without information on transfers to government. A popular complaint about foreign-funded NGOs is the generally high salaries and perquisites (including large duty free vehicles) being given to senior executives of such organizations. This has raised overhead costs, distorted the labor market, and diverted talent from government due to the relatively low salaries in the public sector.

What is the attitude of national nonprofit organizations towards supranational agencies? This ranges from one of strong affiliation of some NGOs to international agencies to that of hostility. The former consist of nonprofit organizations that have either been established by some international agency or pursue a mission that is closely aligned to the goals of the international agency and consequently receive a large portion of their funds from abroad. NGOs are frequently motivated to have a strong relationship with some international agency because of the quantum or security of funding and/or because of the prestige and the prospect of being able to pay high salaries.

As opposed to this, many 'local' or 'indigenous' nonprofit organizations prefer to maintain a distance from international agencies, especially those, like the World Bank, which have a controversial reputation in the local culture. Some of these organizations are quasi-political or quasi-religious in nature, and it is important for them to demonstrate their 'purity' and commitment to an entirely domestic agenda, so as to mobilize popular support.

II- NPOs AS VEHICLES OF POLICY

Role in Shaping Government Policies

The previous two parts of the paper looked at how government policy influences the nonprofit sector. In this part, we focus on "the other side of the coin" and examine the impact of nonprofit organizations on the way policies are introduced, shaped and implemented. In particular, we answer the following questions: How and to what extent have nonprofit organizations been important in introducing and shaping government policies? Do nonprofit organizations bring issues to the government's attention at the national and international levels? Do they mobilize public concern? Do they bring legal action? How active are nonprofits in policy advocacy and how effective have they been? To what extent, if at all, are interest or umbrella groups in place that represent the nonprofit sector or significant components of it on policy issues *vis a vis* governments and the public at large?

Overall, the nonprofit sector of Pakistan appears to have had a role in the shaping of government policies that is disproportionate with respect to its relatively small size and short history. Broadly speaking, the impact has been registered in two ways. First, nonprofits perform a 'pilot project' role, demonstrating a superior way of service delivery subsequently adopted by government. Second, nonprofits undertake advocacy to promote policy reforms. Sometimes, the policy influence of nonprofit organizations is exercised through participation in internal government fora, task forces, commissions and committees without having to put external pressure by building broad public support.

The first type of impact is in a sense a more direct role in influencing government policy. Many non-governmental organizations adopt innovative approaches to service delivery at various stages of project execution. These implementation methodologies may emerge over time as leading to more cost-effective, better targeted and more sustainable delivery. It is important to demonstrate then the replicability of such initiatives at a larger scale by establishing that success in such cases is not the outcome of particularly favourable circumstances or charismatic leadership. If such projects are advertised skillfully in government circles then, the prospects improve for incorporation of the particular project design or implementation methodology into large-scale government programs. It is in this way that particular elements of government policy on service delivery are shaped by nonprofit organizations.

Perhaps, the biggest success achieved initially by nonprofit organizations in shaping policy on governance structures and modalities of project management and execution is acceptance of the concepts of 'community participation' and 'peoples' empowerment'. This has involved a long struggle and dialogue with line departments, who traditionally saw people as consumers and beneficiaries but not as active participants in the execution of projects. This transformation has implied service delivery that is more demand driven, affordable and sustainable. Community participation has led to appropriate standards of provision and choice of technology. It has made the system more accountable and weeded out much of the inefficiency and corruption. Today, for example, line departments, like the Public Health Engineering Department (PHED), are executing rural water supply and sanitation projects with active involvement of local communities at all stages of planning, design, construction and operation.

Acceptance of the concept of 'empowerment' represents potentially an even greater revolution in thinking. Few years ago, this word was alien to government and treated with great suspicion. It was seen as a threat to proper governance. But now, thanks to the persistent efforts of the community of non-governmental organizations, there is increasing talk of people's empowerment through their social mobilization and greater participation in the process of governance.

Two of the most outstanding examples of non-governmental organizations which have been influential in demonstrating the value of community participation and people's empowerment are the Aga Khan Rural Support Program (AKRSP) in the Northern Areas of Pakistan and the Orangi Pilot Project (OPP) in Karachi. Their success has essentially been replicated in the 1990s by the establishment of national and provincial "Rural Support Programs" by government. These organizations are following the same methodology to the process of mobilization of village communities throughout the country and have already achieved success in areas like micro credit. It is also of considerable significance to note that the mechanisms for local governance in the Devolution Plan of the military government strongly emphasize the need for people's empowerment through the transfer of functions down to the lowest tiers of local government and by ensuring that the bureaucracy is made subordinate to elected representatives.

Despite government antipathy to the advocacy role of nonprofit organizations, there have been significant successes. This has frequently involved a lot of preparatory work on a particular issue, from research to public dissemination of proposals and mobilization of public opinion. Often, years have elapsed from commencement of work on an issue to its incorporation into policy. For example, NGOs started work on issues related to the role of women in development and their status in the late 1970s, at a time when the process of Islamisation was underway in Pakistan under the military regime of General Zia-ul-Haq and in the wake of growing realisation by international agencies of the need to focus on gender inequality. It was only in the Seventh Five Year Plan (1988 to 1993) when official recognition was given for the first time to the problems of women and the need to reduce gender inequality. But even now, few programs and initiatives have been put in place to enhance the status of women. The present military government has constituted a Women's Commission (see Box 7), which has significant representation from nonprofit organizations. The international donor agencies have also played a critical role in this field.

Greatest success has been achieved in influencing policy in areas where no policies existed and there was broad public consensus that something needs to be done. For example, the Human Rights Commission (HRC) has been able to pilot through the Senate its draft on the Bonded Labor Act. The presence of bonded labor, implying human exploitation of the worst form, in the areas of the country, which have extreme forms of feudalism, had been strongly condemned in the media and a public consensus had developed that this form of exploitation had to be removed. The HRC has also prepared a Law for the Disadvantaged, which envisages that disadvantaged people like women, children and minorities have access to quick redress in special judicial tribunals. This law was promulgated in the form of an ordinance, which has unfortunately lapsed. The HRC has also managed to get reforms introduced in other areas like juvenile justice and the electoral system. The annual report of the HRC is widely recognized, both nationally and internationally, as a comprehensive and objective statement on the state of human rights in Pakistan.

Similarly, Pakistan had no environmental policy for a long time. Nonprofit organizations played the lead role in the formulation of a national conservation policy. Success has been achieved in the setting up of environmental standards and pollution charges. However, policy implementation has been weak. Environmental NGOs now have the task of monitoring the process of implementation and highlighting the costs of non-implementation of the policy.

In some cases, pursuit of the advocacy role by NGOs has implied resort to legal action. As mentioned earlier, many of the NGOs that campaign against honor killings of women have been instrumental in obtaining protection from the courts of women who were under threat. This has placed many of the leaders of such NGOs under the risk of retaliation by conservative groups and families of women who have sought justice. A coalition of local NGOs in the North West Frontier Province (NWFP) agitated against the large displacement of people by the Ghazi Barotha dam, and took the matter to the courts. This has compelled government to formulate a policy on the rehabilitation and resettlement of people displaced by hydel projects. In Karachi, where violation of zoning and building by laws by high-rise construction is rampant, nonprofit organizations, like the SHEHRI, have sought redress through the courts. In a few landmark cases, judgments have led to the stoppage of construction and even demolition. The Building Authority is now monitoring the implementation of building regulations much more rigorously.

There have also been some major failures. Although the for-profit and the nonprofit sectors have a major role in the provision of education and curative health services in the country, they have had little role to play in the formulation of education and health policies. In May 1998, some NGOs agitated publicly against nuclear blasts by Pakistan, but this effort was unsuccessful because no significant public support could be mobilized. At the time of the military takeover in October 1999, some NGOs criticized the change especially from the viewpoint of the possible threat to human rights. But in the face of widespread disillusionment of the people with the functioning of democratic processes, the transition to a military government was generally welcomed. However, the present military administration has preserved most of the fundamental rights and allowed considerable freedom of the press unlike previous military governments. This can at least partially be attributed to the emergence of a stronger and more mature civil society in Pakistan, which is more conscious of its rights. More recently, NGOs have protested against the draconian provisions of the blasphemy law. The Chief Executive of Pakistan, General Pervez Musharraf, initially promised to soften these provisions but changed his position under pressure from religious groups.

A positive development in recent years is that representatives of nonprofit organizations have been invited by government to participate in committees, commissions, working groups and task forces constituted to recommend change in

various areas. This represents clear recognition of the role that NGO's can play in the formulation of government policies. For example, soon after the military takeover a large number of standing advisory groups were set up to deal with various social and economic issues. NGOs have found significant representation in most of these groups. As highlighted earlier, perhaps in an ultimate act of recognition, the military government has inducted a number of distinguished members of the NGO community into key portfolios in federal and provincial cabinets. This has facilitated the role of nonprofit organizations in the shaping of government policies.

BOX 7: THE NATIONAL COMMISSION ON THE STATUS OF WOMEN

The National Commission on the Status of Women was set up by government of Pakistan in July 2000. The objectives of the Commission include the emancipation of women, equalization of opportunities and socio-economic conditions amongst women and men and, elimination of all forms of discrimination against women. The key functions that the Commission is assumed to be performing are to:

- S examine the policy, programs and other measures taken by the Government for women development and gender equality to assess implementation and make suitable recommendations to the authorities for effective impact;
- S review all rules and regulations affecting the status and rights of women and suggest amendment or new legislation to eliminate discrimination and safeguard the interests of women and achieve gender equality in accordance with the Constitution and obligations under international covenants and commitments;
- S monitor the mechanism and institutional procedures for redress of violation of women's rights, facilities for social care, and undertake initiatives for better management and provision of justice and social services through the concerned authorities;
- S encourage and sponsor research to generate information and studies relating to women and gender issues to provide awareness for rational policy and strategic action and;
- S develop interaction with non-governmental organizations, experts and individuals in society and an active association with similar commissions and institutions in other countries for collaboration and action to achieve gender equality and development at the national, regional and international level.

Another significant development is the emergence of non-governmental think tanks in Pakistan, who have begun to exert some influence on the evolution of government policies. Examples are the Sustainable Development Policy Institute (SDPI), which has played a major role in the development of environment policy. The Social Policy and Development Centre (SPDC) has been influential in policy formulation in areas like tax reforms, fiscal federalism, social service provision and poverty reduction. The Pakistan Institute for Labor Education and Research (PILER) has been contributing to labor policies.

It needs to be emphasized that the demonstration and advocacy role of NGOs frequently go together, e.g., nonprofit organizations educate girls and also advocate for girls' education. Similarly, NGOs have played a pioneering role in introducing micro credit in the country and have now been successful in getting government to introduce an explicit policy on development of the micro finance sector.

The Initiative on Indigenous Philanthropy is an example of a sophisticated policy dialogue leading to reform over a two year time frame, a series of consultative processes with different stakeholders from government, civil society, business community and media, coupled with ground breaking research on Philanthropy in Pakistan culminated in a conference which led to the formation of Pakistan Centre for Philanthropy (PCP). It has provided the broad societal consensus and cockpit of policy action through which the government can transcend the contentions around the 1996 NGO Bill and, through the Enabling Environment Initiative of the PCP, is poised to make a fundamental contribution to the development of a regulatory framework, that also addresses the wider dimensions of the enabling environment towards the citizens sector.

Role of Umbrella Groups

With regard to the role in shaping policy of interest and umbrella groups that represent the nonprofit sector, the conclusion, by and large, is that the role is limited. At the present stage of development of the nonprofit sector, much of the effort remains fragmented and the process of coalescing into umbrella groups for more effective advocacy has not yet taken place. This process has perhaps been retarded by the strong personality domination of many NGOs. These charismatic leaders have preferred to operate individually and not collectively. Also, given the strong resistance from government and religious organizations on sensitive issues, the NGO movement has considered it expedient to maintain a relatively low profile. The Pakistan NGO Forum, as umbrella body, is essentially at an embryonic stage of development, although it has successfully resisted the introduction of the 1996 NGO Bill.

Another recent example is the establishment of Pakistan Microfinance Network (PMN). The seven current members of PMN are a group of practitioners, sharing experiences, networking and influencing the policy environment in the area of microcredit, thereby reaching numerous community-based organizations and providing access to low mark-up credit.

Participation in International Umbrella Groups

There is a growing participation by nonprofit organizations of Pakistan in global and regional umbrella groups. The type of participation ranges from membership of information networks to access to funding from an international umbrella nonprofit

organization and engagement in joint lobbying efforts. There is a stronger tendency to participate in regional groupings, like within South Asia, because of the similarity of problems and experience as well as geographical proximity.

The Human Rights Commission (HRC), for example, is a member of the Asian Forum for Human Rights and Democracy based in Bangkok and has also joined the recently constituted South Asian Forum for Human Rights located in Kathmandu. Nonprofit organizations working on environmental issues are part of the umbrella group of the IUCN-The World Conservation Union. It is of significance to note that many non-governmental organizations have started participating in international conferences like the recently held United Nations General Assembly Special Session (UNGASS) on HIV-AIDS in New York. Such events provide an opportunity for at least informal exchange of views and networking with NGOs from other countries. Other international networks in which nonprofit organizations of Pakistan are active include areas like women's and children's rights, family planning, labor rights, etc.

Motivations for participation in global and regional umbrella groups include the following: first, the desire to advertise achievements internationally and thereby gain some recognition and possibly extra funding. Second, the urge to learn from the experience of others and to identify best practices for possible replication locally. Third, to benefit from the potential transfer of technology. Fourth, to create a stronger sense of solidarity in lobbying efforts. Fifth, to reduce the threat of adverse government action, as governments are less likely to threaten nonprofit organizations which have strong international links, and finally, to address problems of global nature, such as environmental issues, that can more effectively be tackled through international umbrella groups.

III- CURRENT ISSUES

We finally identify the major issues facing the nonprofit sector in Pakistan. We first rank the major issues confronting the nonprofit sector based on our knowledge of the field and the results of expert interviews (listing of respondents given in Annex I). Following this, we identify and discuss the five issues that are considered most important and salient for the future of the nonprofit sector of Pakistan. An attempt is made to indicate how each issue is likely to be resolved and what implication this is likely to have for the future evolution of the nonprofit sector in Pakistan.

Table 1 gives the ranking of issues confronting the nonprofit sector in Pakistan. Issues of high importance are to be found in areas relating to government policies, funding, management and personnel respectively. Within government policies, issues ranked high are the legal status of nonprofit organizations and extent of government control; within funding, the major issue is that of financial sustainability; within management and personnel, the key issues appear to be lack of professionalization and training, which undermine capacity, and the degree of

accountability within the nonprofit sector. Finally, in other areas, the prime issues are related to ideological and political attacks on nonprofits. We take up detailed discussion of each of these issues.

Legal Status of Nonprofit Organizations

The legal status of nonprofit organizations has emerged as a key issue in view of the NGO bill pending with government. We have highlighted earlier that there is strong suspicion among non-governmental organizations that this Bill represents primarily an attempt by government to acquire greater control over nonprofits. Consequently, there has been agitation to prevent the promulgation of the Bill.

Provisions of the present draft of the Bill which are considered as draconian in character include the following: requirement that all NGOs re-register with the Ministry of Social Welfare within a specified period; arbitrary powers with government to de-register, suspend or dissolve an NGO or to remove any provision of the constitution of a NGO; removal of “social education” as a permitted activity of social welfare organizations; compulsory external audit, etc.

There are a number of major dangers if the Bill is allowed to go through in its present form. First, it will place an enormous unnecessary additional burden on nonprofit organizations which are already legally registered, particularly keeping in mind the voluminous documentation and the tedious process required for such registration. Government does not have the resources or institutional capacity to handle such a massive task within the period specified. The numbers will run into tens of thousands. Meanwhile, it means that the majority on non-governmental organizations will largely have to cease all their work.

Second, the “hidden” intent of the legislation appears to be that of targeting advocacy nonprofit organizations. Not only is there a danger that many of the NGOs pursuing an apparently controversial agenda may not be granted registration but also that the process whereby new NGOs, proposing to engage in social or political advocacy, operate will become increasingly difficult. This will greatly retard the future of the NGO movement in Pakistan. Even if such NGOs are given registration they will be constantly under the threat given the sweeping powers that will become available to government to dissolve or suspend operations of existing NGOs.

Third, the proposed Bill will place small nonprofit organizations in a disadvantageous position. Conditions of stronger internal governance requirement and external audit will be more difficult for nonprofit organizations, which have neither the institutional or financial capacity, to comply with. This could lead to the exit of many of the smaller more informal nonprofit organizations and community based entities at the local level.

A study done by the International Center for Not-for-Profit Law (ICNL) made the following recommendations in order to modify the draconian provisions of the bill:³

- a) The registration authority should not have the power to dissolve / remove the legal status of corporate bodies created under other laws.
- b) The law should clarify the general supervision and licensing functions of different agencies.
- c) The power given to government to terminate NGOs, seize their assets, freeze their funds or take over the operations should only be exercised as a last resort for very serious violations and that too after due notice. In addition, there should be the right of judicial appeal.
- d) There should be a provision of judicial review against the decision of the Standing Appellate Committee.
- e) Provisions relating to the furnishing of all kinds of information, including financial, are too broad and should be limited to situations where there is a rational reason for the request.
- f) Given the controversy and heat generated by the NGO Bill, it is suggested that in order to improve the climate the government instead focuses on preparing, in consultation with NGOs, a statement explicitly highlighting its NGO policy. Such a policy should focus more on providing an enabling environment for the nonprofit sector rather than on control. The policy should define the relationship between government and NGOs in the context of delivery of services and state the parameters within which nonprofit organizations can engage in an advocacy role. Such a policy should also clearly outline the fiscal framework within which NGOs can operate. As far as registration with a central authority is concerned this should only be made compulsory for nonprofit organizations which are currently receiving government support or are contemplating to apply for such support.

Financial Sustainability

At the present stage of development of the NGO sector of Pakistan, financial sustainability of the operations of nonprofit organizations remains a big issue. This is a reflection partly of the lack of government support, which is very limited, complex and arbitrary in nature. While tax laws for charitable contributions are fairly liberal, they are characterized by very restricted and selective application. Consequently, a tradition of widespread corporate and individual giving to nonprofit organizations has also not developed. Given information inadequacies and asymmetries, flows of funds are not necessarily routed to nonprofit organizations that have the best track record of efficient and sustained delivery. Besides most of the individual giving remains restricted to religious purposes.

³ As cited in Hussain (1996), p 27

TABLE 1 RANKING OF ISSUES CONFRONTING THE NONPROFIT SECTOR IN PAKISTAN

ISSUE	I M P O R T A N C E				
	Low 1	2	3	4	High 5
A. Government Policies					
1) Tax treatment of private giving			✓		
2) Legal status of nonprofit organizations					✓
3) Reductions in government support			✓		
4) Changes in forms of government support		✓			
5) Extent of government control				✓	
6) Policies on nonprofit/for-profit competition	✓				
7) Influence of international organizations (World Bank)		✓			
8) Regional integration (e.g. European Community)	✓				
B. Funding					
9) Extent of individual giving				✓	
10) Corporate support				✓	
11) Foundation giving				✓	
12) International Support				✓	
13) Competition from for-profits		✓			
14) Fee income			✓		
15) Sales and other business income			✓		
16) Financial Sustainability					✓
17) Volunteering: willingness, problems with recruitment			✓		
C. Management and personnel					
18) Personnel recruitment/management		✓			
19) Staff compensation and retention		✓			
20) Over-Professionalization	✓				
21) Lack of Professionalization, lack of training					✓
22) Tension between advocacy & service provision				✓	
23) Legal Problems (e.g. liability)	✓				
24) Accountability within the nonprofit sector					✓
D. Other					
25) Regional, religious and ethnic conflicts		✓			
26) Political instability			✓		
27) Ideological/political attacks on nonprofit					✓
28) Independence from religious institutions			✓		
29) Independence from business	✓				
30) Independence from politics		✓			
31) Ethical issues			✓		
32) Lack of information on nonprofit sector			✓		
33) User and client control	✓				
34) Conflicts within nonprofit sector				✓	
35) NGO co-ordination; networking and formation of umbrella groups				✓	

The overall consequence of the lack of development of funding mechanisms is that the financial future of most non-governmental organizations, especially the smaller ones, remains quite uncertain. This is one of the factors explaining the high rates of

turnover of NGOs observed in the field surveys. Many small NGOs come into existence because of some lump sum funding from a particular source and die once the funding is consumed and there is no replenishment. Alternatively, operations cease when some promised funding does not come through. This means that many NGOs cannot pursue their missions within an extended time horizon. It then becomes difficult to invest in capacity building. Also, it proves difficult to attract qualified staff, given uncertainty about the duration of employment.

As highlighted earlier, the government has a tendency to prefer capital grants vis-à-vis recurring grants. Therefore, while nonprofit organizations are able to construct facilities on the basis of capital funding, they are unable to sustain their operations because of the inability to mobilize enough revenues to cover recurrent costs. The result is that many of these facilities are over-designed, but remain underutilized subsequently.

A special problem arises in the context of foreign-funded NGOs. Due to vagaries in the foreign aid environment, continued inflow of funds from donor agencies remain uncertain. In addition, international organizations are generally unlikely to make a long-term commitment for funding a particular non-governmental organization. The expectation is that after some initial period of support, the nonprofit entity will be able to establish a sufficiently good reputation to be able to find substitute domestic funding. This seldom happens. Consequently, nonprofit organizations that are dependent on foreign support are forced to downsize and curtail their operations once the funding diminishes or ceases. The lack of sustainability of foreign aided NGOs have been amply demonstrated when many of them ran into serious financial problems after May 1998 when donors imposed sanctions on aid to Pakistan following the nuclear blasts and more recently after October 99 due to the takeover by the military government.

A number of proposals have been made by the interviewees for improving the financial sustainability of nonprofit organizations. First, small grants from the Social Welfare departments of the provincial government should not be made on an annual basis. Once a nonprofit organization has filed a proper application, met the eligibility criteria and been approved for funding, it should be guaranteed financing for a longer period, say three years. This will introduce a degree of permanency in its operations and also reduce transactions costs. Reviews should be conducted normally at the end of the three-year period in order to qualify for the next cycle of funding. In addition, there should be regular monitoring.

This, of course, presupposes that, even in the presence of fiscal constraints, overall government allocations to the social welfare departments remain stable and perhaps even show some growth. One alternative worth considering is the establishment of Social Welfare / Development Foundations to perform the function of grant making which is currently the responsibility of the Social Welfare Departments. A sizeable

initial endowment can then be made to Foundations so that in the presence of a regular flow of funds they can make a commitment for longer-term grants to individual nonprofit organizations.

The problem of an imbalance between capital and recurring grants for delivery of services also needs to be resolved. Ideally, the percentage contribution of grants to capital and recurring costs of nonprofit organizations should be the same. But, in view of inadequate access of such organizations to the banking system and the capital market, a higher contribution of grants to capital costs could be justified. But instead of a system whereby the government, for example, picks up the capital cost only, a somewhat more balanced form of support could be to finance half the capital cost initially and a share of the recurring cost annually, such that the present value of the support remains, more or less, the same.

With regard to the support by international donor agencies, it is also recommended that instead of opting for large initial support which is difficult to match subsequently by the recipient organizations, such agencies may choose to establish endowments either for organizations with an established track record of performance or with large trusts of foundations which can then route through funds annually to the target organizations. This can ensure a, more or less, continuous flow of funds to a number of non-governmental organizations. Of course, the move towards endowments will require appropriate safeguards for ensuring performance and possibly necessitate changes in funding procedures of donor agencies.

Lack of Professionalization and Training

The process of development of the nonprofit sector of Pakistan has been retarded by the lack of adequate human resources with nonprofit organizations. Most of these organizations, especially the smaller ones, rely on voluntary part-time inputs rather than on full-time professional inputs. While voluntarism is clearly one of the strengths of the sector, it limits the capacity to deliver beyond a point. Especially in the delivery of complex services, like health, a component of professionalism becomes essential for innovation and effectiveness in the process of delivery. The itinerant nature of the activity of most NGOs does not make employment in nonprofit organizations an attractive career prospect. Most recent graduates have a strong preference for job security. In addition, employment in the rural areas with NGOs working in the villages is generally not the preference for the urban middle class.

How can professionalism and training opportunities be introduced increasingly to contribute to capacity building of the nonprofit sector? The government has taken a significant step in this regard through establishment of various Rural Support Programs, aimed at the strengthening of the capacity of community-based organizations at the local level. The National Rural Support Program (NRSP) has already done significant work in this area and has begun to channel significant micro

credit to relatively poor households in the rural areas through these CBOs. Today, the operative constraint to local capacity building is perhaps the availability of trained social mobilizers with umbrella NGOs. The demand for this kind of personnel is likely to increase further following the establishment of social/community development departments in the recently constituted district governments.

The higher educational system will clearly need to be geared up to produce more personnel who can engage in this social mobilization function. For this purpose, enrollment in the social work and sociology departments of the universities will have to be expanded, with greater emphasis being placed on internship of students with NGOs. In addition, there is need for creating a class of professional managers with medium sized and large NGOs. Perhaps one or more business schools could also offer a specialization in the management of nonprofit organizations. Already, the Institute of Business Administration (IBA) at Karachi is encouraging its students to seek internship in NGOs. This has also been motivated by the fact that given the stagnation of Pakistan's economy, job opportunities are not opening up in the corporate sector.

As far as more short term and specific hands-on training of NGO personnel is concerned, there is also a need to augment the training capacity in this area. Along with the NGO Resource Center in Karachi, there is need for establishing such facilities in the other provincial capitals. These resource centers should perform an important training function through the offering of specialized short term courses for capacity building of NGOs. While this activity may initially be subsidized, it is important eventually that a market be created for training whereby NGOs become willing-to-pay for courses that they perceive as being valuable to them. The government could also contribute to this process by offering short-term training programs with a focus on nonprofit organizations in its Rural Academy in Peshawar and the National Institutes of Public Administration (NIPA) located throughout the country.

Accountability within the Nonprofit Sector

One issue that has assumed importance in recent years is that of accountability within the nonprofit sector. Despite its many drawbacks, one of the merits of the proposed NGO Bill is that it focuses on mechanisms for introducing greater accountability of nonprofit organizations. The need for this has arisen for a number of reasons. First, entities interested in making charitable contributions are unable to properly assess the worthiness of different nonprofit organizations in the absence of adequate information disclosure on mission goals, internal governance structures, outputs and outcomes, budgets and sources of funds, etc.

Second, there is a negative perception that overhead costs of some nonprofit organizations are relatively high and reflect the exceptionally large salary and

perquisites given to the chief executives and senior management. Third, there is concern that many nonprofit organizations receive foreign funding directly, information on which is generally not made available either to government or to the public at large. Since some of these organizations are engaged in political or social advocacy, this has created a particularly strong sensitivity within the government and religious organizations in the country that foreign agencies are using NGOs to pursue an 'alien' agenda.

Given these perceptions, it is important that unless the process of accountability is improved the NGO movement in Pakistan will meet strong resistance which could limit its growth. Therefore, the basic issue is one of building greater accountability in the system without jeopardizing the autonomy, especially with regard to funding, and leading to greater intrusion by government or attacks by hostile groups based on the greater information provided on nature of operations and external funding.

A number of proposals have been made by the nonprofit leaders with regard to improving accountability of the nonprofit sector. First, large NGOs, which are currently the prime targets, must be subject to higher standards of internal governance and audit and accounts. This can perhaps best be achieved by specifying that all NGOs handling budgets annually in excess of, say, 10 million rupees should obtain registration from the Corporate Law Authority as a company under Section 42 of the Companies Ordinance (SPDC, 2002a). This will ensure that there is a proper Board of Directors, a General Body, minimum number of annual meetings, preparation of an Annual Report along with approval of the annual budget by the Board of Directors and external audit by a recognized firm of Chartered Accountants. All this will ensure greater internal accountability of the management of relatively large nonprofit organizations. We have recommended earlier that appropriate tax exemption status be given to encourage NGOs to register under Section 42 of the Companies Ordinance.

As far as external accountability is concerned, there is need to establish an independent agency which can be charged with the function of collection of information on nonprofit organizations in the form of a Directory of NGOs, with key summary information on each reporting NGO. The process should remain voluntary in character, with the incentive to individual NGOs that such a Directory will become a vehicle for publicity and for mobilizing support from organizations making charitable contributions. This independent agency could ultimately become a rating agency, whereby NGOs interested in funding could be ranked on the basis of various performance indicators. This could help in the development of a market for charitable contributions and create an incentive system whereby nonprofit organizations that have a high rating are able to attract more donations.

An important issue is how can accounting standards can be improved, especially in the case of smaller nonprofit organizations. Most of these organizations do not have

the capacity for maintaining proper accounts and for hiring external qualified auditors. One option is for establishing an Accounting Aid Center (AAC), with support either from government or some donor agency, attached perhaps to the NGO Resource Center, where NGOs can get training for establishing accounting systems and hire on a subsidized basis, auditors, who are employees of the AAC.

The issue of reporting on foreign funding of nonprofit organizations is a complex one, and needs to be examined objectively. On the one hand, compulsory reporting is felt to be an imposition on the autonomy of international agencies and of the recipient entities. On the other hand, absence of information has created a climate of 'suspicion' and affected the credibility of nonprofit organizations. Perhaps, as an intermediate solution, external agencies may be asked to provide information annually to the Economic Affairs Division (EAD) of the Ministry of Finance, Government of Pakistan, on NGO recipients of assistance and the amounts given. The EAD has the responsibility for coordinating all aid inflows into Pakistan.

Ideological and Political Attacks on Nonprofits

The environment for nonprofit organizations, especially those engaged in social and political advocacy, has worsened in Pakistan due to the growing tension between religious organizations and 'modern' NGOs. Some religious organizations have highly criticized, and even resisted, the kind of agenda being pursued by NGOs like the campaigns against the blasphemy law, honor killings, etc. The military government has maintained a liberal posture with respect to the role of civil society and has seen this partly as a surrogate for the political process. But the situation could alter dramatically if some of the activist NGOs start agitating for improvements in the process of accountability, return to democracy, etc. Therefore, it is vital that in the interest of survival and growth of the nonprofit sector, especially that related to advocacy, an effort is made to minimize the ideological and political attacks on the nonprofit sector.

There is a general consensus among the leaders of nonprofit sector interviewed that one way of reducing the tension is for the government to formulate a policy on NGOs that, among other things, articulates the parameters within which nonprofit organizations can play an advocacy role. It is important that in the process of development of such a policy there is a dialogue between various stakeholders of the nonprofit sector such as NGOs, political parties and religious organizations leading to a better understanding of the respective roles.

In addition, some interviewees indicated that NGOs who are under suspicion should be more forthcoming with information on their governance structure, activities and funding arrangements. Greater information disclosure will perhaps improve the perceptions about these organizations. Further, from the viewpoint of protecting the sector, nonprofit organizations will need to demonstrate greater unity and solidarity

and form stronger coalitions so that attacks on individual NGOs can be resisted collectively. The Pakistan NGO Forum, for example, will have to play a more active role in organizing the community of nonprofit organizations.

Beyond the above five big current issues of legal status, financial sustainability, lack of professionalization and training, accountability and ideological and political attacks respectively relating to the development of the nonprofit sector in Pakistan there are other issues also like extent of individual and corporate giving and its tax treatment, level and nature of government support, new government policies in field like culture, health and education, lack of information on the NGO sector, etc. that will need attention. Tackling all these issues is essential if the nonprofit sector is to emerge as a vibrant third sector of Pakistan.

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ACRONYMS

AAC	Accounting Aid Center
ADB	Asian Development Bank
AKDN	Aga Khan Development Network
AKF	Aga Khan Foundation
AKRSP	Aga Khan Rural Support Program
CBO	Community Based Organization
CBR	Central Board of Revenue
CIDA	Canadian International Development Agency
CSO	Citizen Sector Organizations
EAD	Economic Affairs Division
HRC	Human Rights Commission
IBA	Institute of Business Administration
ICNL	International Center for Not-for-Profit Law
IFI	International Financial Institution
ILO	International Labour Organization
IPRSP	Interim Poverty Reduction Strategy Paper
IUCN	International Union for the Conservation of Nature
MSDP	Micro-finance Sector Development Program
NGO	Non-governmental Organization
NGORC	NGO Resource Centre
NIPA	National Institute of Public Administration
NPO	Nonprofit Organization
NRSP	National Rural Support Program
NWFP	North West Frontier Province
OPP	Orangi Pilot Project
PCP	Pakistan Centre for Philanthropy
PDP	Participatory Development Program
PHED	Public Health Engineering Department
PILER	Pakistan Institute of Labour Education and Research
PML	Pakistan Muslim League
PMN	Pakistan Micro Finance Network
PPAF	Pakistan Poverty Alleviation Fund
PPP	Pakistan People's Party
RSPN	Rural Support Programmes Network
SAP	Social Action Programme
SDPI	Sustainable Development Policy Institute
SPDC	Social Policy and Development Centre
SPO	Strengthening Participatory Organization
SURF	South and West Asia Sub-Regional Resource Facility
SWO	Social Welfare Organization
TVO	Trust for Voluntary Organizations
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNGASS	United Nations General Assembly Special Session
UNICEF	United Nations Children Fund
UNIFEM	United Nations Development Fund for Women
USA	United States of America
USAID	United States Agency for International Development
WHO	World Health Organization

ANNEX I

LIST OF INTERVIEW RESPONDENTS

Interviews of the following persons from various categories have been conducted:

Leaders of NPOs

- 1 Mr. Javed Jabbar
Chairman, Bhan Bahli and Small Projects Office (SPO), Karachi
- 2 Mr. I.A. Rehman
Human Rights Commission of Pakistan, Lahore
- 3 Ms. Khawar Mumtaz
Secretary, Pakistan NGO Forum, Lahore
- 4 Dr. Suleman Sheikh
Sindh Graduates Association, Hyderabad
- 5 Begum Surraya Jabeen
Chief Operating Officer of the Family Planning Association of Pakistan, Islamabad

Leaders of Umbrella Groups

- 6 Mr. Muhammad Tahseen
South Asia Partnership (SAP-Pak), Lahore

Leaders of Civil Society Support Organizations

- 7 Mr. Qadeer Baig
NGO Resource Center (NGORC), Karachi

Representatives of Federal Government

- 8 Ms. Zubeda Jalal
Federal Minister for Education, Islamabad
- 9 Mr. Omar Asghar Khan
Federal Minister for Local Government and Rural Development, Islamabad
- 10 Dr. Mushtaq Ahmed Khan
Federal SAP Coordinator and Member, Planning Commission, Islamabad

Representatives of Provincial Governments

- 11 Mr. Shahid Khan
Director General, Voluntary Social Welfare Agencies, Government of Punjab
- 12 Mr. Shafiullah Khan
Chief Health / SAP Coordinator, Planning and Development Department, Government of NWFP, Peshawar

Representatives of Local Government

- 13 Mr. Saif-ur-Rehman Grami
Director, Social Welfare, Karachi Metropolitan Corporation, Karachi

Representatives of Political Parties

- 14 Prof. Ghafoor Ahmed
Naib Amir, Jamat-e-Islami, Karachi
- 15 Mr. Raza Rabbani
Deputy Secretary General, Pakistan People's Party, Karachi
- 16 Mr. Sartaj Aziz
Former Secretary General, Pakistan Muslim League, Islamabad

Representatives of International Organizations

- 17 Ms. Seema Baloch
World Bank, Islamabad
- 18 Ms. Osaku Okai and Mr. Sardar Wasimuddin
Chief Economic Section and Senior Economic Consultant, Royal Embassy of Japan, Islamabad

Academics

- 19 Dr. Shahrukh Rafi Khan
Sustainable Development Policy Institute, Islamabad
- 20 Prof. Sarah Safdar
Chairperson, Department of Social Work, University of Peshawar, Peshawar