

Service provision by NGOs

Gábor Péteri

gpeteri@lgidev.com

Issues to be discussed

1. Who are the NGOs (non-state actors)?
2. What are the conditions of good contracting?
3. How clients' power can be increased?

1. Diversity of NGOs

Emphasis on different aspects:

1. *Scope of activity*: CSO
2. *Institutional, functional approach*: NGO
3. *Financing, taxing aspects*: NPO
4. *Goals, funding*: PBO

CSO workforce, as a share of economically active population

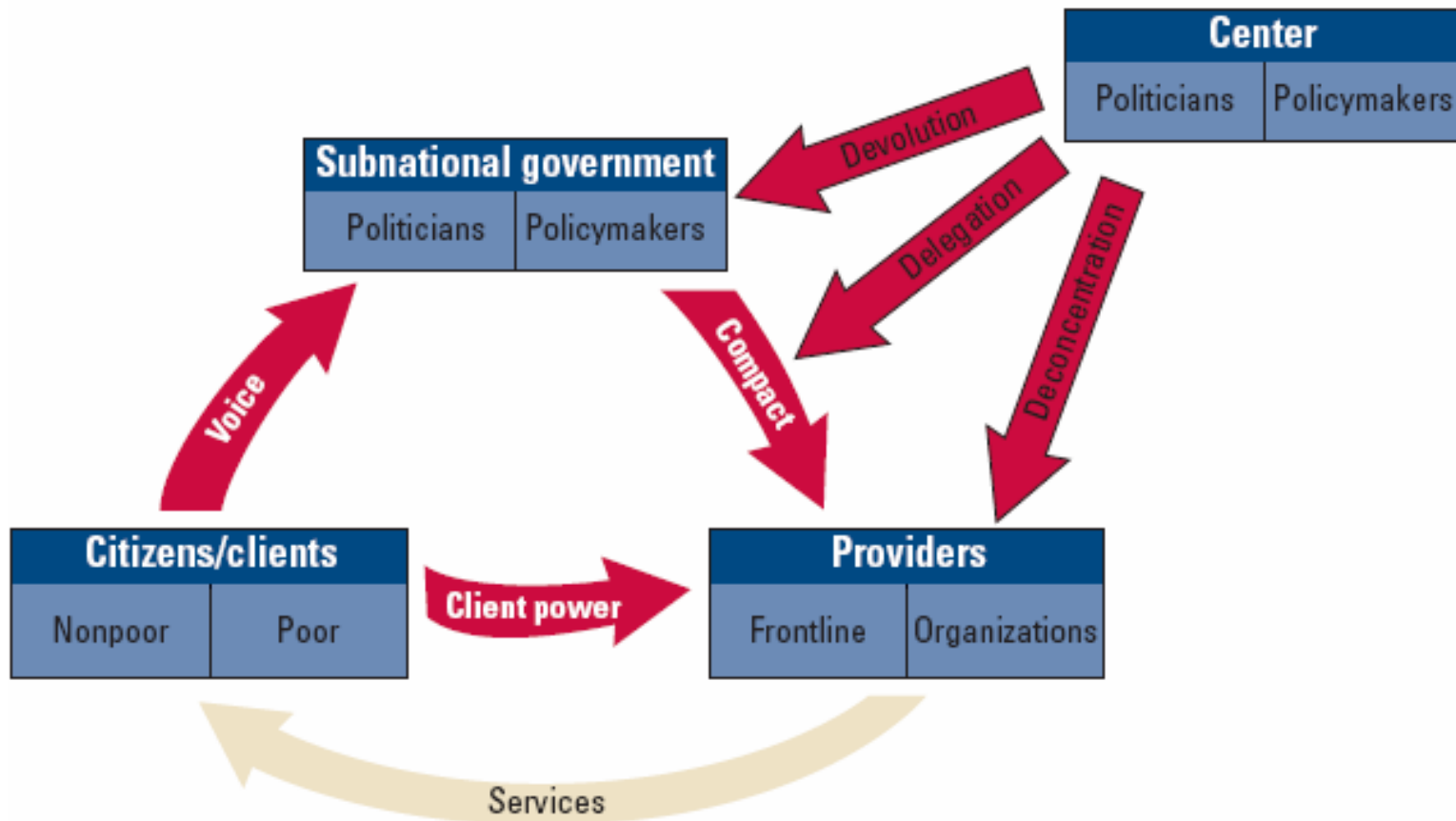
	%
United Kingdom	8.5
Czech Republic	2.0
Hungary	1.1
Slovakia	0.8
Poland	0.8
Romania	0.8

Source: JHU

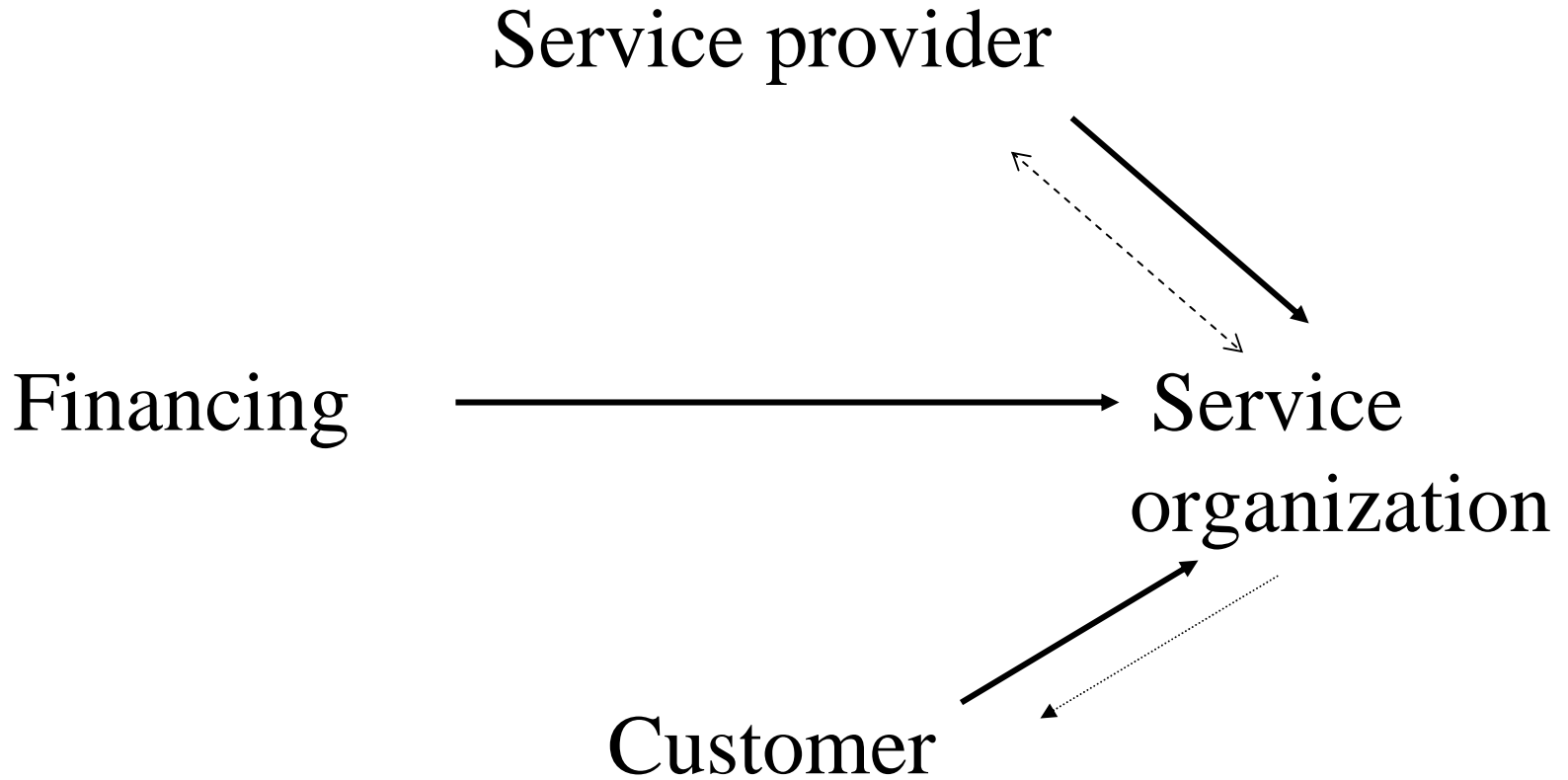
Alternative service organisations Hungary, 2006

<i>Services</i>	<i>Non-municipal SO in % localities</i>	<i>Out of this: NGOs</i>
General practitioner	43%	2%
Primary school	11%	91%
Home for elderly	10%	78%
Kindergarten	10%	5%

Compact and client power (WDR 2004)



2. Framework of contracting



Contract with the service producer

“Ignorance”: learning policy making

- new roles of the central government
- external influence: RIA, OMC
- policy research is underdeveloped
- working with the media and advocacy groups

Contract with the service producer (2)

Building the regulatory framework

- Sequencing: regulation or privatization first?
- Devolution: increased accountability
- Diversity of organizational forms
- Tendering and contracting regulations
- Financing: user charges, capital investments
- Planning, strategy design

3. Increasing client power

1. Funding schemes:

- Incentives in intergovernmental finances
- Neutrality in funding service organizations
- Sources of financing CSOs:

	<i>Government</i>	<i>Philanthropy</i>	<i>Charges</i>
Developed	38	29	33
Developing/ transition	17	33	50

Increasing client power (2)

2. Impediments at NGOs:

- non-accountability, elitism, political capture
- lack of professional capacity, amateurism
- narrow focus in service delivery, insufficiency of funds, low efficiency, grant dependency, geographical mismatch

Increasing client power (3)

3. Obstacles at the government side:

- selective partnerships, drops of information, promotion of politicians
- individual deals, non-regulated contracting
- fear of losing control, lack of monitoring capacity