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Partnerships between the Public Sector and Non-governmental Organizations: The NGO Role in Health Sector Reform

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ACRONYMS

APOLO	*Apoyo a Organizaciones Locales*
CARE	Cooperative for American Relief Everywhere
CEPAR	*Centro de Estudios de Población y Paternidad Responsible*
INSALUD	*Instituto Nacional de la Salud*
LAC	Latin America and the Caribbean
LAC/HSR	Latin America and Caribbean Health Sector Reform
NGO	Non-governmental Organization
PAHO	Pan American Health Organization
PHR	Partnerships for Health Reform
PRISMA	*Asociación Benéfica*
PROCOSI	*Programa de Coordinación en Supervivencia Infantil*
PROFAMILIA	*Asociación Pro-Bienestar de la Familia, Inc.*
USAID	United States Agency for International Development

1. INTRODUCTION

1.1 THE LATIN AMERICA AND CARIBBEAN REGIONAL HEALTH SECTOR REFORM INITIATIVE

The Latin America and Caribbean Regional Health Sector Reform (LAC/HSR) Initiative is a five-year effort (1997–2002) to promote equitable and effective delivery of basic health services through the development of a regional support network. The LAC/HSR Initiative is a combined effort of the Pan American Health Organization, the United States Agency for International Development (USAID), and USAID's Partnerships for Health Reform, Data for Decision Making, and Family Planning Management Development projects. The Initiative funds regional support activities to a maximum total amount of $10.2 million. Its target countries are Bolivia, Brazil, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, and Peru.

The LAC/HSR Initiative focuses on four key strategic areas:

- Development, testing, and dissemination of methodologies and tools for the analysis, design, implementation, and monitoring of national health sector reforms in order to enhance public, private and non-governmental organization (NGO) sector interaction, strengthen health finance decisions, and improve policy analysis and planning.

- Acquisition, processing, and dissemination of information on national health reform efforts, and making this information widely available through an electronic resource center, a series of topical bulletins, a clearinghouse on health reform papers, and an electronic network.

- Monitoring of reform processes and outcomes as well as equitable access to basic health services by developing and implementing tools, and disseminating information obtained to countries, donors, and other partners.

- Helping countries to share experiences and assistance through regional conferences and workshops, institutional linkages, a regional forum for researchers, and study tours.

1.2 HEALTH SECTOR REFORM AND NON-GOVERNMENTAL ORGANIZATIONS

Health sector reform often includes a deliberate effort to change the role of the public sector in terms of the provision, financing, purchasing, and regulation of health care. As a result, health sector reform also entails a change in the role of other organizations and institutions involved in the delivery of health services. In this context, the LAC/HSR Initiative addresses issues related to NGO–public sector partnerships. The activities that have been identified reflect the assumption that these partnerships, both formal and informal, have the potential to form an important component of health sector reform strategies. They can directly impact the reform in terms of equity and access to basic health services, the primary focus of the LAC/HSR Initiative.

The LAC/HSR Initiative activities are designed to provide health planners with more information about NGO roles and experiences in the region and to develop materials for better-

informed assessments of potential NGO linkages. For NGOs, key issues relate to effects of reform on current operations and resources and the new roles implicit in reform.

Four aspects of public/NGO partnerships were identified for specific consideration:

- Participation in health policy dialogue
- Impact of decentralization
- Contracting out for service provision
- Quality assurance activities

For each of these areas, a paper was drafted on the "state of the practice." These papers draw on the experiences of a select group of NGOs and public sector agencies in the region. They develop a general overview of the essential issues that need to be addressed if NGO–public sector partnerships are to be better developed when one or more of these elements is involved.

The "state of the practice" as regards the role of NGOs in the formation of health sector reform policy is the focus of this paper.

2. OBJECTIVES AND METHODOLOGY

2.1 OBJECTIVES

This "state of the practice" paper draws from global experience with NGO–public sector partnerships in response to health sector reform, but it focuses on the evolving regional experience with such partnerships in the target countries of the LAC/HSR Initiative. The specific objectives of this document are to:

- Facilitate more frequent and informed dialogue between the public sector (in particular, ministries of health) and NGOs regarding their respective roles and potential contributions to effective health sector reform processes,
- Document lessons learned, synthesize knowledge, and exchange ideas regarding NGO experiences in promoting health sector reforms policies,
- Promote increased awareness and knowledge among NGOs regarding the evolving/changing role of the public sector and the impact of these changes on the role of NGOs within the health sector, and
- Contribute to the capacity of NGOs to promote health sector reforms more effectively.

2.2 METHODOLOGY

A review of NGO participation in health sector policy reform was conducted in 1998 and additional data collected in early 1999. However, much of the information in this paper is from a three-day LAC/HSR Initiative-sponsored regional workshop on "The Role of NGOs in Health Reform in Latin America," in Santa Cruz, Bolivia, June 28–30, 1999. (Annex A contains the workshop agenda and list of participants.)

Criteria for selection of NGO and public sector participation in the workshop were developed. Criteria for NGOs were the following:

- To be a local organization
- To operate in an environment where health reform policy is a current issue
- To contribute to an ongoing dialogue on health sector reform policy issues (for example, changes in laws, regulations, and roles of NGOs vis-à-vis government to improve equity, efficiency, access, quality, and/or sustainability)

The NGOs selected and invited to participate were:

- National Institute of Health (*Instituto Nacional de la Salud*, INSALUD), Dominican Republic
- Support to Local Organizations (*Apoyo a Organizaciones Locales*, APOLO), Ecuador
- PRISMA (*Asociación Benéfica*, PRISMA), Peru
- PROSALUD, Bolivia
- Program for Child Survival Coordination (*Programa de Coordinación en Supervivencia Infantil*, PROCOSI), Bolivia

The USAID Missions in each country gave valuable input in identifying the appropriate NGO and ministry of health counterparts to participate in the workshop. PROSALUD/Bolivia, the largest NGO in Bolivia, was selected as the workshop site in order to take advantage of the rich experience and lessons learned during the extensive health sector reform that has taken place in that country over the past seven years.

Prior to the meeting, NGO and government representatives from each country were asked to present their country's experiences. They were provided a general framework to guide them in developing their presentations.

The workshop was facilitated by Dr. Carlos Cuellar and Pilar Sebastian. As the former national director of PROSALUD for 12 years, Dr. Cuellar has extensive experience with national health reform initiatives and public–private partnerships within the health sector. Currently Dr. Cuellar is the director of medical services at Population Services International/Washington. Pilar Sebastian is an internationally known training specialist and the current deputy director of PROSALUD.

3. NGOS IN HEALTH SECTOR REFORM

There is no blueprint for health sector reform. Reform objectives and challenges are similar, but each country context is unique and the process of change is halting and non-linear. Reform requires changes in understanding and behavior by all parties involved: donors, governments, NGOs, and communities (Aga Khan Foundation 1999).

Successful health sector reform initiatives require the informed participation of all stakeholders, including groups outside of the government. Over the past 15 years the growing trend towards the decentralization of health systems and the increasing importance of the private sector in expanding the access, coverage, quality and sustainability of health services to underserved populations has resulted in an expanded service delivery role for NGOs in developing countries. Despite the key role that NGOs currently play in the health care market, limited attention has been paid to their actual or potential role in the health sector reform process.

Certain structural obstacles limit NGOs' ability to participate in health sector reform. Cassels (1997) discusses a lack of information and skills in many developing country NGOs that prevent them from fully understanding existing problems and designing and implementing appropriate reforms. In particular, he notes the following problems:

- Weak information systems that do not generate the correct information in a timely manner
- Weak personnel systems that do not promote good performance
- Weak auditing systems that do not monitor and correct identified problems
- Weak management systems that promote resistance to change
- Weak resource systems that do not generate or allocate adequate resources to support implementation

Additional obstacles, external to the NGOs, include:

- Poor economic conditions that undermine resource availability
- Weak political systems that are characterized by instability
- Poor coordination and communication between service providers and other actors that undermine task networks required for task performance

In addition, collaboration between governments and NGOs is impeded by the following situations:

- Government officials and policymakers are not sufficiently aware of the scope of NGO activities, and the level of resources they manage;

- NGOs work in isolation and fear government interference in their activities at the national and local levels;
- Laws exist that prevent or impede the successful implementation and expansion of priority health services by NGOs to underserved and vulnerable populations;
- Governments fail to recognize NGOs' potential to contribute to the health sector reform process and/or they lack knowledge about how to facilitate NGO participation in the formulation of health policy reforms;
- Government officials have insufficient information about the tools, methodologies, and lessons learned that are available from NGOs within their countries, regions, or internationally.

In spite of these obstacles, NGOs have become major players in the health sector reform process in some countries by:

- Establishing national federations and regional networks;
- Building alliances with key officials in supportive ministries, agencies, and other key institutions that possess sufficient legitimacy within their societies;
- Increasing their claims over the policy process by engaging directly or indirectly in policy advocacy; and
- Staking their claim over the policy process through national and international conferences (Riker 1991).

As their share and importance in the health care market grows, NGOs have a unique capacity to work with governments to address the major health sector reform issues: efficiency, access, cost-containment, and responsiveness to public demand. In order to accomplish this, however, they need to improve their capacity to interpret policy, mobilize local resources, and present a common agenda.

Third generation NGO strategies look beyond individual communities and seek changes in specific policies and institutions at local, national and global levels. These strategies focus attention on creating a policy and an institutional setting that facilitate sustainable local development in collaboration with major national agencies and attempt at getting policies reoriented so as to broaden the base of local control over local resources. (Korten 1990)

4. COUNTRY EXPERIENCES AND LESSONS LEARNED

Representatives of NGOs and ministries of health in Latin America have rarely had the time or opportunity to explore ways to work together more effectively to design and implement health sector reforms. The overall goal of the LAC/HSR Initiative workshop therefore was to provide a supportive environment in which the parties could discuss ways to overcome the obstacles and take advantage of the potentials cited in the preceding section. More broadly, it would also foster mutual understanding and respect for the important role each side plays in health reform. This meeting encouraged an important South-South exchange of ideas and experiences between representatives of NGOs and their government counterparts.

The country experiences and lessons learned that are discussed in this section are culled from the presentations and exchanges of the workshop participants.

4.1 BOLIVIA

Between 1980 and 1985, Bolivia suffered a severe economic crisis that resulted in a significant deterioration of the entire social sector. With an inflation rate of 25 thousand percent—a record matched only by Germany in the post-World War I period—public health facilities virtually collapsed and were forced to begin charging "unofficially" for services in order to continue to operate. Despite restoration of democracy in 1985 after years of military dictatorship, the country continued in economic and political crisis. The political and economic upheavals brought changes to Bolivian society and the health sector. The new paradigms for the health sector demonstrated the following trends:

- Emphasis on the local order
- Modernization of the social sector
- Focus on priority problems
- Changes in the private sector
- New criteria for external aid
- Changes in the health care market
- New health financing mechanisms

With the passage of the Popular Participation Law in 1994, Bolivia began to decentralize authority. Prior to enactment of the law, many municipalities had had virtually no budget or disposable resources of their own. The law transferred ownership of everything except national-level institutions to the municipalities, including all health facilities. (See Annex B, which contains a discussion of the Popular Participation law, a workshop presentation by Dr. Carlos Hugo Molina, author of the law.)

In July 1996, a Supreme Decree established the National Mother and Child Insurance Package. Under the insurance scheme the municipalities agree to earmark a portion of the funds that they receive through the Popular Participation Law for maternal/child care. The insurance scheme was intended to cover all providers, both public and private; however, few private practitioners have elected to participate for a number of reasons, including the fact that the actual costs of providing the maternal/child services covered are not reimbursed.

4.1.1 NGOs

PROCOSI

Founded in 1988 with funding from USAID, PROCOSI is a networking NGO based in La Paz and made up of 24 local and international organizations, with an annual budget of US$ 3.5 million. It has 22 fulltime employees. The organization produces publications, holds workshops, and carries out other information dissemination activities. PROCOSI works to improve health in underserved populations, especially women and children, through institutional coordination, the strengthening of member institutions, and through the advocacy of policies that influence public health.

Since 1994, PROCOSI has made key contributions to national health policy (Sullivan and Johnson 1998). The organization participated in the design of the 1994 National Health Plan and the Executive Secretariat staff assisted with the formulation of the current National Strategic Health Plan. PROCOSI staff have also worked closely with Ministry of Health staff in the design of government quality assurance policies for the National Maternal and Child Health Insurance Scheme. The organization is active in the National Committee for Safe Motherhood that is sponsored by the First Lady of Bolivia, and it was largely responsible for the incorporation of a sexual health component into the National Reproductive Health Program. PROCOSI also helped change the law to allow auxiliary nurses and other para-professionals to expand their role to deliver services previously carried out only by physicians. Members of its Executive Secretariat are key participants in many aspects of the national political scene, and this has allowed PROCOSI to influence policy decisions. PROCOSI is currently putting the issue of quality of care on the national health sector reform agenda through its National Legal Commission and its eight regional technical committees, which meet regularly with municipal government officials and local and national authorities and policymakers.

PROSALUD

PROSALUD was founded in Santa Cruz in 1985, with support from USAID. Currently it is the most significant not-for-profit player in the health care market as well as the largest NGO in Bolivia, with over 500 employees, a national network of 32 health centers, and a referral hospital that serve over 400,000 people. PROSALUD's participation in the health sector reform process has evolved over time, changing with each new government. The enactment of the Popular Participation Law in 1994 accelerated PROSALUD's expansion nationally, allowing it to take advantage of the newly mandated decentralization of health services through agreements with municipalities.

Agreements with the Ministry of Health and the municipalities have been established based on the following principles:

? PROSALUD will manage the system autonomously.

- Costs will be recovered from user fees and other methods to ensure a solid financial base and sustain services.

- Both parties will work together to avoid duplication of effort.

- Community members will participate actively and responsibly.

The Ministry of Health has adopted many of the organizational elements from the PROSALUD model, such as 24-hour childbirth services (previously births were not attended in Ministry health centers), risk-sharing with specialists, and marketing of services.

4.1.2 Lessons Learned

A number of lessons can be learned from Bolivia. The decentralization of health services has provided new and unique opportunities for NGOs to expand their political influence and networks of services, of which a few NGOs, such as PROSALUD, have taken full strategic advantage. By providing leadership and innovation in the implementation of sustainable and cost-effective service delivery models, NGOs have helped the government of Bolivia conserve scarce resources and expand the access and coverage of priority health services to underserved populations.

4.2 DOMINICAN REPUBLIC

4.2.1 NGO: INSALUD

INSALUD is a umbrella network of over 62 NGOs with a mandate to promote health sector reforms by organizing conferences and events, advocating legislative changes, and participating in the national dialogue among policymakers, NGOs, members of the business community, union leaders, churches, and political parties. Funded primarily by USAID (90 percent) with an annual budget of US$ 2.5 million, the organization has been functioning for eight years. It has increased its participation in the policy-making process primarily by promoting the election of candidates to prominent positions in local and national government and by helping to define strategies to improve laws pertaining to the health sector. INSALUD obtained access to resources for the Mitigation of Disaster and Reconstruction processes after the 1998 hurricane.

The organization successfully promoted the election of NGO representatives to the Executive Health Sector Reform Commission and to the National AIDS Commission. INSALUD is recognized by policymakers and other stakeholders, including the Dominican government, as the representative of NGOs in the health sector. As a member of the Secretariat for Public Health and Social Assistance, INSALUD is developing and implementing a set of norms and standards to be utilized by health sector NGOs, as well as advocating changes in the terms under which the Secretariat transfers public funds to NGOs. Some of the obstacles they have encountered are lack of awareness among government officials regarding the important role of NGOs; historical lack of participation of NGOs in municipal governments; and bureaucratic opposition and indifference to the participation of NGOs in the health sector reform process.

4.2.2 Lessons Learned

The health sector reform process in the Dominican Republic is in its infancy. However, some of the lessons learned from INSALUD are: the necessity of maintaining an ongoing dialogue with its NGO members; the need to establish and build relationships/establish strategic alliances with policymakers and other stakeholders through personal communication (building trust and confidence takes time and patience); and the attention that needs to be paid to educating donors regarding the time and investment required to design, implement, and sustain health sector reforms.

4.3 ECUADOR

Ecuador has suffered from increased political instability and economic crisis during the past few years. Public sector services remain centralized and therefore receive little input from local stakeholders. A decentralization law passed by the newly elected government in 1998 has mandated a new and expanded role for municipal governments in the health sector. Over 30 percent of the population lacks health coverage, yet duplication of services in both the public and private sectors is a serious problem. Numerous health sector reform efforts have been promoted in Ecuador over the past 20 years, with limited success.

4.3.1 NGOs

CEPAR

The Center for Population and Responsible Parenthood Studies (*Centro de Estudios de Población y Paternidad Responsible*, CEPAR) is a USAID-sponsored NGO founded over 20 years ago to inform and train health policymakers and other leaders to promote improved health policy decisions. CEPAR plays a fundamental role in promoting improved dialogue, cooperation, collaboration, consensus, and participation in the social sector. It therefore focuses on the areas of research, information dissemination and communication, capacity building and training, and the creation of NGO networks. The organization has 27 fulltime staff members and an annual budget of $500,000. CEPAR works with public sector leaders at the local/municipal, provincial, and central levels; universities; the National Health Council; and the National Congressional Health Commission.

APOLO

With funding from USAID, CARE/Ecuador has administered APOLO since 1995. APOLO's mission is to improve primary health care by developing models that deliver high quality services and are equitable, sustainable, and replicable. One of the principal goals of the APOLO Project is to systematize and document its experiences in implementing health sector reforms at the local, provincial, and central levels.

In 1998, APOLO assisted the national government to formulate its National Health Plan and decentralization law; this activity provided the NGO the opportunity to work with the Chordeleg municipal health model. APOLO also participated in a national dialogue on a municipal health committee model, which was embraced by the government to be implemented as a national health policy.

4.3.2 Lessons Learned

Lessons learned from the Ecuador health sector reform experience include the following: successful health sector initiatives depend on political will and organized coalitions of stakeholders; NGOs can be effective in the health sector reform process by offering tangible models and alternatives to the current health care system (for example, municipal health networks); and a mix of coordinated public/private efforts supported by local authorities can promote effective health sector reforms despite political instability at the central level.

4.4 PERU

4.4.1 NGO: PRISMA

Peru initiated a process of health sector reform in 1991 to enable the health system to recover its ability to deliver effective health services, which was lost during the country's years of political, social, and economic instability. In 1995, a document listed the goals of the reforms as guaranteed access to health services, modernization of the health sector, restructuring of the health sector, prevention and control of priority health problems, and the promotion of improved health conditions and healthy lifestyles.

The reform process resulted in a number of new laws and regulations: the General Health Law, the Modernization of Social Security Law, the Regulation of Health Workers, the Commission to Monitor Social Security for Health, and the new system for linking the health budget allocations to the completion of set goals. Other outcomes of the reform process were a network of primary health facilities, implementation of a school health insurance program, a maternal/child health insurance scheme, training of health administrators, modernization of the hospital sector, packages of priority health services, and the implementation of Local Health Administration Boards.

PRISMA was established in 1989 by a group of health professionals to improve the nutrition and health status of marginal and underserved populations in Peru, especially women and children. It has 250 fulltime staff and an annual budget of approximately US $10 million, 85 percent of which comes from USAID. PRISMA's national health and nutrition programs are implemented with extensive collaboration with the Ministry of Health. PRISMA has influenced health policy in Peru through the support of legislation against the misuse of food resources, which includes a strong monitoring component. The organization has successfully focused national attention on the problem of chronic malnutrition in Peru. Its relationship with the Ministry is based on transparency, which enhances the organization's credibility and prevents opportunism on the part of the food distribution program and government workers; and seeking out and forging strategic alliances with other public sector stakeholders with similar goals.

4.4.2 Lessons Learned

Lessons learned from Peru include the importance of transparency, credibility, efficiency, and effectiveness in carrying out NGO programs in collaboration with the government; the importance of a good monitoring and evaluation system; the need to disseminate key information to policymakers

on an ongoing and timely basis; and the potential effectiveness of NGO advocacy and influence on policymakers (NGOs can make a difference in health sector reform).

5. THE ROLES OF GOVERNMENTS AND NGOS IN HEALTH SECTOR REFORM

This section presents topics discussed and consensus reached by NGO and government representatives at the LAC/HSR Initiative workshop.

5.1 WORKSHOP DISCUSSIONS AND CONCLUSIONS

5.1.1 Working Principles

Workshop participants outlined working principles for NGO–government partnerships in the health sector reform process:

- Unity
- Strategic alliances
- State regulation and supervision
- Credibility
- Trust
- Transparency
- Coordination
- Efficiency

5.1.2 Types of Partnerships

Partners agreed that NGOs are valuable for mobilizing groups to exert social pressure for reforms and for helping to maintain the balance of power between the state and the people. Governments and NGOs each possess comparative advantages to address certain types of issues. The acceptance of their respective advantageous roles can lead to a cooperative and complementary relationship.

The following types of partnerships, described by Maskay (1998), were discussed during the meeting:

Consultative: Organizations establish limited relationships with other organizations for information exchange and experience-sharing.

Coordinative: Organizations expand relationships to avoid duplication of work and competition among the partners and to synchronize institutional initiatives for greater efficiency and effectiveness in field operations.

Complementary: Organizations support each other through purposeful efforts, guided by a common program framework.

Collaborative: Organizations work together, sharing a common vision, objectives, and plan of action on a program level, and mechanisms are established to facilitate delivery of services to the target communities.

Critical: Organizations consider each other indispensable partners in pursuing broad development goals and visions. Long-term strategic arrangements are made to work together to achieve major changes and improvements in the life of the communities the organizations jointly serve. If the government accepts this level of participation, NGOs are given access to government resources as well as the opportunity to participate in policy formulation and the decision-making process.

5.1.3 Factors that Affect the Political Space of NGOs

Participants discussed factors that influence the policy context (termed "political space") for NGOs. They grouped the factors according to their relatedness to the government, the macro environment, and the donors.

Government-related Factors

- Policies, legislation, and action
- Administrative capacity to reach people at the grassroots
- Priorities and content of development strategy and programs
- Organizational channels favored for implementing development activities
- Level of funding and resources available for development activities

Macro Environment-related Factors

- Level of political stability
- Status of the economy
- Degree of foreign intervention in the economy
- Contending political forces at home

Donor-related Factors

- Pressures for reforms

? Funding and assistance for prominent domestic NGOs

? Government and international NGO joint undertakings

? Conditionality of assistance

? Other

5.2 THE ROLE OF NGOS IN HEALTH SECTOR REFORM

NGOs are not only key stakeholders in the health reform process, but their profile in the international development arena is steadily increasing. Donors see NGOs as essential to the success of reforms such as the decentralization of health systems. NGOs have a comparative advantage over governments in addressing the main factors behind the need for health sector reforms outlined by Cassels (1997): inefficient use of scarce resources; lack of access to essential health care services; and the fact that services do not respond to what people want. Tanner and Lafond (1998) also enumerated NGO advantages, which are listed in Box 1.

BOX 1. COMPARATIVE ADVANTAGES OF NGOS IN THE HEALTH SECTOR REFORM PROCESS

- NGOs are attractive partners for governments and donors.
- NGOs are in vogue with donors.
- NGOs are a strong political force.
- The nature of public services is changing.
- The capacity and knowledge of NGOs is relevant to the goals of health sector reforms.

After reviewing these comparative advantages, LAC Initiative workshop participants engaged in a SWOT (Strengths, Weaknesses, Opportunities, Threats) exercise to identify advantages of NGOs in Latin America. Results are listed in Box 2.

Public sector participants identified as appropriate the following roles for NGOs within the context of health sector reform:

? Service delivery

? Facilitation

? Development

? Dedication to social welfare

? Focalization

? Promotion of reforms

BOX 2. RESULTS OF GROUP SWOT ANALYSIS ON ROLE OF NGOS IN HEALTH SECTOR REFORM

STRENGTHS	OPPORTUNITIES
♦ Technical capacity ♦ Flexibility/agility ♦ Creativity and motivation ♦ Good management and monitoring systems ♦ Transparency ♦ Autonomous decision making ♦ Client satisfaction ♦ High quality of services	♦ Open to carry out health sector reforms ♦ Disposable and available resources ♦ Accreditation ♦ Wide coverage of services ♦ Decentralization ♦ Increased competition ♦ Strategic alliances
WEAKNESSES	**THREATS**
♦ Dependence on donors ♦ Super-specialized ♦ Restrictions on coverage areas ♦ Do not participate in the design of reforms ♦ Lack of coordination between NGOs ♦ Lack of capacity to carry out advocacy ♦ Challenge to be sustainable	♦ Uncertainty about reforms ♦ Subjective criteria for accreditation ♦ Politicized process ♦ Real costs not reimbursed ♦ Growth of unfair competition ♦ Participation from the for-profit private sector

A group exercise by the public sector participants from Ecuador, Bolivia, Peru, and the Dominican Republic concluded that NGOs should not be involved in the following activities:

? Definition of policies

? Implementation of local reforms

? Definition of norms and procedures that distort the health system

NGO participants responded that governments should not expect NGOs to implement health sector reforms if they were also not allowed to participate in their design.

5.3 THE ROLE OF THE GOVERNMENT

Changes in governments, changes in personnel within the governments, changing donor agendas, and economic crises all shape the political space within which NGOs are forced to operate. At stake for governments are issues related to the erosion of their reputation, political esteem, or legitimacy; the fear of losing power or authority; and the fear that their image as benefactor of the people may be eroded by NGO successes that overshadow government programs (Maskay 1998).

Governments are most likely to encounter difficulties in their relationships with NGOs during the health sector reform process over issues related to NGOs' orientation (for example, vision, values, ideology); their control over and use of resources obtained largely from donors; their organization, management, and operation style; and their entry into development debates and participation in decision making (Riker 1991).

Government capacity to negotiate and manage the significant policy shifts required by health sector reform is a key factor in the successful implementation. In a forum on health sector reform at

the London School of Hygiene and Tropical Medicine in 1998, Bennett outlined the necessity of improving the capacity of governments to meet the new demands placed on them during the health sector reform process. She defines capacity as task-specific and the exact nature of the reforms in each country determine the relative importance of each category (see Box 3).

BOX 3. ASPECTS OF GOVERNMENT CAPACITY NEEDED TO IMPLEMENT REFORMS

INTERNAL TO EXECUTING ORGANIZATIONS
♦ Organizational and administrative structures
♦ Skills and professionalization of staff, personnel policies
♦ Availability of capital and financial control
EXTERNAL TO EXECUTING ORGANIZATIONS
♦ Financial and economic conditions
♦ Civil-public interaction
♦ Private sector development
♦ Political structures and preferences
♦ Legal and administrative frameworks

Source: Bennett 1998

Along with the need to improve government capacity to implement health sector reforms, government must assume new roles and functions (see Box 4). These roles and functions have necessarily evolved over time with the accompanying changes in the health care market and growth of the private sector. Roles and functions can vary widely from country to country, however, the role of modulation and articulation (setting, implementing, and monitoring the rules for the health system) is considered a core government function. (Musgrove 1996).

BOX 4. OLD AND NEW FUNCTIONS OF GOVERNMENT

POLICY SETTING, RULE MAKING, PLANNING, AND COORDINATION
Clear policies must be agreed upon and supported

ANALYTICAL FUNCTIONS
Monitoring and evaluation, analysis for purposes of strengthening policy and implementation, feedback on the impact of reform measures

ENFORCEMENT OF RULES AND REGULATIONS
Regulation of provider organizations, licensing of practitioners, regulation of pharmaceuticals, protection of consumer rights

INFORMATION PROVISION
Provision of information to key actors within the health care system (e.g., to stimulate efficient purchasing), provision of information on policies and reforms, information to promote public health

ADMINISTRATION OF PROVISION
Contracting of services (public or private), accreditation, standard setting, etc.

FISCAL FUNCTIONS
Organization of insurance function; setting and collecting fees, taxes, etc.

DIRECT PROVISION

Source: Bennett 1998

Governments in Latin America and elsewhere are gradually expanding their vision of NGOs from mere contractors or supplementary or complementary agents for the government, to respected partners in the design and implementation of reforms. This is evidenced by the roles of PROSALUD and PROCOSI in Bolivia and PROFAMILIA in Columbia.

Governments can support the role of NGOs in health sector reforms by:

? Simplifying the process of registration of NGOs;

? Specifying conditions facilitating direct transfer of external resources without requiring bureaucratic passage;

? Field-testing specific mechanisms for cooperation between local-level political structures and NGOs to help resolve problems of lack of conducive attitudes and operational mechanisms;

? Field-testing specific methods and procedures for cooperation between line agencies and NGOs;

? Modifying governmental procedures to promote a bottom-up planning process of working with local self-help organizations when setting targets and commanding the line agencies to provide services demanded by local organizations; and

? Promoting and supporting local institutions, whether they be the facilitator NGOs-local or national or international (Riker 1991).

6. CRITICAL CONSIDERATIONS AND CONCLUSIONS

Health sector reform is a long-term process that is defined as it evolves and like most revolutions takes two steps backwards for every step forward. (Dr. C. Ok Pannenborg, World Bank)

The serious social and economic disparities, coupled with ever-growing and aging populations and an increasing burden of disease, will undoubtedly pressure governments in Latin America to continue to reform their health systems. The fact that NGOs have a vital role to play in the design, implementation, promotion, and sustainability of reforms is no longer debatable. The question that remains is how NGOs and governments in Latin America can form effective strategic alliances to restructure health systems to meet the needs of its citizens. There are a number of rich experiences and important lessons learned from which to draw. Each country will necessarily utilize and adapt these experiences and lessons in their own way. However, the global principles for viable NGO–public sector partnerships outlined below may help NGOs and governments in Latin America to work together skillfully and with mutual respect to meet the challenges presented by the health sector reform process.

Principles of Viable NGO–Government Partnerships

1. Government and NGOs shall strive to attain the following:
   - ? Social justice and equity
   - ? People's empowerment and solidarity
   - ? Transparent and effective governance
   - ? Sustainable and self-reliant development
   - ? Structural changes within the constitutional and legal framework
   - ? Subsidiarity
2. Government and NGOs are accountable to the people.
3. Government and NGOs should have a working understanding of each other's principles, policies, processes, programs, and structures so that the elements of responsiveness, flexibility, and workability are built into the partnership scheme.
4. Government shall recognize the autonomy of NGOs and perceive their participation as a means to achieve a partnership.
5. NGOs should be substantially and equally represented in all levels of decision making. Mere presence on planning councils or bodies does not indicate participation in decision-making.
6. Participation in government shall not be the sole responsibility of national-level NGOs, though they can initiate this process. To really involve people, the people shall have a voice from the grassroots to the national level.

7. Establishment and strengthening of NGO networks shall take place both horizontally and vertically to help affirm their position vis-à-vis government and enhance their credibility.

8. The knowledge of concepts, objectives, and nature of participatory activities shall not be confined to key personnel of the government and NGOs. Ongoing orientation of government personnel at all levels, including those indirectly involved in projects, shall take place so that they understand the rationale and working relationships within the NGO and government sectors.

9. There is a need for continuous dialogue with the government on the matter of NGO–donor relationships with a view to developing policies and procedures that satisfy the concerns of NGOs and the government.

10. NGOs shall be conscious of the need to carry out periodic and systematic self-evaluation of their role and impact. Also, they shall regularly update themselves by a process of self-education.

11. NGOs, especially at the grassroots level, must be seen as a complement to and not a competitor of government agencies at that level. Government should respect the integrity of NGOs. On the one hand, NGOs should retain their critical outlook; on the other hand, publication of criticisms that undermine the spirit of partnership should be avoided. NGOs must realize that regular budgetary support from the government could undermine their autonomy.

12. NGOs must endeavor to establish their credibility with the government and the people, and, for this purpose, they must demonstrate their sincerity, capability, and commitment.

13. NGOs must be prepared to take the initiative to secure their recognition and to propose constructive programs of partnership with the government in designing and carrying out programs in areas of concern to NGOs.

14. Governments and NGOs may resort to independent initiatives to pursue their development interests that take into account people's participation in the event that measures for forging a NGO–public sector partnership are not yet in place.

If you cry forward, you must make clear the direction in which to go. Don't you see that if you fail to do that and simply call out the word to a monk and a revolutionary, they will go in precisely the opposite directions. (Anton Chekhov)

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