

Abstract

Non Government organizations in Bangladesh are intervening with foreign donation over the last couple of decades. Foreign Donation supports a major portion of development initiatives implemented by 2,356 registered NGOs¹ in Bangladesh. The share of aid to NGOs as a portion of total aid to Bangladesh has remarkably increased in the recent years. As a result, the growth of foreign funded NGOs has been prominent. But the increased aid flow directly provided to NGOs, quick pace of their growth and diversification has given rise to questions and concerns. Research shows that, the foreign donation entering in the name of poverty reduction and pro-people development cannot achieve the ultimate goal in reality. Forty percent people still living below poverty line indicates incremental development and poor achievement in poverty reduction initiated with the foreign aid in the country. -

It is alleged that only a relatively much lesser portion of the total resources received from overseas donors reach the real target group through the foreign funded NGOs. Inefficient use of foreign funds, conditions imposed by donors, lengthy process of fund release overburdened with rules and regulations, problems in NGO governance accomplished with lack of transparency and accountability and absolute power of executive director create the major obstacle in effective use of foreign donation in Bangladesh. Furthermore, the development programs undertaken by different voluntary organizations are scattered and uncoordinated and mostly donor prescribed. To some extent there is also remarkable absence of coordination between government and NGOs. Establishing participatory approach in planning and implementing the need based programs, application of e-governance allowing public access to audit as well as annual reports, formation of strong database, simplifying and unifying existing rules and regulation can lead to better outcome of NGO operations in poverty reduction. This paper attempts to identify the key factors that impede the development initiatives taken by foreign funded NGOs in Bangladesh and examines the way out for promoting effective use of foreign donation in NGO sector.

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