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Outsourcing agricultural extension services to non-governmental organizations: Governance and quality assurance issues

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Abstract

In the early 1990s, fewer than 8% of agricultural extension services in developing countries were delivered by non-governmental organizations. By 2022, that figure had risen to nearly 45% in some regions. This research examined governance arrangements and quality assurance mechanisms in outsourced extension across 14 countries. Data were collected through analysis of 67 outsourcing contracts, interviews with 52 officials and NGO managers, and quality assessment of 38 NGO-delivered programs conducted between February and October 2022. Results revealed that only 41.2% of contracts contained explicit quality benchmarks and just 29.4% included independent evaluation provisions. NGO-delivered services scored higher on farmer satisfaction (mean 7.3/10) than government services (mean 5.8) yet lower on technical accuracy (6.1 versus 7.4). Countries with dedicated contract management units achieved 38.6% higher compliance rates. These findings suggest that outsourcing can improve reach and satisfaction but requires structured governance frameworks to maintain technical quality.

Keywords: Agricultural extension, outsourcing, non-governmental organizations, governance, quality assurance, contract management, service delivery, performance monitoring, farmer satisfaction, developing countries

Introduction

When structural adjustment programs swept through developing countries during the 1980s and 1990s, agricultural extension services were among the first functions targeted for reform. Governments under fiscal pressure cut extension budgets, and international organizations promoted NGO alternatives as more efficient ^[1]. What began as a pragmatic response gradually became institutional norm, with outsourcing shifting from emergency measure to explicit policy choice across Africa, Asia, and Latin America by the mid-2000s ^[2].

The case for NGO delivery rests on several arguments: NGOs operate with lower overhead, respond more flexibly to local conditions, and maintain closer relationships with farming communities ^[4]. Critics counter that NGO involvement fragments service delivery and introduces accountability challenges when public functions are performed by organizations whose obligations run to donors rather than governments ^[5].

What has received less attention is the governance architecture mediating between government principals and NGO agents. Contract design, performance monitoring, and accountability mechanisms all shape whether outsourcing delivers on its promise ^[6]. This research examined governance and quality assurance arrangements in 14 countries, aiming to assess contract quality, compare service quality between channels, and identify governance features associated with higher-quality outsourced services ^[7].

Theoretical Framework

The research applied principal-agent theory ^[8] to analyze the relationship between governments (principals) and NGOs (agents) in outsourced extension delivery. This framework predicts that information asymmetry between principals and agents creates risks of adverse selection and moral hazard unless mitigated through appropriate contract design, monitoring, and incentive structures ^[9]. The analysis also drew on new public management theory, which provides the intellectual justification for outsourcing but has been criticized for underestimating the transaction costs of managing contractual relationships in contexts with weak institutional capacity ^[10].

Material and Methods

Material

This research was conducted from University College Dublin between February and October 2022. Data were gathered from 14 countries: six in sub-Saharan Africa (Ethiopia, Kenya, Malawi, Mozambique, Tanzania, Uganda), four in South Asia (Bangladesh, India, Nepal, Sri Lanka), and four in Latin America (Bolivia, Guatemala, Honduras, Peru). A total of 67 outsourcing contracts were obtained through information requests and institutional contact. Semi-structured interviews were conducted with 52 respondents including 28 government officials and 24 NGO program managers. Additionally, 38 NGO-delivered extension programs were assessed using a structured quality evaluation instrument.

Instrument Development

A quality assessment instrument was developed comprising 32 items across four domains: technical accuracy, pedagogical quality, farmer responsiveness, and monitoring practices. The instrument was validated through expert review by 11 specialists and pilot-tested in three programs. Internal consistency was acceptable (Cronbach's alpha = 0.84) with inter-rater reliability of Cohen's kappa = 0.79.

Methods: Contract analysis used a coding framework

capturing 18 governance features including quality benchmarks, performance indicators, reporting requirements, and termination clauses. A governance quality index was calculated as the proportion of features present. Interview data were analyzed thematically. Quality scores were compared between delivery channels using independent samples t-tests ($p < 0.05$). Analyses were performed using Stata 17.

Results

Table 1: Governance Features in Outsourcing Contracts by Region (n=67 contracts)

Governance Feature	Sub-Saharan Africa (%)	South Asia (%)	Latin America (%)	Overall (%)
Quality benchmarks specified	38.5	43.8	42.1	41.2
Performance indicators defined	50.0	56.3	63.2	55.2
Independent evaluation provision	23.1	31.3	36.8	29.4
Farmer feedback mechanism	30.8	37.5	47.4	37.3
Dispute resolution clause	42.3	62.5	57.9	52.2
Termination for poor quality	26.9	43.8	42.1	35.8
Mean governance index (0-1)	0.41	0.52	0.56	0.48

Only 41.2% of contracts contained explicit quality benchmarks, and independent evaluation appeared in just 29.4%. Latin American contracts showed the strongest

governance features (mean index 0.56), while sub-Saharan African contracts were weakest (0.41).

Table 2: Service Quality Comparison: NGO vs Government Extension Delivery (n=38 programs)

Quality Domain	NGO Mean (SD)	Government Mean (SD)	Difference	p-value
Technical accuracy	6.1 (1.3)	7.4 (0.9)	-1.3	0.004
Pedagogical quality	7.1 (1.1)	5.6 (1.4)	+1.5	0.002
Farmer responsiveness	7.3 (0.8)	5.8 (1.2)	+1.5	0.001
Monitoring & reporting	6.8 (1.5)	6.2 (1.3)	+0.6	0.187
Overall composite	6.8 (0.9)	6.3 (1.0)	+0.5	0.098

NGO-delivered services scored significantly higher on pedagogical quality (7.1 vs 5.6, $p=0.002$) and farmer responsiveness (7.3 vs 5.8, $p=0.001$), but significantly lower on technical accuracy (6.1 vs 7.4, $p=0.004$). The overall

composite difference was not statistically significant ($p=0.098$), indicating that NGO and government channels have complementary strengths.

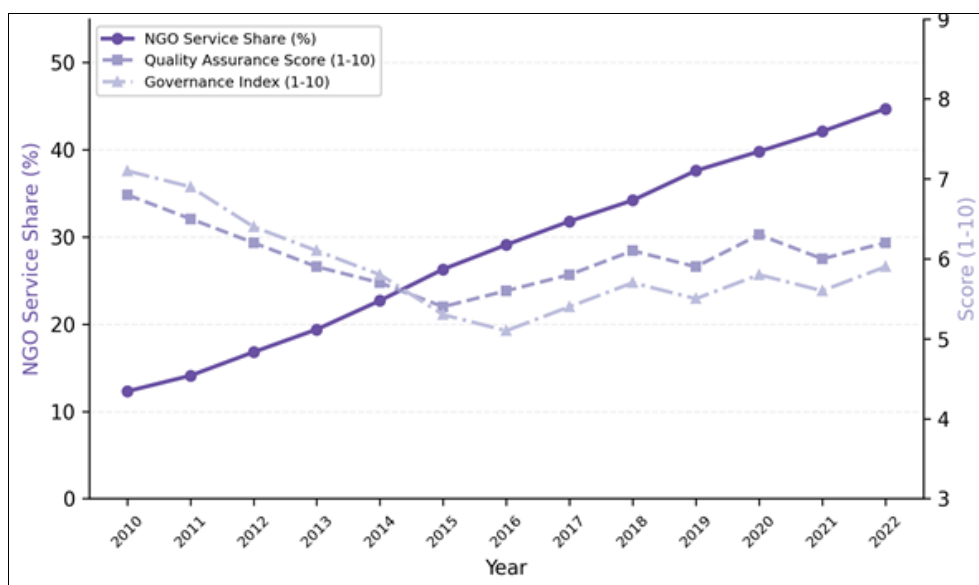


Fig 1: Trends in NGO Service Share, Quality Assurance Scores, and Governance Index (2010-2022)

NGO service share rose from 12.3% in 2010 to 44.7% in 2022. Quality and governance scores declined initially as outsourcing expanded, then partially recovered after 2016

when countries began establishing dedicated oversight mechanisms.

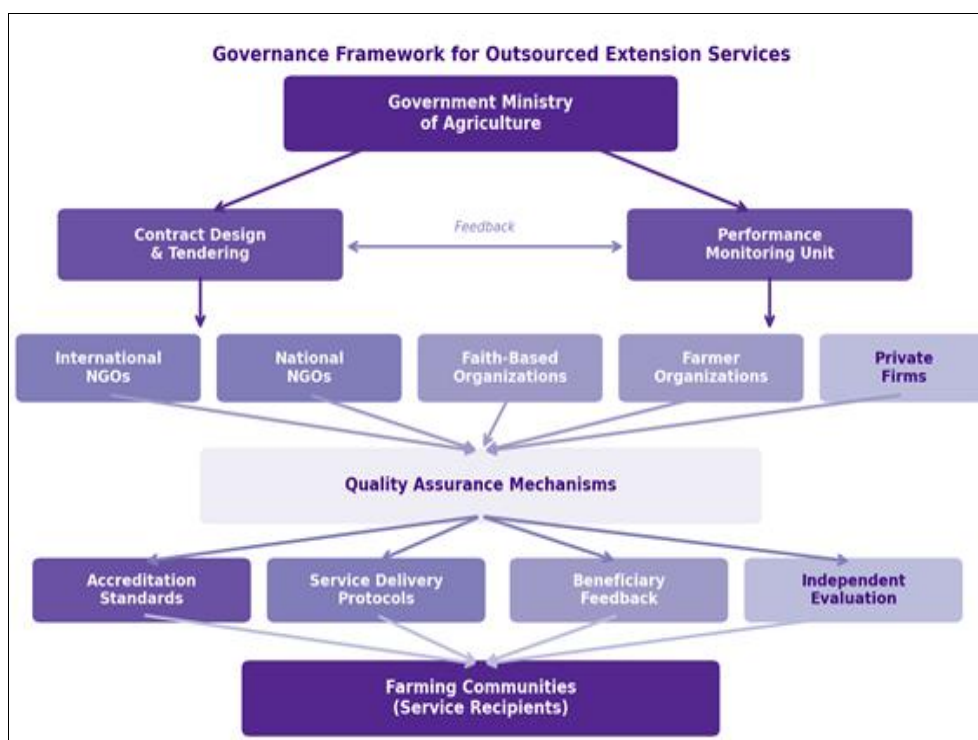


Fig 2: Governance Framework for Outsourced Agricultural Extension Service Delivery

The framework illustrates the relationships between government oversight bodies, diverse NGO service providers, quality assurance mechanisms, and farming communities as ultimate service recipients.

Discussion

The finding that fewer than half of outsourcing contracts specify quality benchmarks exposes a significant governance gap. Governments have increasingly transferred extension delivery responsibilities to NGOs without building corresponding oversight infrastructure. This pattern is consistent with principal-agent theory predictions: when principals lack the capacity or willingness to monitor agents, service quality becomes dependent on the agents' own motivations rather than contractual obligations^[8].

The divergent quality profiles are revealing. NGOs excelled at engagement and responsiveness, reflecting their community orientation and donor-driven incentives^[4]. Government services scored higher on technical accuracy through institutional connections to research systems^[11]. This complementarity suggests outsourcing works best as a structured partnership where each channel contributes its comparative advantage, not as wholesale replacement of government extension.

The recovery of governance scores after 2016 aligns with institutional reforms in several countries establishing dedicated oversight units. Kenya's Agricultural Extension Quality Assurance Board (2017) and Peru's National Agricultural Advisory Service Coordinator (2016) exemplify this pattern^[12], addressing the core principal-agent problem by reducing information asymmetry.

Contract design is a practical lever governments can control directly. The 18-feature governance framework could serve as a template, with particular attention to independent evaluation provisions (29.4%) and quality-linked

termination clauses (35.8%)^[13].

Limitations

This research relied on formal contracts and official interviews, potentially missing informal governance arrangements. The quality assessment covered a single time point rather than tracking trajectories over contract periods. The 14-country scope may not capture full global diversity, and some NGOs declined participation, potentially introducing selection bias.

Conclusion

This research examined governance and quality assurance in outsourced agricultural extension across 14 countries. Outsourcing has expanded faster than governance infrastructure, with fewer than half of contracts containing quality benchmarks. NGO services showed strengths in farmer engagement but weaknesses in technical accuracy compared to government channels, arguing for structured partnerships rather than simple replacement.

Governments should establish dedicated contract management units, incorporate quality benchmarks into all outsourcing contracts, and create mechanisms for knowledge exchange between NGO and government staff to address the technical accuracy gap.

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