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COMMUNITY INITIATIVES IN THE NEW ERA OF INTERNATIONAL DEVELOPMENT COOPERATION: THE GEF SMALL GRANTS PROGRAMME

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*In loving memory of my parents.
For my sisters.*

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LIST OF ACRONYMS AND ABBREVIATIONS¹

AAA	Accra Agenda for Action
CBD	Community-based Development
CBO	Community-based Organization
CDD	Community-driven Development
CO	Community Organization
COMPACT	Community Management of Protected Areas for Conservation
CPMT	Central Programme Management Team
CSO	Civil Society Organization
EC	European Commission
EU	European Union
GEF	Global Environmental Facility
IBRD	International Bank for Reconstruction and Development
IPs	Indigenous Peoples
LDC	Least Developed Country
MDG	Millennium Development Goals
NGO	Non-government Organization
NSC	National Steering Committee
OP	Operational Phase
SGP	Small Grants Programme
SIDS	Small Island Developing States
UN	United Nations

¹ Acronyms and abbreviations have been avoided to a maximum extent in this dissertation.

UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNF	United Nations Foundation
UNOPS	United Nations Office for Project Services

**A. MAKING THE NEW ERA OF INTERNATIONAL DEVELOPMENT
COOPERATION EFFECTIVENESS WORK: THE CASE OF
COMMUNITY INITIATIVES**

“Justice without strength is helpless, strength without justice is tyrannical.

Unable to make what is just strong, we have made what is strong just.”

Pascal, Pensées (1670)

"Our times demand a new definition of leadership - global leadership.

*They demand a new constellation of international cooperation -
governments, civil society and the private sector, working together for a
collective global good."*

UN Secretary-General Ban Ki-moon, World Economic Forum, Davos,
Switzerland (29 January 2009)

**A.1. Community Initiatives in the Evolving Governance Structure of International
Development Cooperation**

Over the past decades, the role of civil society in international development has noticeably evolved. From having been considered a mere by-stander, and at best, a weak contributor in international development, civil society has become a recognized stakeholder in both socio-economic development efforts as well as in political mobilization². This is in part due to neoliberal reforms, which have resulted in decreased areas of state responsibility and intervention; but it is also due to a rebalancing of power amongst major international development stakeholder groups.

The aid effectiveness movement, which originated in the beginning of the 21st century, and started taking official shape at the 2002 International Conference on Financing for Development in Monterrey, Mexico is one of the major movements which contributed to enhancing and legitimizing the role of civil society organizations (CSOs) as

² Tujan, Antonio. 2012. *Civil society – new power in aid and development?* in *Global Civil Society: Shifting Powers in a Shifting World*, Uppsala Centre for Sustainable Development; Uppsala 2012; pp. 27-42.

key stakeholders in international development. The movement aims to increase development effectiveness by coordinating development work more strategically around clearly defined objectives and based on key principles of aid delivery. It also forms a new paradigm of development aid based on partnership and cooperation, rather than a one-way, often described as “top-down”, relationship between donor and recipient countries.

The aid effectiveness movement was built throughout a series of consecutive international multi-stakeholder conferences and forums, during which the role and contribution of CSOs has progressively gained in importance. After the 2002 Monterrey conference, which resulted in agreements to implement measures to maximize aid effectiveness, the 2003 High Level Forum on Harmonisation and Aid Effectiveness was organized in Rome. The forum focused on the importance of harmonization amongst key stakeholders, but it did not give special attention to civil society organizations. It was followed by the 2005 High Level Forum on Aid Effectiveness in Paris, which resulted in the Paris Declaration on Aid Effectiveness. The Paris Declaration is a practical, action-oriented roadmap that aims to improve the quality of aid and its impact on development. The Declaration focuses on 5 core principles: ownership, alignment, harmonization, results and mutual accountability³ and it officially recognizes “participation of civil society”⁴ in the context of the aid effectiveness approach. The Paris conference was followed by the Third High Level Forum (HLF-3) on Aid Effectiveness in Accra, Ghana in September 2008. The formation of broad aid partnerships, based on the principles of the Paris Declaration, which encompasses all players, was encouraged. National ownership was emphasized as the key concept in international development efforts. Most importantly, paragraph 20 of the Accra Agenda for Action recognizes “*CSOs as independent development actors in their own right whose efforts complement those of governments and the private sector*”⁵.

³ OECD, 2005. *Paris Declaration on Aid Effectiveness*. Accessed in May 2012 at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

⁴ OECD. 2005. *Paris Declaration on Aid Effectiveness*. Chapter II “*Partnership Commitments*”. 2 March 2005. Paris, France.

⁵ OECD. 2008. *Accra Agenda for Action*. Adopted as a result of the Third High Level Forum on Aid Effectiveness in Accra, Ghana. Accessed in May 2012 at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

The progressive strengthening of the role and voice of CSOs as one of the key stakeholders of the aid effectiveness movement culminated in the fact that, in 2009, CSOs received full membership at the intergovernmental Working Party on Aid Effectiveness. The Working Party is attached to the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), which is managing and directing the aid effectiveness program. Full membership at the Working Party further strengthened and legitimized CSO contribution and co-ownership of the development process.

The most recent significant advancement for CSOs in the aid effectiveness context is represented in the fact that at the Busan aid effectiveness conference in November 2011, rights-based approaches were given special recognition. It was considered that *“rights-based approaches such as empowerment, inclusion and participation strengthen the application of the principles of ownership, accountability and transparency, outlined in the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action.”*⁶ CSOs have traditionally been pushing for human rights and rights-based approaches to development. From a CSO perspective, the Busan conference was therefore a success in that rights-based approaches are as of now formally recognized as enhancing and supporting ownership, accountability and transparency. Rights-based approaches are thus a constructive and non-negligible element of the aid effectiveness movement.

The academic debate absorbed, analyzed and informed over the last decade these international development trends in the area of aid effectiveness governance. As such, a few years ago there was still debate on whether a global civil society actually exists; nowadays, this debate has evolved to a discussion on the role which global civil society plays in world politics, which future trends of global civil society actions and movements can be predicted and how these could influence governance dynamics in international relations⁷.

⁶ Fourth Forum on Aid Effectiveness. Day 1, 29 November 2011. Busan, South Korea. Thematic Session on a Rights Based Approach *“Towards Inclusive Development: Better Integration of a Rights-Based Approach into Development Effectiveness.”*

Accessed at: http://www.aideffectiveness.org/busanhlf4/images/stories/TS_Rights-Based_Approach_final.pdf.

The overarching notion of “global civil society” is frequently used to study the evolving role of CSOs in the new era of aid effectiveness. The London School of Economics and Political Science describes “global civil society” as “*an emerging reality of global civic action and connectedness*”⁸. Global civil society is thus a dynamic and evolving organism, which regroups the big family of civil society organizations in its vast diversity. The OECD defines CSOs as “*the multitude of associations around which society voluntarily organizes itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples’ organisations and non-government organizations*”.⁹ Hence, international non-government organizations (NGOs), national organizations, urban, professionalized NGOs and small community organizations are all part of the CSO family, constituting thereby a colorful, non-homogenous stakeholder group, composed of organizations of different size, scope, influencing power and interests.

The evolution of global civil society in the aid effectiveness movement is a fascinating and important topic. Yet an abundance of articles and research have been produced on the topic, which all focus on “global civil society”, thereby regrouping a vast variety of extremely diverse civil society organizations. I therefore decided to narrow the CSO group to be examined in this dissertation further down to the one sub-group which represents the biggest number of CSOs and which, when observing the trend of the aid effectiveness movement, is likely to receive increasing attention over the years to come: community organizations (COs)¹⁰.

⁷ Thörn, Håkan; Moksnes, Heidi. 2012. *Global civil society - beyond the “good” and the “bad” in Global Civil Society: Shifting Powers in a Shifting World*, Uppsala Centre for Sustainable Development; Uppsala 2012; pp. 3-7.

⁸ London School of Economics and Political Science. *Global Governance/Global Civil Society*. Accessed in May 2012 at <http://www2.lse.ac.uk/globalGovernance/research/globalCivilSociety/home.aspx>.

⁹ OECD. 2007. *Glossary of Statistical Terms*. Accessed in May 2012 at: <http://stats.oecd.org/glossary/detail.asp?ID=7231>.

¹⁰ Community organizations are sometimes also called community-based organizations (CBOs). In this dissertation, the term community organization (CO) will be employed, except when making an explicit distinction between community-based versus community-driven initiatives (refer to Section D.2.1.c).

In fact, the aid effectiveness movement stresses one specific and ongoing dynamic: the progressive “horizontalization”¹¹ of international development cooperation. This progressive “horizontalization” is not only demonstrated by the fact that CSOs have received increasing importance throughout the Movement; it is also incorporated in the form of the emergence of the concept of “ownership” of development processes by those who will be affected by development funds and interventions, i.e. the recipient countries and their national, regional and municipal stakeholders. In this context, and when extending the logic and the dynamic of the “ownership” concept to the stakeholders closest to the end-users and intended beneficiaries, one specific CSO sub-group deserves to receive particular attention.

Community organizations, often called “grassroot organizations”, are the smallest cells working towards development objectives in what can be called the “international development organism”. Community organizations are the most decentralized non-state actor participating in international development cooperation. Often, though not exclusively, these organizations represent and work with the poorest of the poor and the most marginalized groups of society. These groups are difficult to reach by traditional development actors due to the often missing link to public entities, high illiteracy rates and weak local infrastructure. The term “grassroot” is supposed to underline the natural and spontaneous character of community organizations. It also embodies a bottom-up, or “growing from the roots”, often called “grassroot-driven” dynamic, which stands in stark contrast to the top-down character of traditional development aid.

Community organizations exist in various forms and they fulfill many different purposes. In fact, the term community organization stands for a vast diversity of entities, which greatly differ in scope and size. The key overlapping characteristic of community organizations is the restrained geographic area they cover, which is always linked to a community or a sub-community. Michael A. Cernea makes a rough approximation by limiting the territorial radius of community organizations to the sub-district level¹². Whilst

¹¹ The word “horizontalization” describes in this dissertation the ongoing process of progressive weakening of traditional hierarchical power relationships between donor and recipient countries accompanied by the emergence of an increasing number of international, bilateral and private sector stakeholders.

¹² Cernea, Michael. 1988. *Nongovernmental Organizations and Local Development*, Washington, DC; World Bank.

COs are never of national or international nature, their activities can be closely connected to or funded by national or international NGOs, governmental bodies or international entities. Many COs are created to tackle or represent particular development concerns of local communities. Often they are initiated when capacity or efforts by the state are lacking to provide specific public services. In other instances, they are created to complement or inform development efforts financed by the state, bilateral or multi-lateral donors. These grassroots organizations are considered non-governmental organizations. It is noteworthy to mention that community organizations represent the immense majority of all non-governmental organizations worldwide and that they constitute thus the biggest sub-group amongst the entities re-grouped under the “global civil society” notion.

The activity content of community organizations is as diverse as the reasons for which they were created. COs cover thematic areas as diverse as health, education, research, environmental sustainability, community-service and action, culture, personal growth and improvement, social welfare and self-help for disadvantaged groups. All of these thematic areas can be linked, directly or indirectly, to one of the eight Millennium Development Goals. In fact, most development-oriented COs contribute at the local level to global development objectives. It is for this reason, and often with the specific objective to reach the poorest and most marginalized populations, that community organizations were associated to development efforts already as of the early 1980s¹³.

One of the concrete attempts to link local community initiatives to international development efforts in a more coordinated way was the creation of the GEF Small Grants Programme. The programme was initiated in 1992 to specifically work with local civil society organizations to combat the most critical environmental problems while ensuring sustainable livelihoods. The programme initially included only a small number of pilot country programmes. 20 years later it is operational in 125 countries, having received and disbursed more than six hundred seventy million United States dollars from its main donor, the Global Environment Facility, and having co-financed in-kind and in-cash

¹³ For more information, refer to the history and role of social funds in section C.1.2.b.

approximately the same amount of funds¹⁴. The programme's projects have received numerous awards and recognitions. Not only has the programme contributed significantly to improving the livelihoods of thousands of local communities worldwide, it is also contributing strongly to the achievement of global environmental objectives and to at least three of the eight Millennium Development Goals, namely Environmental Sustainability, Gender Equality and Global Partnership. The GEF Small Grants Programme thus looks back at more than 20 years of history of working with community organizations worldwide. It has continued to progress and grow over the past decade and throughout the aid effectiveness movement. The programme therefore provides a wealth of information and rich experience to study the role, contributions and niche of community initiatives and community organizations in the current and evolving era of international development cooperation.

A.2. Research Questions

In the context of the aid effectiveness movement, the relatively extensively studied evolution of the role of “global civil society” in international development and political mobilization is certainly of interest. But the much less researched evolution and specific contributions of community organizations deserves equal attention. The impact of the aid effectiveness movement and the progressive strengthening and recognition of CSOs as “*independent development actors in their own right*”¹⁵ poses a series of questions: 1) How has the role of CSOs, and specifically that of community organizations, evolved over the recent decades? 2) How is the current environment of international development cooperation affecting the role, contributions, challenges and opportunities of community organizations in the context of development efforts? 3) How do community organizations align and live up to the expectations, key concepts and objectives of the new era of aid

¹⁴ GEF Small Grants Programme. 2012. *20 Years of Community Action for the Global Environment*. UNDP. United Nations, New York.

¹⁵ OECD. 2008. *Paragraph 20. Accra Agenda for Action*. Adopted as a result of the Third High Level Forum on Aid Effectiveness in Accra, Ghana. Accessed in May 2012 at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

effectiveness? 4) Is there any specific niche amongst the goals and principal topics of the new era of aid effectiveness, which community initiatives can particularly contribute to in the sense that they could provide a component or a building block, which larger development projects are unable to produce? 5) And lastly, which implications does the current international development context generate for those international development programs, such as the GEF Small Grants Programme, which support and coordinate community initiatives?

A.3. Structure

This dissertation thus seeks to analyze the role and contribution of community initiatives in the current era of international development cooperation, also called amongst international development professionals and academics the “new era of aid effectiveness”. Which specific contributions can community initiatives bring to the table of international development cooperation? What is their strategic importance? Which strategic niche, if any, are community initiatives filling? What are their advantages and shortfalls? Does the current framework of international development cooperation provide an environment of opportunity for community initiatives?

To study the above-mentioned questions, a multi-dimensional approach will be followed. An initial review of relevant socio-economic research and theories will outline the theoretical and conceptual framework within which this dissertation will be embedded. The evolution of the role of CSOs in international development history will then be analyzed, while ensuring particular focus on community organizations. The specifics of the aid effectiveness movement as well as key priorities of international development cooperation in the new millennium and their consequences for community organizations will subsequently be outlined and interpreted. After an in-depth analysis of functions, advantages and limitations of isolated community initiatives, the concept of community initiative coordination around specific development objectives will be introduced and thereafter illustrated with the GEF Small Grants Programme. Finally, four key concept groups and priorities, which particularly distinguish the current era of international development cooperation, will be analyzed in the context of community initiatives. These

concept groups are 1) transparency and accountability, 2) sustainability, 3) governance and, lastly, 4) efficiency and effectiveness. What can community initiatives and community initiative coordination programmes specifically contribute to these concept groups? Is there a particular niche which community initiatives can fill in this particular development environment? And which challenges and obstacles are facing community initiatives and community initiative coordination programmes in the current context of international development cooperation? To answer these questions within the respective thematic of each concept group, empirical evidence of GEF Small Grants Programme country programmes and community projects will be combined with theoretic analysis, interpretation and ensuing theorization.

Though this dissertation uses a multi-dimensional approach and though it is a product of political science and socio-economic theory and considerations, its key emphasis and contribution lies in the area of governance theory, while providing a particular focus on the role of community organizations and local initiatives in the context of international development.

A.4.Methods

My research approach is multi-dimensional. It is composed of academic literature review, archival research, participatory research methods, interviews, desk reviews, ten field missions covering three continents to visit numerous local community projects¹⁶, and my own work experience as Portfolio Manager of the GEF Small Grants Programme.

An in-depth study of academic literature on the main topics, namely governance, aid effectiveness, civil society, community-based and community-driven initiatives and international development theory is being completed by archival research of relevant documents and reports from the United Nations system, the Bretton Woods institutions, various think tanks, academic institutes and numerous global and local NGOs and community organizations. In this respect, it is worthwhile to mention that I received access

¹⁶ SGP Micronesia, Marshall Islands and Palau sub-regional programme; SGP Chile country programme; SGP Senegal country programme; SGP Egypt country programme; SGP Turkey country programme; SGP Syria country programme; SGP Guatemala country programme; SGP Honduras country programme; SGP Panama country programme; SGP Compact Mexico (Bisoféra de Sian Ka'an, Yucatan).

to a large number of United Nations and World Bank documents and reports thanks to my position as United Nations international civil servant throughout this dissertation. It is noteworthy that Dr. Delfin Ganapin, Global Manager of the GEF Small Grants Programme, supported my research project from its inception to its conclusion. Thanks to his approval, I was able to conduct surveys and interviews with SGP staff in 84 country programmes (out of a current total of 125 country programmes¹⁷) and had access to all reports and documents produced by the GEF Small Grants Programme since its creation in 1992. This includes several independent evaluations of the programme and numerous thematic and operational reports produced at the global, country and project levels.

Qualitative and quantitative data collected through desk reviews, GEF Small Grants Programme case studies, a survey of GEF Small Grants Programme projects and interviews held with a variety of stakeholders (United Nations and civil society professionals specialized in working with civil society and local community programmes and projects as well as interviews conducted with local community representatives in ten countries) and participatory research methods provided the empirical information contained in this dissertation.

In addition, practical work experience of four years in the GEF Small Grants Programme, during which I worked initially as UNOPS Portfolio Management Consultant (Feb 2001-September 2001) and then as UNOPS Portfolio Manager responsible for the Arab States, Latin America, Eastern Europe, Pacific Islands and West Africa portfolios of the GEF Small Grants Programme (May 2004 – July 2007) totaling an overall average budget of twenty-five million United States dollars per year and covering an average portfolio size of thirty-five to forty country programmes, allowed me to observe trends, opportunities as well as obstacles and challenges for community work in international development. It is this work experience coupled with the lack of published academic literature on the role of community initiatives in current international development efforts which convinced me of the academic interest of this dissertation topic.

¹⁷ GEF Small Grants Programme. 2012. *20 Years of Community Action for the Global Environment*. UNDP. United Nations, New York.

B. THEORETICAL CONCEPTUAL FRAMEWORK: THE RELEVANCE OF KEY CONCEPTS AND THEORIES OF INTERNATIONAL DEVELOPMENT COOPERATION FOR COMMUNITY INITIATIVES

The topic of this dissertation is multi-dimensional in terms of the academic fields it relates to. The contributions, challenges and opportunities of community initiatives to international development efforts in the beginning of the 21st century can only be thoroughly analyzed if justice is given to both the political as well as the economic dimensions which the topic touches upon.

When reviewing existing theories and research which touch upon international development cooperation, upon aid effectiveness and upon the role of civil society in international contexts, community organizations included, three recurrent key concepts emerge: governance theory, the interdependence between governance, poverty reduction and the effectiveness of financial aid to development, and lastly, the rights-based approach to development. These three key concepts constitute the theoretic and conceptual basis of my research.

Governance. In the area of political science, the governance concept and various governance theories can be used to analyze the changing role of civil society in international development. Civil society has over time become a stronger actor in international development cooperation¹⁸. This in turn has changed the role of community organizations in international development. It has also resulted in an unprecedented momentum of opportunity for community initiatives.

The first section of this chapter will focus on a review of the governance concept. Relevant international governance theories and the recurrent notion of good governance will be assessed. The contribution of governance theory will be crucial for this dissertation when analyzing the contributions of community initiatives in the area of local governance and when discussing specifically the opportunities and challenges which

¹⁸ Refer to Chapter C to trace the historic evolution of the role of civil society in international development cooperation. Refer to Chapter D for the role of community initiatives as civil society organizations in the international development environment of the beginnings of the 21st century.

community organizations, as civil society organizations, face in the current era of international development cooperation.

Governance, poverty reduction and aid effectiveness. From an economic perspective, the link between governance, poverty reduction and aid effectiveness will then be examined. This topic has received vast attention over the last decades both from international development practitioners as well as from economic and political scientists.

The reason behind the focus on aid effectiveness – and thereby on governance and poverty reduction – is simple. International development is slow in showing results. Despite decades of investments in development aid, poverty remains omnipresent in many developing countries. Large portions of populations have only limited access to basic health services, to basic education, to drinking water, to sufficiently nutritious food, and global health pandemics, such as the HIV/AIDS pandemic, are continuing to profoundly affect livelihoods and national economies. In fact, the gap between rich and poor has continued to increase despite development efforts¹⁹. The discourse around the topic of the cost-effectiveness of development aid has therefore gained in importance. Official development assistance funds are limited; aid effectiveness becomes thus all the more relevant. Donor governments are accountable to their citizens and when results in international development cooperation cannot be demonstrated, there is little justification to continue spending funds for poverty reduction and sustainable development. In view of the global financial crisis which has profoundly affected both rich and poor countries from 2008 onwards, development assistance is increasingly urged to be accountable for funds received and to produce measurable results.

The second section of the present chapter will therefore review and assess academic contributions around the topic of interdependence between aid effectiveness, governance and poverty reduction. It has been demonstrated that aid effectiveness is influenced by the level of democratic governance in a given country²⁰. This is one of the main reasons why

¹⁹ Milanovic, Branko und Yitzhaki, Shlomo, 2002. *Decomposing World Income Distribution: Does the World Have a Middle Class? Review of Income and Wealth*, Blackwell Publishing, vol. 48(2), pages 155-78, June 2002.

²⁰ Diamond, Larry. 2002. *Advancing Democratic Governance: A Global Perspective on the Status of Democracy and Directions for International Assistance*. USAID. Also see Chapter B.2.

donor countries are stressing the importance of “good governance” in recipient countries. This is in turn relevant when studying the contributions of community initiatives to international development. Can community initiatives contribute to improved governance and thereby contribute to rendering development assistance more effective? And how effective is development aid when directly channeled to communities instead of focusing solely on macroeconomic development areas? One of the main hypotheses of my research is that governance, poverty reduction and aid effectiveness are interdependent. The second section of this chapter will outline the reasons for my argumentation, laying thereby the grounds for my study on the contributions of community initiatives to the current era of international development cooperation.

Rights-based approach to development. From a development practitioner’s perspective, the question of rights-based approaches in development programmes and projects has received strong attention since the beginning of the 21st century, both at the United Nations²¹ as well as within international and local NGOs. It has been argued that imposing a view on how development should take place is not only counter-productive from a developmental perspective²², it is also a violation of the rights of people to decide and shape the priorities of their own livelihoods. In this respect, my research will discuss whether and how community initiatives contribute to a rights-based approach to development. To this end, the third section of the present chapter will introduce and discuss relevant angles of the rights-based approach to development.

²¹ The UN Common Understanding was adopted by the United Nations Development Group in 2003 to ensure that UN agencies funds and programmes apply consistently a Human Rights Based Approach to common programming processes at global and regional levels, and especially at the country level in relation to the Common Country Assessment and United Nations Development Assistance Framework. (also see: http://www.undg.org/archive_docs/6959-The_Human_Rights_Based_Approach_to_Development_Cooperation_Towards_a_Common_Understanding_among_UN.pdf).

²² Refer to Chapter C.

To summarize, when analyzing the contributions of community initiatives to international development cooperation, three relevant concepts taken out of the large heritage of international development cooperation theory and practice are of particular relevance for this dissertation:

- governance theory and the governance concept;
- the interdependence between aid effectiveness, governance and poverty reduction; and
- the rights-based approach to development.

B.1. The Governance Concept: Communities as Actors in the Governance Structure of International Development Cooperation

The term “governance” covers a multi-dimensional area and incorporates numerous meanings. A variety of definitions, greatly differing in scope, rationale and objectives, have been advanced and used in diverse governance theories. In the last 20 years²³, the concept has been interpreted narrowly and widely and it has been visited from national, regional and global perspectives. In addition to its academic meaning, the term has also been used by international development practitioners to link certain inclusive and participatory forms of government to aid conditionality.

The governance concept contributes two important aspects to this dissertation. First, research on governance has clearly demonstrated a shift of roles within traditional nation-states. In a majority of countries, civil society and the private sector have gained in importance and they are contributing to a larger extent than before to policy-shaping, decision-taking and policy implementation processes²⁴. This continuing trend is of relevance when considering the contributions and roles of community organizations within developed and developing countries. A similar trend can also be observed at the international level. In Chapter C, I will demonstrate how civil society, including community organizations, has progressively gained officially recognized roles and responsibilities in international development cooperation. This evolution has resulted in an unprecedented environment of opportunities and challenges for community initiatives in the beginning of the 21st century. In this context, aspects of governance theory will be used to enable analysis of the current environment of international development cooperation within which community organizations are operating.

The second aspect which the governance concept will contribute to in this dissertation is of more practical nature. As will be seen later on, the governance concept

²³ The word “governance” came to international attention in 1989 with the World Bank report on Sub-Saharan Africa “Crisis of Governance”.

²⁴ Benz, Artur; Lütz, Susanne; Schimank, Uwe; Simonis, Georg. 2007. *Handbuch Governance. Theoretische Grundlagen und empirische Anwendungsfelder*. VS Verlag.

will be of relevance when examining the apparent link between governance, aid effectiveness and poverty reduction.

The purpose of sections B.1.1 to B.1.5 is to define those meanings and uses of the governance concept which are deemed of relevance in the context of this research.

B.1.1. Definition of the governance concept

The terms governance and global governance are occurring frequently in contemporary political science and international development literature. Both words are linked to several meanings and sub-theories, yet sometimes they are also used interchangeably. They stand for key concepts which are used in connection with topics as wide-spread as state - society interaction, international development, international relations, and globalization.

For the purpose of this dissertation, G. Hyden's description of governance as a concept which *"refers to the formation and stewardship of the formal and informal rules that regulate the public real, the arena in which state as well as economic and societal actors interact to make decisions"*²⁵ will be used. This definition can be completed by Renate Mayntz', Arthur Benz' and Michael Zuern's view, who define governance as an *"overall framework of all parallelly existing forms of collective regulation of societal matters; from institutionalized civil society self-regulation over various forms of cooperation of public and private actors to the steering by public actors"*²⁶.

These definitions provide powerful tools to analyze the changing governance structure of international development cooperation. State power and - though in many

²⁵ Hyden, G. and Court, J. 2002. *Governance and Development*. World Governance Survey Discussion Paper 1. London: Overseas Development Institute/ Tokio: United Nations University, p.13.

²⁶ Quote: *"Gesamt aller nebeneinander bestehenden Formen der kollektiven Regelung gesellschaftlicher Sachverhalte: von der institutionalisierten zivilgesellschaftlichen Selbstregelung ueber verschiedene Formen des Zusammenwirkens staatlicher und privater Akteure bis hin zu hoheitlichem Handeln staatlicher Akteure"*. Mayntz, Renate. 2004. *Governance im modernen Staat*, in Benz, Arthur (Hrsg.), *Governance – Regieren in komplexen Regelsystemen. Eine Einführung*. Wiesbaden. P. 65-76.; also in Risse, Thomas. 2008. *Regieren in "Räumen begrenzter Staatlichkeit"* – zur Reisefähigkeit des Governance Konzeptes, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008, 149-170.

cases limited²⁷ - public steering ability are being taken into consideration while a horizontalization of structures of cooperation, where civil society actors interact with the state as well as amongst themselves, is being suggested.

Several governance streams of thought have fully abandoned any hierarchical considerations and solely concentrate on “forms of social organization”²⁸. I contend that these views express blindness to the reality of the power that persists within states (“Machtblindheit”)²⁹. In my dissertation, this interpretation of governance is not applied as I consider that it does not reflect the reality of international development cooperation.

I also concur with Gert Krell and Anthony Giddens that the use of the notion “international” only makes sense when one considers nations as a given³⁰. And their sheer existence implies hierarchical realities. Nations are groupings of people who share common history, culture, language and ethnic origin, often possessing or seeking its own government³¹. Nations also include civil society entities of various forms. Where most governance scientists agree is that civil society has increasingly gained in importance at the national and international levels throughout the last decades³². This in turn positively affects the ability of local communities, as a sub-group of civil society organizations, to become actors at the local level and to thereby influence indirectly national and global agendas. The historic analysis of the evolution of governance components of international

²⁷ Risse, Thomas. 2008. *Regieren in “Räumen begrenzter Staatlichkeit” – zur Reisefähigkeit des Governance Konzeptes*, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008, p.158-164.

²⁸ Williamson, Oliver. 1975. *Markets and Hierarchies: Analysis and Anti-Trust*. New York; and Kooiman, Jan (Hrsg.). 1993. *Modern Governance. New Government-Society Interactions*. London.

²⁹ Brand, Ulrich; Brunngräber, Achim; Schrader, Lutz; Stock, Christian; Wahl, Peter. 2000. *Global Governance. Alternative zur neoliberalen Globalisierung*. Verlag Westfälisches Dampfboot, Münster; p. 18.

³⁰ Giddens, Anthony. 1987. *The Nation-State and Violence. Volume Two of a Contemporary Critique of Historical Materialism*. Berkel-Los Angeles. p.170 and Krell, Gert. 2003. *Weltbilder und Weltordnung. Einführung in die Theorie der Internationalen Beziehungen*. Nomos Verlagsgesellschaft Baden-Baden.

³¹ "Nation", *The New Oxford American Dictionary*, Second Edn., Erin McKean (editor), 2051 pages, May 2005, Oxford University Press, ISBN 0-19-517077-6.

³² Badelt, Christophe. 2002. *Zwischen Marktversagen und Staatsversagen? Nonprofit Organisationen aus sozioökonomischer Sicht* in: *Handbuch der Nonprofit Organisation*. 3. Auflage. Schaeffer/Poeschl.p. 660.

development cooperation will facilitate understanding the new and evolving role of community organizations in this context³³.

The system of international development cooperation continues to be characterized by state supremacy and by politics of interest, reflected in the fact that international organizations continue to be used by powerful states to push through specific national interests³⁴. Paradoxically, this system of politics of interests can reinforce the role of civil society in national arenas thanks to the fact that contemporary international development recognizes civil society organizations as important stakeholders of development processes. The same system can for the same reason also contribute to a continuing horizontalization of state(s) - civil society relations in international development cooperation.

In addition, the relationship between donor and recipient states has evolved in international development cooperation over the last decade. A historic analysis³⁵ of international development cooperation will reveal in the next chapter the ongoing modification of the overall governance structure of international development cooperation. Principles of ownership, cooperation and partnership have become the foundations of the new environment of international development cooperation, revealing a stark contrast with the traditional top-down approach of international development.

The governance concept provides thus for a wide range of definitions, interpretations and political as well as economic and legal theories. Those uses and interpretations of the governance concept and of the governance framework, which are to be applied in this dissertation, are the focus of the following sections.

B.1.2. Main uses of the governance concept

Arthur Benz, Susanne Luetz, Uwe Schimank and Georg Simonis point out in the introductory chapter to their governance handbook³⁶ that the notion serves four main

³³ Refer to Chapter C.

³⁴ Unser, Guenther. 1997. *Die UNO. Aufgaben und Strukturen der Vereinten Nationen*. Stuttgart.

³⁵ Refer to Chapter C.

³⁶ Benz, Arthur; Lütz, Susanne; Schimank, Uwe; Simonis, Georg. 2007. *Handbuch Governance. Theoretische Grundlagen und empirische Anwendungsfelder*. VS Verlag. p. 9-17.

purposes. To many it has a purely descriptive character, explaining the fact that in contemporary societies collective decisions are increasingly being taken in non-hierarchical forms of cooperation between state and civil society actors. The descriptive use of the notion considers that changes in the governance structure of contemporary societies are rendering it increasingly difficult for the state alone to enforce rules and regulations or to implement public measures for the common good. Hence, the need for cooperation beyond state entities.

A second definition of the concept allows for its normative use. Governance is being used in the normative context to describe a certain model of governing and/or administration. The notion “good governance” uses this normative connotation. Democratic governance structures, state of law, transparency, accountability as well as independence of the political sector from interest groups and lobbyists are commonly used as indicators of “good governance”.

The third use of the concept presents a purely practical use of the word governance. Governance stands here for a certain way of governing (“Regierungstechnik”). It was born out of the normative definition, focuses however solely on the management of interdependences, of networks and of negotiation systems. The European Commission, for instance, uses this third definition in its White Paper on European Governance³⁷: *“Governance means rules, processes and behavior that affect the way in which powers are exercised at European level, particularly as regards openness, participation, accountability and coherence”*³⁸.

³⁷ The debate on European governance, launched by the Commission in its White Paper of July 2001, concerns the rules, procedures and practices affecting how powers are exercised within the European Union. The aim is to adopt new forms of governance that bring the Union closer to European citizens, make it more effective, reinforce democracy in Europe and consolidate the legitimacy of the institutions. The Union intends to reform itself in order to fill the democratic deficit of its institutions. This governance should lie in the framing and implementation of better and more consistent policies associating civil society organisations and the European institutions. It also entails improving the quality of European legislation, making it clearer and more effective. Moreover, the European Union intends to contribute to the debate on world governance and play an important role in improving the operation of international institutions.

³⁸ European Commission. 2001. *White Paper on European Governance*. Brussels, 25.7.2001, COM. 2001. 428 final. p. 8.

A fourth use of the concept is adopted by the authors of the Governance Handbook³⁹. For these authors, the governance concept is an analytical toolbox. It allows for a critical interpretation of reality, in which interdependences amongst actors and the various forms of managing and overcoming these interdependences within the context of institutions and social systems are at the center stage.

Throughout this dissertation, the *analytical approach* of the governance concept will be of primary importance. Governance will be used as a “toolbox” to explain empirically observed state-society and state-state interactions and their implications for international development cooperation.

The *normative and practical aspects* of the concept contain not only specific definitions and expectations; they also present strategic value and guiding principles for international development cooperation politics. The concepts of Global Governance and Good Governance, which fall into the normative and practical categories, deserve additional focus since they will be of importance in the chapters to come. They will therefore be briefly outlined in the following sections.

B.1.3. Global governance

Origins. The concept of global governance has several origins. The Brundtland report⁴⁰ “*Our common future*” is often cited as one of the first documents which demonstrate the initial stages of global governance. It was developed by the World Commission on Environment and Development and focuses primarily on the topics of Environment and Development. It does so by addressing the importance of global solutions which involve all actors of society. In article 33, the report mentions the crucial role of grassroots organizations in international development; in article 59 it focuses on the increasing power of transnational cooperations.

³⁹ Benz, Arthur; Lütz, Susanne; Schimank, Uwe; Simonis, Georg. 2007. *Handbuch Governance. Theoretische Grundlagen und empirische Anwendungsfelder*. VS Verlag.

⁴⁰ Brundtland Report. 1987. Report of the World Commission on Environment and Development: *Our Common Future*. Transmitted to the General Assembly as an Annex to document A/42/427 - Development and International Co-operation: Environment.

A second document relevant for the birth of the global governance concept is the report *“The First Global Revolution”*, produced by the Club of Rome⁴¹. The report covers not only a wide range of global issues; it also points out the inefficiency of state policies when addressing matters of global concern. These two founding documents of the global governance concept translate the fact that for international development to be effective, a comprehensive development strategy which encompasses all actors (state, civil society and private sector) has to be adopted. The international debate on the topic was strongly marked by James Rosenau’s and Ernst-Otto Czempiel’s works entitled *“Governance without Government: Order and Change in World Politics”*⁴² a year after the Club of Rome’s *“First Global Revolution”* report. Their contributions to the debate set the modern foundations of the concept⁴³.

The Commission on Global Governance (CGG), created in 1991, issued a report entitled *“Our Global Neighborhood”*⁴⁴ in 1995. This report expressed the view that nations are interdependent and called for a strengthened United Nations. However, the report received severe criticism from advocates of national sovereignty⁴⁵.

In the context of the progressive development of the global governance concept, the UN world conferences between 1992 and 1997 also played a major part. They were seen as a new step in the way in which matters of global concern were being addressed. It is in this context that NGOs started playing an innovative and strengthened role in international development cooperation⁴⁶.

⁴¹ Council of The Club of Rome. 1991. *The First Global Revolution: A Report by the Council of The Club of Rome*. Pantheon Books.

⁴² Rosenau, James; Czempiel, Ernst-Otto (Hrsg.). 1992. *Governance without Government: Order and Change in World Politics*. Cambridge.

⁴³ The governance concept was used before Rosenau and Czempiel by Ruggie (1975), Cleveland (1988) and Myers (1988).

⁴⁴ Commission on Global Governance. 1995. *Our Global Neighborhood*. Oxford University Press.

⁴⁵ Critics of the report *Our Global Neighborhood* were, amongst others, the New American Magazine, the John Birch Society as well as Errol Harris and James Yunker, who expressed disappointment in the report in an assembling of a set of nine essays by world federalists entitled *Towards Genuine Global Governance: Critical Reactions to “Our Global Neighborhood”*. 1999. Praeger Publishers.

⁴⁶ Brand, Ulrich; Brunnegräber, Achim; Schrader, Lutz; Stock, Christian; Wahl, Peter. 2000. *Global Governance. Alternative zur neoliberalen Globalisierung*. Verlag Westfälisches Dampfboot, Münster.

Theoretical background. In the German language, the words “Globale Ordnungspolitik” und “Weltordnungspolitik”⁴⁷ (perhaps most appropriately translated as “global order politics” and “world order politics”) have been used to describe the global governance concept. Global governance leaves restrictive theories of political science behind, which concentrated solely on state power (“Herrschaftspolitik”) and state-state interactions. It introduces an increasingly horizontal vision of world order. Global governance elucidates new forms of cooperation in the international system, which encompass both private and public actors. This interpretation of the new world order also refers to the role which civil society organizations occupy in global governance. Until the birth of the global governance concept, intergovernmental cooperation, politics of international organizations and behaviors of transnational co-operations were mainly considered as independent, if not concurrent to each other in political science⁴⁸. Global governance not only refers to the emergence of new actors in the international arena, but also to a shift in power, resulting in a less vertical vision of the governance structure of international relations. Whereas this interpretation may at first sight translate a rather optimistic vision of the new world order, given that powerful states continue to use the international system in their favor by imposing their own economic and corporate interests⁴⁹, I contend that civil society organizations are increasingly occupying functions which influence and contribute to international development cooperation, thereby reshaping their role in global governance. As we will see in the following chapters, local community initiatives contribute in various areas and usually in indirect ways to this reshaping of the international governance structure.

⁴⁷ Ibid.

⁴⁸ Höll, Otmar. 2006. *Internationale Organisationen*, S.295. Otmar Höll’s definition of global governance: “Global Governance ist ein Modell, wie politische Steuerungsfähigkeit gegenüber zunehmend entgrenzten ökonomischen Räumen zurueckgewonnen werden kann. Basis der Global Governance sind demzufolge neue Kooperationsformen, die gleichermassen öffentliche und private Akteure umfasse, waehrend bisland zwischenstaatliche Zusammenarbeit, die Politik internationaler Organisationen und das Agieren von transnationalen Unternehmen usw. unabhaengig voneinander bzw. oft sogar in Konkurrenz erfolgen Diese unkonventionelle Konstellation von Akteuren hatte auch die von den Vereinten Nationen eingesetzte “Commission on Global Governance” gemeint, die in ihrem 1994 veroeffentlichten Bericht feststellte, dass die groessen Herausforderungen des folgenden Jahrzehnts nur durch multilateral Abstimmung und transnationale Zusammenarbeit zu bewaeltigen seien”.

⁴⁹ Münzig, Ekkehard. 1998. Die UNO – Instrument amerikanischer Aussenpolitik? Die UNO-Politik der Bush-Administration 1988-1992, Hamburg; Münster.

Several theoretic branches currently cover the debate on global governance. Whereas the UN Commission on Global Governance focused primarily on the reform of the United Nations, German research, for example, has focused strongly on how globalization could be influenced and forged through global governance. Key is the fact that global governance covers various political levels, involves numerable structures of decision-making and cooperation and encompasses different actors⁵⁰.

Globalization. Global governance is frequently used in the context of globalization. The word globalization itself implies movement and dynamism. It refers to the continuing evolution of the world order, to the increasing power of private sector entities, to strengthened economic and political interconnections and interdependences, to a new age of virtually connected people through the use of internet and communication platforms, to other accessible and technically improved forms of e-communication, to increased global travel volumes, and to a reorganization of civil society, which is influenced and strengthened by the above factors. Certain characteristics and tendencies of globalization can be explained through global governance theories; most of these would not have been explainable through traditional political science concepts. The same is applicable when considering the evolving structure of international development cooperation. Amongst existing concepts and theories in the area of political science, the governance concept provides thus applicable and useful tools to comprehend and analyze the evolution of international development cooperation.

B.1.4. Good governance: the normative aspect of the concept

Good governance falls into the normative category of the governance concept. Governance is being used here to describe a certain model of governing and/or administration. Democratic governance structures, state of law, transparency, accountability as well as independence of the political sector from interest groups and

⁵⁰ Höll, Otmar; Filzmaier, Peter; Gewessler, Leonore; Mangott, Gerhard. 2006. *Internationale Politik*, WUV/UTB.

lobbyists are commonly used as indicators of “good governance”⁵¹. The normative use of the governance concept will receive attention in the next section of this dissertation which will focus on the link between governance, poverty reduction and aid effectiveness and it will be picked up again in Chapter E.3, in which the contributions of community initiatives in the area of governance will be analyzed.

The normative use of the concept has been evolving constantly in the field of international cooperation⁵². Its meanings and definitions, all of which are of normative character, differ between development entities.

UNDP defines (good) governance as the “*system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions — achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe.*”⁵³

The World Bank defines (good) governance as “*the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them.*”⁵⁴

⁵¹ Woods, Ngaire. 2000. *The Challenge of Good Governance for the IMF and the World Bank themselves*. World Development. Volume 28. No.5. May 2000.

⁵² See for example UNDP definition or OECD DAC. 1996. “*Development Partnerships in the New Global Context*”, 3-4 May 1996, Annex to *Shaping the 21st Century: The Contribution of Development Co-operation*. Paris: OECD; of the Cotonou Agreement, available at http://ec.europa.eu/development/icenter/repository/Cotonou_EN_2006.en.pdf.

⁵³ www.undp.org. *Strategy Note on Governance for Human Development*. 2004.

⁵⁴ World Bank Institute. 2004. <http://www.worldbank.org/wbi/governance> accessed in August 2012.

Lastly, the European Commission has a similar normative interpretation of (good) governance. For the European Commission (good) governance “*concerns the state's ability to serve the citizens. It refers to the rules, processes, and behaviors by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in this context. In spite of its open and broad character, governance is a meaningful and practical concept relating to the very basic aspects of the functioning of any society and political and social systems. It can be described as a basic measure of stability and performance of a society. As the concepts of human rights, democratisation and democracy, the rule of law, civil society, decentralized power sharing, and sound public administration, gain importance and relevance as a society develops into a more sophisticated political system, governance evolves into good governance.*”⁵⁵

The above definitions have in common that (good) governance is interpreted as the manner in which public institutions conduct public affairs and manage public resources in order to guarantee the realization of the common good. Whereas UNDP and the European Commission explicitly underline the role of civil society in good governance, the World Bank does point out in its definition that good governance includes the process by which those in authority are selected, monitored and replaced. In fact, the World Bank considers that social accountability is an area where civil society plays a key monitoring role⁵⁶. Hence the World Bank definition is implicitly including the fact that civil society is an important actor and partner in the process of good governance.

The three aforementioned definitions contain several relevant points for this dissertation:

1. Governance is linked to achieving the common good.
2. Governance includes government; yet governance includes more than government.

⁵⁵ Communication on Governance and Development, October 2003, COM (03) 615.

⁵⁶ Malena, Carmen. Forster, Reiner. Singh, Janmejay. 2004. *Social Accountability. An Introduction to the Concept and Emerging Practice*. Social Development Papers. Participation and Civic Engagement. Paper No. 76 December 2004. The World Bank.

3. Civil society plays a role in governance.

Good governance and aid conditionality. The concept of "good governance" has also been used as a model to compare ineffective economies or political bodies with viable economies and political bodies⁵⁷. Certain aid organizations, scientists and politicians have in the past linked the meaning of good governance to a set of requirements that conform to a specific agenda. In fact, the introduction of governance concerns into aid policies resulted from the failure of past strategies to promote specific policies and induce policy changes in developing countries. The World Bank, as one of the main proponents of aid conditionality, identified a cluster of policy ideas which it viewed as a model of effective and beneficial economic and political management. *"The Bank does not just lend money and produce ideas: it packages the ideas and the money together", combining lending with conditionality*⁵⁸. Conditionality is also defined as *"a mutual arrangement by which a government takes, or promises to take, certain policy actions, in support of which an international financial institution or other agency will provide specified amounts of financial assistance"*⁵⁹. Conditionality can be interpreted as an attempt by some donors to use aid funds as an incentive for reforming the policies and institutions of developing countries and introducing thereby "good governance". However, the failure of conditionality to attain its desired objectives and bring about sustained policy is widely recognized⁶⁰. Killick discharges the idea that aid tied to conditionality can buy better or sustainable policies and anchor sound governance institutions. He demonstrates that the failures of conditionality originate in its inability *"to create an incentive system sufficient to induce recipient governments to implement policy reforms they otherwise would not undertake, or would undertake more gradually"*. Conditionality cannot substitute or

⁵⁷ Khan, Mushtaq Husain. 2004. *State formation in Palestine: viability and governance during a social transformation: Volume 2 of Political economy of the Middle East and North Africa*. Routledge.

⁵⁸ Gilbert, Christopher, Andrew Powell, and David Vines. 1999. *"Positioning the World Bank"*, in *Economic Journal* 109, p. 598-633.

⁵⁹ Killick, Tony. 1998. *Aid and the Political Economy of Policy Change*. London. Overseas Development Institute.

⁶⁰ Santiso, Carlos. 2001. *Good Governance and Aid Effectiveness. The World Bank and Conditionality*. The Georgetown Public Policy Review. Volume 7 Number 1 Fall 2001, pp.1-22.

circumvent domestic ownership of and commitment to reform. Ownership of and commitment to economic and political reform have been identified as major determinants of aid effectiveness. In later chapters it will be demonstrated that community initiatives contribute to ownership and that they facilitate and often initiate gradual introduction of specific local governance processes⁶¹.

B.1.5. Summary: the governance concept as an analytical tool in the context of international development cooperation

The relevance of the governance concept for research on the role of community initiatives in the contemporary governance structure of international development cooperation, including the global governance concept, as well as certain aspects of its normative use translated with the terms “good governance”, have been outlined. The governance concept will be used throughout this research as an analytical toolbox to analyze the interaction of actors of governance and to evaluate their contributions. The main actors in international development cooperation are states/governments, civil society (composed of various types of organized community structures, NGOs, academic sector, certain for profit organizations, faith-based organizations and other civil society entities), international organizations and the private sector. Interactions will be examined at the national level as well as regionally and globally.

Initially the governance concept will facilitate my historic analysis of international development cooperation; it will enable comprehension of the role which civil society has played in this context and explain how this role has evolved over the last decades. This will allow me to draw a picture of the resulting contemporary governance structure and outline key characteristics of current international development cooperation.

In the ensuing chapters, the governance concept will allow for an analysis of the role which community initiatives play in international development cooperation and the specific contributions which community organizations can offer in this context.

In the next section, the normative use of the governance concept will be focused on more thoroughly. In fact, improved governance results in an environment where international development cooperation can be more effective. Governance is thus a key

⁶¹ Refer to Chapter E.3.

objective in the quest for aid effectiveness and it is in this context that the normative interpretation finds its importance.

B.2. Governance, Poverty Reduction and Aid Effectiveness: Why Community Initiatives Matter

One of the hypotheses of this dissertation is that interdependence between governance, poverty reduction and aid effectiveness exists. In order to demonstrate the grounds for this hypothesis, I will build upon the theories of development economy.

A gradual approach outlining my hypothesis will be adopted in the following paragraphs. Initially, the link between governance and poverty reduction will be uncovered. Thereafter, the effect of aid on poverty reduction will be examined. The connection between governance on one hand and aid effectiveness on the other hand will then be demonstrated. Finally, the framework of my hypothesis, which stipulates that governance, poverty reduction and the effectiveness of aid are interlinked, will be exposed.

The relevance of the triangle between governance, poverty reduction and aid effectiveness for my research on community initiatives will be explained at the end of this chapter, once the theoretical argumentation has been set.

B.2.1. Governance and poverty reduction

Larry Diamond⁶² points out in his strategy to advance democratic governance⁶³ that *“the potential for development assistance to be effective heavily depends on the quality of governance – the way in which public power is exercised and public resources are managed and expended. Good, democratic governance is the key to development and to aid effectiveness”*. For Diamond, states need to become more *“responsible, competent, efficient, participatory, open, transparent, accountable, lawful, and legitimate in the way they govern”* if vigorous, sustained development is to be achieved, which would transform levels of human development and permanently lift large segments of the population out of poverty. This is in line with Jo Beall⁶⁴’s vision on the link between governance and

⁶² Larry Diamond is leading contemporary scholar in the field of democracy studies. He is presently a Professor of Sociology and Political Science at Stanford University and a Senior Fellow at the Hoover Institution.

⁶³ Diamond, Larry. 2002. *Advancing Democratic Governance: A Global Perspective on the Status of Democracy and Directions for International Assistance*. USAID.

⁶⁴ Jo Beall is presently Director of the Development Studies Institute at the London School of Economics and Political Science and Reader in Development Studies.

poverty reduction, though this political scientist uses the other side of the coin to demonstrate her point of view. Jo Beall underlines the fact that there is little consensus on what actually constitutes good governance. However, for the author this is irrelevant. What is of importance to Beall is that there is consensus amongst political and economic scientists that bad governance, whether understood in managerial or political terms is not good for most parts of the population and that it is severely affecting the poor⁶⁵. Hence, building on Jo Beall's theory, I contend there is consensus in economic and political science that *governance generates impact on poverty*.

Goetz and Gaventa illustrate that combating bad governance is critical to achieving effective development⁶⁶. Where viewpoints diverge drastically is how bad governance is best transformed into sound governance structures. Aid conditionality, as previously mentioned, is not an effective solution; in fact many studies suggest that it is counter-productive⁶⁷. Painter advocates that creating a virtuous circle of governance means going beyond technical approaches and addressing state-society relationships⁶⁸. The innovative contribution of Painter lies in the fact that his theory avoids imposition of Westerns models of governance. Instead, Painter refers to the manner in which power is exercised in decision-making and relates this decision-making process to how it affects the management of a country's social and economic resources. Against this background, community initiatives gain in importance in the local governance structure of a given state. Civil society functions, such as identification of local development solutions and their implementation, social accountability and exerting influence on policy-making as well as policy implementation, all find a place in this theory. Community initiatives will not transform a deficient governance structure into a sustainable one on their own. But,

⁶⁵ Beall, Jo. 2005. *Funding Local Governance. Small Grants for Democracy and Development*. Urban Management Series. ITDG Publishing. p.29.

⁶⁶ Goetz, A.M. and O'Brien, D. 1995. *Governing for the Common Wealth? The World Bank's Approach to Poverty and Governance*, IDS Bulletin, 26 (2), April. P. 17-26.

⁶⁷ Santiso, Carlos. 2001. *Good Governance and Aid Effectiveness. The World Bank and Conditionality*. The Georgetown Public Policy Review. Volume 7 Number 1 Fall 2001, pp.1-22

⁶⁸ Painter, J. 2000. *State and governance*, in Sheppard, E. and Barnes, T. (eds), *A companion to Economic Geography*, Blackwell, Oxford, pp. 359-76.

Painter's suggestion that solutions for sound governance may come from within, without imposition of aid conditionality, or of Western models of democracy, deserves attention.

To summarize, it is being suggested that governance structures and poverty are interdependent, that solutions for sound governance can come from within a given country, without imposition of aid conditionality, or of Western models of governance or democracy⁶⁹, and that civil society, including community initiatives, can play a role in leading to improved governance.

B.2.2. Aid effectiveness and poverty reduction

In the mid-1990s there was widespread pessimism regarding the effectiveness of aid. Despite the large amounts invested in poverty reduction and economic development, many countries experienced deepening poverty. Academic research, notably Boone, alleged that aid had no significant effect on growth⁷⁰. In its comprehensive review *Twenty-Five Years of Development Cooperation*, the OECD's Development Assistance Committee (DAC) concluded that *'the most troubling shortcoming of development aid has been its limited measurable contribution to the reduction - as distinguished from the relief - of extreme poverty, especially in rural areas'*⁷¹. Strategies of development institutions were considered inefficient, if not counterproductive. Public opinion suggested that even in cases where development agencies channelled their funds into useful development projects, aid was under the control of recipient governments, which due to corruption on the one hand and inefficient implementation on the other hand, were often not making appropriate use of the funds. This resulted in severe criticism of aid effectiveness.

In the mid-1990s a major research effort on aid effectiveness was initiated by governments, academics, international development organizations and NGOs around the world. One of its results was that Hansen and Tarp⁷² managed to reverse Boone's result.

⁶⁹ Painter, J. 2000. *State and governance*, in Sheppard, E. and Barnes, T. (eds), *A companion to Economic Geography*, Blackwell, Oxford, pp. 359-76.

⁷⁰ Boone, P. 1995. *The impact of foreign aid on savings and growth*, London School of Economics, Mimeo.

⁷¹ World Bank. 1990. *World Development Report 1990: Poverty*. New York: Oxford University Press. p.127.

⁷² Hansen, H. and Tarp, F. 2001. *Aid and growth regressions*, Journal of Development Economics, vol. 64(2), pp. 547-70.

They demonstrated that aid is effective, without qualification, in enhancing the growth process. However, they did not overtly focus on the impact of aid on poverty reduction. And it was exactly here that one of the relevant keys for aid effectiveness theory was hidden.

The landscape of aid policy changed as of the end of the 1990s in two fundamental ways. First of all, GDP growth which had been the basic objective of international development cooperation was replaced by the objective of poverty reduction⁷³. Growth in the developing world came to be considered valuable solely under the condition that it was construed as pro-poor. Policy conditionality, which had been the main instrument for increasing the effectiveness of aid, had proven inefficient⁷⁴. It was replaced with pro-poor initiatives, as well as a selectivity principle, which suggested that aid agreements should only be concluded with those countries whose pro-poor policies were sufficiently convincing.

In addition, in response to the shortcomings of aid effectiveness, the OECD in 1996 announced a range of seven International Development Targets, the centrepiece of which is a halving of the proportion of the population living in extreme poverty by 2015. These seven targets provided strategic orientation for principal donors. The Millennium Development Goals⁷⁵ completed the international development agenda in 2000. Its first goal, the eradication of extreme hunger and poverty by 2015, reinforces the centrepiece of the OECD agenda. Both sets of goals have strong similarities and resulted from the agreements and resolutions of the world conferences organised by the United Nations in the 1990s (the first half of the 1990s in the case of the seven OECD goals). These conferences provided an opportunity for the international community to review aid

⁷³ World Bank. 2000. *World Development Report 2000/01: Attacking Poverty*. New York: Oxford University Press.

⁷⁴ Refer to section B.1.4 on “Good Governance”.

⁷⁵ The Millennium Development Goals (MDGs) are eight international development goals that all 192 United Nations member states and at least 23 international organizations have agreed to achieve by the year 2015. The goals are: 1. Eradication of extreme poverty and hunger; 2. Achievement of universal primary education; 3. Promotion of gender equality and empowerment of women; 4. Reduction of child mortality; 5. Improvement of maternal health; 6. Combat of HIV/AIDS, malaria and other diseases; 7. Ensuring environmental sustainability; 8. Development of a global partnership for development.

effectiveness and development strategies and to agree on steps needed to reduce poverty and to achieve sustainable development.

Henceforth, growth was no longer the sole priority in international development cooperation. Mosley, Hudson and Verschoor⁷⁶ examined in this context how aid could contribute to poverty reduction. For these three economists, provision of aid funds is one of several instruments available to increase impact on poverty. Just like Collier and Dollar⁷⁷, Mosley, Hudson and Verschoor came to the conclusion that inter-country reallocations of aid could reduce poverty. Hence, they clearly established a link between aid effectiveness and poverty reduction. Among the criteria that could form the basis for such reallocations, the three scientists identified corruption, inequality and the composition of public expenditure to be particularly strongly associated with aid effectiveness. Interestingly, all three of these criteria can be influenced through community initiatives. As we will see later on, one of the major strategies to contain corruption is social accountability. And in social accountability, civil society has an important role to play. Inequality also relates to (community) empowerment and capacity building; both components can be addressed through community initiatives. The composition of public expenditure is also relevant here as Mosley, Hudson and Verschoor use an estimated poverty impact approach, which favours targeting the less advantaged, amongst them marginalized communities.

Mosley, Hudson and Verschoor then demonstrate that a 'new' form of conditionality represents an important channel by which aid can reduce poverty. In fact, aid allocations which take into account good micro- and macroeconomic policies as well as income distribution and GDP per capita have proven to be more effective than those which tend to ignore these criteria.

Dalgaard, Hansen and Tarp⁷⁸ point out however that aid growth rates, which are too high, may render aid ineffective. Mosley, Hudson and Verschoor affirm that this factor

⁷⁶ Mosley, Paul; Hudson, John; Verschoor, Arjan. 2004. *Aid, Poverty Reduction and the 'New Conditionality'*. The Economic Journal, Vol. 114, No. 496, Features (Jun., 2004), pp. F217-F243.

⁷⁷ Collier, P. and Dollar, D. 2002. *Aid allocation and poverty reduction*, European Economic Review, vol. 46(8), pp. 1475-500.

⁷⁸ Dalgaard, C.J., Hansen, H. and Tarp, F. 2004. *On the empirics of foreign aid and growth*, Economic Journal, vol. 114, pp. 191-216.

needs to be taken into account when considering shifts from current aid allocations to statically optimal ones. However, they also acknowledge the contribution of Collier and Dollar in focusing on the potentially differential impact which aid might have, and which is dependent upon the recipient country's characteristics. But they affirm that their usage of good policy, first in focusing on macro-policies and subsequently through a simple agglomeration of differing, and possibly conflicting, policies is unsatisfactory.

Mosley, Hudson and Verschoor's focus aims directly at poverty, while assuming an effect of aid on economic growth. In contrast, prior research had focused on the impact of aid on growth while considering the impact of growth on poverty as an automatic externality (which was proven not to be the case). Mosley, Hudson and Verschoor point out that aid needs to be linked to policy variables which have a demonstrable ability to reduce poverty. They focus in particular on the pro-poor expenditure index, which has shown its ability to influence poverty.

To conclude, development funds can reduce poverty, and they have to be poverty- and not growth-oriented to be most effective. Whether or not community initiatives present one of the ways in which aid can be implemented effectively and reach the poorest populations will be reviewed in later chapters.

B.2.3. Governance and aid effectiveness

Two conclusions have already been drawn. First, good governance enhances poverty reduction and bad governance worsens poverty. Bad governance especially worsens the conditions of those whose livelihoods are already precarious. Secondly, aid can be an effective means for poverty reduction. In order to close the triangle between governance, aid effectiveness and poverty reduction, this section will examine the link between governance and aid effectiveness.

A useful starting point to study this connection can be found in findings from recent research into how aid affects the political economy of reform. In this context,

Collier and Dollar⁷⁹ scrutinized a cross-country econometric analysis combined with case studies from the “Aid and Reform in Africa” project.

With regards to the cross-country analysis, Dollar had previously undertaken a joint study joint with Svensson⁸⁰, which laid the basis for Collier and Dollar’s research. Dollar and Svensson inspected 220 economic reform programmes supported by the IMF and World Bank, mostly carried out in the 1980s and the very early 1990s. They tried to identify the common features of successful programmes and unsuccessful programmes. They decided to use for this purpose a success indicator, which originated from the World Bank’s Operations Evaluation Department. The indicator was outcome-based and measured whether the targeted policy measures were carried out⁸¹. In their sample, about one-third of the reform programmes had failed. What Dollar and Svensson found is that the outcome of reform programmes can be predicted quite well by information on the recipient country’s characteristics that is available before the reform starts. They also demonstrated that newly elected governments have a higher rate of success with reform than authoritarian governments in power for a long time. This includes whether the government was democratically elected and how long it has been in power, with post-conflict and transition countries being specific cases. Interdependence between aid effectiveness and governance had been established. Better governance structures positively influence aid effectiveness.

Dollar and Svensson had previously already found several political and institutional features associated with successful reform programs⁸². They had suggested that the success

⁷⁹ Collier Paul; Dollar, David. 2004. *Development Effectiveness: What Have We Learnt?* The Economic Journal, Vol. 114, No. 496, Features (Jun. 2004), pp. F244-F271.

⁸⁰ Dollar, D. and Svensson, J. 2000. *What explains the success or failure of structural adjustment programs?*. Economic Journal, vol. 110 (466), pp. 894-917.

⁸¹ The paper shows that a successful outcome rating is highly correlated with better economic management - lower inflation, more sustainable fiscal situation - several years after reform, which suggests that the OED measure is a good one.

⁸² Santiso, Carlos.2001. *Good Governance and Aid Effectiveness. The World Bank and Conditionality*. The Georgetown Public Policy Review. Volume 7 Number 1 Fall 2001, p.7.

of international development aid can largely be predicted by a country's underlying institutional and political features, hence by its governance structure⁸³.

Collier and Dollar used these findings to compare them to the probability of success of a reform programme financed by development aid. They concluded that a new, democratically elected government has a 95% probability of success, compared to 67% for an authoritarian government which has been in power for 12 years. If it is assumed that countries that have had deficient governance structures over significant periods of time develop vested interests in terms of policy beneficiaries (distorted exchange and trade regimes, inefficient state enterprises and corruption), it is unlikely that an entrenched government is going to respond positively to reforms supported by development aid. One of the positive findings in the Dollar and Svensson paper is that, after controlling for these characteristics, the success rate for low-income countries and middle-income ones is the same, as is the success rate in different regions. In other words, the low success rate of reform programmes in poor countries or in certain regions can be explained to a large extent by characteristics that can change. To summarize, aid can be effective in low and middle income countries, but aid is dependent on governance structures.

Santiso sheds light upon an additional perspective. He contends that “*well-institutionalized democracies are more likely to produce, over the long run, effective, efficient and sustainable economic and social policies, because they provide effective and stable institutional and procedural mechanisms to represent interests, arbitrate disputes, provide checks and balances, and negotiate change*”⁸⁴. Santiso also uses Rodrik's theories⁸⁵ to demonstrate that political institutions matter for economic development because of the propensity of democracies to moderate social conflict and induce compromise. More fundamentally, Santiso demonstrates that open governance systems are more likely to generate responsible and responsive government and thus adopt pro-poor

⁸³ Dollar, David, and Jacob Svensson. 1998. *What Explains the Success or Failure of Structural Adjustment Programs?*. Washington, DC: The World Bank, Policy Research Working Paper 1938.

⁸⁴ Santiso, Carlos. 2001. *Good Governance and Aid Effectiveness. The World Bank and Conditionality*. The Georgetown Public Policy Review. Volume 7 Number 1 Fall 2001, p.7.

⁸⁵ Rodrik, Dani. 2000. *Participatory Politics, Social Cooperation and Economic Stability*. Cambridge: Harvard University, CID, February.

public policies. In such a context, aid turns out to be overall more effective as the probability that it will have a pro-poor orientation is higher.

In addition, Daniel Kaufmann, Aart Kraay and Pablo Zoido-Lobaton⁸⁶ show that these various aspects of good governance are significantly associated with income levels in the expected manner. For Santiso, effective democratic institutions, rather than their mere formal existence, are thus key.

The quality of democratic institutions is believed to affect the effectiveness of aid through another angle. Democratic institutions provide for accountability mechanisms in the management of external resources. Aid tends to be used more effectively in transparent and accountable governance systems. In this context, Svensson comes to the conclusion that *“in the long-run growth impact of aid is conditional on the degree of political and civil liberties in the recipient country. Aid has a positive impact on growth in countries with institutionalized and well functioning checks on governmental power.”*⁸⁷

To conclude, governance and aid effectiveness are interdependent. The more transparent, accountable and pro-poor oriented a governance system is, the higher is the probability that aid will be effective.

B.2.4. Summary: governance, poverty reduction and aid effectiveness

The interdependences between 1. governance and poverty reduction, 2. aid effectiveness and poverty reduction and 3. governance and aid effectiveness have now been demonstrated. Hence, all three concepts mutually influence each other. The ability to act on one will automatically affect the other two. This has important significations for international development cooperation.

For illustrative purposes, I developed a triangle of interdependences which I have chosen to nominate “the GPRAE triangle” (Governance – Poverty Reduction – Aid Effectiveness triangle). This triangle, illustrated in Figure 1, will be helpful for the later

⁸⁶ Kaufmann, Daniel, Aart Kraay and Pablo Zoido-Lobaton. 1999. *Governance Matters*. The World Bank, Policy Research Working Paper 2196, October.

⁸⁷ Svensson, Jacob. 1999. “Aid and Growth: Does Democracy Matter?” *Economics & Politics* 11(3) (November 1999).

analysis of contributions that community initiatives can bring to the table of international development cooperation.

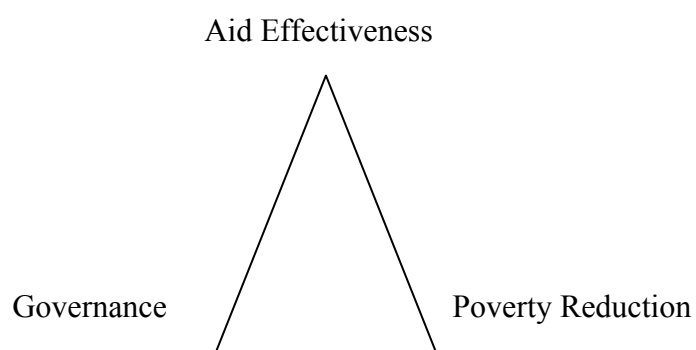


Figure 1. Aid Effectiveness, Governance, Poverty Reduction: GPRAE Triangle

Implications of the GPRAE triangle:

1. If empirical evidence demonstrates that community initiatives produce an impact on governance, then community initiatives also generate impact on poverty reduction and aid effectiveness.
2. If empirical evidence demonstrates that community initiatives produce an impact on poverty reduction, then community initiatives also generate impact on governance and aid effectiveness.
3. And lastly, if empirical evidence demonstrates that community initiatives produce an impact on aid effectiveness, then community initiatives also generate impact on poverty reduction and governance.

The relevance of the governance concept for this research has been outlined; in addition a triangle of interdependences between aid effectiveness, governance and poverty reduction (GPRAE triangle) has been established. The last part of the theoretical conceptual framework, which constitutes the theoretic basis of my research, will be the right-based approach for development, a concept largely influenced by Amartya Sen.

B.3. The Rights-Based Approach to Development and its Impact for Local Community Initiatives

“Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.”

Preamble, Universal Declaration of Human Rights.⁸⁸

The relevance of the governance concept for this research has been explained and economic science and theories have been used to demonstrate interdependences between aid effectiveness, governance and poverty reduction. As a last item, the rights-based approach to development will be examined to tackle international development cooperation from a philosophical and human rights angle.

B.3.1. The International Bill of Rights

The rights-based approach to development originates in the attempt to integrate the norms, standards, and principles of the international human rights system into the policies and processes of development⁸⁹. It subscribes to the International Bill of Rights, which is composed of the Universal Declaration of Human Rights⁹⁰, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights and its two optional protocols.

The Universal Declaration of Human Rights was adopted by the United Nations on 14 December 1948 in Paris. It consists of 30 articles which have been further elucidated in subsequent international treaties, regional human rights instruments, national constitutions and laws. The preamble of the Declaration is of major significance as governments commit

⁸⁸ First paragraph of the preamble of the *Universal Declaration of Human Rights*.

⁸⁹ Moser, C. And Norton, A. 2001. *To Claim our Rights: Livelihood Security, Human Rights, and Sustainable Development*. Overseas Development Institute. London.

⁹⁰ <http://www.un.org/en/documents/udhr/>.

themselves and their peoples to secure the universal and effective recognition and observance of the human rights set out in the Declaration.

The Declaration itself is not legally binding. However, it has been adopted in national constitutions and has influenced many other national constitutions since its adoption in 1948. In addition, the Declaration serves as the foundation for international treaties and national laws and international, regional, national and sub-national institutions protecting and promoting human rights. Its principles were for example elaborated in international treaties, such as the International Convention on the Elimination of All Forms of Racial Discrimination, the International Convention on the Elimination of Discrimination Against Women, the United Nations Convention on the Rights of the Child and the United Nations Convention Against Torture. The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights are two binding UN human rights covenants, which were developed based on the Universal Declaration on Human Rights. Over 160 countries have ratified one or both of these Covenants, which means that they are of legally binding character in most countries. The declaration is considered part of customary international law and has served as an instrument to apply moral and diplomatic pressure in cases where its principles were violated. The 1968 United Nations International Conference on Human Rights advised that the Universal Declaration on Human Rights "constitutes an obligation for the members of the international community" to all persons.

The Declaration itself is not a treaty. However, it was explicitly adopted for the purpose of defining the meaning of the words "fundamental freedoms" and "human rights" appearing in the United Nations Charter. The Charter is a legally binding document for all member states. The Universal Declaration is therefore considered a fundamental constitutive document of the United Nations.

B.3.2. The rights-based approach to development

The rights-based approach to development makes use of the International Bill of Rights, subsequent international treaties and other regional human rights instruments to propose a conceptual and operational framework for advancing the process of human development. It is based on the conviction that human rights are inherent in all human

beings, that these rights have to be legally guaranteed by human rights laws and that these same rights also have to be actively implemented in any approach to development. Hence, the rights-based approach to development is normatively based on international human rights standards and it is directed towards protecting and promoting human rights.

The rights-based approach clearly distinguishes needs from rights. A human right is an entitlement which is inherent to every human being. It allows for a life with dignity. A right can also be enforced before a government. A need, however, can be legitimate, even vital, but it is not associated with an obligation by the government to cater to it. Needs cannot be enforced; a violation of rights can be sanctioned. Rights are associated with being, whereas needs are associated with having⁹¹.

An entitlement implies that there is an owner of the right. In the case of human rights every human being automatically owns these rights “*without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status*”⁹². But rights also imply that there are providers and protectors of these rights. In the case of human rights, it is commonly considered that states are responsible to uphold, protect and implement these rights for every citizen. In the rights-based approach, development actors and organizations are also considered to be accountable for rights violations.

In international development cooperation, right-based programming aims to support governments to improve their performance so that rights can progressively be achieved. Programmes or projects established based on a rights-based approach to development will have the following key characteristics:

1. *They will specifically express their linkage to rights.* This means that the development objectives are framed in terms of specific rights. It is considered that this approach adds additional legitimacy and weight to the development objectives.
2. *They will provide for a high level of accountability.* Claim and duty holders will be identified so that accountability levels can be raised. This allows for a

⁹¹ O'Neill, W. 2003. *An Introduction to the Concept of Rights-Based Approach to Development. A Paper for Interaction*, available on www.interaction.org. InterAction – A United Voice for Global Change.

⁹² Article 2, Universal Declaration of Human Rights. <http://www.un.org/en/documents/udhr>.

change of perspective from a need-based approach to entitlements and rights. Obligations can be both positive and negative (e.g. to provide for something or to abstain from doing something).

3. *They will ensure an explicit focus on capabilities and empowerment.* Importance is given to capabilities and empowerment instead of welfare and need. Focus is shifted from beneficiaries of aid to users with rights.
4. *They will ensure a high level of participation.* A fully participatory approach is necessary. As already mentioned in the Universal Declaration of Human Rights, rights are not only an entitlement, they also come with responsibility. Participation is a sine qua non condition for a rights-based approach.

Hence, traditional rights-based programming provides support to governments, either directly or by fulfilling certain social responsibilities, so that human rights can be protected, implemented and ensured.

However, the International Bill of Rights, and especially the Universal Declaration of Human Rights as well as the rights-based approach have not been free of criticism. In fact, it has been argued that the Universal Declaration of Human Rights represents Western values, which are culturally neither always representative nor appropriate for application everywhere. The rights-based approach to development is therefore by some seen as a neo-colonialist instrument invented to impose Western standards. In this respect, it needs to be mentioned that notably the Muslim world, adopted in response to the Universal Declaration of Human Rights the Cairo Declaration of Human Rights in Islam⁹³ in 1990.

Additionally, it has been argued that it is not the responsibility of development organizations to get involved in the protection, advancement and implementation of human rights. The defenders of the rights-based approach in contrast argue that international development work draws from a combination of international instruments, treaties and conventions, which have been adopted by a majority of countries. These legal instruments are all based on the International Bill of Rights. Therefore linking development efforts to rights merely introduces enhanced clarity, transparency, and objectivity into international

⁹³ *Cairo Declaration on Human Rights in Islam*, Aug. 5, 1990, U.N. GAOR, World Conf. on Hum. Rights., 4th Sess., Agenda Item 5, U.N. Doc. A/CONF.157/PC/62/Add.18 (1993).

development cooperation. Hausermann, for example, argues that a special characteristic of a rights-based approach to development is that it sets out of what ought to be. It establishes a normative framework to orient development cooperation⁹⁴. Hausermann further explains that this approach also introduces an ethical and moral dimension to development assistance. The internationally agreed set of norms, backed by international law, which is the foundation of the rights-based approach, provides on the one hand a strong basis for citizens to make claims on their states; yet, on the other hand, it also holds states accountable to ensure the achievement of citizens' rights.

What does a rights-based approach have to do with community initiatives? Why is a rights-based approach relevant when considering the role and effectiveness of community initiatives in international development cooperation? A rights-based approach redirects the focus of international development cooperation from its two traditional objectives, growth and poverty reduction, in order to take into account the rights of individuals. Community initiatives propose a similar development solution. Instead of focusing on growth and poverty reduction as a primary objective, communities can decide for themselves how to prioritize and shape their local development efforts in the context of community initiative programming.

Amartya Sen's theory on rights, freedom of choice and capabilities will in this respect complete the definition of what a rights-based approach truly means.

B.3.3. Amartya Sen's contribution to the rights-based approach

Amartya Sen's⁹⁵ theories on freedom and justice introduce relevant additional dimensions to the rights-based approach to development. In fact, his concepts of "functionings", "capabilities" and "opportunities" are directly linked to the realization of human rights.

⁹⁴ Hausermann, J. 1998. *A Human Rights Approach to Development*, London: Rights and Humanity. DFID. UK Government.

⁹⁵ Amartya Sen was Nobel Memorial Prize Winner in Economics in 1998. He is currently the Thomas W. Lamont University Professor and Professor of Economics and Philosophy at Harvard University and fellow of Trinity College at the University of Cambridge.

For Sen, the concept of functionings reflects the “*various things a person may value doing or being*”⁹⁶. These functionings encompass relatively elementary states such as being adequately nourished or being free from avoidable disease but they also extend to more complex personal states, such as the capacity to participate in community life. A person’s “capability”, in contrast, refers to the combination of functionings that the individual can actually achieve. Sen explains a capability is therefore equal to a “*kind of freedom: the substantive freedom to achieve alternative functioning combinations*”.⁹⁷ In this context, Sen also compares income poverty with capability poverty. He argues that capability will lead to enhanced income. Enhanced capability in leading a life will tend to expand a person’s ability to be more productive. This in turn will be reflected in the fact that the individual will earn a higher income. For Sen, poverty is the absence or deprivation of certain capabilities, the deprivation of choices fundamental to humanity. Hence, poverty constitutes the lack of opportunity to lead a valuable and valued life. Sen uses the notion of positive freedom which is a person's actual ability to be or do something. This stands in stark contrast to conventional negative freedom approaches in economics, which merely focus on non-interference. To illustrate this point of view, Sen uses an example of the 1943 Bengal famine, which he had witnessed as a 9-year old boy, and in which 3 million people perished⁹⁸. Sen later studied the economic situation during the Bengal famine and concluded that the loss of life was unnecessary as there was adequate food supply. But rural labourers were unable to afford the inflated prices. He explains that rural labourers’ negative freedom to buy food was not affected. However, they were not positively free to purchase the food. They did not have the functioning of nourishment, nor the capability to escape morbidity. For Sen, a fundamental human entitlement or right is the property of food. A realized right is a positive freedom, it is reflected in capabilities.

He argues having capabilities, having the choice for or against something, is a realized right. Governments should be measured against the concrete capabilities that are available or being provided to their citizens. Sen asks whether a right is something that

⁹⁶ Sen, Amartya. 1999. *Development as Freedom*. Oxford University Press. Oxford. p.75.

⁹⁷ Ibid.

⁹⁸ Sen, Amartya. 1981. *Poverty and Famines: An Essay on Entitlement and Deprivation*. Oxford University Press.

must be provided or something that simply cannot be taken away. He uses the example of the US voting rights to illustrate his point of view. US citizens have a hypothetical "right" to vote. This concept is relatively empty to Sen unless it is linked to functioning and capabilities. Citizens will only have the capacity to vote, if they first have "functionings." These can range from broad categories, such as the availability of education, to the specific ones, such as transportation to the polls. Only when capability barriers are removed and functionings ensured can the citizen truly be said to act out of personal choice. The individual society is responsible for establishing and ensuring the minimum capabilities guaranteed by that society. One could now question: which instrument should be used to guide the individual society to establish this list of minimum capabilities to be ensured? Whereas Sen does not explicitly refer to it, the International Bill of Rights constitutes a basic reference since most countries are signatories to its Declaration and Covenants.

Sen also challenges the fact that in traditional approaches achievements are measured by accounting for success instead of measuring the freedom of choice for or against certain achievements⁹⁹. To Sen, it is not only about "*what a person ends up doing, but also on what she is in fact able to do, whether or not she chooses to make use of that opportunity.*"¹⁰⁰ He dismisses arguments in favour of paying attention to the actual achievements of functionings as oversimplifications. He explains that there is a difference between being forced to do something and having the opportunity of choosing for or against it. In addition, he explains that the capability perspective is more informationally inclusive as it does not only focus on achieved functionings; however, capabilities will lead to achievements. Sen actually considers capabilities as rights. Rights without capabilities are unrealized rights.

Which implication does Sen's argumentation combined with the rights-based approach to development have for community initiatives in international development cooperation?

If a realized right is considered a capability, then the aspects of voice and of individual choice become crucial. To which extent should international development solely

⁹⁹ Sen, Amartya. 2009. *The idea of Justice*. Penguin Group. p. 235.

¹⁰⁰ Ibid.

focus on growth or poverty reduction, whereas creating capabilities, as per Sen's theory, would generate poverty reduction as a bi-product? Why focus directly on achievements without creating first and foremost capabilities?

Does the principle of "ownership", one of the five key principles of international development cooperation since the Paris Declaration on Aid Effectiveness, open the door for the capabilities theory in international development cooperation? I will argue and demonstrate throughout this research that that is indeed the case.

It is essential to note that Sen does not talk about "state capabilities". When talking about capabilities, he refers solely to individuals. The concept of capabilities is linked to the concept of rights and hence it is linked to individuals. How can capabilities be integrated into international development cooperation? Following Sen's logic, capabilities can only be integrated if individuals are being given opportunities and choice. To which extent can community-driven initiatives provide opportunities and choice? Would a "creation of capabilities" approach be conceivable in international development cooperation? Which are its limits? To which extent is it already happening? And what is the role of community initiatives in this respect? In later chapters, these questions will be thoroughly examined.

Conclusion - Chapter B

The review of the theoretical conceptual framework in which this research will be embedded has resulted in three dimensions.

First, the definition and use of the governance concept that will be adopted in this dissertation, has been outlined. The governance concept will serve as an analytical toolbox. It will provide notions to analyze interdependences and the interaction of actors of governance. One of the crucial contributions of the governance concept is the concrete distinction between government and governance, which enables political science to shed light upon relevant actors distinct from government entities. In addition to states/governments, these main actors in international development cooperation are civil society organizations (composed of various types of organized community structures, NGOs, academic sector, certain for profit organizations, faith-based organizations etc.), international organizations and the private sector. When considering community initiatives, the connections “local to local”, “local to national”, “local to regional” and “local to global” will be relevant.

In the next chapter, the governance concept will be employed to facilitate the analysis of international development cooperation. A special focus will be given to the role which civil society has played in this context and how this role has evolved over the past several decades. I will then draw a picture of the resulting governance structure and key concepts of current international development cooperation. In the later chapters of my dissertation the governance concept will be used to facilitate an analysis of the role which community initiatives play in international development cooperation. Interdependences as well as the concept of enhancing top-down development approaches through bottom-up initiatives will be examined.

The second dimension pertains to the GPRAE triangle hypothesis. Based on economic evidence, economic theories and empirical research results, a triangle of interdependences between governance, poverty reduction and aid effectiveness, also named GPRAE triangle, has been developed and a hypothesis has been established. This

hypothesis constitutes the basis for the part of the research contained in this dissertation, which focuses on specific contributions of community initiatives in the areas of governance, poverty reduction and aid effectiveness. The hypothesis assumes that governance, poverty reduction and aid effectiveness are interdependent. In more concrete terms, it has been concluded that if community initiatives generate impact on one of the three, they will also indirectly influence the other two. This means: 1) if empirical evidence demonstrates that community initiatives produce impact on governance, then community initiatives will also generate impact on poverty reduction and aid effectiveness. 2) If empirical evidence demonstrates that community initiatives have an impact on poverty reduction, then community initiatives will also generate impact on governance and aid effectiveness. And lastly, 3) if empirical evidence demonstrates that community initiatives generate impact on aid effectiveness, then community initiatives will also produce impact on poverty reduction and governance.

The third dimension focuses on the rights-based approach to development, combined with Amartya Sen's concepts of functionings, capabilities and opportunities. The rights-based approach to development will be relevant when considering the current aid effectiveness agenda where "ownership" is a key notion. Several questions will be examined in this context. How can capabilities be integrated into international development cooperation? To which extent can community initiatives provide opportunities and choice? And, lastly, do community initiatives subscribe to the rights-based approach to development?

C. FROM AID TO COOPERATION: COMMUNITY INITIATIVES AND CIVIL SOCIETY IN THE HISTORY OF INTERNATIONAL DEVELOPMENT COOPERATION

The current era of international development cooperation can only be understood if it is placed into its historical context. The history of international development cooperation is characterized by interdependence between economically developing and developed countries. Numerous attempts to bridge the gap between rich and poor, to stimulate growth, to reduce poverty - of which some were more successful than others - have been undertaken over the past sixty years.

It is impossible to say how effective international development cooperation has been overall, and how the world would look today if no development efforts had been made. However, in 2011, the gap between rich and poor continued to increase¹⁰¹ and full achievement of the Millennium Development Goals by 2015 has despite progress at this point become impossible¹⁰². There is thus an evident need for international development efforts to become more effective and to implement innovative development strategies and approaches. Labelled “imposing”, “controversial”, “capitalistic”, “inefficient”, “ideological”, or “westernized”: international development cooperation has been facing strong criticism over the past sixty years. Much has been done to learn from mistakes, to maximize efficiencies and to identify “what works”. An international political and economic debate on aid effectiveness was to this end initiated in the beginning of the 21st century. This debate, its conferences and innovative measures constitute what is commonly called the “new era of aid effectiveness”.

The objective of the following sections is to examine how international development cooperation has evolved since its modern inception after World War II until

¹⁰¹ Milanovic, Branko. 2011. *More or Less*. Finance & Development, September 2011, Vol. 48, No. 3.

¹⁰² For detailed data per country, access the MDG Monitor which tracks the Millennium Development Goals: <http://www.mdgmonitor.org/index.cfm>. Also: Provost, Claire. 2012. *Millennium development goals – they key datasets you need to know*. The Guardian. 31 October 2012. Accessed on 31 October 2012 at: <http://www.guardian.co.uk/global-development/poverty-matters>.

the current era of aid effectiveness. Which ideas and concepts have guided it? Who are the main actors in international development cooperation and how have their roles and interactions evolved over time? More specifically, has the governance structure of international development cooperation changed and how has the role of civil society, and particularly local community organizations, evolved?

The following sections will examine the evolution of international development cooperation from the creation of the United Nations in 1944 until the current era of aid effectiveness, often called in development jargon the “new aid environment”. Special attention will be given to the evolution of the role of civil society, including NGOs and local communities, in this historic analysis. The GPRAE triangle will also start finding importance here. Has international development cooperation always focused on the same objectives? Is there a difference between focusing on growth versus focusing on poverty reduction? Have development objectives evolved over the last decades? If this is the case, how has the evolution of development objectives shaped the role of the various development actors?

And lastly, to which extent has the rights-based approach to development contributed to contemporary international development cooperation? Where does Amartya Sen’s theory on capabilities and opportunities find its place in contemporary international development?

These questions will be examined in the following analysis of the history of international development cooperation from the post-World War II period until the current environment of international development cooperation. During the last part of this chapter, the trends, features and challenges of the new aid environment will be outlined. Its basic characteristics will be examined and the particular role of civil society, and specifically of community organizations in the new aid environment, will be studied.

C.1. The Changing Face of International Development Cooperation: From a Focus on Aid over Neo-Liberal Theories to a Comprehensive Development Framework where Community Organizations matter

*“We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. The old imperialism - exploitation for foreign profit - has no place in our plans. What we envisage is a program of development based on the concept of democratic fair dealing.”*¹⁰³

Harry S. Truman, 1949

International development efforts are as ancient as international interaction. Though not specifically defined as such, they were for a long time by-products of international relations and international trade. However, only during the past century, and more specifically after World War II, international development theory emerged as a separate body of ideas and became a modern concept. It received initial attention through the immediate need of European re-construction after World War II and was then further defined during and after the period of de-colonization. The path to the contemporary era of aid effectiveness was one of trial and error. Development objectives evolved from a poverty reduction focus to growth orientation and finally started aiming at a more comprehensive approach in the form of the sustainable development concept. The role of civil society was not considered crucial in international development cooperation after World War II, though civil society entities received consultancy status at the United Nations Economic and Social Council already as of the year 1946. However, only with time did civil society gain recognition as an essential actor in international development cooperation.

The following sections will address the evolution of development concepts from the post-World War II period until the adoption of the United Nations Millennium Development goals in September 2000.

¹⁰³ Harry S. Truman, Fourth Point of Inaugural Speech as United States President. Thursday, January 20, 1949.

C.1.1. From the golden age of growth to the end of residualism theories: 1945-73

It is generally considered that the focus on international development during the second half of the 20th century finds its origins in three root causes.

1. During the immediate aftermath of World War II much of Europe needed to be reconstructed. To this end, the International Bank for Reconstruction and development was created on December 27, 1945 as part of the Bretton Woods System.
2. The start of the Cold War and the attempts by the Western block to prevent the developing world from drifting towards communism resulted in increased support to international development efforts.
3. De-colonialism and the establishment of new free trade policies between 'developed' and 'developing' nations further enhanced international development.

The period 1945-1973 was defined by several key elements in the area of international development. First, reconstruction in Europe and Japan received major attention and financing during the years after the war. Secondly, rapid de-colonialization took place as a result of the war. This resulted in the birth of a range of new, independent yet to a large extent impoverished nations. Third, the start of the Cold War divided the world into two blocks until a separate group of neutral states was created, which regrouped those states desiring a neutral status. However, at the same time, the period 1950-1973 was also characterized by an unprecedented period of global growth. The average yearly growth rate per capita was around 2.9%¹⁰⁴. Whereas the average yearly growth rate reached 4.1% in Western Europe, Japan achieved 8.1%, Latin America 2.5% and Africa 2.1%¹⁰⁵. Low unemployment rates were the norm and international exports increased by an average of 7.9% worldwide¹⁰⁶.

¹⁰⁴ Katseli, Louka. 2008. *Historischer Überblick zur Geschichte der EZA*. in: Freudenschuss-Reichl Irene and Bayer, Kurt (Hrsg). *Entwicklungspolitik und Entwicklungszusammenarbeit*. Manz, p.10.

¹⁰⁵ Maddison, Angus. 2001. *The World Economy: A Millenial Perspective*. OECD. Paris.

Due to the impressive results achieved in the European and Japanese reconstruction after World War II, international development theories concentrated on growth. It was assumed that growth would be achieved in the newly decolonized countries through investment as well as through improvement of productivity. In 1960, Rostow developed the concept of stages of economic growth¹⁰⁷. The model argues that economic modernization occurs in five basic stages of varying length—traditional society, preconditions for take-off, take-off, drive to maturity, and high mass consumption. It was assumed that industrial production would lead to economic growth due to technical progress and productivity enhancements.

As there were differences in growth rates, models pertaining to “dualism” and “center-periphery” were being developed to explain these differences¹⁰⁸.

At the same time, due to lack of capital, the World Bank focused mainly on large-scale infrastructure projects in developing countries in the 1960s. In fact, 75% of all World Bank loans were at the time granted to infrastructure projects¹⁰⁹. Agricultural development and local development received no priority on the international development agenda.

Residualism, or the belief that modernization and industrialization would lead to levels of economic growth that would ensure “trickle down” effects, was preponderant. Welfare and employment prospects were expected to automatically improve as a by-product of growth¹¹⁰. Therefore, even in post-colonial governments, interventions in support of social needs were minimal. They merely addressed social pathologies, such as crime and the destitute, such as widows and orphans¹¹¹. In terms of aid delivery, this

¹⁰⁶ Katseli, Louka. 2008. *Historischer Überblick zur Geschichte der EZA*. in: Freudenschuss-Reichl Irene and Bayer, Kurt (Hrsg). *Entwicklungspolitik und Entwicklungszusammenarbeit*. Manz, p.10.

¹⁰⁷ Rostow, Walt Whitman 1960. *Stages of Economist Growth – a non-communist manifesto*. Cambridge University Press.

¹⁰⁸ Thirlwall, Anthony. P. 1989. *Growth and Development: with Special Reference to Developing Economies*. Macmillan, p. 137-139.

¹⁰⁹ Thirlwall, Anthony. P. 1989. *Growth and Development: with Special Reference to Developing Economies*. Macmillan, p.331.

¹¹⁰ Beall, Jo. 2005. *Funding Local Governance. Small Grants for Democracy and Development*. ITDG Publishing, p.37.

¹¹¹ Hardiman, M. and Midgley. J. 1982. *The Social Dimensions of Development*. Wiley, Chichester.

period was mainly characterized by indirect efforts to influence macro-economic policy and project-based lending.

However, progressively mass poverty started to develop as of the 1960s in developing countries and as of 1969 international productivity rates started to decline¹¹². The belief that industrial modernization would lead to economic growth and that this growth would eventually “trickle down” into all classes of society had failed.

A widely unrecognized role of civil society and community initiatives in the first two decades after World War II. What was the role of civil society and of community initiatives in international development cooperation during this period? Due to the belief in growth as a remedy to poverty, civil society was not given much attention during this period in international development cooperation.

Of course, community initiatives have existed throughout history. In development history, these were especially characterized as efforts by “people for people”; community organizations were making up for those service areas where the state was failing. Hence, community initiatives were preponderant at the time, yet they remained unconnected to larger development efforts and were largely ignored. Whereas some achieved important results at the local level, community initiatives were neither considered as effective means of development nor was civil society seen as a crucial partner in international development cooperation.

Nevertheless, civil society received a role in formal UN deliberations at the Economic and Social Council (ECOSOC) as of 1946. Article 71 of the United Nations Charter stipulates:

“The Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence. Such arrangements may be made with international organizations

¹¹² Katseli, Louka. 2008. *Historischer Überblick zur Geschichte der EZA*. in: Freudenschuss-Reichl Irene and Bayer, Kurt (Hrsg). *Entwicklungspolitik und Entwicklungszusammenarbeit*. Manz, p.12.

*and, where appropriate, with national organizations after consultation with the Member of the United Nations concerned”.*¹¹³

Hence, the United Nations charter opened the door for consultation with NGOs by granting consultative status to these entities. It needs to be noted that NGOs have a say in economic and social affairs solely; consultative status is not granted for matters concerning security issues. International, regional as well as national NGOs, non-profit public or voluntary organizations are theoretically eligible for consultative status.¹¹⁴

C.1.2. Trial and error in international development cooperation: 1970s - 1990s

The period 1970-1990 was marked by various ideological attempts to identify the “solution” to the international development crisis. The 1970s witnessed the end of the golden age of growth. The end of residualism and the expansion of mass poverty in the developing world initially led international development efforts to focus on addressing basic needs through direct interventions targeted at poverty reduction and human development during the early 1970s. However, throughout the 1970s, the world faced a series of global economic disasters. The oil crises of 1973 and 1979 strongly affected the world economy; multiple economic depressions and stagflation characterized the period and the international debt crisis resulted in increased interest rates, which developing countries were unable to afford. The World Bank, convinced that economic growth induced by market-led economies would provide the answer to the crisis, dominated the scene of international development cooperation with a revision of its structural adjustment programs (SAP), providing lower interest rates linked to strict conditionalities. It was a period during which the World Bank explicitly argued that poverty reduction belonged to the future¹¹⁵. Accompanying social funds were supposed to counteract adverse effects

¹¹³ United Nations Charter, Chapter X, Article 71.

¹¹⁴ Today, ECOSOC resolution 1996/31 governs the relationship between ECOSOC and NGOs. The evolution of the status of civil society at the United Nations will be examined later on: United Nations Resolution 1996/31. Economic and Social Council. 49th plenary meeting. 25 July 1996.

¹¹⁵ Kanji, N. *Social Funds in sub-Saharan Africa: How effective for Poverty Reduction?*, in Townsend, P. and Gordon, D. (eds.) *World Poverty, New Policies to Defeat an Old Enemy*. The Policy Press. Bristol. pp. 233-250.

induced by the SAPs and to reinforce civil society, certainly also as a means to counteract government influence. Some of the lessons learned thanks to the implementation of social funds (co-financing, partnership building, ownership) laid the basic elements for community initiative programming.

a. Relief efforts, poverty reduction and the increasing participation of civil society in international development in the 1970s

Humanitarian and political disasters in the 1970s highlighted the necessity to help those in need. But governments, unable to tackle these problems by themselves due to lack of resources, weak organization and unexisting infrastructure needed a helping hand. NGOs started to increasingly intervene in emergency situations. Due to the evident need for civil society support, many NGOs were founded in the 1970s. As an example, Medecins Sans Frontieres, an NGO which has experienced tremendous success and growth since its creation, was founded in 1971. However, the main activities of these NGOs were of logistical nature: food distribution, provision of shelter, clean water, sanitation and medical help were strong priorities¹¹⁶. But once emergency situations had been brought to a certain level of control, those affected also needed to be assisted to return to a normal life. NGOs thus continued to provide the necessary support. The large majority of aid efforts in the 1970s were commodity driven and logistically based. International development had not yet integrated programmatic, economic or sustainable development aspects. Natsios explains that these relief efforts mainly concerned pushing down death rates and saving lives¹¹⁷.

International NGOs, such as Oxfam or Medecins Sans Frontieres, initially offered practical relief. However, with time it was discovered that relief alone was insufficient. Michael Cernea describes that NGOs “*were often drawn to development goals after first providing relief in emergency situations, and came to understand that in developing*

¹¹⁶ Reinalda, Bob. 2009. *Routledge History of International Organizations – From 1815 to the Present Day*. Routledge.

¹¹⁷ Natsios, Andrew. S. 1995. *NGOs and the UN system in complex humanitarian emergencies: Conflict or cooperation?*. Third World Quarterly, 1360-2241, Volume 16, Issue 3, 1995, Pages 405 – 420.

countries relief was not enough"¹¹⁸. Steadily the connection between „relief“ and “aid” and “development” grew. Whereas some organizations continued to focus on the provision of relief work, others started to combine relief, aid and development. Examples of this latter type were CARE, Catholic Relief Services, Christian Aid, Oxfam, Save the Children and World Vision. Because these large organizations were able to afford a long-term presence in the geographic areas they worked in, they developed understanding of local situations and noticed that relief without development was not creating the necessary long-term result to prevent new crises. Especially since the 1985 famine in Ethiopia, combining emergency relief with development strategies has become a general trend. Most NGOs “try to integrate into their relief work developmental components particularly focused in agriculture, microenterprise, primary health care , reforestation and road construction”¹¹⁹. The NGOs may provide money, tools, technical support and market surveys for a project chosen by local community leaders as being of long-term benefit for the area.

However, the seriousness of the international debt-crisis coupled with a high tide of neo-liberalism in the 1980s, which was heightened by anti-communist political considerations due to the Cold War, shifted the focus from poverty alleviation once more to market-led growth.

b. Neo-liberalism, structural adjustment programs and the birth of social funds in the 1980s

Increasing humanitarian disasters coupled with the growing debt crisis, lead to the belief that emphasis should again be put on economic growth as an indirect but more effective route to poverty reduction. The World Bank and the International Monetary Fund therefore decided that deeper intervention at the level of macro-economic policy was necessary to improve the economic situation of developing countries. World Bank President Robert McNamara proposed in 1979 the concept of conditionalities, which he

¹¹⁸ Cernea, M.M. 1988. *Nongovernmental Organizations and Local Development*, Washington, DC. World Bank.

¹¹⁹ Natsios, Andrew. S. 1995. *NGOs and the UN system in complex humanitarian emergencies: Conflict or cooperation?*. Third World Quarterly, 1360-2241, Volume 16, Issue 3, 1995, Pages 405 – 420.

described as the idea of encouraging economic growth and development by linking financial assistance to the adoption of a particular set of policies recommended by the World Bank. This set of policies was reflected in the structural adjustment programs. It was believed that these programmes would render the economies of developing countries more market oriented, which would in turn boost trade and production and hence result in economic growth. In fact, structural adjustment programs were supposed to introduce free market programs, to stabilize macro-economic indicators and to restore economic growth. The conditions, known as “conditionalities” attached to the loans of the International Monetary Fund and the World Bank, were reinforced as of 1979. These conditionalities were supposed to ensure that funds would be spent in accordance with the agreed upon loan objectives.

While projects remained tenacious, they started giving way to programme aid from the 1980s onwards. This was caused by the fact that structural adjustment programs had resulted in a series of incontrovertible negative social consequences¹²⁰. The World Bank and the International Monetary Fund encountered mounting criticism. Programme aid was at the time in general directed at particular sectors such as health and education or public sector reform, which operated alongside macro-economic reform efforts. It was focused at longer term economic and human development.¹²¹ In this context, the social funds of the World Bank were born in the late 1980s. They constituted a new approach, designed to complement structural adjustment programs in order to even out the adverse social impacts of macro-economic reforms. Not only was poverty reduction put on hold during the neo-liberal development period introduced with structural adjustment programs, but demand for poverty alleviation also increased due to the negative social impact of the structural adjustment programs. Massive job losses engendered rising unemployment. The introduction of cost recovery and user charges coupled with the loss of subsidies on public services and food staples affected particularly the urban poor.

¹²⁰ Simon, David; McGregor, Duncan F. M.; Nsiah-Gyabaah, Kwasi, Thompson, Donald A. 2003. *Poverty Elimination, North-South Research Collaboration, and the Politics of Participatory Development* in: *Development in Practice*, Vol. 13, No. 1 (Feb., 2003), pp. 40-56. Taylor & Francis, Ltd.

¹²¹ Beall, Jo. 2005. *Funding Local Governance. Small Grants for Democracy and Development*. ITDG Publishing, p.4.

Social funds. Social funds are mechanisms for social protection and social development. Jorgensen and Van Domelen define them as “*agencies that finance projects in several sectors targeted to benefit a country’s poor and vulnerable groups based on a participatory manner of demand generated by local groups and screened against a set of eligibility criteria. There are agencies that would meet these criteria but are not called social funds and there are agencies that are called social funds that do not meet these criteria*”¹²². The first social funds were implemented as complementary measures to the adverse social effects created by structural adjustment programs, yet they have considerably evolved over time.

The first social funds were mainly funded by the Bretton Woods institutions, especially the World Bank and the Inter-American Development Bank, during the 1980s in Latin America and Africa. These social funds were considered as social emergency funds and were widely established. Over 100 social fund loans were approved by the World Bank between 1986 and 2000¹²³. Social funds later also became integral part to and an essential component of the “Washington Consensus”. The Washington Consensus was a standard economic reform package, consisting of 10 specific economic policy prescriptions, which were promoted as of 1989 by the Bretton Wood Institutions for crisis-racked developing countries. The 'Washington consensus' itself reflected a retreat from a purely free market approach, which was mainly due to the severe adverse effects experienced in structural adjustment program implementation throughout the 1980s.

It was initially believed that the part of the population which was catapulted into poverty due to structural adjustment programs would recover fast. A distinction was made between the “chronic poor” and the “adjustment poor”. To aid this latter group of people, many of whom had plunged into poverty due to sudden unemployment, social emergency funds were introduced. Their goal was the transfer of resources to the poor through multi-sectoral programmes, which would address areas such as employment generation or social

¹²² Jorgensen, S.L. and Van Domelen, J. 2001. *Helping the Poor Manage Risk Better: the Role of Social Funds*, in Lustig, N. (ed.), *Shielding the Poor, Social Protection in the Developing World*, Brookings Institution Press and Inter-American Development Bank, Washington DC, pp. 91-107.

¹²³ Batkin, A. 2001. *Social Funds: Project and Programme Issues*, in: Ortiz, I. (ed.) *Social Protection in Asia and the Pacific*. Asian Development Bank: Manila, Philippines, pp. 461-480.

services. These were short-term measures designed to provide ad-hoc relief in form of welfare services.

However, with time it became clear that the adverse effects caused by structural adjustment programs were not going to be removed in a short period of time. The short-term social emergency funds were thus replaced by social investment funds, which were designed to operate over longer durations. The major difference between social emergency and social investment funds lies in the fact that the former had focused on basic welfare whereas the latter were aimed at supporting basic services in areas such as health, education, water and sanitation. Social funds therefore started to lay the basis for sustained development strategies¹²⁴.

At the same time, the development community drew its first lessons out of social funds. The concepts of co-financing, ownership, sustainability and partnership as fundamental measures to ensure effectiveness of local funds started to take shape. The learned lessons of social funds signaled a new shift in development policy. In this context, in 1992, the United Nations Development Programme became implementing organization of the GEF Small Grants Programme, a programme which was designed based on many of the lessons learned throughout the tough first years of social fund implementation. Other development entities, such as the United Nations Capital Development Fund, the UN-Habitat as well as a number of bilateral donors also replicated these lessons in programmes and projects.

¹²⁴ Beall, Jo. 2005. *Funding Local Governance. Small Grants for Democracy and Development*. ITDG Publishing, p.23.

C.1.3. The birth of a comprehensive development concept in the 1990s

“Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development.”

Principle 22, Rio Declaration on Environment and Development. June 1992.

As of the early 1990s, World Bank and IMF policy framework started to grow more uncertain. A crisis of severe criticism and loss of confidence in the World Bank developed¹²⁵. Not only had the Structural Adjustments Programs failed to promote the promised growth, they had in addition increased poverty in many cases. As Mohan et al note: *“these conditions, and the declining availability of alternative sources of finance, have meant that there has been precious little leeway for experimentation with heterodox policies at odds with the [International Financial Institutions'] prescriptions”*¹²⁶.

In addition, the dramatic sustained growth experienced in high performing Asian economies had little to do with World Bank policy prescriptions. These economies had developed in the space of 30 years only from lesser to middle income countries. The World Bank finally started to change its policies as a consequence to the 1993 World Bank study “the East Asian Miracle”¹²⁷, which highlighted that the state needs to play a far more important role in development than the one foreseen in the structural adjustment programs.

The East Asian Miracle adopted a “*market friendly*” approach, proposing that, *“rapid growth is associated with effective but carefully delimited government activism”*. It was argued that the role of the state is to *“ensure adequate investments in people, provide*

¹²⁵ Pender, John. 2001. *From Structural Adjustment' to 'Comprehensive Development Framework': Conditionality Transformed?* in: Third World Quarterly, Vol. 22, No. 3 (Jun., 2001), pp. 397-411.

¹²⁶ Mohan, G.; Brown, E.; Milward B. and Zack-Williams, A. 2000. *Structural Adjustment: Theory, Practice, Impacts*. London. Routledge.

¹²⁷ World Bank Policy Research Report. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. Cambridge University Press.

a competitive climate for private enterprise, keep the economy open to international trade, and maintain a stable macroeconomy”¹²⁸.

Joseph Stiglitz, who was appointed World Bank chief economist in February 1997, made use of the momentum to introduce fundamental change by shifting away from the Washington consensus. When reflecting over this period, Stiglitz recalls: *I had certain objectives in mind when I came to the World Bank. One of them was to change the thinking, both with respect to the objectives-broadening them from just growth to this more broad-based democratic and equitable sustainable development. The second objective was to bring about a change in economics. The answers given in the Washington consensus were either partial answers or actually wrong ... The third objective was to change the process of the development dialogue. There was still the colonial mentality of the developed countries who were telling the rest of the countries what to do.*¹²⁹

Over the following years, the Bank continued to consolidate the shift away from the primacy of economic growth in development policies. In fact, economic growth was increasingly viewed as one amongst many aspects of development.

a. Progressive harmonization of objectives in the development community

During the period of the 1990s development policy objectives started to harmonize again in the development community. Based on lessons learned in decades of development practice, UNDP created in 1990 the Human Development Report, thus changing the nature of the development dialogue to focus on human needs and capabilities. While formerly radically different, UNDP and World Bank development objectives started to reach combinable patterns.

In early 1998, Joseph Stiglitz outlined a broader framework based on the objectives of sustainability, equity and democracy. As a consequence, structural adjustment lending came to an end together with its associate, conditionality policy. *“We seek sustainable development, which includes preserving natural resources and maintaining a healthy*

¹²⁸ Ibid.

¹²⁹ Brauer D., 2000. *The paternalist attitude of the WorldBank must change*, interview with Joseph Stiglitz, *Development and Cooperation*, 2, 2000, pp 26-27.

*environment. We seek equitable development, which ensures that all groups in society, not just those at the top, enjoy the fruits of development. And we seek democratic development, in which citizens participate in a variety of ways in making the decisions that affect their lives*¹³⁰. In parallel, the World Bank introduced the concept of “good governance”.

These three concepts were not new to UNDP. The United Nations Development Programme had by that time already established a sound governance programme and it had financed programmes and projects, which has been designed based on the concept of sustainable development since the Rio de Janeiro Earth Summit in 1992.

As of the new millennium, the World Bank shifted its objective onto poverty reduction and proposed a Comprehensive Development Framework (CDF), suggesting that the CDF is based on a relationship of partnership between itself as knowledge entity and the borrowing government, which has full 'ownership' of the policies it chooses to pursue. Some have argued that the CDF merely hides renewed conditionalities. Nevertheless, introducing the concept of good governance has resulted in a more comprehensive way of understanding development. As discussed in Chapter 2, the importance of sound government is highlighted in the “good governance” approach and civil society receives clear responsibilities in the development process. Coupled with governance was a new focus on poverty reduction. In this context, Kanbur and Vines noted at the beginning of the new millennium the “*current crusade within the Bank to make poverty reduction the core issue in the Bank's agenda at the beginning of the new century*”¹³¹. This objective has been maintained for the last 10 years. In 2012 the home page of the World Bank still states its mission as “*a world free of poverty*”¹³².

¹³⁰ Stiglitz, Joseph. 1998. *'More instruments and broader goals: moving towards the post-Washington consensus'*. WIDER Annual lectures, 2 January 1998.

¹³¹ Kanbur, Ravi and Vines, David. 2000. *"The World Bank and Poverty Reduction: Past, Present and Future"*, in Gilbert, C. and Vines, D. (eds.), *The World Bank: Structure and Policies*, Cambridge University Press.

¹³² World Bank mission: “*The World Bank. Working for a world free of Poverty*”. www.worldbank.org. Accessed in October 2012.

b. Civil society on its way to becoming a full-fledged partner in international development cooperation

The 1990s constituted a decade of crisis in international development cooperation. State-led development initiatives had failed; the former communist countries presented a vivid example of state-led development failure. However, the market-led development concepts of the World Bank had proven in many cases even more disastrous when considering outcomes of the structural adjustment programs. World poverty continued to expand; the number of civil wars was increasing. In addition, the world started to grasp the impact of the HIV/AIDS epidemic. Innovative and more effective approaches were strongly required, and the development community realized that answers were not to be found in the actions of a single entity. A more comprehensive approach, tackling all factors that hampered development and involving all stakeholders was needed.

In this context, the UN world conferences between 1992 and 1997 played a major part in giving civil society a voice. They initiated the process of reshaping the governance structure of international development cooperation. These conferences were considered as a new step in the way in which matters of global concern were being addressed. NGOs started playing a new, much stronger role in the agenda of international relations and international development cooperation¹³³.

The Brundtland report “Our Common Future”¹³⁴, which had introduced the concept of sustainable development, had also underlined the crucial need for the active participation of all parts of society in consultation and decisions relating to sustainable development. This report coupled with the work of the World Commission on Environment and Development laid the groundwork for the convening of the 1992 Earth Summit, the adoption of Agenda 21 and the Rio Declaration on Environment and Development¹³⁵. The Earth Summit was attended by 172 governments. In addition, some 2,400 representatives of non-governmental organizations participated; another 17,000

¹³³ Ulrich Brand, Achim Brunnegraeber, Lutz Schrader, Christian Stock, Peter Wahl. 2000. *Global Governance. Alternative zur neoliberalen Globalisierung*. Verlag Westfaelisches Dampfboot, Muenster. p. 28.

¹³⁴ Brundtland Commission, 1987. *Our Common Future*. Oxford University Press.

¹³⁵ The Rio Declaration is a declaration consisting of 27 principles which was adopted at the United Nations Conference on Environment and Development held from 3-14 June 1992 in Rio de Janeiro, Brazil.

people took part in the parallel NGO "Global Forum", which had consultative status. The Rio Declaration on Environment and Development and the Agenda 21¹³⁶, which were both adopted at the conference in Rio, involve civil society in an unprecedented way. Particularly principles 10¹³⁷ and 20¹³⁸ make reference to the importance of participation of all concerned citizens, including women, at the relevant levels in efforts of sustainable development. Principle 22¹³⁹ points out the relevance of local communities in this endeavour.

Agenda 21 consecrates an entire section to the strengthening of the role of major groups as *"fundamental prerequisite for the achievement of sustainable development"*¹⁴⁰. The preamble to Section III specifically points out the "need for new forms of participation" and refers to the *"need of individuals, groups and organizations to participate in environmental impact assessment procedures and to know about and participate in decisions, particularly those which potentially affect the communities in which they live and work"*¹⁴¹. Section III refers to the roles of children and youth, women, NGOs, local authorities, business and workers in the development effort.

The 1992 Rio Conference on the Environment and Development redefined the role of civil society and of local communities in the development effort. 178 governments

¹³⁶ Agenda 21 is a comprehensive blueprint of action to be taken globally, nationally and locally by organizations of the UN, governments, and major groups in every area in which humans directly affect the environment. It was adopted at the United Nations Conference on Environment and Development in Rio de Janeiro, Brazil on June 14, 1992 by 178 governments.

¹³⁷ Principle 10, Rio Declaration: *"Environmental issues are best handled with participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided."*

¹³⁸ Principle 20, Rio Declaration: *"Women have a vital role in environmental management and development. Their full participation is therefore essential to achieve sustainable development."*

¹³⁹ Principle 22, Rio Declaration: *"Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development."*

¹⁴⁰ Paragraph 23.2. Preamble to Section III, Agenda 21.

¹⁴¹ Ibid.

subscribed to this unprecedented, comprehensive approach to development. A new governance structure in international development cooperation was born.

The new role of civil society in development cooperation was also reflected a few years later in the Programme Coordinating Board constitution of UNAIDS. In order to generate an accelerated, comprehensive and coordinated global action on the HIV epidemic UNAIDS was created in 1996. At its creation in January 1996, it was decided that its Programme Coordinating Board, which is the highest strategic and political authority guiding UNAIDS programme and activities, would include civil society representatives. UNAIDS became thus the first United Nations entity which included into its governing board representatives of civil society. The composition of the board remains as follows: representatives of twenty-two governments from all geographic regions, representatives of all UNAIDS co-sponsors, as well as five representatives of nongovernmental organizations, including associations of people living with HIV/AIDS. Civil society engagement and the development of strategic partnerships became one of UNAIDS five main goals.

As a direct implication, the consultative relationship between the United Nations and non-governmental organizations was being revised in summer 1996. The “*need to take into account the full diversity of the non-governmental organizations at the national, regional and international levels*”¹⁴² was confirmed. The “*breadth of non-governmental organizations' expertise and the capacity of non-governmental organizations to support the work of the United Nations*”¹⁴³ were acknowledged. “*Greater participation of non-governmental organizations from developing countries in international conferences convened by the United Nations*”¹⁴⁴ and “*greater involvement of non-governmental organizations from countries with economies in transition*”¹⁴⁵ was encouraged.

¹⁴²United Nations Resolution 1996/31. Economic and Social Council. 49th plenary meeting. 25 July 1996. Preamble.

¹⁴³ Ibid.

¹⁴⁴ United Nations Resolution 1996/31. Economic and Social Council. 49th plenary meeting. 25 July 1996. Part 1. Principle 6.

¹⁴⁵ United Nations Resolution 1996/31. Economic and Social Council. 49th plenary meeting. 25 July 1996. Part 1, Principle 7.

C.1.4. **Conclusion: a new approach to development in the dawn of the 21st Century**

As seen in the previous sections, international development cooperation theory and practice has thus strongly evolved since the creation of the United Nations in 1944. A two-fold evolution of international development efforts can be retained: first, thematically, an evolution from sectoral priorities to a comprehensive development approach took place; second, from a governance point of view, singularly state-led and market-led approaches were abandoned as they had proven unsuccessful. Consequently, the development community evolved progressively to include eventually all stakeholders of international development.

Thematic evolution. By the end of the 1990s, an equilibrium between old and new development objectives was carved out. Until then, development policies were responding to ever-changing sectoral priorities. In the post-war period until the late 1960s, donors concentrated mainly on large-scale financing for infrastructure projects. During the 1970s, in view of the low impact of aid on poverty reduction, a humanitarian oriented, basic need-based approach was adopted. The 1980s were later marked by a focus on structural adjustment and neo-liberal measures. But tackling merely economic growth turned out just as ineffective as singularly focusing on poverty reduction. The concept of sustainable development, a cross-sectoral goal that includes economic, social and environmental variables, hence gained in importance and convinced most stakeholders. The context for a comprehensive approach to development with a new governance structure of development cooperation was about to be born.

Evolution of the governance structure of international development. By the end of the 1990s, civil society had become an essential partner in international development cooperation, and more importantly, its role had officially been recognized at international conferences and in international declarations and agendas of action. The international community had realized that not one single actor (state, market, international organization or civil society) could play a decisive role in international development and that involvement of all stakeholders was instead necessary.

C.2. The Role of Community Organizations in the International Development Cooperation Environment of the 21st Century

“In 2005, poverty and development are the issues of the year. Aid flows to developing countries are on the increase after a sustained drop for many years. So we must demonstrate that we are using that aid effectively. This will give people the confidence that aid helps the poorest people in the world and that more aid is a sound investment in all our futures.”

Richard Manning. Chair. OECD Development Assistance Committee. 2005.

The international cooperation environment of the 21st century is often referred to by the international development community as “New Aid Environment” or “New Aid Consensus”. These terms are being used by the development community in order to refer to the distinct characteristics brought about by the context of international development cooperation of the beginnings of the 21st century. The New Aid Environment is characterized by a comprehensive approach to development, which has drawn lessons out of former failed development initiatives.

This approach can be divided into the following factors:

1. A comprehensive, defined and monitorable view of development which is reflected in the eight Millennium Development Goals;
2. An increased focus on governance;
3. An enhanced focus on aid effectiveness through specified key objectives: ownership, partnership, alignment, harmonization, results and accountability.

C.2.1. A comprehensive view of development reflected in the Millennium Development Goals

“The end of extreme poverty is at hand – within our generation...there already exist a bold set of commitments that is halfway to that target: the Millennium Development Goals...are bold but achievable...they represent a crucial midstation on the path to ending extreme poverty by the year 2025.”

Jeffrey Sachs, 2005.¹⁴⁶

At the start of the new millennium, development approaches had shifted to a comprehensive focus on poverty reduction combined with a sustainable human development focus. Specific development objectives, the Millennium Development Goals (MDGs), were adopted in 2001 by all 192 member states of the United Nations. 23 international organizations agreed to work towards achieving these goals by 2015.

The MDGs aim to enhance development by improving social and economic conditions in the world's poorest countries. They originate from earlier international development targets which had been established at the Millennium Summit in 2000. During the Millennium Summit all world leaders present adopted the United Nations Millennium Declaration, from which the eight goals were derived.

The MDGs are the most broadly supported, comprehensive and specific development goals the world has agreed upon to this day. They represent by themselves a symbol for a more unified development community, which has understood that sustainable development can only be brought about by working towards commonly agreed upon and defined objectives, and by involving all stakeholders. Hulmes argues the goals *“differ from all other global promises for poverty reduction in their comprehensive nature and the systematic efforts taken to finance, implement and monitor them”*¹⁴⁷.

The MDGs consist of eight time-bound goals which provide concrete, numerical benchmarks for tackling extreme poverty in its diverse dimensions. They are broken down into 21 quantifiable targets which are linked to 60 indicators. This provides the

¹⁴⁶ Sachs, J. D. and McArthur, J. W. 2005. *The Millennium Project: A plan for meeting the Millennium Development Goals*. The Lancet 365 (9456). pp. 347-353.

¹⁴⁷ Hulme, David. 2000. *The Millennium Development Goals: A short history of the world's biggest promise*. Brooks World Poverty Institute. Working Paper 100. University of Manchester.

development community with a specific framework to monitor development progress. In addition, these global goals are tailored by country to suit specific development needs, which enables them to adopt thereby a local dimension.

The eight goals are:

- 1) Eradication of extreme poverty and hunger;
- 2) Achievement of universal primary education;
- 3) Gender equality and empowerment of women;
- 4) Reduction of child mortality;
- 5) Improvement of maternal health;
- 6) Combating HIV/AIDS, malaria and other diseases;
- 7) Ensuring environmental sustainability;
- 8) Developing a global partnership for development.

Since their adoption, the development community has closely monitored these goals. UNDP set up a special public website to share progress and setbacks, both globally as well as per country¹⁴⁸. Due to the fact that the MDGs were adopted as global targets to be achieved by the global community, they are independent of yet related to individual national interests. The goals imply mutual responsibility as well as a set of obligations to the world community. Those states which have achieved the goals are responsible for helping those who are still working to achieve them and these latter states are responsible for doing everything in their power to work towards the specific objectives indicated by the eight goals. As such, the MDGs are sometimes considered as an extension of the concept of human rights.

The MDGs are a final product of an extensive negotiation process which started in the second half of the 1990s. It involved a vast number of different actors. International agencies, NGOs and activists were important contributors in shaping the processes and the content of the Millennium Assembly, in addition to recipient and donor governments. Individuals, organisations and networks worked hard to ensure that the declarations they

¹⁴⁸ <http://www.undp.org/mdg>. For detailed data per country, access the MDG Monitor which tracks the Millennium Development Goals: <http://www.mdgmonitor.org/index.cfm>.

valued would be included into the Millennium Declaration in September 2000. Humes explains that associations of states, multilateral organisations, rich and poor governments, and agencies, NGOs, faith-based organizations, social management groups all worked to have their voices heard¹⁴⁹. He also notes that their relative coherence seemed remarkable, especially when considering the “*chaos of accidents and purposes from which they arose*”.¹⁵⁰ The Millennium Development Goals thus constitute a result of intense political negotiations informed by analytical work. The strong role with civil society played in their establishment and which it continues to play in their implementation and monitoring reflects the new governance structure of international development cooperation.

But the MDGs resulted in another important advantage for civil society. Due to the fact that contribution to MDGs can be broken down to the smallest levels, it became for the first time in development history possible to calculate civil society and specifically community organization contributions to overall development goals. This fact constitutes a relevant point when addressing in later parts of this dissertation the specific contributions which community initiatives can make in international development.

C.2.2. Increased focus on good governance

Whilst the MDGs clearly define measurable development goals, the concept of good governance also gained in importance in the beginning of the 21st century. The interdependence between good governance, poverty reduction and aid effectiveness has been outlined in an earlier chapter. It is therefore not surprising that both the World Bank and the United Nations included governance as an important element in their development agendas.

At the World Bank, governance achieved its current signification with the Bank's chief economist, Joseph Stiglitz, who had acknowledged in 1999 a shift towards “*broader objectives, entitling more instruments, than was the case earlier*”. The World Bank thus shifted its focus from attempting to induce good governance in a recipient country by

¹⁴⁹ Hulme, David. 2000. *The Millennium Development Goals: A short history of the world's biggest promise*. Brooks World Poverty Institute. Working Paper 100. University of Manchester.

¹⁵⁰ Clay, E. J. and Schaffer, B. 1984. *Room for Manoeuvre: An Exploration of Public Policy Planning in Agricultural and Rural Development*. London: Heinemann.

combining loans with political conditionalities to requiring performance and good governance as a prerequisite from recipient governments. The borrowing government was required to demonstrate effective performance and to promote further reforms. The belief that good governance structures will combat corruption, nepotism, bureaucracy, and mismanagement and ensure transparency, accountability, and proper procedures guided this decision. It was assumed that in this environment, aid would be more effectively used to achieve the objective of reducing poverty¹⁵¹.

However, it is difficult to implement this kind of selectivity in practice since high levels of poverty and weak governance often occur together. Therefore, UNDP decided to engage in a different route. UNDP did not implement the selectivity principle; it decided to work with all stakeholders of governance to enhance transparency, accountability and sound management procedures and to fight corruption, nepotism, unnecessary bureaucracy and mismanagement. Approaches might be different, but consensus lies in the fact that good governance is necessary for aid effectiveness. And aid effectiveness implies development. In fact, not only UNDP and the World Bank placed a heavy focus on governance in the beginning of the 21st century. Practically the entire donor community bought into the concept.

At the G8 summit, which was held in Gleneagle, Scotland from July 7-8, 2005, combating poverty in Africa was a major topic of discussion. The G8 leaders reiterated in this context the requirement in their final Communiqué that aid is to be focused *"on low income countries which are committed to growth and poverty reduction, to democratic, accountable and transparent government, and to sound public financial management"*¹⁵². In the debate surrounding increases in aid, development experts, policy makers, and economists argued in favour of the need for governance reform and policy prescriptions to

¹⁵¹ Doornbos, M. 1995. *State formation processes under external supervision: Reflections on "good governance."* In: *Aid and political conditionality*, ed. Stokke, Olav. London.

¹⁵² G8 Gleneagles Communiqué 2005, para. 30.

ensure transparency and rule of law, accountability in public finances and improvement in governance standards¹⁵³.

The 2005 UN World Summit reflected this vision of good governance. World leaders agreed at the summit that good governance and the rule of law at the national and international levels are essential for sustained economic growth, sustainable development and the eradication of poverty and hunger. Hence, good governance was clearly linked to the achievement of the Millennium Development Goals.

The importance of good governance in the new aid environment is relevant for this dissertation as we will examine in later chapters how community organizations can contribute to building and strengthening governance.

C.2.3. An enhanced focus on aid effectiveness, partnership and ownership translated in several development conferences during the first decade of the 21st century

The governance concept rose to crucial importance due to the debate on aid effectiveness. The international aid effectiveness movement started out in the late 1990s when donors and other development entities began to realize the financial and bureaucratic costs they had imposed on aid recipients because of the various approaches and requirements of diverse donors. The development community thus began working with each other and with partner countries to harmonize these approaches and requirements.

But an additional element catapulted the debate on aid effectiveness on the forefront. The Millennium Development Goals had produced a significant progress in the capacity of monitoring development efforts in the beginning of the 21st century. For the first time in history, commonly agreed development goals, which the entire development community was working towards, were linked to specific development activities, which were being measured and monitored by commonly agreed indicators. As we have seen, the goals do not only focus on economic growth but they measure comprehensive human development. As the development community now had a system in place which provided

¹⁵³ Bhagwati, J., and I. Gambari. 2005. Political will, not just aid, can lift Africa out of despair. Financial Times, July 5, p. 13, col. 2; Blitz, J. 2005. *Brown attacks trade policies of the rich*. Financial Times, June 20, p. 4, col.8.; Wolf, M. 2005. *Aid will not make poverty history? But it is worth trying*. Financial Times, July 6, p.13, col. 2.

an enabling environment for results-based management, the debate on the effectiveness of aid continued to take shape.

a. International Conference on Financing for Development, Monterrey, Mexico, 2002

In 2002 at the International Conference on Financing for Development in Monterrey, Mexico the aid effectiveness movement intensified. Based on scientific evidence regarding the effectiveness of financial aid¹⁵⁴, the international community agreed that more financing for development was needed. However, in parallel it was also agreed to implement measures to maximize aid effectiveness.

b. High Level Forum on Harmonization, Rome, Italy, 2003

The following year, in February 2003, a High Level Forum on Harmonization was organized in Rome, Italy. Various donors, recipient countries, major multilateral development banks and international and bilateral organizations committed to improve the management and effectiveness of aid and to take stock of concrete progress, before meeting again in early 2005.

Harmonization was seen as a major prerequisite to maximize aid effectiveness. The concluding statement, the Rome Declaration on Harmonization, therefore outlined an ambitious program of activities:

- To ensure that harmonization efforts to the country context and to ensure that donor assistance is aligned with the development recipient's priorities;
- To expand country-led efforts to streamline donor procedures and practices;
- To examine and identify ways to adapt institutions' and countries' policies, procedures, and practices to support harmonization; and
- To adopt the good practices principles and standards formulated by the development community as the foundation for harmonization.

¹⁵⁴ Hansen, H. and Tarp, F. 2001. *Aid and growth regressions*, Journal of Development Economics, vol. 64(2), pp. 547-70.

c. High Level Forum on Aid Effectiveness, Paris, France, 2005

As a follow-up to the Rome agreements, the High Level Forum on Aid Effectiveness was hosted by the French government in Paris from 28 February – 2 March 2005. Once again the international development community came together, this time for a forum, which centered around the topic of aid effectiveness. Development officials and ministers from ninety-one countries, twenty six donor organizations and partner countries, representatives of civil society organizations and the private sector attended the conference. The participants reviewed the progress achieved in the wide range of activities that had taken place since the Rome High-Level Forum in 2003. As a result, they also identified the areas in which further, or more intense, work is needed.

The major outcome of the Paris Forum was the Paris Declaration on Aid Effectiveness, which was endorsed on 2 March 2005 by partner governments, donor bilateral and multilateral agencies, development banks, and international agencies with more than 100 signatories, committing together to specific actions that would promote the effective use of aid funds. Institutions as well as countries were committed through endorsement of the Paris Declaration to continuing and increasing efforts in harmonization, alignment, ownership, managing for results and mutual accountability. In order to achieve these objectives a set of monitorable actions and indicators to accelerate progress in these areas was identified.

The actions were centered on five key partnership commitments¹⁵⁵:

- Ownership
- Harmonization
- Alignment
- Results
- Mutual Accountability

¹⁵⁵ *Paris Declaration on Aid Effectiveness*. Chapter II “Partnership Commitments”. 2 March 2005. Paris, France.

Ownership. The ownership principle is the first of the five principles, which highlights its relative importance. The principle stipulates that “*partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions*”.

As part of this principle partner countries commit to three sub-responsibilities. Partner countries engage themselves to:

- “*Exercise leadership in developing and implementing their national strategies through broad consultative processes.*”
- “*Translate these national development strategies into prioritized results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets.*”
- “*Take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector*”.

Donors have solely one responsibility under this first principle. They commit to “*respecting the partner country leadership and help strengthen their capacity to exercise it*”. The principle of ownership is of crucial importance to this dissertation. In fact, for the first time in development history, the development community jointly agreed to transfer ownership and the responsibilities that come with it from those who provide aid onto those who receive it. Donors and development entities are in the new aid environment considered as “assistants” in development. They are not any more to decide how development is to take place, nor are they to impose specific development ideas beyond those which the international development community jointly agreed upon. The ownership principle implies another revolutionary fact. Recipient countries are requested to engage civil society in the development process and to conduct consultative development processes. Whereas the role of civil society was already recognized in former declarations such as the 1992 Rio Declaration, the 2005 Paris Declaration recognizes the importance of civil society engagement and ownership as a crucial factor in aid effectiveness. This has major implications on how community initiatives can contribute in the new aid environment to

development. Not only is their contribution recognized; in fact, civil society, and with civil society, community organizations, have officially obtained the right to be consulted, to participate and to contribute to the development process. With the Paris Declaration, recipient countries have engaged themselves to reach out to include civil society organizations actively into their development process.

Alignment. The principle of alignment stipulates that “*donors base their overall support on partner countries’ national development strategies, institutions and procedures*”¹⁵⁶. The alignment principle also demonstrates a clear evolution in the governance structure of the development environment. Whereas it was expected in the past that recipient countries would align to donor and institutional requirements, alignment now goes the other way. Partner country development strategies serve as basis for overall development support. This includes using a country’s own institutions and systems to the maximum extent possible in all development efforts. The alignment principle is believed to generate empowerment and capacity building. Empowerment and capacity building are in current development theories believed to constitute crucial conditions which provide enabling environments for diverse areas of development.

Through its focus on empowerment and capacity building, the alignment principle provides another key aspect. It states that the “*capacity to plan, manage, implement and account for results of policies and programmes is critical for achieving development objectives – from analysis and dialogue through implementation, monitoring and evaluation*”¹⁵⁷. The Paris Declaration hence recognized capacity building as directly linked to development effectiveness. In later chapters, this dissertation will examine how community initiatives contribute to capacity building.

Harmonization. The principle of harmonization focuses specifically on the responsibility of donors to coordinate their actions in order to render them more

¹⁵⁶ *Paris Declaration on Aid Effectiveness*. Chapter II. 2 March 2005. Paris, France.

¹⁵⁷ *Paris Declaration on Aid Effectiveness*. Chapter II. Paragraph 22. “*Partner countries strengthen development capacity with support from donors*”. 2 March 2005. Paris, France.

harmonized, transparent and collectively effective¹⁵⁸. This principle intends to reduce unnecessary bureaucratic burden and to result in more effective division of labor. A key implication for community organizations and other civil society organizations lies in the fact that harmonized donor actions will result in simpler reporting requirements.

Managing for results. The fourth key principle of the Paris Declaration is the principle of “*managing resources and improving decision-making for results*”¹⁵⁹. This principle stipulates that aid is managed and implemented in a way that focuses on the desired results and uses information to improve decision making. The implication for community initiatives of this principle seems at first observation nil. However, one of the challenges that community initiatives have been facing in the past is how to prove that they contribute to development. In the more recent past, a recurrent question from donors was in which way community initiative programmes contribute to the Millennium Development Goals. Results-based management with jointly agreed indicators renders it possible for community programmes to specifically point out their contribution to the Millennium Development Goals. When reviewing the effectiveness of community initiatives, this factor will be of relevance. In fact, the introduction of the Millennium Development Goals - which finally allow the development community to monitor and assess jointly agreed development objectives - constitutes an unprecedented opportunity for community initiatives to demonstrate clearly and specifically their legitimate and necessary role in development efforts.

Mutual accountability. The last principle, the principle of mutual accountability, specifies that both “*donors and partners are accountable for development results*”¹⁶⁰. The focus on accountability and transparency is directly linked to the concept of good governance. Community organizations, as part of civil society organizations, play a key

¹⁵⁸ *Paris Declaration on Aid Effectiveness*. Chapter II. Paragraph 32. “*Harmonisation*”. 2 March 2005. Paris, France.

¹⁵⁹ *Paris Declaration on Aid Effectiveness*. Chapter II. Paragraph 43. “*Managing for Results*”. 2 March 2005. Paris, France.

¹⁶⁰ *Paris Declaration on Aid Effectiveness*. Chapter II. Paragraph 47. “*Mutual Accountability*”. 2 March 2005. Paris, France.

role in what is called social accountability. Social accountability has been defined as “*an approach towards building accountability that relies on civic engagement, i.e., in which it is ordinary citizens and/or civil society organizations who participate directly or indirectly in exacting accountability*”¹⁶¹. It is of relevance to note that community organizations have both a political role as well as a developmental role to play with respect to the accountability principle used in the Paris Declaration. On the one hand, they play a political role by contributing to holding their government accountable; and by increasing thereby transparency¹⁶². On the other hand, in the Paris Declaration, partner countries commit themselves under the mutual accountability principle to “*reinforce participatory approaches by systematically involving a broad range of development actors when formulating and assessing progress in implementing development strategies*”. This “*broad range of development actors*” includes civil society organizations which represent local communities. As per the Paris Declaration, community organizations should therefore be at least indirectly involved in planning and monitoring of development approaches. How this is being done in reality will be a matter of discussion in later chapters.

As we have seen, the above five elements are not only key conditions for aid effectiveness, they also contain major implications for the role of community initiatives in the new aid environment. Community initiatives contribute to the realization of all five principles; at a larger scale, civil society is recognized as a full-fledged development partner who shares ownership and responsibility. Therefore, the Paris Declaration presents an environment of unprecedented rights and opportunities for community initiatives in the history of development cooperation.

Horizontalization of the governance structure of the New Aid Environment in the Paris Declaration. Civil society is thus being recognized as a full-fledged development partner in the Paris Declaration. And it needs to be highlighted that civil society organizations, amongst other development partners, were also actively involved in the preparation of this conference. In fact, as part of the preparation for the Paris Forum,

¹⁶¹ Malena, C, Forster, R. and Singh, J. 2004. *Social Accountability: An Introduction to the Concept and Emerging Practice*. Washington: The World Bank, Social Development Paper No. 76.

¹⁶² Ahmad, R. 2008. *Governance, Social Accountability and the Civil Society*, JOAAG, Vol. 3. No. 1.

regional workshops were held in October and November 2004 in Asia (Bangkok, Thailand), Latin America (Tegucigalpa, Honduras), Central Asia (Bishkek, Kyrgyz Republic), and Africa (Dar es Salaam, Tanzania), and in February 2005 in the Middle East (Jeddah, Saudi Arabia). These workshops gathered at the regional level the information which was then to be consolidated and reviewed at the global level. In fact, these preparatory conferences were regional models of the global conference that was to follow. The regional conferences convened representatives of the development community from partner countries, donors, and civil society, to exchange experiences and forge partnerships, and to take stock of overall progress and areas needing further work.

This bottom-up manner of actively engaging all development partners in the stock taking progress in order to prepare the aid effectiveness forum demonstrates the recognition which civil society received as a full-fledged development actor. In addition to the text of the Declaration itself, it serves as empirical proof of the new weight of civil society actors in the development community. The Paris Declaration thus represents a governance shift in international development cooperation in the form of a horizontalization of interactions between diverse development actors.

d. Third High-Level Forum on Aid Effectiveness, Accra, Ghana, 2008

The Third High-Level Forum on Aid Effectiveness, which took place from 2-4 September 2008 in Accra, Ghana also contributed to further defining the new aid environment. The forum was organized jointly by the OECD and the World Bank and brought together approximately 1,700 participants, including more than 100 ministries and heads of agencies from developing and donor countries, emerging economies, UN and multilateral institutions, global funds, foundations, and 80 civil society organizations.

Topics of discussion. The 2005 Paris Declaration on Aid Effectiveness served during this forum as benchmark to evaluate how well donor and recipient countries are working together to meet their jointly agreed development commitments. In Accra, the topics of partnership and coordination of development efforts constituted a centre of discussion within the overall objective of increasing aid effectiveness. Joint development efforts within and between national governments including their developing partners were

examined and further advancements in untying aid were achieved. In addition, the question whether recipient countries are taking true ownership of their own development needs and whether they are working with their parliaments and civil society to set development goals and build the capacity to meet these was thoroughly examined.

Accra Agenda for Action. The high-level engagement at Accra resulted in an agreement, which is entitled the Accra Agenda for Action. It expresses the international community's commitment to further increase aid effectiveness. Ownership and partnership are its key aspects. Whereas both ownership and partnership had already been addressed in Paris, they were more thoroughly defined and further emphasized in the Accra Agenda for Action. Stronger leadership by development countries of their own development policies in the form of country ownership is the very first aspect the Accra Agenda points out as a key aspect of aid effectiveness¹⁶³. As a second key aspect, the Accra Agenda stresses the importance of building more effective and inclusive partnerships¹⁶⁴. The agenda underlines, though not explicitly, that there has been a change in the governance structure of international development cooperation. It states *“in recent years, more development actors – middle income countries, global funds, the private sector, civil society organizations, have been increasing their contributions and bringing valuable experience to the table (...). Together, all development actors will work in more inclusive partnerships so that all our efforts have greater impact on reducing poverty”*.

Of specific importance for the role of community initiatives in the new environment of aid effectiveness are the concepts of ownership, accountability as well as the explicit objective to work with all development actors and to deepen the engagement with civil society organizations.

Ownership, accountability and inclusion in development efforts. The Accra Agenda for Action reaffirms the aim of reinforcing partner countries' ownership of their development strategies. In addition, it expands the concept beyond the executive to include engagement with parliament, political parties, local authorities, the media, academia, social

¹⁶³ *Accra Agenda for Action*. Paragraph 8. “Country ownership is key”. 4 September 2008. Accra, Ghana.

¹⁶⁴ *Accra Agenda for Action*. Paragraph 9. “Building more effective and inclusive partnerships”. 4 September 2008. Accra, Ghana.

partners and broader civil society. The Accra Agenda for Action provides thereby a powerful tool for community initiatives to be recognized as full-fledged partners in development cooperation. Paragraph 13, which focuses on broadening country-level policy dialogue on development, states *“We will engage in open and inclusive dialogue on development policies. We acknowledge the critical role and responsibility of parliaments in ensuring country ownership of development processes. To further this objective we will take the following actions:*

a) Developing country governments will work more closely with parliaments and local authorities in preparing, implementing and monitoring national development policies and plans. They will also engage with civil society organizations.

b) Donors will support efforts to increase the capacity of all development actors—parliaments, central and local governments, CSOs, research institutes, media and the private sector—to take an active role in dialogue on development policy and on the role of aid in contributing to countries’ development objectives.”¹⁶⁵

Community organizations are empowered to participate in policy-level dialogue and to contribute to implementing development policies. Ownership is therefore not merely given to the recipient government; it is rather placed amongst a broad network of development partners coordinated by developing country governments. With the Accra Agenda for Action, community organizations have a legitimate role to fulfill in all steps of the national development process. This principle is reconfirmed in paragraph 20 on the engagement with civil society organizations. Signatory countries confirm that they *will “deepen our engagement with civil society organizations as independent development actors in their own right whose efforts complement those of governments and the private sector” and “share an interest in ensuring that CSO contributions to development reach their full potential”¹⁶⁶.*

¹⁶⁵ Accra Agenda for Action. Paragraph 13. *“We will broaden country-level dialogue on development”*. 4 September 2008. Accra, Ghana.

¹⁶⁶ Accra Agenda for Action. Paragraph 20. *“We will deepen our engagement with civil society organizations”*. 4 September 2008. Accra, Ghana.

Strengthening and using country systems. Lessons learned from decades of development efforts have demonstrated that when donors consistently bypass country systems the sustainability of their efforts are undermined, as is the recipient country's ability to manage their own future. In this context, the Accra Agenda for Action recognizes that “*successful development depends to a large extent on a government’s capacity to implement its policies and manage public resources through its own institutions and systems*”¹⁶⁷. With this in mind, the Paris Declaration had already focused on strengthening developing countries’ capacity to implement development policies. The Accra Agenda for Action reaffirms this intention. It recognizes that “*using country systems promotes their development*”. To strengthen and increase the use of country systems several actions were agreed upon by all signatories:

- a) *“Donors agree to use country systems as the first option for aid programmes in support of activities managed by the public sector.*
- b) *Should donors choose to use another option and rely on aid delivery mechanisms outside country systems (including parallel project implementation units), they will transparently state the rationale for this and will review their positions at regular intervals. Where use of country systems is not feasible, donors will establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures.*
- c) *Developing countries and donors will jointly assess the quality of country systems in a country-led process using mutually agreed diagnostic tools. Where country systems require further strengthening, developing countries will lead in defining reform programmes and priorities. Donors will support these reforms and provide capacity development assistance.*
- d) *Donors will immediately start working on and sharing transparent plans for undertaking their Paris commitments on using country systems in all forms of development assistance; provide staff guidance on how these systems can be used; and ensure that internal incentives encourage their use. They will finalise these plans as a matter of urgency.*

¹⁶⁷ Accra Agenda for Action. Paragraph 15. “We will strengthen and use developing country systems to the maximum extent possible”. 4 September 2008. Accra, Ghana.

*e) Donors recollect and reaffirm their Paris Declaration commitment to provide 66% of aid as programme-based approaches. In addition, donors will aim to channel 50% or more of government-to-government assistance through country fiduciary systems, including by increasing the percentage of assistance provided through programme based approaches.”*¹⁶⁸

The principle of strengthening and using country systems has a direct implication for the role of community initiatives in the new aid environment. This is especially the case when it is being linked to the principle of inclusion in development efforts discussed in paragraphs 13 and 20 of the Accra Agenda for Action. In fact, translated into practical terms, community organizations are part of a well functioning country system as per the principles outlined in the Accra Agenda for Action. This means not only that funds to raise capacity in order to strengthen country systems should reach communities to ensure their active participation in the process of building a strong national development network; it also means that communities should play an active role in designing development projects and programmes and in managing development resources.

e. Fourth High-Level Forum on Aid Effectiveness, Busan, South Korea, 2011

The Fourth High-Level Forum on Aid Effectiveness was held from 29 November to 1 December 2011 in Busan, South Korea. Its overall objective was to further the consensus on development cooperation by focusing on effectiveness, accountability and transparency. It is noteworthy that the conference took place in a country that was at one time aid dependent and has now graduated to a member of the G20.

By focusing on effectiveness, accountability and transparency the conference was to examine the mechanisms for achieving strong, equitable and sustainable growth to achieve the Millennium Development Goals by 2015. A more coordinated approach to

¹⁶⁸ Accra Agenda for Action. Paragraph 15. “We will strengthen and use developing country systems to the maximum extent possible”. 4 September 2008. Accra, Ghana.

action for equitable and sustained growth, based on the new Global Partnership Framework, was advocated¹⁶⁹.

An essential aspect of this new framework is accountability in the sense that all those involved – donor countries, partner countries, and civil society organizations in both the development partner and donor countries – should be more accountable for aid received and dispersed.

European Development Days¹⁷⁰ analyzed the outcomes of the Busan conference as “*essentially a political commitment, as it acknowledged the power relationships in aid effectiveness, but failed to come up with concrete results*”¹⁷¹. However, it also needs to be noted that the Busan Agreement gives civil society organizations more power to hold governments to account in the area of aid effectiveness. Not only does this improve aid effectiveness, but in addition, this decision proves once more the increasing role of civil society organizations in international development cooperation.

A positive outcome of the Busan Agreement was that it introduced a framework of mutual accountability between all the parties involved. However, the disappointing aspect for many was that agreements on accountability remain for now¹⁷² only voluntary. It is therefore even more important to see how the Busan Agreement works in practice in localizing power in the political framework.

Horizontalization of governance structures in the Busan Agreement, November 2011. Though not considered as a main outcome of the Busan conference, the wording and themes chosen for several sessions deserve to be considered as they translate the already mentioned trend towards horizontalization of governance structures in international

¹⁶⁹ The European Commission’s Agenda for Change, launched in October 2011, advocated a more coordinated approach to EU action for equitable and sustained growth, based on the new Global Partnership Framework, which stresses the principles of partnership and ownership.

¹⁷⁰ <http://www.eudevdays.eu>. Organised by the European Commission and the Presidency of the Council of the European Union, European Development Days is Europe’s premier forum on international affairs and development cooperation.

¹⁷¹ EU Development Days. 2011. *Aid Effectiveness and Accountability in the Post-Busan Framework*. 15 December 2011. Accessed in January 2012 at: <http://www.eudevdays.eu/node/4505>.

¹⁷² Status quo after Busan conference in January 2012.

development cooperation of the beginning of the 21st century. In fact, one of the 2 key thematic sessions held on day 1 of the conference, on 29 November, was entitled “from Aid Effectiveness to Development Effectiveness”. Whereas the term “aid” implies helping a victim, an individual or an entity in need, the term “development” refers implicitly to cooperation in this specific context, translating the intention that all development actors - donor as well as recipient countries, and other stakeholders, such as civil society organizations - are to be treated as equal partners, who join their efforts on commonly agreed development targets. This same spirit of equal cooperation is reflected in a thematic sub-session which was held the same day (29 November) on the Rights-Based Approach to Development¹⁷³. The official session description states that “*rights-based approaches such as empowerment, inclusion and participation strengthen the application of the principles of ownership, accountability and transparency, outlined in the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action.*” This statement serves as proof of a clear evolution of thought and approach since the Paris conference in 2005 and refers with the words “empowerment, inclusion and participation” to bottom-up development. The most direct form of bottom-up development, which fully corresponds to the logic of the rights-based approach to development, is the support of community initiatives, as we will see in later chapters.

The outcome of the Busan conference thus strongly supports one of the main hypotheses of this research: horizontalization of governance structures in international development cooperation, creating an unprecedented opportunity for community initiatives.

Direct budget support. In this respect, the shift in the disbursement of development aid in recent years from sector specific or project-based interventions to direct budget support to governments should be noted. In the year 2000 already, Jean-Philippe Therien and Carolyn Lloyd explained in a study on development assistance modalities that “*budget support delivered through coordination between donors is becoming the new modality for*

¹⁷³ Day 1, 29 November 2011, Fourth Forum on Aid Effectiveness, Busan, South Korea. Thematic Session on a Rights Based Approach “*Towards Inclusive Development: Better Integration of a Rights-Based Approach into Development Effectiveness.*” Accessed in May 2012 at: http://www.aideffectiveness.org/busanhlf4/images/stories/TS_Rights-Based_Approach_final.pdf.

aid”¹⁷⁴. Whereas the authors contended that a significant proportion of aid was at the time still taking the shape of programme or project support, budget support delivered through coordination between donors was clearly becoming the new modality for aid. In fact, direct budget support offers donor governments opportunities to influence the shape of recipient government policies; it also provides some opportunities to affect service delivery. However, how donor governments can ensure that this money is actually spent according to the highest standards of accountability and transparency once it is released into the recipient country's treasury has remained a continuous challenge. This challenge - along with the concept of ownership, which frees recipient governments further from donor governments' influence in shaping national development policies - has partially been addressed in the conferences of Paris, Accra and Busan through 2 measures: reform and strengthening of public institutions on the one hand and bolstering the capacity of civil society to hold the public sector to account on the other. Here again, the role of civil society, and specifically community organizations, in reforming development policy and aid disbursement processes at the local level is of key importance and it has evolved strongly from Paris to Busan. Already in 2008, the Accra Agenda for Action recognized the growing consensus over the importance of including all stakeholders in national development processes; it stressed that all actors count and that they make complementary contributions to development.

The challenge of budget support is therefore to contribute to the complex system of domestic “accountabilities” (local and regional governance, public-private mechanisms, constitutional checks and balances, etc.). All stakeholders – partner countries, civil society organisations (CSOs), local governments, parliamentarians, political parties, independent media and development partners have the responsibility to work together to build robust, coherent and mutually supportive accountability systems.

¹⁷⁴ Therien, Jean Philippe; Lloyd Carolyn. Feb 2000. *Development Assistance on the Brink*. Third World Quarterly, Vol. 21, No. 1 (Feb., 2000), pp. 21-38. Taylor & Francis, Ltd.

Conclusion - Chapter C

International development cooperation has significantly evolved over the last several decades. Theoretical approaches to development and development practices have changed due to progressive integration of lessons learned into development approaches and due to the evolution of the actual actors involved in development cooperation. Thematically, development theories and their implementation have evolved from ideas of Keynesian welfare states over neo-liberalist measures to a comprehensive approach to development. This comprehensive approach to development started to take shape in the beginning of the 21st century. It is being characterized significantly by the era of aid effectiveness, an international development environment where ownership, partnership and accountability are key words.

When examining the type of actors involved in international development cooperation since the creation of the United Nations in 1944, a trend towards horizontalization of development cooperation can be observed. This trend at the international level is in line with the trend, which many governance scientists have already demonstrated at the nation-state level¹⁷⁵. Civil society and private sector entities have gained in influence and are contributing to policy-making and policy implementation to a larger extent than several decades ago, both at the national level and in international arenas. Whereas international development was until recently not seen as a matter where civil society entities could contribute much since their role was often limited to humanitarian interventions and relief missions, the new aid environment provides an arena where civil society organizations are recognized as development partners to achieve sustainable development and to work towards the Millennium Development Goals. This evolution provides a rich ground of opportunities for community organizations.

However, the new aid environment has its limitations. The mere use of the word “aid” in international development jargon translates the fact that a true mind-set change in international development cooperation has yet to be born since the word “aid” implies that

¹⁷⁵ Refer to Mayntz, Renate. 2004. *Governance im modernen Staat*, in Benz, Arthur (Hrsg.), *Governance – Regieren in komplexen Regelsystemen. Eine Einführung*. Wiesbaden; and Benz, Artur; Lütz, Susanne; Schimank, Uwe; Simonis, Georg. 2007. *Handbuch Governance. Theoretische Grundlagen und empirische Anwendungsfelder*. VS Verlag.

donor countries are still “helping” recipient countries. In reality, neutral cooperation, a scenario in which both donor and recipient countries jointly strategize on advancing towards sustainable development objectives, has not yet been achieved. This reality clearly reflects the limits of the current partnership vision within the development community.

In addition, it is a fact in international relations that strong, powerful states tend to use the international system in their favor. In order to impose their economic and corporate interests, international cooperation and its structures can become the instrument of “politics of interest” (Interessenspolitik)¹⁷⁶. The concept of ownership attempts to free itself from politics of interest imposed by donor governments. Whether or not this is fully achievable is certainly doubtful despite the measures taken to empower recipient governments to design their own development policies. As Jean-Philippe Thérien and Carolyn Lloyd put it: *“The proliferation of economic and political conditions attached to development assistance suggests that, more and more, foreign aid serves to advance a development model concurrent with the interests and values of the developed countries. Such a tendency undermines the credibility of official discourse on the need for 'ownership' and 'partnership' in aid programmes. So long as aid is perceived as the expression of a top-down approach towards the needs of developing countries, the consensus on which it rests will remain fragile.”*¹⁷⁷ Hence, whereas the governance structure of international development cooperation has evolved, and whereas community organizations currently have more opportunity than ever before to be recognized as full-fledged partners in international development cooperation, politics of interest continue to exist and are unlikely to disappear. This is the reality in which community organizations will have to operate in today’s environment of international development cooperation.

When reflecting over the role which civil society organizations are being asked to play in the new aid environment, one needs to point out two sides of the same coin. On the bright side, civil society organizations have a legitimate and unprecedented role to play in the new era of international development cooperation, notwithstanding the aforementioned limitations and challenges. On the other side, there is a realistic risk that recipient countries

¹⁷⁶ Münzig, Ekkehard. 1998. *Die UNO – Instrument amerikanischer Aussenpolitik? Die UNO-Politik der Bush-Administration 1988-1992*, Hamburg; Münster.

¹⁷⁷ Therien, Jean Philippe; Lloyd Carolyn. Feb 2000. *Development Assistance on the Brink*. Third World Quarterly, Vol. 21, No. 1 (Feb., 2000), pp. 21-38. Taylor & Francis, Ltd.

could transfer certain governmental responsibilities upon civil society instead of building their own capacity¹⁷⁸. This needs to be avoided to a maximum extent.

However, independently of the aforementioned points of criticism, the constellation of the new aid environment coupled with the modified and legally recognized role which civil society entities can play in international development cooperation provides unprecedented opportunities for community initiatives to strive. Though community organizations are by definition the “David” (against “Goliath”) of international development cooperation due to their limited size, their restricted area of influence and their minimal resources, the new aid environment provides opportunities where community voices can be integrated effectively into development efforts, both at the policy design and the implementation stages. This is reflected in the concepts of ownership, partnership and accountability.

The following chapters will verify how these opportunities can be seized. How can community initiatives contribute to current international development efforts? What are the advantages and challenges of community initiatives? How can advantages be maximized and challenges tackled? And lastly, is there a specific niche for community initiatives in contemporary international development cooperation?

¹⁷⁸ Christoph Badelt explains that several social science theories criticize the division of tasks between civil society organizations and governments. As per these theories, civil society organizations are seen as providers and producers of services, which react and act due to state failure (and thereby fill up niches left empty by the government) or which fulfill certain government responsibilities as government contractors (Badelt, Christophe. 2002. *Zwischen Marktversagen und Staatsversagen? Nonprofit Organisationen aus sozioökonomischer Sicht* in: *Handbuch der Nonprofit Organisation*. 3. Auflage. Schaeffer/Poeschl. p.662).

D. COORDINATING COMMUNITY INITIATIVES IN THE NEW GOVERNANCE STRUCTURE OF INTERNATIONAL DEVELOPMENT COOPERATION: THE CASE OF THE GEF SMALL GRANTS PROGRAMME

People have organized themselves in order to jointly address mutual challenges and to improve local livelihoods since the beginnings of mankind. The concept of community initiatives is as such an ancient model deeply enrooted in human history. Most studies on the topic of community organizations are of socio-political origins. They examine topics as widely spread as under which circumstances community organizations tend to appear, how they function, what makes them efficient and what specifically characterizes them.

In international development theory, community organizations constitute a subgroup of the family of civil society organizations. Community organizations tend to be born in “places of limited state presence”, that is to say in areas where governments fail to provide necessary public services¹⁷⁹. One of the more dominant theoretical perspectives on the purpose of nonprofit organizations was developed by the economist Burton Weisbrod, who attempted to reconcile the existence of nonprofit organizations with classical economic theory¹⁸⁰. This theory is known as the “market failure/government failure” or “heterogeneity” theory and concludes with the fact that people will turn to nonprofit organizations to supply the public goods they cannot secure through either the market or the state. Nonprofit organizations, including community organizations, therefore function to meet the unsatisfied demand for collective goods left behind as a result of failures of both the market and the state.

Furthermore, in international development theory, community organizations are generally considered as local nonprofit organizations which tend to operate on a voluntary basis and are self funding. These organizations vary in size and in organizational structure. Only few are formally incorporated. When incorporated, they can have written constitutions and a board of directors. Typical community organizations fall into the

¹⁷⁹ Thomas Risse defines areas where the state fails to provide basic services “spaces of limited state presence” (ref. in German “Räume begrenzter Staatlichkeit”). Risse, Thomas. 2008. *Regieren in “Räumen begrenzter Staatlichkeit” – zur Reisefähigkeit des Governance Konzeptes*, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008.

¹⁸⁰ Weisbrod, Burton. 1977. *The Voluntary Nonprofit Sector*. Lexington, MA: Lexington Books.

following key focus areas: community-service and action, health, education, environmental sustainability, personal growth and improvement, social welfare and self-help for disadvantaged groups.

Community organizations provide public services, however what distinguishes services provided by community organizations from services provided by government entities is the grassroot driven character of the services provided. The two fundamental actors in local development processes are local governments and local communities. However, as Robertson points out, community and bureaucracy are two evidently antithetical styles of social organization, which serve to distinguish the two major protagonists in planned development: the people and the state¹⁸¹. Community organizations insert themselves into this scenario as an emanation and representation of the community, or of a community subgroup. They appear as an organizational, instrumental or political response of the community or its subgroups, in pursuit of alternative strategies for local social development¹⁸². In recent years, community organizations have therefore started to be considered as “*locally based organizations seen as the champions of bottom-up or pro-people development*”¹⁸³.

The following chapter will draw a picture of the main functions which community organizations play in the international development environment. To this end, an initial section will focus on the description, purpose, key functions, advantages and limitations of isolated community initiatives.

However, by definition, community initiatives are small scale initiatives addressing local livelihood problems without a measurable impact for global development problems. It is hence only the coordination of multiple community initiatives towards the same global development topic which can contribute in a measurable way to international development objectives. The theory, advantages and shortfalls of the concept of community initiative coordination will be introduced in the second section of this chapter. It will be illustrated

¹⁸¹ Robertson, A.F. 1984. *People and the State. An Anthropology of Planned Development*. Cambridge University Press. Cambridge.

¹⁸² Padungkarn, Chakrit. N. 1987. *Social Development Alternatives, Concepts and Practice in Asian and Pacific Countries* (ed.). UNCRD, Nagoya.

¹⁸³ Kamat Sanjeeta. May 6, 2006. *NGOs and the New Democracy. The False Saviors of International Development*. Harvard International Review.

with the example of the GEF Small Grants Programme, a global community initiative coordination programme, which is financed by the Global Environment Facility, implemented by the United Nations Development Programme and executed by the United Nations Office for Project Services.

D.1. Community Initiatives: Description, Functions, Advantages and Limitations

Community organizations are playing an increasingly important role in international development cooperation. For the World Bank one of the “*most significant*” changes of the twenty-first century is the “*transition from the era of development that began in the aftermath of World War II to the era of civil society and civil engagement. Civil society organizations, including NGOs, community-based groups, and intermediary service organizations have, at last, come of age.*”¹⁸⁴ In order to consider community organizations as actors in international development cooperation it is necessary to understand their origin and nature, their functions, as well as their advantages and limitations as participants in international development.

D.1.1. Origins and description

The notion ‘community organizations’ seems simple and relatively straight forward at first. But the residual nature of the term itself leaves space for a vast diversity of entities, which differ greatly in scope and size. Community organizations belong to numerous categories of organizational entities and they have only some characteristics in common. The key overlapping characteristic of community organizations is the restrained geographic area they cover. Community organizations cover a specific geographic territory, linked to a community or a sub-community. They are never of national or international nature, yet their activities can be closely connected to national or international NGOs, governmental bodies or international entities. Community organizations are often called grassroot organizations since they grow out of local communities and are committed to having an impact on their constituents’ lives. Michael A. Cernea makes a rough approximation by limiting the territorial radius of community organizations to the sub-district level¹⁸⁵. These grassroot organizations are considered non-governmental organizations. It is noteworthy to mention that community organizations represent the immense majority of all non-governmental organizations worldwide. The activity content

¹⁸⁴ Levinger, Beryl and Mulroy, Jean. Sept 2003. *Making a little go a long way. How the World Bank’s Small Grants Programme Promotes Civic Engagement*. EDC/PACT, Inc. No.47. Sept 2003.

¹⁸⁵ Cernea, Michael. M. 1988. *Nongovernmental Organizations and Local Development*, Washington, DC: World Bank.

of community organizations is as diverse as the reasons for which they were created. Their activities fall into categories as diverse as community-service and action, culture, health, education and research, environmental sustainability, personal growth and improvement, social welfare and self-help for disadvantaged groups. Community organizations are often categorized as “development”, “environmental”, “vocational training”, “philanthropic”, “emergency aid”, “research” and/or, “advocacy” nongovernmental organizations.

However, frequently community organizations will address multiple, interdependent development areas of special interest to the community at the same time and they will therefore fall into several of the above-mentioned categories. A second overlapping key characteristic of community organizations is therefore the fact that most community organizations are through the nature of their work covering multi-dimensional areas.

Over the recent decades there has been an increase in voluntary contributions to community organizations by young and technically well-trained specialists such as researchers, lawyers and economists. This trend is continuing; community organizations therefore demonstrate more and more capacity and technical specialization in certain activity areas. This in turn increases their impact and effectiveness when participating in addressing local development problems. This trend was already noted in its early stages by Chambers¹⁸⁶ who called it the “*new professionalism*” in putting the “*poor rural people first*” in development thinking. Of specific relevance is the fact that this kind of internal capacity building gives added weight and voice to community organizations when interacting with larger entities such as national or international NGOS, government representatives or international development agencies. In fact, access to technical knowledge, communication skills and access to development networks are often main barriers for community organizations; when these barriers are overcome, through contributions by well-trained specialists or through community initiative coordination programmes¹⁸⁷, policy dialogue is facilitated and community voices are more strongly heard.

¹⁸⁶ Chambers, Robert. 1987. *Sustainable Livelihoods, Environment and Development: Putting Poor Rural People First*. Sussex. Institute of Development Studies. Discussion Paper No. 240.

¹⁸⁷ See D.2. regarding the concept of community initiative coordination.

D.1.2. Functions of community organizations

Community organizations are inherently diverse and fulfill a range of roles in social and economic development in all countries. Their main functions could be outlined as follows:

- a) mobilization of grassroots communities and poor or marginalized people;
- b) monitoring the policies and practices of governments and donors and reinforcing the accountability of government and donor bodies through the application of local knowledge;
- c) engaging in research and policy dialogue;
- d) delivering services and programs;
- e) building coalitions and networks for enhanced impact, often through association with larger non-governmental organizations or international development agencies;
- f) mobilizing additional financial and human aid resources; and
- g) educating the public, and helping to shape social values of solidarity and social justice.

Interestingly, by-products functions of community organizations are equally important for community development as their primary development goals. These by-product functions can be divided into two categories: organizational capacity building and decentralization through community participation.

Organizational capacity building. One of the key contributions of community organizations is their capacity to build organizational networks. Through mobilization of people, usually on a voluntary basis, around key topics of concern for the community a social network is being built, capacity is established, roles and responsibilities are being distributed, and the community is structured around jointly determined actions and goals. The organizational capacity of community organizations thus built results in development of local self-reliance and self-development through mobilization of people into organized

structures of voluntary group action. Community organizations also amplify social energy through further mobilization of social voluntarism.

In contrast to government entities, community organizations will put people first in their work as a methodology and as a goal; in fact they are themselves an embodiment of this principle. People are being organized to “*improve and maximize use of local resources, to create new resources and services, to promote equity and alleviate poverty, to influence government actions towards these same objectives and to establish new institutional frameworks that will sustain people-centered or actor-centered development*”.¹⁸⁸

The organizational capacity building approach of community organizations ensures that social capacity building forms the basis of the planning and organizing of local development activities. This stands in stark contrast with conventional development approaches which tend to focus on technology or financial resources alone in order to result in benefits for targeted groups. Community organizations can thus be considered as builders of local organizational capacity, independently of the purpose around which they were constituted. They are effective social mobilizers in development work.

Decentralization through community participation. A key word of development strategies in the beginning of the 21st century has been decentralization; and decentralization opens up opportunities of action for community initiatives. It is generally considered that decentralization enables people to more effectively participate in decision-taking and policy implementation processes. It thereby facilitates the establishment of democratic governance structures.

Decentralization typically takes place in the form of de-concentration, delegation to semi-autonomous or parastatal agencies, devolution to local governments and/or transfer of functions from public to nongovernmental institutions or joint exercise of such functions¹⁸⁹. The UNDP Bureau for Development Policy, the leading entity for

¹⁸⁸ Cernea, Michael. M. 1988. *Nongovernmental Organizations and Local Development*, Washington, DC. World Bank.

¹⁸⁹ Cheema, G. Shabbir. 1981. *The role of voluntary organizations*, in Cheema, G.S. and Dennis A. Rondinelli (eds.) *Decentralization and Development. Policy Implementation in Developing Countries*. Beverly Hills: Sage Publications.

development policy within the United Nations System, points out that “*decentralizing government - from the national level to regions, districts, towns, municipalities, rural areas, settlements and communities - enables people to participate more directly in governance processes and can help empower people previously excluded from decision-making. In this way a country can create and sustain equitable opportunities for all its people. Closer contact between government officials and local communities and organizations also encourages the exchange of information that can be used to formulate development programmes that are tailored to local needs and priorities, and thus are more effective and sustainable.*”¹⁹⁰ In line with the evolution of international development theory regarding the topics of governance and decentralization of the beginnings of the 21st century UNDP’s support and involvement in decentralization and local governance evolved significantly over the past decades. In fact, UNDPs activity used to focus primarily on the “*administrative aspects of decentralization and the development of management at local levels, with separate country initiatives aimed at supporting local governance*”¹⁹¹. Since the beginning of the 21st century “*UNDP support in these areas aims at increasing political, financial and administrative authority and responsibility for local-level governance structures and improving responsiveness to the needs and aspirations of local communities.*”¹⁹²

In his study on the social origins of civil society, Lester Salomon points out that civil society organizations have come to be seen as “*strategically important participants in the search for a middle way between sole reliance on the market and sole reliance on the state*”¹⁹³. He outlines their specific importance when it comes to the capability of the state to cope on its own with the social welfare, developmental, and environmental problems that face nations today. Community organizations are key actors in decentralization since they

¹⁹⁰ UNDP Bureau of Development Policy. January 1997. *Governance for Sustainable Human Development*.

¹⁹¹ Altmann, Joern; Cariño, Ledivina; Flaman, Richard; Kulesa, Manfred; Schulz, Ingo. 2000. *The UNDP role in decentralization and local governance: A joint UNDP-Government of Germany Evaluation*. UNDP/ German Federal Ministry for Economic Cooperation and Development.

¹⁹² Ibid.

¹⁹³ Salomon, Lester; Sokolowski, S. Wojciech; Anheir, Helmut. K. December 2000. *Social Origins of Civil Society: An Overview*. John Hopkins University Center for Civil Society Studies.

contribute to fulfillment of public functions, especially in areas of weak public infrastructure.

When working in partnership with local government entities community organizations fulfill a key role in supporting decentralization. In this context and with respect to the implementation of development projects and programs, community organizations can add value in a number of ways. First of all they can operate in areas not covered or not well covered by government programs. Thereby they fill gaps that public services may not be able or willing to fill. Community organizations also provide tools for governments to reach out to neglected communities, or social groups. Some community organizations can even be more effective at providing certain services than the government, especially when these services are specific to local contexts and requirements. Community organizations do have a comparative advantage in providing innovative, cost-effective approaches to service delivery, especially when they cooperate with larger NGOs.

In all of these cases, the relationship between community organizations and local government entities will usually evolve. Initially, community organizations will cover a particular category of activities. They will then start cooperating with government entities to take over or to support the scaling up of these activities once they have proven their value. The level of cooperation and coordination of particular community organizations with local government entities is likely to grow over time once these organizations have demonstrated their capacity and grow in size.

D.1.3. Comparative Advantages and Limitations of Isolated Community Initiatives in International Development Cooperation

The vast majority of community initiatives are born out of local needs which have remained unaddressed by public services. In contrast to large scale government services, community initiatives therefore have a grassroot driven character; community organizations are local social capacity building entities. How effective can community initiatives be in development activities? What are their comparative advantages in comparison to government or international development agency initiatives? What are their limitations? The World Bank had undertaken a study on NGO strengths and weaknesses in the early 1980. The comparative advantages and limitations of community organizations,

which the study cited, have in my opinion remained to a large extent unchanged. The advantages and limitations published by the World Bank in 1988 are discussed in the next two sections¹⁹⁴. They are being completed by additional advantages and limitations, which I identified during my research.

a. Comparative advantages

Comparative advantages of community initiatives are mainly generated due to their small size, flexibility, adaptability and focus. Specific advantages are capacity to reach the rural poor and marginalized populations, capacity to be inclusive, capacity to promote local participation, capacity to operate on low costs, capacity to innovate and adapt, and capacity to tackle concrete development issues through results orientation.

Capacity to reach the rural poor and marginalized populations. Community organizations tend to form in “places of limited state presence”, in other words, in areas where governments fail to provide necessary public services¹⁹⁵. Although there are numerous community organizations in both urban and rural areas, community organizations also cover the poorest and most marginalized communities. They operate where government presence has failed, is limited, ineffective or has never attempted to exist. These communities have few basic resources or infrastructure, are often hardly accessible and, many do not have access to bank accounts. Community organizations are therefore together with other local non governmental entities the only actors in the development community which provide a direct link to the marginalized and poorest people; those who should ideally most benefit from development funds and projects.

Capacity to be inclusive. Due to the strictly defined territory and relatively small number of people covered community organizations are able to be inclusive entities. This does not mean that community organizations are automatically inclusive; however their

¹⁹⁴ Cernea, Michael. M. 1988. *Nongovernmental Organizations and Local Development*, Washington, DC; World Bank.

¹⁹⁵ Thomas Risse defines areas where the state fails to provide basic services “spaces of limited state presence” (ref. in German “Räume begrenzter Staatlichkeit”). Risse, Thomas. 2008. *Regieren in “Räumen begrenzter Staatlichkeit” – zur Reisefähigkeit des Governance Konzeptes*, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008.

capacity to be inclusive and to reach out to specific parts of the community (i.e. women, indigenous groups, etc.) is a comparative advantage which larger scale organizations cannot always compete with.

Capacity to promote local participation. Due to the mere fact that community organizations constitute an integral part of the population whose involvement is sought by development programmes they provide a perfect environment to promote local participation. Community organizations promote grassroot initiatives, self-help activities and they ensure implementation of locally developed solutions for national, regional and sometimes global problems.

Capacity to operate on low costs. Community organizations tend to function on principles of volunteerism and in-kind or cash contributions to development activities. This results in comparatively low staff costs and capacity to operate on low budgets. Community organizations are also often committed to using low cost technologies as well as streamlined services. Lastly, community organizations avoid bureaucracy associated with state-level initiatives to communities and thereby result in substantially lower costs.

Capacity to innovate and adapt. Community organizations have a comparative advantage in identifying needs and building upon existing resources since they are rooted in the communities they serve and oriented towards promoting initiatives. Due to their small size and flexible set up they can use technologies which may have been developed elsewhere in order to adapt those to local conditions, learn from best practices and establish innovative responses to local requirements.

Capacity to focus on measurable results. One of the often criticized weaknesses of international development cooperation and government projects and programmes is lack of concrete and measurable results. All too often are funds being used up in policy planning and strategizing exercises without resulting in concrete development improvements or successful policy implementation. At the community level, practical solutions to specific livelihood problems are being developed and implemented; planning and strategizing activities are often undertaken at low cost since they are contributed in-kind through the

voluntary participation of community members. Community level development results are not only easily measurable due to the small size of community projects; their development solutions are in addition tangible and practical. The practical orientation and easily measurable results of community initiatives constitute therefore an increasingly attractive comparative advantage in a donor environment which focuses on accountability and results-based management.

Capacity to propose tailor-made solutions for specific local development challenges. Due to their specific nature community organizations tackle often complex local development challenges in a tailor-made way. Thanks to their multi-dimensional range of activities and their proximity to the actual development challenges faced in the geographic area covered, they are better placed than most international organizations or larger non-governmental organizations to contribute to effective, measurable change on the ground. Community initiatives have the capacity to tackle directly interlinked development challenges, while avoiding the usual negative externalities resulting from large-scale macro-economic interventions, which often affect the most marginalized and poorest communities in the most detrimental way¹⁹⁶.

b. Comparative limitations

In comparison to larger scale projects and programmes community initiatives have four main limitations: limited replicability, limited self-sustainability, limited technical capacity and lack of broad programming context.

Limited replicability. Since initiatives and projects of community organizations are small and localized by nature and focusing on specific local development issues it is difficult for them to generate important regional or national impact. Often community initiatives are successful thanks to highly motivated staff; this is due to the mere fact that community initiatives strongly depend on voluntary contributions (in-kind, which includes voluntary work by community members, as well as in cash). Where staff intensity and

¹⁹⁶ Melville, Dr. Juliet A. 2002. *The Impact of Structural Adjustment Programmes on the Poor*. Caribbean Development Bank.

motivation cannot be replicated, the activities themselves also cannot necessarily be replicated.

In addition, since community initiatives are by nature grassroots driven initiatives they lack the link to the broader development context. Hence, even if certain initiatives are successful locally their lessons will not be shared, even if parts of the initiatives were to be replicable. Hence, the majority of community initiatives, when not linked to the broader development context, will not be replicated, independently of their theoretical replicability in other communities, regions or countries.

Limited technical capacity. Due to limited resources community initiatives often don't have access to the necessary technical capacity. This results in lack of sufficient managerial or economic staff and skills. Hence community initiatives tend to be initiated with weak data bases and lacking technical feasibility studies. Despite strong motivation by community members, lack of technical capacity will be a key factor in determining the overall project outcome.

Limited self-sustainability. Community projects are born out of grassroots needs and are sustained as long as resources (in-kind and in-cash) are available. When community initiatives are not integrated into large scale programmes there is often lack of long term planning. This affects self-sustainability. In general, most community projects are designed with short-term objectives rather than focusing on long term sustainability.

Lack of broad programming context. Lack of broad programming context is the main weakness of community initiatives when it comes to contributing to international development objectives. Since community initiatives are grassroots driven, they do not automatically link their development objectives to larger scale development objectives at the regional, national or global levels. In addition, even when successful, lessons learned and best practices will not be replicated due to lack of programming context. Most community initiatives carry out their activities individually and remain relatively or completely unconnected with other NGOs and development programs.

The very nature of community initiatives generates therefore both comparative strengths and comparative weaknesses in comparison to larger scale development projects and programmes. Insignificance, powerlessness, disconnection/isolation, under-financing, lack of quality and lack of sustainability are all realities of the majority of isolated community initiatives.

An Oxfam north-south collaboration research study on community initiatives and participatory development revealed *“growing recognition (by the international development community) that purely bottom-up, local, grassroots initiatives - no matter how progressive, participatory, or even autochthonous - are often limited in their empowering impact if they become entirely inward looking and localist”*¹⁹⁷. The authors argue that this problem occurs because grassroots processes provide no method of engaging with (and thereby isolating themselves from) the external decisions and forces at the local, regional, national, and global levels that provide the contextual political, economic, and socio-cultural matrix within which the locality or community is embedded.

Hence, if community initiatives are to contribute in a significant way to international development efforts, the accumulation and multiplication of isolated community initiatives solely cannot be expected to result in measurable and significant impacts at the regional, national or global levels. The key lies rather in the successful regional, national or global coordination of community initiatives towards specific development topics.

¹⁹⁷ Simon, David; McGregor, Duncan F. M.; Nsiah-Gyabaah, Kwasi, Thompson, Donald A. 2003. *Poverty Elimination, North-South Research Collaboration, and the Politics of Participatory Development* in: *Development in Practice*, Vol. 13, No. 1 (Feb. 2003), pp. 40-56. Taylor & Francis, Ltd.

D.2. The Concept of Community Initiative Coordination and its Origins

The review of the advantages and limitations of community initiatives has demonstrated that isolated community initiatives may bring about local change, however due to their comparatively limited size, lack of substantial resources and restricted geographic coverage, isolated community initiatives cannot contribute significantly to international development efforts. Yet, at the same time, community initiatives offer possibilities and advantages, which regular international development programmes and projects cannot put forward. These advantages are their low operational cost, their capacity to easily promote local participation, their capacity to propose tailor-made solutions to specific local development challenges and, most importantly, their capacity to reach the rural poorest and most marginalized populations.

In order to make use of the advantages of community initiatives while minimizing their above discussed shortfalls, the concept of community initiative coordination, or community initiative programming, gained more and more importance in the late 1980s. The Brundtland report and the 1992 Rio Conference on the Environment and Development played a major role in this respect. The Brundtland report “*Our Common Future*”¹⁹⁸, which had introduced the concept of sustainable development, had also stressed the need for the active participation of all sectors of society in consultation and decisions relating to sustainable development. The 1992 Rio Conference on the Environment and Development redefined the role of civil society and of local communities in the development effort. 178 governments subscribed to this unprecedented, comprehensive approach to development.

Agenda 21¹⁹⁹ consecrates an entire section to the strengthening of the role of major groups as “*fundamental prerequisite for the achievement of sustainable development*”²⁰⁰. The preamble to Section III specifically points out the “*need for new forms of participation*” and refers to the “*need of individuals, groups and organizations to*

¹⁹⁸ Brundtland Commission. 1987. *Our Common Future*. Oxford University Press.

¹⁹⁹ Agenda 21 is a comprehensive blueprint of action to be taken globally, nationally and locally by organizations of the UN, governments, and major groups in every area in which humans directly affect the environment. It was adopted at the United Nations Conference on Environment and Development in Rio de Janeiro, Brazil on June 14, 1992 by 178 governments.

²⁰⁰ Paragraph 23.2. Preamble to Section III, Agenda 21.

participate in environmental impact assessment procedures and to know about and participate in decisions, particularly those which potentially affect the communities in which they live and work". Section III refers to the roles of children and youth, women, NGOs, local authorities, business and workers in the development effort.

The international context of the Rio conference coupled with the new era of multi-nationalism due to the collapse of the Soviet Union provided fertile grounds for the birth of internationally managed community initiative coordination programmes. As a result, the GEF Small Grants Programme was born in 1992²⁰¹; and the World Bank continued to expand its programmes relating to community-driven and community-based initiatives. The World Bank had used community-driven and community-based initiatives to complement larger programming efforts since the late 1980s. Due to the success of these initiatives the share of World Bank projects that include a community-based or community-driven component rose from about two percent in the fiscal year 1989 to about twenty-five percent in the fiscal year 2003²⁰². In comparison, the GEF Small Grants Programme has risen from a number of 33 initial pilot countries in 1992 to over 125 country programmes in 2012²⁰³.

The following sections will concentrate on discussing the key ideas behind the concept of community initiative coordination before illustrating a practical example of community initiative coordination: the GEF Small Grants Programme, financed by the Global Environmental Facility, implemented by the United Nations Development Programme and executed by the United Nations Office for Project Services²⁰⁴.

²⁰¹ It must however be specified that the GEF Small Grants Programme was preceded by two small grants programmes, both implemented by UNDP, namely the Partners in Development Programme and the Africa 2000 Network.

²⁰² World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and –Driven Development*. The World Bank. Washington, D.C.

²⁰³ GEF Small Grants Programme. 2012. *20 Years of Community Action for the Global Environment*. UNDP. United Nations, New York.

²⁰⁴ GEF Small Grants Programme. <http://sgp.undp.org>. Accessed in December 2012.

D.2.1. The concept of community initiative coordination

The concept of community initiative coordination was used by international development organizations as of the 1970s and 1980s. The main objective of community initiative coordination is to link local community initiatives to broader development objectives. It is argued that the cumulative effects of numerous community initiatives in a given region, country or even globally around specific development objectives can contribute in a measurable and noticeable way to international development efforts.

Community initiative coordination constitutes thus an effort to link local solutions to global development challenges. Whereas community initiative coordination programmes can be set up in various ways, these programmes share certain common characteristics.

a. Tackling global development challenges through provision of local solutions

Community initiatives are generally demand driven and implemented by local community organizations. The coordination of multiple community initiatives around a common thematic (such as climate change, biodiversity protection, a public health issue, etc.) can help tackle global development challenges, while addressing at the same time a local development objective. For this purpose a specific thematic needs to be identified and funding needs to be made available around that thematic to support community initiatives. Communities will be informed about the funding possibility and will in turn propose local development projects which will fall into the category of development issues linked to the thematic.²⁰⁵ Already in 1988, Michael Cernea proposed two solutions to break out of the dilemma of the limited impact of community initiatives as follows:

“ One (solution) is that small scale NGO activities could, conceivably, proliferate on such a vast scale as to gain macro significance (i.e. significantly affect development at the regional or national scale) by aggregation, rather than remain a scattering of limited, isolated initiatives. In this scenario, it is further hypothesized that the grassroots NGOs would not only multiply independently of each other, but also interlock into systems and

²⁰⁵ The funding doesn't necessarily need to cover entirely the financial needs of the community initiative; it could be a partial contribution. In fact, partial contributions are often considered more effective. This will be demonstrated in later chapters.

webs of organizations capable of influencing macro-scale processes, affect state policies, mobilize large human resources, develop alliances and networks and thus wield more power”.

“ Another strategic option for achieving replication of NGOs’ small scale initiatives, rather than leaving them confined to their initial locations only, is a gradual linking of NGO activities with administrative or international organizations including (in one form or another) government bodies; this approach can also facilitate and promote some micro-policy reforms with support from official government agencies. Hidden within this option are the risks and trappings of NGO cooptation; yet if linkages are built from a position of NGOs strength and growth, NGOs independence might be protected at the same time with increased influence over state policies and administrative environments”²⁰⁶.

The second scenario above was put in practice through the creation of community initiative coordination programmes. These programmes can be of international or national character. Their common characteristic is the fact that they address global development objectives with tailor-made solutions at the community level. Community initiative coordination programmes finance a multitude of community initiatives in a pre-determined geographic area (which can cover a geographic area within a country, several countries, or even the whole globe). They also restrict their finances to a specific, or several specific development objectives (i.e., they can cover public health concerns, environmental concerns, social development objectives, etc.). Since community initiative coordination programmes disburse their funds closer to where they are needed they can better target local development challenges, while the local population is able to decide, or at least to influence to a large extent, the project which is being put in place. In social policy, the rationale behind this kind of “targeting” is to increase the efficient use of scarce resources by ensuring that resources are directly being sent to where they are most required, while minimizing any unnecessary cost (such as cost linked to increased bureaucracy, extended time, etc.). In the case of community initiative coordination programmes, targeting is being ensured through pre-determined selection criteria for projects (such as the maximum grant

²⁰⁶ Cernea, Michael. M. 1988. *Nongovernmental Organizations and Local Development*. p. 25-26. Washington, DC. World Bank.

amount, community eligibility criteria, the development objectives which project activities and the project outcome are supposed to subscribe to, sustainability criteria, criteria of gender balance, etc.). The targeting principle, which is directly linked to the selection principle of projects, ensures the link between global and local. It helps to tackle global development challenges through local solutions in an effective and efficient way.

b. External funding and the concept of co-financing

Community initiative coordination programmes are generally externally funded. The funding is usually provided by an international organization or fund, by a national donor or by a national or international NGO.

William G. Jack describes community programmes as an *“administrative vehicle for selecting, funding, and implementing community or locally identified and managed small-scale public projects targeted at disadvantaged groups or areas. They are invariably externally funded, usually through grants, and are used to channel small amounts of money to a large number of local and micro-level projects”*²⁰⁷. Satterthwaite describes local funds, which community initiative coordination programmes are part of, as *“both financing instruments and funding agencies created to disburse resources for local development. They are a response to local needs and demands and encourage addressing these through local partnerships. The objective of these funds is usually to reduce risk and enhance the livelihood opportunities of disadvantaged people through development initiatives that remove barriers to voice, the realization of rights and delivery and accountability on the part of a broad range of local governance institutions”*²⁰⁸. These two definitions combine what community initiative funding is about. Funding is generally external and it can come in the form of grants or loans. The funding is targeted at marginalized people and disadvantaged groups for the purpose of financing a specific project (the community initiative), which responds to a local need while also responding to a global development objective.

²⁰⁷ Jack, William G. 2001. *Social Investment Funds: An Organizational Approach to Improved Development Assistance*, World Bank Research Observer, No. 16, pp. 109-124.

²⁰⁸ Satterthwaite, David. 2002. *Local funds, and their potential to allow donor agencies to support community development and poverty reduction in urban areas: Workshop Report*, in *Environment and Urbanization*, 14 (1), April; pp. 179-88.

International organizations and funds such as the World Bank, the United Nations Development Programme, the Global Environmental Facility (GEF), the World Health Organization and many others have by now accumulated rich experience with various set-ups of community-based and community-driven programmes, such as the GEF Small Grants or the World Bank Community-Based and Community-Driven Development Funds. National donors, such as the UK Department for International Development, which has successfully funded community and municipal initiatives in Zambia and Uganda or the Swedish International Development Cooperation Agency (SIDA), which has funded a range of local institutions in Central America have also acquired a vast amount of experience in community initiative programming. The 10-year experience of the Thai government's Urban Community Development Office, and the 30-year experience of the Carvajal Foundation in Cali, Colombia, which are national initiatives, the former a state initiative, the latter a non-governmental initiative, have both served as funding sources for community initiatives in their respective countries. Pakistan, South Africa, Namibia, Zimbabwe, Philippines, Lao PDR and Cambodia all have operational community development funds. Some of these community development funds have opted for offering subsidized and non-subsidized loans to support community initiatives; others finance community initiatives while offering grants and while linking those grants to co-financing.

The aspect of co-financing is crucial when a community receives a grant, not a loan, to implement a given project. In other words, there is no obligation to reimburse funds received, but applicants have to provide a certain percentage of the funding. The general rule is match funding, though this rule can be softened through either the decrease of the percentage to be matched (e.g.: 70% donor funding, 30% co-financing) or through acceptance of co-financing in the form of in-kind contributions which are being monetized (i.e.: contribution of land, contribution of goods and services, participation in processes and procedures, etc.). In the case of the GEF Small Grants Programme, the co-financed amount needs to match the funding at the country level, not at the project level, and a maximum of 50% of the co-financed amount can be contributed in-kind. This means that not every single grantee will be required to provide co-financing. This measure provides needed flexibility especially in those circumstances where co-financing is simply impossible for certain otherwise fully eligible grantees.

The advantages of the practice of co-financing are at the very least two-fold. First, they restrict the benefits on offer to those who actually need the service while avoiding “free-riding”. Second, the fact that communities contribute in cash or in-kind to the projects which they have initiated and proposed for funding, provides a sense of “ownership” of the project. This sense of “ownership” is essential for the sustainability of the project. It has been proven that co-financed community projects with a strong sense of community ownership lasted longer and were in the long run economically more beneficial and more sustainable than community projects which were entirely funded by an external donor. This fact is perhaps even better expressed through the practical terms used by Hamidou Benoit Ouédraogo President of the Burkinabe Association of Action-Research and Self-Teaching for Development, and member of the GEF Small Grants Programme National Steering Committee in Burkina Faso: *“ More than a financial partner, SGP is a tool for mentoring and capacity development, which encourages communities to think about their problems concerning biological diversity and climate change in order to find solutions that are appropriate for their context. Implementation of their projects constitutes for them natural laboratories for experimentation. With SGP, communities themselves take charge of the funds and carry out and provide justification for expenditures. Even better, it is them who pay for the technical services responsible for monitoring their activities. Paternalism has been replaced by handing responsibility to small farmer organizations, which establish local project management committees that work very well. SGP serves as a trigger for an active partnership ”*²⁰⁹

c. Community-based versus community-driven

In the context of community initiative coordination programmes, community projects can be community-based or community-driven. In both cases they will be funded by a development entity which reaches out to communities in order to facilitate implementation of local community projects. The key difference between community-based and community-driven initiatives is the level of independence, empowerment,

²⁰⁹ GEF Small Grants Programme. 2002. *The Global Environment Facility Small Grants Programme. Hands on Action for Sustainable Development 1992-2002*. (Author of initial report: Seemin Quayum).

responsibility and flexibility which the community enjoys when designing and implementing the project.

Community-based initiatives are projects where the community bears less responsibility and operates within a relatively restricted range based on collaboration and consultation with the funding entity. Community-driven projects on the other hand are true grassroots initiative projects. When projects are community-driven communities are the key drivers and initiators of the project and have control over resources and decisions. The World Bank defines community-driven development as a concept which supports the “*empowerment of the poor by giving communities control over subproject resources and decisions*” while “*community-based development gives communities less responsibility and emphasizes collaboration, consultation, or sharing information with communities on project activities*”²¹⁰.

An evaluation of the effectiveness of World Bank support for community-based and community-driven development has demonstrated that community-driven projects are more effective and result in more substantive and more sustainable poverty reduction than community-based projects²¹¹. As a result, since the late 1990s, the focus of World Bank supported community projects has shifted towards community-driven development approaches, although some community-driven projects continue to include community-based components.

The GEF Small Grants Programmes undertakes major efforts to maintain the community-driven character of projects to a maximum extent. Projects are never imposed and technical guidance and advice are provided with the sole purpose of enhancing project efficiency, effectiveness and sustainability. Since community empowerment is emphasized, the GEF Small Grants Programme falls into the category of programmes supporting community-driven development.

²¹⁰ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and -Driven Development*. The World Bank. Washington, D.C.

²¹¹ Ibid.

d. Civic engagement and participation

In social policy, citizen participation is a prerequisite for the empowerment of people. In other words, there can be no empowerment of people without their active participation in local, regional and/or national politics and/or public activities.

Terry Mizrahi and John D. Morrison define engagement as “*the renewed commitment to and skill in involving and retaining consumers and citizens in political advocacy and service planning*”²¹².

In a democratic system the most common way of participation takes place in the form of voting. The political leaders, once elected, are expected to live up to their electoral program; they are expected to represent the interests and opinions of their people and to implement the program and ideas they had outlined throughout their electoral campaign. But participation does not forcibly need to be reduced to a solely political dimension. Participation can also take place in the form of engagement of local groups in local activities. It can take place in the form of fulfilling certain roles and responsibilities which contribute to the community, to the municipality and to the state as a whole. Possibilities for participation and engagement are provided by civil society organizations of all kind, amongst them community organizations. Community organizations can engage marginalized and vulnerable groups by increasing the scale and quality of interactions between marginalized groups (or individuals) and governments, as well as with certain development stakeholders such as COs, NGOs, private businesses, academia and the general public.

Community initiative coordination programs have an important role to play here. Through the replication of successful community initiatives in a given region or country, engagement and participation become more powerful ²¹³. In addition, community initiative coordination programs provide to communities the benefit of having access to an entire national, regional, often even global network of communities, many of which share same or similar interests. Thanks to these networks, community organizations can exchange best

²¹² Mizrahi, Terry; Morrison, John D. 1993. *Community Organization and Social Administration*, edited by Terry Mizrahi and John D. Morrison, 11–40. New York: Haworth.

²¹³ Levinger, Beryl and Mulroy, Jean. Sept 2003. *Making a little go a long way. How the World Bank's Small Grants Programme Promotes Civic Engagement*. EDC/PACT, Inc. No.47. Sept 2003.

practices and lessons learned and can influence and support each other in their respective participation and engagement processes.

Over the past several decades, many lessons and best practices have been drawn out of community initiative coordination. These have helped to improve programs over time. Successful community initiatives now have the possibility to be replicated or up-scaled, resulting in sharing of successful practices, in replication of what is considered to have “worked” and in increased impact. In addition, social research has developed practical tools to improve community initiatives locally, such as the concept of Enabling Systems²¹⁴ or the Asset Based Community Development concept²¹⁵.

Community initiative programmes claim to contribute to improved governance, they sometimes claim to influence policy-making, and they claim to fill a certain niche which larger development programmes cannot fill. In the following section, the GEF Small Grants Programme will be introduced. As part of the last Chapter of this thesis, projects of the GEF Small Grants Programme will then be critically evaluated in terms of their potential contributions to the objectives of the current environment of international development cooperation.

²¹⁴ Mizrahi, Terry; Morrison, John D. *Community Organization and Social Administration*, edited by Terry Mizrahi and John D. Morrison, 11–40. New York: Haworth, 1993.

²¹⁵ Mathie, Alison; Cunningham, Curt. 2003. *Asset-Based Community Development as a Strategy for Community-Driven Development in Development in Practice*, Vol. 13, No. 5 (Nov., 2003), pp. 474-486. Taylor & Francis, Ltd. on behalf of Oxfam GB.

D.3. Global Community Initiative Programming in Practice: the GEF Small Grants Programme

The GEF Small Grants Programme is one of the community initiative coordination programmes, which has put in practice Michael Cernea's scenario of linking community activities with an international organization. After having examined the advantages and shortfalls of local non-governmental organizations, the economist had written in 1988, *"Another strategic option for achieving replication of NGOs' small scale initiatives, rather than leaving them confirmed to their initial locations only, is a gradual linking of NGO activities with administrative or international organizations including (in one form or another) government bodies; this approach can also facilitate and promote some micro-policy reforms with support from official government agencies. Hidden within this option are the risks and trappings of NGO cooptation; yet if linkages are built from a position of NGOs strength and growth, NGOs independence might be protected at the same time with increased influence over state policies and administrative environments"*²¹⁶.

The Small Grants Programme, established in 1992, was set up in such a way as to protect community interests while providing an environment of opportunity for community organizations. The Small Grants Programme (SGP) was created by the Global Environmental Facility (GEF) in 1992 with the objective to *"develop community-level strategies and implement technologies to reduce threats to the global environment, to gather and communicate lessons from community-level experience, to build partnerships and networks with community-based organizations (CBOs) and nongovernmental organizations (NGOs), and to ensure that conservation and sustainable development strategies and projects that protect the global environment are understood and practiced by communities and other key stakeholders"*²¹⁷.

The Small Grants Programme is a GEF corporate programme implemented by UNDP on behalf of GEF's three implementing agencies – UNEP, UNDP and the World Bank – and executed by UNOPS. Since 1992, the GEF Small Grants Programme has been

²¹⁶ Cernea, Michael. M. 1988. *Nongovernmental Organizations and Local Development*. p. 25-26. Washington, DC. World Bank.

²¹⁷ Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

working with civil society and community organizations around the world. Its objective is to combat the most critical environmental problems and to provide sustainable development solutions. It does so by selecting and financing the project proposals of non-governmental and community organizations in developing countries. Whereas the programme was started-up in 1992 with only 33 country programmes, it has grown to a presence in 125 countries in 2012. By the same year, the programme had awarded more than 14,500 grants worldwide²¹⁸.

SGP's main focal areas are mitigation and adaptation to climate change, conservation and sustainable use of biodiversity, protection of international waters, reduction of chemicals such as persistent organic pollutants and prevention of land degradation, including sustainable forest management. The programme focuses "*on providing financial and technical support to projects that conserve and restore the environment while enhancing people's well-being and livelihood*"²¹⁹.

The SGP does not solely work with community organizations but its objective is to work primarily with COs when this is possible. Over the past years, the programme has made a concerted effort to increase grant making directly to COs. As such, between 2005 and 2011, 39 percent of grants were awarded to COs, 60 percent to NGOs, and the remaining one percent to other CSOs²²⁰. In my research, I focused specifically on SGP projects working with COs.

Since its creation the SGP has gone through five replenishments in five operational phases (OPs). The pilot phase (1992–1995) demonstrated the viability of the approach. The period of consolidation over two operational phases (1996–2004) showed relatively little expansion but confirmed the role of the SGP as a corporate program of the GEF. The period of expansion (2005–2011), also stretching over two operational phases, was characterized by an increase in funding and in the number of participating countries. Presently, the SGP is going through a fifth operational phase, which is driven mainly by

²¹⁸ GEF Small Grants Programme. 2012. *20 Years of Community Action for the Global Environment*. UNDP. United Nations, New York.

²¹⁹ GEF Small Grants Programme. 2002. *The Global Environment Facility Small Grants Programme. Hands on Action for Sustainable Development 1992-2002*. (Author of initial report: Seemin Quayum).

²²⁰ GEF Small Grants Programme. 2012. *20 Years of Community Action for the Global Environment*. UNDP. United Nations, New York.

“leveraging the experiments, experiences and achievements of the past two decades to further explore innovative and improved responses to the great variety of evolving needs at local and country levels”²²¹. The program also intends to “mainstream the generation of global environmental benefits into local and sustainable development practice”²²² and to further strengthen its delivery mechanism.

The maximum grant size for regular projects is \$50,000. However, SGP grants are generally in the range of \$20,000 to \$35,000. The period of implementation of the various projects generally stretches over several years. Grants are channelled directly to NGOs and community organizations.

D.3.1. Small Grants Programme Structure²²³

SGP’s structure was set up with the objective to ensure maximum country and community ownership and initiative. It was therefore established in a decentralized way. The programme is offering a maximum extent of flexibility to its country programmes, while guaranteeing overall programme consistency and accountability to contribute to GEF’s global environmental objectives and achieve SGP’s particular goals.

Headquarter structure. At the headquarter level, there is a country programme management team (CPMT) which is relatively small²²⁴ in comparison to the number of countries the programme is composed off. The CPMT *“provides global guidance on GEF focal areas; it reviews country programme strategies, receives and analyses semi-annual and biennial reports and serves as liaison with the GEF Secretariat and GEF Council, preparing annual reports and work plans and requests for replenishment for Council approval”²²⁵. UNOPS, as executing agency, has responsibility for administrative and*

²²¹ GEF Small Grants Programme. 2012. *20 Years of Community Action for the Global Environment*. UNDP. United Nations, New York, p.28.

²²² Ibid.

²²³ Most of the information pertaining to the structure of the programme originates from the SGP website www.sgp.undp.org.

²²⁴ 9 staff in October 2011.

²²⁵ www.sgp.undp.org

financial matters. In this respect, its most important task is disbursement of grant funds in accordance with United Nations rules and regulations and according to the grant selection criteria stipulated in the SGP Operational Guidelines. It also administers all human resources contracts and undertakes procurement of goods and services for the Small Grants Programme.

Country Programme Strategy. The connection between global and local development challenges is established in the country programme strategy, which is developed by each country programme. The country programme strategy adapts the SGP global strategic framework, which outlines the strategic direction of the programme as a whole, to specific country conditions. SGP country strategies consider existing national biodiversity and climate change strategies and plans; they also take into account issues relating to national development and poverty eradication. These strategies can emphasize certain thematics and can be restricted to specific geographic areas, to ensure synergy and impact or to facilitate programme administration.

National Coordinator. In most countries, a locally recruited National Coordinator (NC) is appointed. His or her responsibility is to carry out day-to-day management of the programme and to serve as secretary to the National Steering Committee (NSC). The National Coordinator will work with the NSC to reach out to the NGO and CO community to inform them of the availability of grants. The NC also receives and screens proposals and performs monitoring and evaluation functions for the country programme under his responsibility. National Coordinators, who have accumulated enough experience with the programme, can be promoted to the status of Senior National Coordinators and Regional Coordinators. In these positions, they will exercise an advisory function to other National Coordinators in their region and will closely work with the CPMT to participate in global policy setting processes as well as regional programme management responsibilities²²⁶.

²²⁶ Such as implementation of regional projects.

National Steering Committee. As soon as a country has been accepted to host an SGP programme, a National Steering Committee (NSC) is established. The NSC typically consists of representatives from local NGOs, government, academia, UNDP and occasionally co-funding donors, indigenous peoples' organizations, the private sector and the media. It is supposed to serve as a representative, transparent national body. Its members are providing their services on a voluntary basis to the programme. The NSC is the central element of the SGP and it provides major substantive contributions to and oversight of the programme at the country level. Once the NSC has been established in a selected country, it will develop the country programme strategy. The NSC is also the body which considers whether proposals for grants are feasible and meet SGP criteria, and what kind of technical support is needed for implementation. The NSC is also responsible for final approval of grants, it helps undertake site visits and country programme as well as project review, and it advises on the design of grant proposals, ensures project monitoring and evaluation, and its members champions SGP in national, and sometimes regional or international fora.

A major advantage of the NSC is government membership as well as collaboration with local government agencies since these enable local communities to highlight areas requiring policy change at the district, regional and national levels, thereby influencing decision-making. Volunteerism, impartiality and commitment not to receive directly or indirectly grant funds from the Small Grants Programme are key NSC principles. In this respect, NSC members have to declare conflict of interest when a community grant proposal is being reviewed by the NSC emanating from a community organization they may in any way be affiliated with. NSC members affiliated with the community organization will in such cases not participate in the decision-taking process regarding the community proposal in order to maintain neutrality and impartiality in the grant selection process.

Monitoring and evaluation. SGP's monitoring and evaluation system is based on a participatory process which involves the grantee, the NSC, the National Coordinator and CPMT members as necessary. It is also a forward-looking process that enables capacity building and learning, maintains accountability, promotes sustainability, and provides

opportunities to identify and communicate lessons learned from project and programme experiences. Successful initiatives have the opportunity to be identified, replicated and up-scaled whereas lessons can be learned from projects which encountered obstacles and challenges so that these can be avoided through different practices or approaches in the future. In the case of SGP, monitoring and evaluation activities are required at the project, country and global levels. At the project level, monitoring and evaluation activities are incorporated in the project as of the planning stage. Each project has to report on project progress on a regular basis and submit final project reports.

National Coordinators are responsible for yearly country programme reporting. The progresses and obstacles achieved in the implementation of the SGP country programme strategy are being outlined in this report. Particular attention is given to programmatic key priorities in this context. The reporting material provided by the country programme to the CPMT informs also financial replenishment decisions, which helps ensure that resources are used by the SGP in the most efficient and effective way.

At the global programme level, an independent evaluation of the programme is undertaken at regular occasions which examines project, country, regional and global aspects and verifies and evaluates the overall functioning of the programme. This evaluation process provides the CPMT, the SGP stakeholders and partners with information about the status and results of individual projects; it also informs about the progress of country programmes and evaluates the achievement of overall programme objectives.

Key objectives. The Small Grants Programme aims to provide a linkage between local and global development goals. This is being realized with the help of four key objectives:

- *“The Small Grants Programme develops community-level strategies and it implements technologies which could reduce threats to the global environment if they are replicated over time.*
- *The Small Grants Programme gathers lessons from community-level experience and initiates the sharing of successful community-level strategies and innovations among COs and NGOs, host governments,*

development aid agencies, GEF and others working on a regional or global scale.

- *The Small Grants Programme builds partnerships and networks of stakeholders to support and strengthen community, NGO and national capacities to address global environmental problems and promote sustainable development.*
- *The Small Grants Programme ensures that conservations and sustainable development strategies and projects that protect the global environment are understood and practiced by communities and other key stakeholders”²²⁷.*

By using a transparent, participatory and country-driven approach the Small Grants Programme links global, national and local development objectives; it tackles development challenges through community initiated solutions which subscribe to the global development agenda since they are being funded, after screening of the project proposals, by the Small Grants Programme.

Principles. The GEF SGP ensures that project and funding decisions are *owned and implemented by local people to a maximum extent and that project outputs are linked to the national and global development agendas. Democracy, flexibility, participation and transparency* are cornerstones of the SGP approach and the programme infrastructure is set up in such a way that these principles are being respected. For instance, the programme encourages and supports the *participation* of non-governmental organizations, community organizations, local groups and other stakeholders in all aspects of the programme planning, design and implementation phases. In addition, the country programme strategies are elaborated in a *consultative and participatory process* as already described further above. Project concept papers and proposals are being developed, presented, and executed in a *community-driven, participatory and inclusive* way. Project selection criteria such as *gender equality and sustainability* further ensure adherence to the programme’s principles.

²²⁷ GEF Small Grants Programme. 2002. *The Global Environment Facility Small Grants Programme. Hands on Action for Sustainable Development 1992-2002.* (Author of initial report: Seemin Quayum).

Partnerships are built to broaden the scope of the programme and to communicate and replicate successful SGP initiatives. The partnerships are built at the local, national, regional and global levels and constitute one of the cornerstones of the strong international network of the GEF Small Grants Programme. *Public awareness* regarding global environmental issues is being raised by National Coordinators and National Steering Committee members as well as through the projects themselves, resulting in changing public attitudes and practices. *Environmental policies and programmes of municipalities as well as national governments* are being influenced through *lessons learned* as well as *replicated* and *up-scaled* Small Grants Programme projects. In addition, a thoroughly developed *financial and administrative management system*, implemented locally and managed globally by the United Nations Office of Project Services, ensures *transparency* of all financial project decisions, disbursements and related issues. Lastly, the programme *mobilizes in-kind and monetary resources* to support project and programme sustainability.

D.3.2. How the Small Grants Programme tackles the shortfalls of community initiatives

The GEF Small Grants Programme is but one of several international programmes which have attempted to link global development concerns to concrete solutions at the community level. These programmes have managed to identify effective solutions to the four key challenges and limitations encountered by isolated community initiatives. These previously identified key challenges and limitations²²⁸ are limited replicability, limited technical capacity, limited self-sustainability and lack of broad programming context.

The Small Grants Programme ensures replicability through continuous evaluation and identification of successful community projects which are deemed replicable elsewhere. It supports replicability in various ways. Firstly, emphasis on knowledge management at the national, regional and global levels ensures that lessons learned and best practices are shared between communities from all member countries. Lessons learned and best practices are shared at the local, regional or national levels at workshops and events organized by the respective country programme. They can also be shared through

²²⁸ Ref. Section D.1.3.b *Comparative Advantages and Limitations of Isolated Community Initiatives in International Development Cooperation*.

publications, awareness raising and knowledge management initiatives of the country programmes. The National Coordinators and National Steering Committee members have an important role to play in this respect.

Globally however, knowledge management is being assured by the SGP headquarter central programme management team. SGP's website, SGP reports and other programme documents as well as global and regional workshops, where headquarter staff, National Coordinators, National Steering Committee members and community representatives, meet to share successful experiences, to identify “what works” and “why it works” all contribute to laying the groundwork for replicability of successful projects.

The Small Grants Programme also supports replication and upscaling of successful initiatives financially. There is for instance in certain situations the possibility to implement successful community projects as regional projects between member countries and their communities. This ensures enhanced impact and effectiveness in a broadened geographical area while reaching a much larger population altogether.

National Coordinators and National Steering Committee members are also trained to support upscaling initiatives. The concept of upscaling lies in the belief that what works at the community level can under certain conditions also work at larger scale. Several of SGP's project concepts have been upscaled and have received for this purpose from other donors increased funding to match the stronger financial requirements of larger scale projects. The 2008 Joint Evaluation of the GEF Small Grants Programme reports that in 5 of 22 country programmes reviewed the SGP supported market expansion for products generated by SGP projects. In four of these countries, the private sector became a programme partner and plays a critical role in scaling up. *“In Ghana, an SGP project led to Japan International Cooperation Agency assistance for women's groups with new technologies to produce shea butter soap for the Japanese market. Another Ghana project, Bioprospecting of Thaumatococcus danielli—which involves the sustainable harvesting of this natural sweetener and other nontimber forest products in order to conserve tropical forests—attracted the interest of Smartext Timber, which, with funding from a private bank in Germany, transformed it into a processing company producing sweeteners for pharmaceutical companies. In Mexico, the SGP supported an umbrella organization through which community groups of individuals could access credit and technical*

assistance aimed at enabling their export of organic honey”²²⁹. This is an extremely cost-effective approach of project management since initiatives are “tested” with relatively small amounts of funding at the community level, and when they have proven to work they are upscaled to larger projects.

The challenge of limited technical capacity of isolated community projects is solved by the Small Grants Programme in various ways. First, all community projects are selected, and thereafter technically supported, by the National Steering Committee of the respective country. Whereas not all members of the National Steering Committee are required to have a strong technical background in environmental protection, a large majority have pre-existing community project experience as well as technical knowledge in the GEF focal areas which are being covered by the Small Grants Programme. These focal areas in Operational Phase Six of the Small Grants Programme are climate change, international waters, persistent organic pollutants, biodiversity and land degradation²³⁰. In addition, the Central Programme Management Team in New York City consists of programme specialists who provide technical and substantive advice to National Coordinators, National Steering Committee members and community representatives. These programme specialists also regularly visit country programmes to monitor country programmes, to provide support and advise as needed and to ensure enhanced technical capacity where necessary. As a last point, National Coordinators have the possibility to hold capacity building workshops with community representatives. In certain occasions, grants are provided to non-governmental organizations with the objective to raise capacity and awareness amongst communities on technical aspects related to the focal areas of the GEF Small Grants Programme. This ensemble of possibilities provided by the Small Grants Programme to obtain technical advice and to enhance community capacity solves efficiently the problem of limited technical capacity of isolated community projects.

²²⁹ Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

²³⁰ http://sgp.undp.org/index.cfm?module=ActiveWeb&page=WebPage&s=focal_areas. The focal areas covered by the GEF Small Grants Programme are decided upon for each Operational Phase of the Small Grants Programme and always correspond to GEF priority focus areas. The Small Grants Programme does not however cover all of GEF’s focus areas (see http://www.thegef.org/gef/Areas_work for GEF focal areas).

The issue of limited self-sustainability is also addressed by the Small Grants Programme in various ways. The sustainability of projects is evaluated already at the planning stage. For this purpose, all grant proposals are required to include a sustainability plan which outlines how the community project will survive after funding of community initiative has ended. In addition, all community projects are required to match the grant received from the Small Grants Programme through in-kind and cash contributions, called co-financing. Ideally, at least 50% of the matched funding is provided in cash, the rest can be provided in the form of working hours by community members, in the form of technical services provided or for example in the form of a geographic area or offices which are made available for the community project. The co-financing requirement has proven to increase the feeling of “ownership” of the project by the community. Project ownership in turn is closely related to project sustainability since communities will tend to ensure project continuation for those projects which they consider as their own once donor funding has ended; whereas fully funded projects without a community co-financing component will usually come to an end upon donor funding completion.

In addition, the wide network of the Small Grants Programme provides contacts to communities which they would not have if they were to implement their community project in an isolated manner. These contacts can open doors for further funding by additional donors or for continued technical assistance, even when needed beyond the completion of the project.

As a last point, lack of broad programming context, which is one of the most valid points of criticism advanced against funding of isolated community initiatives, is automatically eliminated in global community initiative coordination programmes, such as the GEF Small Grants Programme. Lack of programming context is a quasi automatic externality of isolated community initiatives. Since community initiatives are grassroots driven, they do not automatically link their development objectives to larger scale development objectives at the regional, national or global levels. Since isolated community initiatives are implemented individually, their lessons learned and best practices will, even when the project is successful, not be replicated due to lack of programming context. Most community initiatives carry out their activities individually and remain therefore relatively or completely unconnected to other NGOs and programs. However, in the context of

community initiative programming, this disadvantage completely disappears. In fact, every community project financed by the Small Grants Programme automatically contributes to the programming context which the Small Grants Programmes subscribes to. Community grants can only be approved if the proposed projects fit into the objectives of the country programme strategy. The country programme strategy adapts the SGP global strategic framework - which outlines the strategic direction of the programme as a whole - to specific country conditions. The SGP global strategic framework is linked to GEF focal area objectives, which are global environmental objectives elaborated by the currently largest funder of projects to improve the global environment²³¹. The strategic framework also feeds into some of the Millennium Development Goals²³².

The advantages of community initiative coordination programmes are thus clear. The GEF Small Grants Programme, just like most other community initiative coordination programmes, presents an effective solution to address the four key challenges and limitations encountered when financing isolated community initiatives. However, community initiative coordination programmes generate certain shortfalls. These will be discussed in the next section.

²³¹ In 2012, the Global Environment Facility unites 182 member governments as well as international institutions, nongovernmental organizations, and the private sector to address global environmental issues. The GEF is today the largest funder of projects to improve the global environment. As of November 2011, it has allocated \$9.2 billion, supplemented by more than \$40 billion in co-financing, for more than 2,700 projects in more than 165 developing countries and countries with economies in transition.

²³² The MDGs consist of eight time-bound goals which provide concrete, numerical benchmarks for tackling extreme poverty in its diverse dimensions. They are broken down into 21 quantifiable targets which are linked to 60 indicators. This provides the development community with a specific framework to monitor development progress. They consist of: 1) Eradication of extreme poverty and hunger; 2) Achievement of universal primary education; 3) Gender equality and empowerment of women; 4) Reduction of child mortality; 5) Improvement of maternal health; 6) Combating HIV/AIDS, malaria and other diseases; 7) Ensuring environmental sustainability; 8) Developing a global partnership for development.

D.4. Criticism and Challenges of Community Initiative Coordination

The advantages of community initiative coordination versus the mere financing of isolated community initiatives have been demonstrated in the above sections. It was shown that three of the four key challenges and limitations brought about by the financing of isolated community initiatives (limited replicability, limited technical capacity, and limited self-sustainability) are efficiently tackled when community projects are financed through a community initiative coordination programme, whereas the fourth one (lack of broad programming context) completely disappears when linked to a community initiative coordination programme. However, the concept of community initiative coordination brings about new challenges, which deserve to be viewed from a critical angle.

D.4.1. The problem around true community-driven initiatives

The first point of criticism lies in the questionability of the true community-driven character of community initiatives financed by a community initiative coordination programme. After all, the community initiatives are only financed when they are expected to meet pre-determined development objectives. To which extent are project proposals adjusted or developed to fit into the development agenda of the community initiative coordination programme? Would the community project have included other activities or given priority to different development areas if it was not seeking the funding of the community initiative coordination programme? After all, it has been said that the increase of non-governmental organizations in developing countries is a “*response to the availability of resources from the North* “ and that in these cases “*non-governmental organizations respond to an agenda... that is internationally and not locally driven*”²³³. It is not far-fledged therefore to assume that a certain percentage of community projects are created to respond to the overall programme agenda instead of being truly needs-based. This argument is in line with one of the outcomes of the 2005 World Bank Evaluation on the effectiveness of World Bank support for community-based and community-driven

²³³ Cherret, Ian; O’Keefe, Phil; Heidenreich, Anne; Middlebrook, Peter. 1995. *Redefining the Roles of Environmental NGOs in Africa*. In *Development in Practice*, Vol.5, No.1 (Feb., 1995), pp.26-35. Oxfam GB and Taylor & Francis, Ltd.

development. In fact, it was noted that some communities received sub-project funds thanks to political relations, and not because of need²³⁴.

Some programmes, such as the World Bank initiatives which were evaluated in 2005 and which include community-based and community-driven components, have attempted to address this dilemma through provision of a large scale of options to communities. When evaluating the community-based and community-driven components of these programmes, it was concluded that “*priority needs are more likely to be addressed when communities are given multiple options from which to choose*”²³⁵. As a matter of fact, household data which was collected in Benin and Brazil by the World Bank Operations Evaluation Department showed that where communities were given a wide menu to choose from, Bank projects were more likely to meet one of the top-priority needs of the communities. This argument is underlined in the same study by another example, which demonstrates that in the Madhya Pradesh Forestry and Uttar Pradesh Sodic Land Reclamation projects in India, priority needs of the communities were not met since these sectoral interventions were not designed to give communities a choice of activities.

Consequently, the more input a community has in the design of its project, the more its specific development needs will be met. The more the project is designed and implemented in a community-driven way the more effective it is likely to be; the more the project is designed and implemented in a community-driven way the more it will profit of community ownership and the bigger its chances of long-term sustainability will therefore be. Community initiative programmes thus need to ensure that they allow the widest flexibility possible to communities when it comes to project design, whilst maintaining the broad programming context to which the community project is contributing.

Is it possible to ensure that all community initiatives financed by a community initiative coordination programme are truly community-driven and need-based? Since this seems impossible, the community-driven character of the initiatives needs to be increased to a maximum extent. As long as community initiative programmes give maximum

²³⁴ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and –Driven Development*. The World Bank. Washington, D.C.

²³⁵ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and –Driven Development*. The World Bank. Washington, D.C.

consideration to the community-driven character of their set-up, ownership, sustainability and effectiveness will be enhanced; however community-drivenness can never be fully assured. Community-drivenness largely depends on the community itself, the constellation and set up of the country programme and, especially, the project selection process in place.

D.4.2. De-responsibilizing the state and creating dependencies

Another point of criticism advanced towards community initiative programming is that of de-responsibilization of the state, which can also be described as a decrease in state responsibilities in provision of public services and project implementation. Renate Mayntz, Arthur Benz and Michael Zuern demonstrate that there is interdependence between the state and civil society. In their analysis they speak of a system of “*collective regulation of societal matters; from institutionalized civil society self-regulation over various forms of cooperation of public and private actors to the steering by public actors*”²³⁶. Especially in what Thomas Risse calls “*Räume begrenzter Staatlichkeit*”²³⁷ which could be translated as “areas with limited government presence”, there is a vacuum of those services which, at least traditionally in Western societies, are being provided by governments (education, health services, etc.). Whereas traditional donor funding would focus on enhancing state capacity to provide the needed services, community initiative programmes enable communities to ‘help themselves’. This can in certain cases lead to a de-responsibilization of the state and it can create dependencies on donor funds, instead of focusing on establishing well-functioning government services. James DeFilippis, Robert Fisher and Eric Shragge have an even more drastic viewpoint by declaring “*clearly, one of the barriers to long-term change, in addition to the basic power relations inherent in the*

²³⁶ Citation: “*Gesamt aller nebeneinander bestehenden Formen der kollektiven Regelung gesellschaftlicher Sachverhalte: von der institutionalisierten zivilgesellschaftlichen Selbstregulierung über verschiedene Formen des Zusammenwirkens staatlicher und privater Akteure bis hin zu hoheitlichem Handeln staatlicher Akteure*”. Mayntz, Renate. 2004. *Governance im modernen Staat*, in Benz, Arthur (Hrsg.), *Governance – Regieren in komplexen Regelsystemen. Eine Einführung*. Wiesbaden. P. 65-76.

²³⁷ Risse, Thomas. 2008. *Regieren in “Räumen begrenzter Staatlichkeit” – zur Reisefähigkeit des Governance Konzeptes*, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008, 149-170.

*system, is the pragmatic and adaptive strategy of community work, which, without naming a radical politics, undermines a longer term and more fundamental social change”.*²³⁸

However, while the interdependence between state and civil society is not questionable, the argument that community work undermines longer term and more fundamental social change and that it leads to a de-responsibilization of the state seems to lose in strength when one considers that developed states, where government authorities provide a full range of social services, are also those with the largest proportion and the strongest influence of civil society organizations. In fact, it seems that a well-functioning civil society has beneficial influence on traditional public services. For David Satterthwaite, supporting community projects is a way of “*providing an alternative channel to support poverty reduction outside of government*”²³⁹. Whilst this statement is correct, it needs to be underlined that though funds are being channeled directly to communities, there is in many cases a positive impact originating from community initiatives onto local municipal authorities. In fact, Satterthwaite describes in his article on local funds the beneficial link between community projects and local governmental authorities. He argues that community funds can strengthen representative structures and federations of (urban) poor which in turn increases their capacity to negotiate with local authorities. This can lead to a change in the way local authorities operate and influence policy change at the municipal and higher levels. The fact that local communities contribute to the tasks and responsibilities of local authorities also changes official perception of these communities (often the poorest and most marginalized communities) to one that “*recognizes their competences and capacities*”²⁴⁰. As a result, the institutional relationship between the local government body and the community is reinforced.

Whereas, it could appear at first observation, that funding of community initiatives de-responsibilizes the state, it seems that strengthening of local civil society through funding of community initiatives enables the local municipal body to provide better

²³⁸ DeFilippis James; Fisher, Robert; Shragge, Eric. 2010. “*Contesting community: the limits and potential of local organizing*”. Rutgers University Press.

²³⁹ Satterthwaite, David. 2002. *Local funds, and their potential to allow donor agencies to support community development and poverty reduction in urban areas: Workshop Report*, in *Environment and Urbanization*, 14 (1), April:179-88.

²⁴⁰ Ibid.

services to its communities. In fact, strengthened communities can lead to a strengthened municipal government.

The challenge of creating dependencies is one which the donor society has had to tackle over the last decades. It is true that mere provision of funds without a sustainability plan beyond the donor funding period has proven to cause creation of dependencies without resulting in long-term benefits for the community. This has sometimes even proven to be counterproductive for the community. However, lessons learned and best practices from community work have been integrated into community initiative coordination programmes over the past decades. For instance, the sustainability plan is amongst the top requirements on the list to evaluate funding proposals in the GEF Small Grants Programme. This plan aims to avoid that dependencies are created and to ensure sustainability of the project beyond the funding period. Many community initiative coordination programmes have adopted similar tools and measures to avoid dependencies and to increase the likelihood of project sustainability.

Conclusion - Chapter D

The concept of community initiative coordination, illustrated here with the practical example of the GEF Small Grants Programme, appears, after analysis of shortfalls and advantages, as an effective solution to weaken and eliminate shortfalls of isolated community initiatives, while maintaining their strengths and advantages. As such, and in contrast to large scale development projects and programmes, the GEF Small Grants Programme has the capacity to reach the rural poor and marginalized populations, it is an inclusive programme which enables local participation, it operates on relatively low cost thanks to in-kind contributions, volunteerism and largely decentralized processes, it has the capacity to innovate and adapt to local needs and exigencies, it can focus on easily measurable results and it has the capacity to propose tailor-made solutions for specific local development issues. Most importantly, it effectively links specific local development challenges, which can vary strongly from one community to the next, to global development objectives.

It has also been shown that the main points of criticism advanced against community initiative coordination programmes (i.e.: de-responsibilization of the state, creating dependencies and the inability to ensure full community-drivenness in the context of community project funding) can be confronted with counterarguments which speak in favor of community initiative coordination programmes.

Throughout the last chapter I will connect the elaborated results thus far. The specific contributions which community initiatives can make in the current context of international development cooperation will be examined from a critical angle, using the theoretic conceptual framework relevant for this research as well the key concepts of today's donor environment. For this purpose, programme and project data of the GEF Small Grants Programme will be used.

E. A NICHE FOR COMMUNITY INITIATIVES? THEORIZING KEY CONCEPTS OF COMMUNITY INITIATIVE PROGRAMMING: THE GEF SMALL GRANTS PROGRAMME

*“There is a deep and implicit link between the growing calls for transformational change in societal systems (e.g., food, energy, water, transport etc) in response to environmental and social problems, and the actions of civil society groups”*²⁴¹. When one considers the well-known actions and campaigns of big international NGOs such as Greenpeace, OXFAM, Doctors without Borders and many others, this statement published in an article of the Centre for Social and Economic Research on the Global Environment appears evident. There is no doubt that civil society has for a long time played an important, transformative role in international development cooperation. But when one focuses on community organizations this link is less obvious. After all, community organizations focus on local development issues, which change from one community to the next. How could community organizations contribute to societal change, and how could they contribute to international development cooperation efforts given their minimal circle of intervention? The last chapter of my research intends to evaluate and shed a critical light upon the concrete contributions which community initiative programmes claim to be able to make in current international development cooperation. The chapter will also examine the question whether there is a specific niche for community initiative cooperation programmes in international development cooperation by inquiring whether there are any kinds of outputs which community initiatives can produce with more capacity or more efficiency than larger scale projects.

To this end, the content within which this last chapter is embedded needs to be recalled. First, from a theoretic and conceptual angle, the relevance of the governance concept for community initiatives, the significance of the link between poverty reduction, governance and aid effectiveness as well as the contribution of the rights-based approach to development theories and practice will be considered once more in the following sections.

²⁴¹ Hargreaves, Tom; Haxeltine, Alex; Longhurst, Noel; Seyfang, Gill. 2011. *Sustainability transitions from the bottom-up: Civil society, the multi-level perspective and practice theory*. CSERGE Working Paper 2011-01; ISSN 0967-8875.

From a historic angle, the second chapter had concluded after an examination of the evolution of the role of civil society organizations, and particularly of community organizations, that the current environment of international development cooperation constitutes an unprecedented opportunity for community organizations. It was demonstrated that the constellation of the new aid environment coupled with the modified, and legally recognized role which civil society entities can play as of now in international development cooperation, provides an unprecedented framework on which community initiatives can strive. The concepts of ownership, partnership and accountability, introduced in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action are of special relevance here and they will be further examined in the present chapter.

In the previous chapter, the example of the GEF Small Grants Programme demonstrated how community initiative programming reinforces the advantages of isolated community initiatives while it eliminates their shortfalls. It was noted however that the major challenge of community initiative programming remains how to ensure a maximum amount of community-drivenness while concentrating on global development objectives.

This last chapter attempts to tie the knots between the so far elaborated results to reveal the specific contributions which community initiatives, when embedded into a community initiative coordination programme, can realistically make in the current context of international development cooperation. For this purpose, key concepts and theories need to be reviewed and validated with empirical evidence.

Community initiative programmes claim to contribute to four groups of key concepts, which are upheld by the donor community as part of the main objectives of contemporary international development cooperation. These key concepts are (1) accountability and transparency, (2) sustainability, (3) governance, and (4) effectiveness and efficiency.

These four concepts are directly linked to the theoretic conceptual framework within which this research is embedded as can be seen in the following sections. Analysis of empirical data relevant to these concept groups and gathered from the GEF Small Grants Programme will result in theorization of identified results throughout this chapter.

E.1. Transparency and Accountability

Accountability is one of the key international development priorities of the beginnings of the 21st century. Along with transparency, accountability contributes to reduced corruption²⁴² and both concepts together enhance the effectiveness of financial contributions to development efforts. They also contribute to more inclusive and representative decision-making processes, thereby building democratic governance structures in systems which do not forcibly have to be of democratic nature.

The concept of accountability is not only applicable within a national framework; in fact, in the context of this research it also covers the international arena and its implications are two-fold. Whereas the remainder of this section will focus on accountability in the context of community initiatives, it is worth mentioning in this introduction that the notion of ‘mutual accountability’, that is to say, the accountability of all stakeholders involved in international development cooperation, has opened important doors of opportunities for civil society organizations, including grassroots organizations, over the recent years. The definition of mutual accountability and the measures which development stakeholders have to implement to enhance mutual accountability and to render international development efforts more transparent were extensively discussed at the aid effectiveness conferences in Paris (2005), Ghana (2008) and Busan (2011)²⁴³. The principle of mutual accountability, adopted at the Paris High-Level Forum on Aid Effectiveness, specifies that both “*donors and partners are accountable for development results*”²⁴⁴. In the Paris Declaration, partner countries commit themselves under the mutual accountability principle to “*reinforce participatory approaches by systematically involving a broad range of development actors when formulating and assessing progress in implementing development strategies*”. This “*broad range of development actors*” includes civil society organizations, amongst them local community organizations.

²⁴² Lederman, Daniel; V. Loayza, Norman V.; Soares, Rodrigo, R.2005. *Accountability And Corruption: Political Institutions Matter. In Economics & Politics. Vol: 17* (March 2005). PP: 1-35. Wiley Blackwell.

²⁴³ Refer to Chapter C, Section 2.

²⁴⁴ *Paris Declaration on Aid Effectiveness*. Chapter II. Paragraph 47. “*Mutual Accountability*”. 2 March 2005. Paris, France.

Grassroot organizations are thus encouraged and entitled to participate in the formulation, the implementation and the monitoring of development strategies.

In Paris, the accountability discussion was dominated by, on the one hand, the lack of aid predictability, and the inconsistency and fragmentation of donor interventions and, on the other hand, corruption, fiduciary risks and low management capacity. The 2008 Accra Agenda for Action changed the accountability concept somehow in that it recognized the growing consensus over the importance of including all stakeholders in national development processes. It was explicitly stated and agreed that all actors count and that they make complementary contributions to development. In Busan, the mutual accountability concept was revisited, but discussions on accountability also touched upon the complex system of domestic “accountabilities” (local and regional governance, public-private mechanisms, constitutional checks and balances, etc.). Partner countries, civil society organisations, local governments, parliamentarians, political parties, independent media and development partners have the responsibility to work together to build robust, coherent and mutually supportive accountability systems.²⁴⁵ It is a moment of opportunity not to be missed by those local organizations who want to be involved in larger development efforts.

Before examining, throughout the remainder of this section, the accountability concept within the context of community initiatives, the notion itself merits to be further defined. In general it is considered that accountability exists *“when there is a relationship where an individual or body, and the performance of tasks or functions by that individual or body, are subject to another’s oversight, direction or request that they provide information or justification for their actions”*²⁴⁶. The accountability concept therefore requires two separate stages: answerability and enforcement. Answerability is the obligation of the government, its agencies and public officials to inform about decisions and actions and to explain and rationalize them to the public and those institutions of

²⁴⁵ Fourth High Level Forum on Aid Effectiveness. Busan 2011. Day 1 Thematic Session on Ownership and Accountability. *Fostering Ownership and Accountability: Making It Happen* http://www.aideffectiveness.org/busanhlf4/images/stories/TS_Ownership_and_Accountability_final.pdf.

²⁴⁶ World Bank Sire Resources. Public Sector and Governance. Accessed in March 2012: <http://siteresources.worldbank.org/PUBLICSECTORANDGOVERNANCE/Resources/AccountabilityGovernance.pdf>.

accountability tasked with providing oversight. Enforcement refers to the fact that the public or the institution responsible for oversight have the possibility to sanction the offending party or to correct the contravening behavior.

For UNESCAP, *“accountability is considered a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders”*²⁴⁷.

Transparency is closely linked to accountability in the sense that the availability and accessibility to information are critical for accountability. However, though necessary, access to information is not by itself sufficient, as it does not automatically result in accountability. As implied above, for accountability to occur, stakeholders must act upon the information they acquire²⁴⁸.

This section will attempt to answer the following questions by using concrete examples of the GEF Small Grants Programme:

- Are community initiative coordination programmes able to live up to the challenges and exigencies imposed by the accountability and transparency requirements?
- What are the challenges and shortfalls of community initiatives in the context of the accountability and transparency concepts?
- Are there any advantages and strengths which community initiatives specifically contribute in the area of accountability and transparency?

²⁴⁷ United Nations Economic and Social Commission for Asia and the Pacific. Accessed at: <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>.

²⁴⁸ Jenkins, R.; Goetz, A.M. 1999. *“Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India.”* Third World Quarterly 20 (3): 603-22.

E.1.1. Transparency and accountability in the operational structure of the GEF Small Grants Programme.

SGP's operational structure was set up with the objective to ensure the highest standards of accountability and transparency. However, ensuring accountability and transparency is a challenge when it comes to a multitude of grants (over 14,500 grants had been awarded by SGP as of December 2012), which are managed and disbursed in currently 125 countries²⁴⁹. From an initial perspective, it seems that such a high number of grant disbursements and countries in which the SGP is operational can only add to the complexity of the system and therefore renders transparency and accountability more difficult to ensure.

Transparency necessitates access to information. The World Bank's sourcebook on empowerment states "*Information is power....Without information that is relevant, timely, and presented in forms that can be understood, it is impossible for ... people to take effective action*"²⁵⁰. As mentioned previously, transparency is a prerequisite to accountability since for accountability to occur, stakeholders must act upon the information they acquire²⁵¹.

SGP's operational structure practices two forms of accountability: administrative accountability and social accountability²⁵². Administrative accountability is ensured through internal accountability mechanisms both within and between agencies. Social accountability, which is by definition a vertical mechanism, holds the Small Grants Programme accountable to potential grantees, approved grantees and community members. The vertical characteristic of the SGP's social accountability can take the form of downward accountability, for instance the National Coordination Team (National

²⁴⁹ SGP was operational in 125 countries as of December 2012; ref.: www.sgp.undp.org.

²⁵⁰ World Bank. 2002. "*Empowerment and Poverty Reduction: A Sourcebook*. <http://siteresources.worldbank.org/INTEMPowerment/Resources/486312-1095094954594/draftsum.pdf> (accessed in December 2011).

²⁵¹ Jenkins, R.; Goetz, A.M. 1999. "*Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India*." *Third World Quarterly* 20 (3): 603-22.

²⁵² For a differentiation between political, administrative and social accountability, refer to: Narayan, D. (ed.). 2002. *Empowerment and Poverty Reduction: A Sourcebook*. The World Bank. Washington DC.

Coordinator and National Steering Committee members) towards grantees as well as upward accountability, such as grantees to the National Coordination Team.

Administrative accountability in the GEF Small Grants Programme.

Administrative accountability, ensured through internal accountability mechanisms both within and between agencies, is implemented at the Small Grants Programme in various ways. First of all, the Small Grants Programme Country Programme Management Team based at UNDP in New York City reports back to its funding agency, the Global Environment Fund, on all expenditures as well as thematic achievements for each operational phase. The Small Grants Programme is replenished by the Global Environment Fund upon review and approval of expenditure reports. The GEF and CPMT staff has also created a joint oversight team to ensure transparent flow of information, implementation according to agreed objectives and the highest accuracy in monitoring, evaluation and reporting.

UNOPS, as the executing agency of the Small Grants Programme, manages all operations on behalf of UNDP. It receives and manages all SGP funds, transferred from the GEF to UNDP and then to UNOPS. According to the overall SGP budget established by the CPMT and approved by the GEF, and considering headquarter and country programme financial requirements, UNOPS establishes annual budgets for both headquarters as well as field expenditures. These budgets include all of SGP's headquarter and field staff costs, administrative expenditures and, most importantly, grant funds. UNOPS is responsible for ensuring that SGP funds are managed and disbursed according to United Nations rules and regulations and according to SGP's operational guidelines. UNOPS reports back to UNDP on a quarterly basis and provides ad-hoc financial reports as required. UNOPS also issues an official financial report after having closed its yearly accounts at the end of each calendar year. This financial report provides detailed information on expenditures per budget line and can be detailed down to each specific payment processed worldwide during the year. Since UNDP and UNOPS share the same Enterprise Resource Planning System (ERP ATLAS), UNDP CPMT staff as well as SGP country staff have access to SGP's financial data online at a 24/7 basis.

To adequately address financial and programme management issues, which are often interrelated, the SGP has created regional teams composed of “*at least one staff member from CPMT and from UNOPS, as well as the regional Senior National Coordinator as needed*”²⁵³, who will provide advice on a range of technical aspects, as well as operational, management and administrative issues. The Senior National Coordinators serve also as mentors for less experienced National Coordinators and/or younger country programmes.

At the country level, National Coordinators issue budget requests to their respective UNDP-UNOPS regional teams on an annual basis. Their budgets include administrative as well as grants costs. These latter are composed of foreseen expenditures of approved grants as well as expected expenditures linked to a grant pipeline for the year. The regional teams review and approve country budget requests within the overall budget allocated to the SGP for the year and according to the specific thematic objectives of the SGP, while also taking into consideration the national programme strategies and particular situations (such as natural or man-made disasters, which might affect the budget for the year under consideration). Once approved, The National Coordinators and their teams then manage the approved yearly country budgets according to United Nations rules and regulations and according to SGP’s operational guidelines. Each expenditure will be processed in the UNDP UNOPS ERP system and it will be approved by the respective UNOPS Portfolio Manager, who is responsible for verifying all expenditures, including expenditure details.

The transparent access to information, which is available to all stakeholders involved in the administrative accountability process, makes out of the Small Grants Programme despite its complexity and size, a transparent system which ensures immediate accountability, thereby contributing to low levels of corruption and highest standards of cost-effectiveness. From an administrative accountability perspective, the example of the GEF Small Grants Programme thus demonstrates that community initiative coordination programmes can live up to the standards and requirements of accountability and transparency in international development cooperation, under the condition that they are

²⁵³ GEF Small Grants Programme. 2011. *Operational Guidelines*. Accessed at: <http://sgp.undp.org/img/file/GEF%20SGP%20Operational%20Guidelines%20OP5.pdf>.

set up in a thoroughly structured yet decentralized way and with a necessary system of checks and balances in place.

Social accountability in the GEF Small Grants Programme. Social accountability, which is by definition a vertical mechanism, holds the Small Grants Programme accountable to potential grantees, grantees and community members and it ensures accountability from grantees to the Small Grants Programme. As mentioned previously, the vertical characteristic of the SGP's social accountability can take the form of upward accountability, such as grantees reporting to the National Coordination Team and downward accountability, for instance the National Coordination Team reporting (National Coordinator and National Steering Committee members) towards grantees.

One advantage of upward social accountability is reduced corruption. At the very outset, it needs to be mentioned that corruption at the government level is completely avoided thanks to the set-up of the Small Grants Programme, which, with the approval of national governments, is one of the few UN programmes which channels funds directly to NGOs and community organizations, without passing through governmental bank accounts.

Upward social accountability is ensured at the Small Grants Programme at the very outset of project implementation. Each grant candidate needs to establish a project proposal at the time of grant application, which also specifies a budget, milestones and specific project goals, outputs and outcomes. Once the grant has been approved, the grantee community needs to implement the project within the timeframe, within the budget and according to the milestones and overall project goals, outputs and outcomes defined in the project proposal. Though the grantee receives an advance payment to start project activities, each new financial tranche will only be disbursed upon receipt and approval by the National Coordinator of a project report. Regular monitoring and evaluation visits are also undertaken by the National Coordinator and National Steering Committee members to ensure that activities are implemented according to the project concept and goals and within the agreed-upon budget and timeframe. Grantees also provide financial information to auditors upon request; in addition, whenever the Small Grants Programme is being

evaluated they are required to provide thematic and financial information on project activities in case their project should be selected for evaluation purposes.

However, though clear rules relating to upward accountability exist, the reality of working with marginalized and poor communities adds additional layers of complication. Many National Coordinators have encountered cases where informal community organizations did not have an officially registered bank account; illiteracy can be a serious handicap for transparency and funds are frequently being disbursed to community organizations which do not have much experience with managing larger amounts of money. Land ownership is another obstacle since many villagers do not own official titles of land ownership. National Coordinators of the Small Grants Programme enjoy relative flexibility in how to best address these situations and assist communities. Best practices are shared amongst country programmes in this respect. As such, the practice of video proposals²⁵⁴ is supported by the Small Grants Programme to allow illiterate community members to participate in establishing project proposals. In other cases, where access to bank accounts is problematic or the community does not have enough financial management experience, NGOs can be subcontracted or receive capacity building grants to support community organizations in the implementation and financial management and reporting requirements of their project.

Upward transparency requirements can therefore be addressed even in situations where community organizations don't have the full capacity yet to live up to these requirements by themselves. The Small Grants Programme, which is a pioneer in this area, has accumulated experiences and shared best practices at each step of the way.

Downward accountability is ensured by the Small Grants Programme through its operational set-up. David Satterthwaite suggests in his study on local funds and their potential to allow donor agencies to support community development that *“the application procedures and decision-making processes [should] be kept transparent, so that information is widely available ... regarding the existence of the fund and the application procedures. In addition, information can be made available regarding the processes*

²⁵⁴ Lunch, Nick; Lunch, Chris, 2006. *Insights into Participatory Video – A Handbook for the Field*. InsightShare.

*through which decisions are made, and who applies for funds, who receives funds and why”.*²⁵⁵

The Small Grants Programme applies this transparency requirement through rendering grant application information as widely known as possible. As such, each country programme has outreach activities and uses modern as well as traditional means of communication to reach the largest possible audience.

For example, the China country programme, like many others, announces its call for proposals on both its country programme website as well as on a popular public website. Other country programmes, where internet is not yet available to many communities, will use more traditional ways of communication such as the radio, local newspapers or workshops and meetings. The Chinese SGP website, similar to many other SGP country programme websites, renders all information easily available, including the country programme strategy, guidelines for project proposals, criteria for project selection and all project document templates including proposal template, monitoring and evaluation report, progress report, interim report, final report and final financial report. This ensures that applicants know already at application stage SGP’s mission, its goals, priorities and all management and reporting requirements expected from grantees.

The Bulgarian country programme website publishes NSC composition as well as lists of received concepts, approved and rejected concepts and approved and rejected proposals. Evaluation forms and requirements for project financing are also published. When a project is rejected, a letter will be sent to the applicant to explain why the proposal was rejected.

In addition, in order to facilitate applications, the website of the Small Grants Programme contains both an eligibility quiz for potential grantees (see figure 1) as well as the seven steps to apply for an SGP grant (see figure 2).

²⁵⁵ Satterthwaite, David. 2002. *Local funds, and their potential to allow donor agencies to support community development and poverty reduction in urban areas: Workshop Report*, in *Environment and Urbanization*, 14 (1), April:179-88.

Figure 1: SGP Eligibility Quiz²⁵⁶

How Can Potential Grantees Apply for an SGP Grant?

If you answer NO to any of the following questions, you are NOT eligible to apply for funding from SGP:

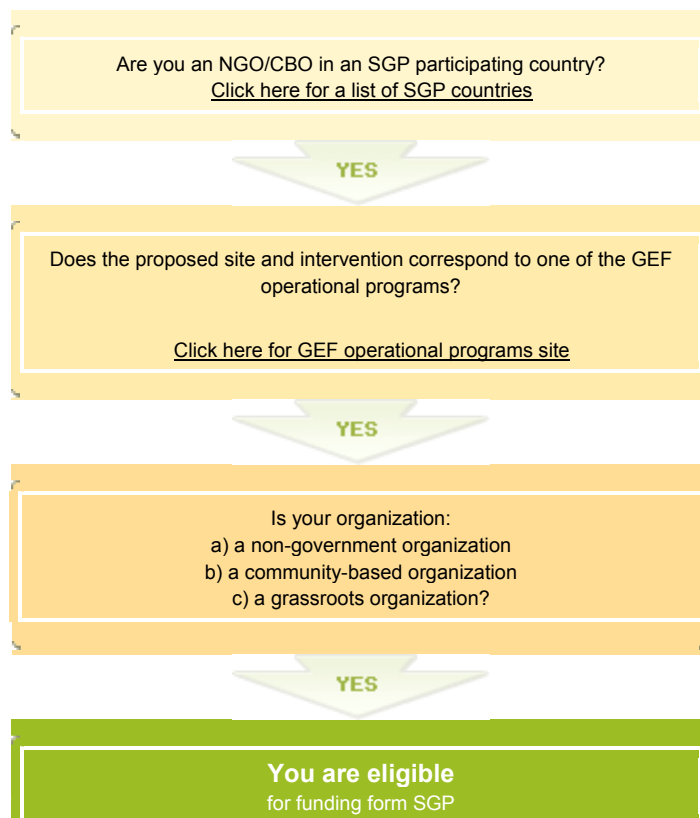
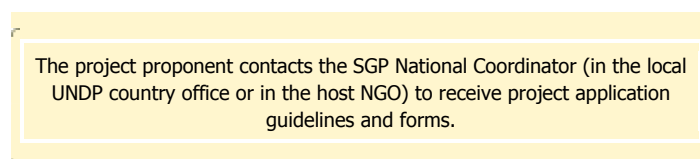


Figure 2²⁵⁷

Seven Steps to Apply for an SGP Grant

National and local NGOs and CBOs may propose projects for grant support by SGP. The procedures for project proposal screening and approval are generally as follows:



²⁵⁶ <http://sgp.undp.org/index.cfm?module=ActiveWeb&page=WebPage&s=EligibilityQuiz>.

²⁵⁷ <http://sgp.undp.org/index.cfm?module=activeweb&page=WebPage&s=ApplyforanSGPGrant>.

With assistance from the National Coordinator and using the standard SGP format, the proponent prepares a brief project concept paper and submits this to the coordinator.

The National Coordinator reviews and pre-screens the concept paper according to GEF criteria and criteria adopted by the NSC for activities in that country.

If the project is judged eligible, the project proponent prepares a project proposal; in some cases, this step may be supported by a planning grant.

Completed project proposals are submitted by the National Coordinator or the NSC.

The NSC reviews the proposal and either accepts it, rejects it, or returns it to the proposer with a request that further work be done on formulating and refining the project data.

Approved proposals enter the national SGP work programme. SGP grants are usually paid in three installments: an up-front payment to initiate the project; a mid-term payment upon receipt of a satisfactory progress report; and a final payment on receipt of a satisfactory project completion and final report.

The SGP website also contains the contact information of both UNDP and UNOPS headquarter teams as well as the contact information of all National Coordinators per country. In addition, National Coordinators and National Steering Committee members undertake awareness raising campaigns locally to ensure that the SGP is as widely known as possible by potential grantees in their respective country.

When reviewing project proposals, National Steering Committee members form a National Steering Committee, which reviews and approves or rejects projects. The rules for approval versus rejection are pre-determined, a project eligibility filter is applied, and minutes are issued and signed after each committee meeting by all members. National Steering Committee members who are related or affiliated in any way with a grantee candidate whose project proposal is being reviewed have to declare their affiliation and cannot take part in the project proposal review and approval process.

Downward accountability is thus assured through application of clear rules and regulations, transparency of decision-making processes, availability of general SGP information, and accessibility of information regarding grant approval decisions.

E.1.2. Transparency and accountability at the project level

Just like a government is accountable to its citizens, the community organization implementing a community project is accountable to those who will be affected by its decisions and actions. It is accountable to the Small Grants Programme and to the community regarding resources spent and achievement of project milestones and final project objectives in a timely, efficient, effective and transparent manner. Another aspect of social accountability in the Small Grants Programme is thus to be found at the project level. Upward and downwards social accountability principles apply here too. How are transparency and accountability assured at the project level? How are community leaders held accountable and do community members, act upon the information they acquire? ²⁵⁸

The underlying research question of this sub-section is to find out whether and how the concepts of accountability and transparency are understood and integrated at the community project level. It is furthermore assumed that once these concepts are integrated, they may be useful for other forms of community involvement, including for holding local government accountable. The field data examined attempted therefore to also address the question of lessons and practices learned pertaining to accountability thanks to the implementation of a GEF SGP project.

²⁵⁸ Jenkins, R.; Goetz, A.R. 1999 “*Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India*”. Third World Quarterly 20 (3): 603-22.

Provision of access to information, project objectives, roles and responsibilities, project data, and most importantly financial data is particularly important in the case of community projects since community projects, due to their inclusive and participatory nature, should allow community members to take a proactive role in implementing the project. But how do SGP projects ensure that information is adequately disseminated and understood? Is access to information generally understood, respected and facilitated in SGP community projects? When information is not disseminated well, the likelihood that only a few informed individuals, generally the project and/or community leaders, have sole access to development opportunities is increased. Controlling information reinforces their positions and creates opportunities for enhancing clientelistic networks^{259 260}. This would be counter-productive to a community's horizontal governance structures, to the principles of transparency and accountability.

In the case of the GEF Small Grants Programme, results relevant to accountability and transparency at the community project level were overwhelmingly positive.

All consulted countries reported that project participants generally have access to project information, project objectives and roles and responsibilities. In addition, project information is reported back to the CPMT and uploaded onto SGP's online project database, which is open to public consultation. Many country programmes have in addition their own project databases. In the case of Bulgaria for example, this database includes project proposals, project reports, relevant project results as well as impact indicators. Detailed financial data is not published but the overall budget and the funds received from SGP are publicly available.

In most cases, SGP country programmes require clear demonstration of local community involvement already at project preparation stage as part of the participatory project formulation process. However, not all countries reported that project participants have free and regular access to financial data; in addition, not all National Coordinators were aware whether the majority of project coordination meetings included discussions on project finances. Some country programmes explicitly stated that it is the grantee's

²⁵⁹ Kumar, Sanjay; Corbridge, Stuart. 2002. *"Programmed to Fail? Development Projects and the Politics of Participation"*. The Journal of Development Studies 39 (2) 830-51.

²⁶⁰ Desai, V. 1996. *"Access to Power and Participation"*. Third World Planning Review 18 (2): 217-42.

responsibility to inform the community of the project fund structure. Due to seemingly weaker communication regarding financial aspects of the projects, it can be supposed that in the case of the GEF Small Grants Programme, community members are not always aware of the structure of funds and details of expenditures. In the large majority of cases however, community members are aware of the total amount of funds received, co-financing obtained and broad project expenditures. This result is similar to a World Bank study on social dimensions of community-based environment initiatives. The study concluded that transparency and accountability of project finances was uneven, which restricted community access to information about administrative decision making processes²⁶¹.

The seemingly weaker communication on financial aspects can however be explained in the case of the SGP with its objective to reach the most marginalized and poorest communities. In these communities, many community members are illiterate and not all have the capacity to understand complex financial accounting mechanisms, such as budget break-downs, encumbrances versus actual expenditures and exchange rate implications. Hence, whereas broad financial information is shared, financial details are generally covered by appointed financial managers of the respective projects. It needs to be noted in addition, that this outcome is more positive than a recent World Bank study of 100 community user groups in India, which found that few members knew how group funds were used and that accountability mechanisms were generally unknown²⁶². The more positive outcomes in the case of SGP can be explained with its emphasis on participatory approaches and information sharing.

It also needs to be stated that in certain SGP country programmes, financial management at the project level is very transparent. In the case of the China country programme for example, expenditures are announced to all community members and published on the board of the village committee. This, in fact, is a practice which, for transparency purposes, could be suggested for replication by the CPMT to other country

²⁶¹ Gill, K. 2000. *If not us, then who? Social dimensions of community-based environment initiatives*. The World Bank. Washington D.C.

²⁶² Alsop, R.; Sjoblom, D.; Namazie, C.; Patil, P. 2002. *Community-level user groups in three World Bank-aided projects: do they perform as expected*, Social Development Paper 40. The World Bank. Washington D.C.

programmes, especially in cases where community accountability and transparency processes may be perceived to be weaker.

But accountability and transparency not only pertain to financial aspects; they also cover project implementation, monitoring and participation.

In the case of the Armenia country programme, new projects start with kick-off meetings (public hearings) in target communities with the participation of SGP and/or NSC members. The project beneficiary selection criteria are widely presented at these meetings and community contribution commitments to the project (usually in-kind), as well as cash financing of the project, both the SGP funding part and non-GEF sources, are also being presented during the meetings. In the course of the implementation (execution and completion stages) project participants are involved in all stages, including participatory self-monitoring and assessment/evaluation processes.

The Armenia country programme strategy requires participatory approach of project monitoring. Thanks to this requirement, project participants jointly identify implementation bottlenecks and challenges and assess whether targets set in the project document are being achieved. They also propose changes to improve project performance if need be. After each monitoring visit, the NC prepares a monitoring record indicating major observations, recommendations and measures to be taken. This report is being signed by the participants involved in the monitoring process (including NSC members, partners/donors/co-financers, head of the local community, invited experts, beneficiaries, etc.). It is believed that the involvement of project beneficiaries in the monitoring and evaluation process will promote mutual understanding about the project's approach, contribute to community "ownership", as well as enable capacity building and apply lessons learned from project and programme experience. At the same time, this involvement ensures upholding the principles of accountability and transparency.

In the case of Bulgaria, project monitoring trips are undertaken by the SGP teams which meet with all project partners, thereby ensuring that information is adequately disseminated and understood. In addition information dissemination events are organized for the wider community and all community members who are directly involved in projected implementation are also regularly informed on project execution, which includes financial details.

When asked how project leaders were held accountable by community members, most country programmes pointed out that the grantee will usually work with a leader who is elected by the entire community; it is the person the community has decided to trust. Interestingly, no country programme mentioned a case where the community was dissatisfied with the performance of a community leader, despite the fact that this question was specifically asked. Therefore, it was in this study not possible to answer the question how a community would address a case of bad performance by a community leader. This is a crucial element in implementing accountability and it is worth further exploration.

Long-term consequences of SGP projects on accountability and transparency. A last point of consideration is the impact of accountability and transparency requirements beyond project duration. Direct results of upholding accountability and transparency requirements during project implementation are reduced risks of corruption, enhanced project effectiveness and more representative implementation. The latter contributes to increased ownership, and therefore, on the long run, to sustainability beyond funding duration. A first long-term consequence of the accountability and transparency principles is therefore increased probability of project sustainability beyond project funding.

In addition, a majority of the SGP country programmes consulted reported that thanks to the partnerships and co-financing requirements of SGP projects many SGP projects involve local authorities and leading development entities. Thanks to the fact that transparency and accountability are core principles of SGP projects, the relationships between the grantees and local authorities and other local leading entities, when involved in project implementation, are being forged positively beyond project duration. To illustrate this idea, the Armenia country programme managed to prove that successful implementation of SGP projects improves accountability on the use and management of local resources in the long run. One of the typical examples cited was an SGP-funded project implemented in a remote community populated mostly by an Azerbaijani minority²⁶³. The project introduced sustainable land use and biodiversity conservation

²⁶³ *Introduction of sustainable land use and biodiversity conservation practices in Dprabak community of Gegharkunik Region* (ARM/SGP/OP4/Y3/CORE/2010/10). Accessed in March 2012 at: http://sgp.undp.org/web/projects/15662/introduction_of_sustainable_land_use_and_biodiversity_conservation_practices_in_dprabak_community_of.html.

practices thanks to the establishment of a certified community-based organic orchard of joint use in the Dprabak Community of Gegharkunik, Armenia. In order to co-manage the organic orchard business, the project established a Board of Trustees of the “Dprabak Social Development Fund” during the project kick-off meeting. This Fund is in charge of operating the organic orchards and of directing the income generated from the organic products towards funding major community issues. The Board of Trustees is the managing body of the Fund, which equally involves representatives from local administration, different community gender and age groups and a representative of the grantee NGO. The approach not only ensures transparency and local accountability but it also resulted in enhanced relations with the local administration. These relations have continued beyond project duration; local accountability on the use and management of local resources was thus improved in the long run thanks to an SGP project. It needs to be mentioned that this project was cited by the country programme as an example confirming the general norm, that is to say the fact that local accountability is in most cases enhanced after successful SGP project implementation, as long as the grantee ensures partnerships and involvement of local government entities during project implementation.

Conclusion. The GEF Small Grants Programme is thus indeed a community initiative coordination programme which is able to adhere to international standards of accountability and transparency despite the multitude of its projects and despite the challenge imposed by its global and necessarily complex operational structure.

In addition, empirical evidence gathered from SGP’s country programmes demonstrates that community initiatives can contribute to bringing the concepts of accountability and transparency closer to communities since SGP projects translate these abstract concepts into practical work relations, including simple disclosure and dissemination of information and basic ways of holding project leaders accountable. By having to comply with accountability and transparency standards throughout project implementation, SGP communities learn in practical terms what the concepts of accountability and transparency mean. However, the accountability principle also contributes to upholding the right of all community members to participate, and it enables community members to demand project leaders to be accountable; accountability is thus

one of the cornerstones of good governance in that it contributes to community empowerment, to ownership and to a rights-based approach to development.

Another point to be retained here is that local accountability is enhanced beyond project duration thanks to the fact that grantees and local authorities work often together when a SGP project is implemented. Throughout project implementation, the principles of transparency and accountability are not only being upheld, but they are implemented in practical ways. This leads to forging more accountable and more transparent relations between the community and local government authorities in the long run and improves interactions beyond project duration.

However, when comparing community projects with larger scale projects, there is no evidence that community projects have a particular advantage or result in more impact in the area of accountability and transparency than larger projects. Larger projects, when well designed and implemented, can and will achieve similar results.

E.2. Sustainability

The notion of sustainability is not one which the aid effectiveness conferences of Paris, Accra or Busan concentrated much on. However, environmental sustainability is one of the eight Millennium Development Goals and it is a concept which preoccupies the international development community increasingly. Without ensuring environmental sustainability, development efforts would be in vain since the planet would not survive destructive man-made interventions. Simply put, achieving sustainability will enable the earth to continue supporting human life as we know it. It is also for this reason that several countries proposed that a key outcome of the Rio + 20 United Nations Conference on Sustainable Development held in June 2012 in Rio de Janeiro, Brazil, should be the definition and agreement of a suite of Sustainable Development Goals (SDGs), similar to and supportive of the MDGs.²⁶⁴

The word sustainability derived from the Latin notion *sustinere* (*tenere*, to hold; *sus*, up) is defined as the capacity to endure. For humans, sustainability is the long-term maintenance of well being. It has environmental, economic, and social dimensions, and encompasses the responsible management of resources.

Sustainable development is closely linked to the concept of Green Economy in that it is a pattern of growth in which resource use enables to meet human needs while preserving the environment. This ensures that human needs can be met not only in the present, but also for generations to come. Though there is no unilateral definition for the concept, it became well-known thanks to the Brundtland report, which defines sustainable development as development that *"meets the needs of the present without compromising the ability of future generations to meet their own needs"*²⁶⁵.

The 2002 Johannesburg Earth Summit on Sustainable Development and the 2005 World Summit retained the "three pillars of sustainability" as the reconciliation of

²⁶⁴ Official Country Proposal Issued by the Ministry of Foreign Affairs of Columbia to the United Nations Conference on Sustainable Development. "RIO + 20: Sustainable Development Goals (SDGs) A Proposal from the Governments of Colombia and Guatemala". Accessed in December 2011 at: <http://www.uncsd2012.org/rio20/content/documents/colombiasdgs.pdf>.

²⁶⁵ Brundtland Commission, 1987. *Our Common Future*. Oxford University Press.

environmental, social and economic demands. These three pillars are not mutually exclusive and can be mutually reinforcing.

What is important when placing the sustainability concept into the context of community initiatives is to note that for community initiatives to be sustainable these three pillars - environmental, social and economic demands - need to be taken into consideration at the design stage and they ideally should receive equal attention throughout the implementation phase. The rule is simple: if the economic aspect of a community project is not given due attention, the initiative will most likely not be sustainable; if the social aspect of a community project is not given due attention, the initiative will most likely not be sustainable; if the environmental aspect of a project is not given due attention, the initiative will most likely not be sustainable.

Environmental sustainability versus project sustainability. When assessing the sustainability of community initiatives it is important to note that there are two types of sustainability, which are generally referred to. The first type is the above described one: environmental sustainability. When assessing this type, one will consider sustainable project outputs and outcomes. The second type refers to project sustainability in that it assesses whether a project, or a created community organization, will continue to exist beyond project funding. A recent study on project sustainability evaluation measures concluded that quality, time and ownership are key elements to measure project sustainability. This means in simple terms that the outcomes of the project should continue beyond project funding, that their quality should not deteriorate and that the community should have full ownership of the project²⁶⁶.

These two sustainability dimensions are separate from each other, yet they are at the same time interrelated as sustainable community organizations and projects aim to ensure sustainability of project outcomes. Therefore, this study does not specifically distinguish environmental sustainability from project sustainability.

²⁶⁶ Hemmer, Hans-Rimbert. 2005. *Zur Berücksichtigung der Nachhaltigkeit durch die KfW in Schlussprüfungen von FZ-Vorhaben: Grundsätzliche Überlegungen*. In Ahrens, Heinz. *Zur Bewertung der Entwicklungszusammenarbeit*. 2005. Duncker & Humblot.

The GEF Small Grants Programme gives high importance to sustainability. This is also due to the fact that the SGP is a community initiative coordination programme which, since it is financed by the Global Environment Facility, has an environmental focus as its primary objective. However, in reality, any community initiative coordination programme which intends to achieve lasting development results has to subscribe to sustainable development objectives by sheer logic. Again, without ensuring sustainability, any development project's lasting results are vowed for failure since they will not contribute to enabling the planet to sustain human life. Hence, many of the sustainability lessons drawn from SGP community initiatives are likely to be transferable to community initiative coordination programmes, which do not necessarily focus primarily on environmental objectives.

This section attempts to examine whether and if yes in what way the Small Grants Programme contributes to sustainable development. To this end two aspects will be considered:

- 1) How do operational requirements and thematic priorities of the Small Grants Programme contribute to ensuring sustainability?
- 2) How do community initiatives of the Small Grants Programme contribute to sustainable development?

E.2.1. Ensuring sustainability: operational requirements and thematic priorities of the Small Grants Programme

The SGP states that it embodies the very essence of sustainable development since it channels financial and technical support directly to NGOs and community organizations for activities that conserve and restore the environment while enhancing people's well-being and livelihoods²⁶⁷. It therefore focuses directly on the three pillars of sustainable development: environmental, social and economic aspects. These three pillars are addressed through the programme's project selection criteria, through the principles of

²⁶⁷ In: "What does SGP do?" Accessed at: <http://sgp.undp.org/index.cfm?module=ActiveWeb&page=WebPage&s=WhatdoesSGPdo>.

ownership, partnership and co-financing as well as through specific focuses on poverty reduction and community-drivenness²⁶⁸.

Sustainability criteria at project selection. The Small Grants Programme allows for relative flexibility in that it does not impose pre-defined project selection criteria to country programmes. This means that National Steering Committees can locally define how to apply sustainability criteria. However, National Steering Committees are requested to include sustainable livelihood as well as gender equality criteria into their project selection mechanisms. Gender equality does contribute to sustainability in that it has been proven that inclusive, participatory approaches strengthen project sustainability since the sense of ownership of the project is enhanced at the community level²⁶⁹. This ensures that environmental, social and economic aspects are taken into consideration while each particular country situation can be respected.

The SGP Philippines country programme, for instance, has decided to insert relatively specific sustainability criteria in its project selection mechanisms. It used for this purpose criteria provided by the Integrated Environmental Management and Sustainable Development Programme funded by the UNDP. The programme proposes a hierarchical analytical framework which allows evaluating the sustainability potential of development projects²⁷⁰. In the Philippines, in order to be approved, SGP projects need to be:

- *Ecologically sound:* This means that the project allows adequate opportunity and mechanisms for the floral and faunal elements of the system to proportionally regenerate itself, achieving thereby balance between resource use and resource conservation.
- *Economically rewarding:* The project addresses the poverty aspect by providing the community an additional or alternative livelihood source

²⁶⁸ The environmental pillar is of course mainly addressed through the thematic environmental focal areas of the Small Grants Programme (international waters, climate change, persistent organic pollutants, biodiversity and land degradation).

²⁶⁹ Johnsson-Latham, Gerd. 2007. *A study on gender equality as a prerequisite for sustainable development. Report to the Environment Advisory Council.* Sweden 2007:2. The Environment Advisory Council. Ministry of the Environment. Stockholm. Sweden. www.sou.gov.se/mvb.

²⁷⁰ Bennagen, Ponciano; Duhaylungsod, Noel C.; Ganapin, Delfin. 2001. *Community-Managed Initiatives at the Forefront of Biodiversity Conservation.* GEF Small Grants Programme-Philippines.

that generates income. This income can be in financial form or an in-kind income.

- *Politically liberating:* The project enhances multi-stakeholder participation in the conceptualization, planning, implementation and management of activities.
- *Socially responsive and acceptable:* The immediate community must have the first say on how the resource will be managed, utilized, conserved and appropriated.
- *Culturally sensitive:* The project creates avenues for traditional/indigenous knowledge systems to be the primary vehicles in biodiversity conservation.
- *Technologically efficient:* The project provides more efficient techniques in resource use and manufacture in consonance with the principles of ecological enhancement and preservation. Strictly, the technological innovation introduced by the project must be environmentally benign.

Every SGP National Steering Committee establishes its own sustainability criteria to evaluate whether a project proposal has the potential to be sustainable. If it is deemed that the project has high chances to be sustainable and if it meets the remainder of the selection criteria, it can theoretically be financed. If a project does not fulfill the sustainability criteria it will either be automatically rejected or, when possible, the National Steering Committee will work with the community to integrate the necessary sustainability components into the project proposal.

Co-financing, partnerships and ownership in the Small Grants Programme. Co-financing, in the context of the SGP, refers to ‘additional funds’ that are leveraged in-cash or in-kind from multiple sources. In general, the Small Grants Programme attempts to achieve an overall co-financing contribution of one to one. This means for each dollar spent by the Small Grants Programme one dollar should be co-financed. Co-financing can be mobilized at the programme and at the project levels. Co-financing does however not

need to be only in financial form. Co-financing is also accepted in-kind and it can be contributed in forms such as technology, manpower (skilled, semi-skilled and unskilled), knowledge, information, land etc.

Whereas programme level co-financing contributes to SGP's general sustainability objectives, especially if long-term partnerships are formed, project level co-financing enhances local ownership, local partnerships and it empowers the community. In addition, it promotes risk sharing, resulting in the fact that the GEF Small Grants Programme does not bare the entire financial risk linked to the project. The sense of project ownership by the community as well as direct partnerships, which the community will have established also as a result of the co-financing requirement, contribute to increasing the probability that the project will continue beyond the funding period and that it will thereby achieve and contribute to sustainability. Co-financing can also help the community to undertake project activities which might be imperative for the success of the project but which cannot be financed from GEF funds. This could for example be useful in cases where a project requires a public health component. Public health activities are non-fundable from Global Environmental Facility budgets since the latter can only be used to tackle one of GEF's pre-determined focal areas. Here again, project sustainability will be enhanced thanks to co-financing, since co-financing allows for a more comprehensive funding and therefore more sustainable project approach.

Cash co-financing at the project level can take the form of financial contributions from communities, grants obtained from local authorities and governments, donations from individuals to the project, or bank loans which are utilized in the project.

In-kind co-financing at the project level can be community contributions in the form of labor, in-kind material donations by the community or by other donors, such as building material, machinery etc., in-kind intellectual services such as know-how, monitoring, impact assessments, etc., as well as space or buildings dedicated to the project, such as office space.

The Small Grants Programme country programmes have established various techniques to calculate in-kind co-financing in projects; co-financing best practices and lessons learned are being shared programme-wide. In-kind contributions are always thoroughly documented as is their conversion into monetary terms.

Sustainability and poverty reduction in the GEF Small Grants Programme. As mentioned previously, the Small Grants Programme focuses on activities that conserve and restore the environment while enhancing people's well-being and livelihoods. Whereas poverty reduction seems not directly linked to project sustainability, numerous examples in the history of the SGP have demonstrated that this is indeed the case. As David Satterthwaite puts it *“The key point of sustainability for development is sustaining the processes by which poverty is reduced and this can draw not only on the resources that poor households have but also on market instruments, state support, local charity of funding from external donors”*²⁷¹. SGP community initiatives sustain the process through which poverty is reduced by bringing in support from the sources mentioned above for this process.

In order to illustrate the direct link between poverty reduction and sustainability, one can cite the example of SGP's Brazil country programme's portfolio of nearly 100 projects, which almost entirely focus on sustainable livelihoods. The programme has supported income-generating activities that have produced numerous and very diverse marketable products through the sustainable use of biodiversity. Examples are the commercialisation of honey, dry fruit and fruit pulp, nuts, industrial and cooking oils, jellies and jams, spices, dry flowers and ornamental plants, semi-domesticated wild animals, soap, handicrafts, cosmetics and herbal medicines²⁷².

The Bolivia 2002-2003 SGP report concluded after review of all projects implemented during the period under review regarding project sustainability *“in a poverty context, the population will always value concrete-short term benefits, while environmental actions prioritize general long-term benefits. The “point” is in projects that achieve both*²⁷³.

²⁷¹ Satterthwaite, David. 2002. *Local funds, and their potential to allow donor agencies to support community development and poverty reduction in urban areas: Workshop Report*, in Environment and Urbanization, 14 (1), April:179-88.

²⁷² GEF Small Grants Programme. 2002. *The Global Environment Facility Small Grants Programme. Hands on Action for Sustainable Development 1992-2002*. (Author of initial report: Seemin Quayum).

²⁷³ Salas, Ruben; Santos, Maria Ines; Gruenberger, Jenny; Aguilar, Oscar; Weeks, Mario Baudoin; Rada, Oscar Paz; Gonzales, Javier; De Marconi, Maria Ripa; Camacho, Esther; Tabo, Egberto; Gonzalez, Liliana. 2004. *Capacity Building and Knowledge Development. Bolivia Country Programme. Operational Phase II Report 2002-2003*. GEF Small Grants Programme. Plural editors. La Paz, Bolivia.

Community-drivenness. One of the main outcomes of the World Bank study of the effectiveness of World Bank support for Community-Based and Community-Driven Development was that bank projects which included community-based and community-driven components were more effective and more sustainable than projects which did not include community-based and community-driven components²⁷⁴. In fact, it seems the community-driven character of the project is the decisive factor when considering sustainability. After all, once project funding has ended it will be up to the community to provide the necessary efforts to keep project activities going. The likelihood that this will occur is enhanced when the community has been able to design itself its own project so that livelihood issues which it faces can be adequately addressed. The GEF Small Grants Programme supports and ensures community-drivenness; one of its key objectives is maximum community ownership. This is one of the key contributors to project sustainability.

It is thus obvious that, in addition to the direct contribution to SGP's environmental focal areas (climate change, land degradation, biodiversity, international waters and persistent organic pollutants), SGP contributes to ensuring sustainability thanks to several of its operational requirements as well as thematic focuses on poverty reduction and community-drivenness.

Sustainability and the rights-based approach to development. One aspect, which has not yet been taken into consideration in this section, is the link between sustainability and the rights-based approach to development. The Brundtland report had stated: *“Development involves a progressive transformation of economy and society. A development path that is sustainable in a physical sense could theoretically be pursued even in a rigid social and political setting. But physical sustainability cannot be secured unless development policies pay attention to such considerations as changes in access to resources and in the distribution of costs and benefits. Even the narrow notion of physical sustainability implies a concern for social equity between generations, a concern that must*

²⁷⁴ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and -Driven Development*. The World Bank. Washington, D.C.

*logically be extended to equity within each generation.*²⁷⁵ Equity within a generation means in its strict sense also equity between stakeholders of international development efforts, amongst them local communities. This equity implies participatory and inclusive approaches which involve all stakeholders and give all stakeholders a voice and possibility to act. The community-driven character of SGP projects turns the equity principle contained in the sustainability concept into reality; and it allows SGP projects to fit into the logic of the rights-based approach to development. Beyond ensuring project longevity after project funding expiration, community-driven projects address social equity through the rights-based approach to development, which, when following the logic of the Brundtland report, is a sustainability requirement.

SGP's operational and thematic requirements contribute thus to the sustainability of SGP funded projects due to the requirements of co-financing and partnerships, and thanks to specifically addressing livelihood concerns, ensuring community-drivenness and adhering to the principles anchored in the rights-based approach to development.

E.2.2. Contributions of SGP community initiatives to sustainable development: challenges encountered, best practices and lessons learned

The operational and overall thematic approach of the SGP thus strongly contributes to ensuring sustainability, yet SGP projects themselves have also generated numerous sustainability lessons learned and best practices. The following selection of practical examples will further illustrate specific contributions of SGP community initiatives to sustainable development by crystallizing key sustainability principles for community initiatives.

Thousands of SGP projects have turned out to be sustainable on their own beyond project completion while contributing to global sustainability objectives. While each project faces its individual circumstances during the planning and implementation phases, certain lessons learned are applicable beyond individual cases.

²⁷⁵ Brundtland Report. <http://worldinbalance.net/intagreements/1987-brundtland.php>. Brundtland Commission, 1987. *Our Common Future*. Oxford University Press.

Length of projects: an important sustainability factor. SGP projects funded over a longer period of time have increased likelihood to be sustainable than those funded over a shorter period of time. This is likely due to the fact that a major challenge for community initiatives is to create sustainable community-level organizations, which will support and sustain them beyond project funding. In many cases, once project implementation has come to an end, these organizations cease to function and eventually disappear²⁷⁶. However, the longer a project has existed the longer the respective community organization has also existed, the more partnerships it has built and the more structures and work processes it has firmly established.

It has been argued that a condition for community organization sustainability is the fact that benefits derived from the community organization are higher than the cost of participation by each member^{277 278}. This is in line with lessons learned in a portfolio review undertaken by the SGP Bolivia country programme in 2002/2003. The Bolivia country programme report states that in a poverty context the population will always prioritize short-term benefits²⁷⁹, whereas environmental sustainability lies in long-term project maintenance. The challenge of community initiatives therefore lies in designing projects in such a way that they result in immediate benefits to the community, while their long-term implementation will yield outcomes contributing to environmental sustainability. It is however important to note that common, and not individual, benefits have to be generated and that the objective of long-term shared benefits needs to be kept in mind by the community. This is in line with research results by Alsop et al, who found that sustainability of community organizations can be compromised if group members view

²⁷⁶ Manikutty, S. 1998. *Community participation: lessons from experiences in five water and sanitation projects in India*. In *Development Policy Review* 16 (4). 373-404.

²⁷⁷ Banarjee, A.; Campbell, G.; Cruz, M.C.J.; Davis, S.H and Molnar, A. 1997. Participation in forest management and conservation. World Bank Environment Department Papers 49. The World Bank, Washington D.C.

²⁷⁸ Subramanian, E.; Jagannathan, N.V.; Meinzen-Dick, R. (eds.) 1997. *User organization for sustainable water services*. The World Bank, Washington D.C.

²⁷⁹ GEF Small Grants Programme Bolivia. 2003. *Operational Phase II – Report 2002-2003. Capacity building and knowledge development*. Plural editores, Bolivia.

them as “*a means of accessing individual, short term benefits, rather than as mechanisms of cooperation for long-term shared benefits*”²⁸⁰.

Project sustainability is thus linked to longevity of the respective implementing community organization. When reviewing project proposals the stability and established structures of the community organization should thus be examined; at the very least the likelihood of its existence beyond project funding should be evaluated.

Inclusion: a project sustainability factor. The study of SGP projects also concluded that inclusion contributes to increasing sustainability likelihood. This was valid for both the circle of the community as well as the surrounding population. In Macedonia for example, a well-conceived project on the biodiversity protection of the lower part of the Babuna river, failed due to lack of involvement of the local population²⁸¹. Communication, outreach, partnership building and, in general, activities which increase local population involvement and awareness appear thus as key factors to ensure long-term project sustainability.

The SGP Bolivia country programme examined the consequences of inclusion and lack thereof at the community level. It was noted that projects which benefit more than two thirds of all community households result in general satisfaction and support, whereas projects that benefit only about half of all community households result in a certain level of disapproval by community members. In cases where the percentage of benefitting households was between 20% and 30%, the non-benefitting families considered the project as discriminatory and excluding and did not support project continuation, thereby decreasing project sustainability probability.

In general, inclusion thus increases project sustainability. This is also, and especially, valid when considering gender equality. 82% of SGP National Coordinators consulted reported that gender equality in a community initiative contributes to increasing project sustainability; 18% of National Coordinators were of neutral opinion in the sense

²⁸⁰ Alsop, R.; Sjoblom, D.; Namazie, C.; Patil, P. 2002. *Community-level user groups in three World Bank-aided projects: do they perform as expected*. Social Development Paper 40. The World Bank, Washington D.C.

²⁸¹ MKD/OP3/02/06/06. Grantee: Vila Zora, Veles. Project title: “*Lower branch of the river Babuna and canyon Pesti*”.

that they felt that gender equality criteria did not forcibly increase project sustainability. The Tanzania country programme reported an additional gender equality dimension. As per experience accumulated thanks to the implementation of hundreds of community projects in Tanzania, the National Coordinator noticed that projects which tend to promote gender equality are valued by society; they are thus welcomed by the whole community and more cherished than projects which do not focus on gender equality. The gender equality focus thus contributes to ensuring project sustainability.

Economic aspects: decisive criteria for project sustainability. Economic aspects appeared to be decisive in almost all projects examined. As a general rule of thumb, projects which generated income were more likely to be sustained by the community beyond project funding. In this context, income-generating activities directly linked to the overall sustainability outcome as well as revolving funds crystallized as best practices programme-wide.

Income-generating activities directly linked to the overall sustainability outcome are those activities which generate income while eliminating at the same time the cause for environmental harm or threats. The advantage of this type of activities or projects is the fact that both project sustainability as well as overall environmental sustainability are addressed together, generating maximum project efficiency and effectiveness. For illustration purposes, two classic SGP project examples fitting into this project category will be cited here: the Senegal country programme MEKHE Solar Cooker Project as well as a Panama country programme project which aims to address land encroachment and over exploitation.

The MEKHE Solar Cooker Project²⁸² was implemented between October 2004 and September 2006 in the Mekhe village, Thies Region, Senegal. The project aimed at providing sustainable renewable energy in the form of solar cookers in order to prevent local deforestation for firewood. The overall environmental goal was to preserve vegetation through reforestation (the project did include reforestation activities), thereby

²⁸² Project title: “*Mekhe Solar Cooked Project*”. Country Programme: Senegal. Implementing Organization: Ndiop Women’s Association. Location: Mekhe Village, Thies Region. SGP Contribution: US\$49,808. In-cash co-financing: US\$34,567. In-kind co-financing: US\$826. Project Duration: Oct 2004 – Sept 2006.

addressing desertification. The economic benefit to the community is tangible in that the solar cookers generate income by reducing expenses linked to firewood purchase and collection as well as butane gas consumption and by reducing workload linked to firewood collection and cooking time. The incentive to continue the solar cooking practice beyond project funding duration is thus high since it is in the economic interest of the community while deforestation and desertification are being prevented. In addition, fruit trees were planted, which generates further income to the community. It is estimated that each cooker introduced in the village saves an average of 3 metric tonnes (MT) of equivalent carbon dioxide (CO₂e) per year, which is the equivalent of 12 trees per year. Thus, while economic interests did ensure project sustainability beyond project funding, these same economic interests are continuing to generate environmentally sustainable outputs.

The second example, a project from the Panama country programme, aimed at addressing land encroachment and over-exploitation through reforestation and sustainable livelihoods in Darien, Panama²⁸³. The project was initiated by the Arimae indigenous community which wanted to avoid having to sell its land to solve its imminent economic challenges. In Panama, just like in many other countries, indigenous people have for short-term economic reasons often made the choice to sell their land to forestry businesses. The latter tend to overexploit the land and introduce exotic species, harming thereby environmental sustainability. In addition, in the long run, loss of land is for obvious reasons economically detrimental to indigenous people. The Arimae thus needed an income-generating activity which would enable them to keep their land, while contributing to environmental sustainability. They proposed a two-fold plan. First, instead of selling the land, the Arimae people decided to lease the land through a sustainable leasing model facilitated by “Planting Empowerment”, a company founded by former Peace Corps volunteers dedicated to reducing deforestation. Secondly, the Arimae people developed a sustainable model for the leased land by 1) harvesting seeds of native tree species, 2) conducting a baseline study of carbon sequestration in a section of 500 hectares of the

²⁸³ Project Title: “*Conservacion y Produccion Sostenible en la Reserva de Arimae, Panama*”. Country Programme: Panama. Implementing Organization: Asociacion Agroforestal Pala el Desarrollo Integral Comunitario. Location: Darien, Panama. SGP contribution: US\$20,000. In-kind co-financing: US\$20,000. In-cash co-financing: US\$1,150. Project Duration: Sept 2009 – Sept 2010.

reserve, and 3) reforestation of plantation lands using a mix of native timber and fruit species allowing for increased income and reclamation of degraded land.

The business proposal which was developed by Planting Empowerment created a scheme of renting the land from the Arimae people and sharing the profit with the owners at the end of each production cycle, splitting into fifty-fifty any additional income from Payment for Ecosystem Services.

The sustainability of this particular project is thus not only ensured through the strong involvement and participation from project design to implementation of the indigenous community, but especially also thanks to the tangible economic and livelihood benefits, which provided a long-term sustainable land management solution to the Arimae people.

The practice of *revolving funds* is a last category of projects to be considered here. A revolving fund is a source of money from which loans are made for multiple small development projects. Revolving funds are similar to micro-credits in that they provide loans to individuals or groups of individuals which would usually not qualify for traditional financial services as they are viewed as being too high-risk. Loan repayment is revolving in that the central fund is being replenished as individuals or groups of individuals pay back their loans. This in turn creates the opportunity to issue new loans. In the GEF Small Grants Programme, the Egypt country programme, which has existed since the inception of SGP in 1992, is one of the most experienced country programmes in the area of revolving funds. Here again, the main focus is to incorporate income-generating activities directly linked to an overall sustainability outcome. As a specific example, one can cite a project implemented by the Qena Environmental Union Federation in the Qena Governorate of Egypt²⁸⁴. The project goal was to decrease GHG emissions through the promotion of the use of energy-saving light bulbs. 40,000 energy-saving light bulbs were installed in total. The financial savings related to reduced electricity bills allowed for reimbursement of the costs related to the purchase of the energy-efficient light bulbs. Altogether more than 4,000 families have benefitted from project activities. Reduced

²⁸⁴ Project Title: “*Activate and Consolidate Participation in the Reduction of Energy Use*”. Country Programme: Egypt. Implementing Organization: Qena Environmental Union Federation. Location: Qena Governorate. SGP contribution: US\$40,443. In-cash co-financing: US\$62,884. In-kind co-financing: US\$6,536. Project duration: December 2010 – June 2012.

electricity bills as well as a well-functioning revolving fund provide an economic incentive and an economic solution to continue this sustainable practice beyond project ending. The Egypt country programme has set up similar revolving funds to finance solar cook stoves, solar water heaters and other sustainable energy technologies. Here again, economic incentives ensure project sustainability as well as sustainability of project outcomes.

Conclusion. Whilst the elements which contribute to ensuring sustainability of SGP community initiatives have been pointed out, it is due to lack of data impossible to estimate whether SGP projects tend to be more sustainable than medium or large size development projects. However, community-based and community-driven components in medium and large size development projects have proven to increase overall sustainability and effectiveness of projects they were embedded in. As a result, the World Bank has recommended that all its projects should, when possible, have a community-based or community-driven component to ensure increased sustainability and enhanced effectiveness²⁸⁵. It is thus possible to conclude that community initiatives are at least as sustainable, when well designed, selected and implemented, as medium and large scale projects while involving substantially lower cost. As sub-components of larger projects, community initiatives can enhance sustainability. The practice of linking SGP projects to larger development projects or to upscale them into larger initiatives presents therefore a concrete means of increasing sustainability likelihood of larger projects.

When considering the niche of community initiatives in the sense of the contribution which only community initiatives can make in international development efforts, it needs to be noted that many medium and large sized projects which do not include specific community-based or community-driven components have also proven to contribute to sustainable development objectives when well designed and implemented. Thus, though community initiatives can strongly contribute to sustainability as we have seen in this section, sustainability is not a thematic niche which could be claimed to specifically belong to community projects.

²⁸⁵ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and -Driven Development*. The World Bank. Washington, D.C.

E.3. Governance

G. Hyden defines governance as a concept which “refers to the formation and stewardship of the formal and informal rules that regulate the public real, the arena in which state as well as economic and societal actors interact to make decisions”²⁸⁶. This definition can be completed by Renate Mayntz, Arthur Benz and Michael, who see governance as an “overall framework of all parallelly existing forms of collective regulation of societal matters; from institutionalized civil society self-regulation over various forms of cooperation of public and private actors to the steering by public actors”²⁸⁷.

Governance, at first sight, seems to be a matter of state functioning and state interaction with all stakeholders involved in the governance process. Contributions of community initiatives with respect to establishing a well-functioning governance system seem of minimal importance since it appears obvious that the “governance problem”, where existent, lies with the state and its governance structures first and foremost. However, when taking a closer look at the components of governance, the role of civil society in the governance process, and, as such, of community organizations, cannot be denied. In fact, without a healthy civil society, without informed and empowered citizens who hold their government at all levels (national, regional and local levels) accountable and who participate in decision-making and implementing processes, it is doubtful that a well-functioning governance system could even exist. When it comes to effectively addressing development problems in this context, local solutions are needed and the role of community organizations is crucial.

Elenor Ostrom, 2009 Nobel Memorial Price Winner in Economic Sciences, addresses the governance issue in international development in her research. Ostrom

²⁸⁶ G. Hyden and J. Court (2002). *Governance and Development*. (World Governance Survey Discussion Paper 1) London: Overseas Development Institute/ Tokio: United Nations University, p.13.

²⁸⁷ Citation: “Gesamt aller nebeneinander bestehenden Formen der kollektiven Regelung gesellschaftlicher Sachverhalte: von der institutionalisierten zivilgesellschaftlichen Selbstregelung über verschiedene Formen des Zusammenwirkens staatlicher und privater Akteure bis hin zu hoheitlichem Handeln staatlicher Akteure”. Mayntz, Renate. 2004. *Governance im modernen Staat*, in Benz, Arthur (Hrsg.), *Governance – Regieren in komplexen Regelsystemen. Eine Einführung*. Wiesbaden. P. 65-76.; also in Risse, Thomas. 2008. *Regieren in “Räumen begrenzter Staatlichkeit” – zur Reisefähigkeit des Governance Konzeptes*, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008, 149-170.

cautions against single governmental units at the global level to solve the collective action problem of coordinating work. This is in part due to the complexity of development issues, but it is also due to the multiplicity and diversity of actors involved. Ostrom proposes a polycentric approach, where key management decisions should be made and implemented as close to the scene of events and actors involved as possible²⁸⁸. This polycentric approach at various levels of society involves active oversight of local, regional and national stakeholders²⁸⁹. In this polycentric approach, community organizations are recognized stakeholders in local governance processes. In fact, especially in situations where public services are weak due to lacking infrastructure, depending on the weight and voice granted to community organizations, local development can be hampered or, to the contrary, flourish.

Governance is also strongly linked to economic considerations. In fact, governance has been a key preoccupation of international development efforts since Burnside and Dollar provided empirical evidence which demonstrates that the impact of aid on gross domestic product growth is positive and significant in developing countries with sound institutions and economic policies²⁹⁰. A question which has therefore dominated international development theories is on the one hand how development projects and programmes can contribute to establishing “sound” or “good” governance structures and, on the other hand, what recipient countries can and should do in order to enhance their governance structures.

In the following section both of the above aspects will be addressed while the governance concept will be examined in the context of community initiative coordination. How can community initiatives and community initiative coordination programmes

²⁸⁸ Ostrom, Elinor. 2008. *Developing a Method for Analyzing Institutional Change*. In: Sandra Batie and Nicholas Mercuro (eds.). *Alternative Institutional Structures: Evolution and Impact*, New York: Routledge, 48–76; and: Ostrom, Elinor. 2009. *Beyond Markets and States: Polycentric Governance of Complex Economic Systems*. Prize Lecture. December 8, 2009. Workshop in Political Theory and Policy Analysis, Indiana University, Bloomington, IN 47408, and Center for the Study of Institutional Diversity, Arizona State University, Tempe, AZ, U.S.A. Accessed in April 2012 at: http://www.nobelprize.org/nobel_prizes/economics/laureates/2009/ostrom_lecture.pdf.

²⁸⁹ Vedeld, Trond. 12 February 2010. *A new Global Game – And How Best to Play it*; in: The NIBR International Blog. Accessed in March 2012 at: <http://blog.nibrinternational.no/#post9>.

²⁹⁰ Burnside, Craig; Dollar, David. 2000. *Aid, Policies, and Growth* in *American Economic Review*, 90(4), Sept 2000. pp. 847–868.

contribute to the governance objectives of the international development community? Which elements favorable to building or strengthening governance can be distinguished in community initiatives? Which challenges can be crystallized? To answer these questions, I have decided to establish and analyze a more comprehensive concept of “governance” than the various definitions that are currently being proposed for the notion. In fact, it is necessary to add to the elements composing the traditional “good governance” concept additional components, which have proven crucial for strengthening and building local governance processes. As a result, I have developed a concept, composed of a variety of elements all proven essential to local governance processes. This concept will be entitled in this dissertation “inclusive governance”, in contrast to “good governance”.

Good governance refers to *“broad reform strategy and a particular set of initiatives to strengthen the institutions of civil society with the objective of making government more accountable, more open and transparent and more democratic”*²⁹¹. As a result of these reform processes, good governance has been associated with *“the extent to which a government is perceived and accepted as legitimate, committed to improving the public welfare and responsive to the needs of its citizens, competent to assure law and order and deliver public services, able to create an enabling policy environment for productive activities; and equitable in its conduct”*²⁹².

UNDP defines good governance as the *“system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions— achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and*

²⁹¹ Minogue, M. 1997. ‘The Principles and Practice of Good Governance’ in *Law and Governance* 4. British Council Briefing.

²⁹² Sharma, S. D. 2007. “Democracy, Good Governance, and Economic Development” in *Taiwan Journal of Democracy*. Volume 3, No.1: 29-62.

economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe”²⁹³.

The concept to be reviewed in the present study is going to be called „inclusive governance“, instead of „good governance“ for two reasons. First of all, the purpose of a scientific study is not to judge a system as good or bad, but rather to analyze characteristics of specific systems and to demonstrate their consequences. A neutral, scientific perspective is thus necessary to undertake the needed research and the relevant outcomes should equally be presented in a neutral and scientific way. The concept itself should therefore receive a neutral or descriptive, and certainly a non-judgmental, title. In this case, the concept’s main characteristic, which is “inclusion“, will be reflected in the title. Secondly, the governance concept that will be examined here will be more comprehensive than the elements contained in the definitions of “good governance” so far. In fact, it is necessary to add to the elements composing the traditional “good governance” concept several components, which have proven crucial for strengthening and building local governance processes. As a result, I developed an “inclusive governance concept” composed of a variety of elements all proven essential to local governance processes.

The “good governance“ concept is thus going to be slightly completed in the following paragraphs and developed into what will be called “inclusive governance“. Thereafter, the various components identified as characterizing “inclusive governance“ will be examined against the GEF Small Grants Programme and its diverse projects to verify and illustrate whether and how community initiatives can contribute to establishing or strengthening the various components of inclusive governance.

²⁹³ UNDP. *Strategy Note on Governance for Human Development*. 2004. www.undp.org.

E.3.1. Inclusive Governance

In order to examine to which extent community initiatives of the GEF Small Grants Programme contribute to inclusive governance, one has to break the concept down into its key components.

Inclusive governance is composed of several elements constituting the traditional definition of good governance. It is furthermore completed by additional components, which have been proven to be of crucial relevance in a well-functioning and representative governance system.

The traditional key elements regrouped under the “good governance“ concept can be found in the definition of the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP). UNESCAP identifies eight major characteristics of good governance. For UNESCAP, good governance is *“participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society”*²⁹⁴.

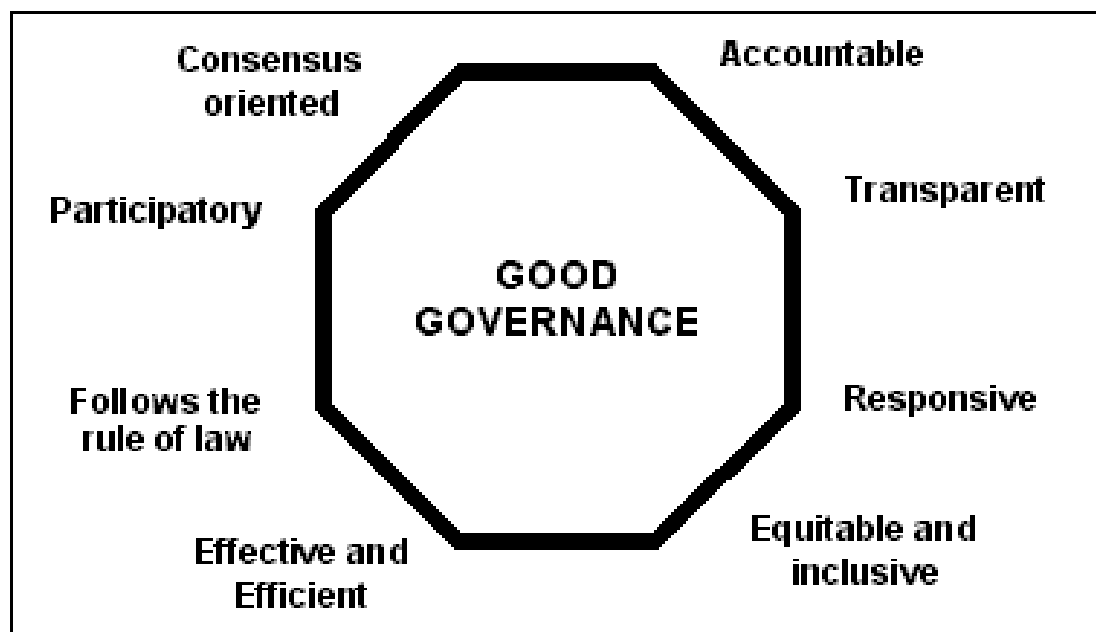
Six of the eight above categories are relevant when examining the contributions of community initiatives to governance processes. These six categories are: accountability, transparency, equity and inclusion, effectiveness and efficiency, participation and consensus-orientation. Two categories, namely responsiveness²⁹⁵ and following the rule of law²⁹⁶ will not be considered here, since they pertain solely to tasks under public entity responsibility.

²⁹⁴ <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>. Accessed in January 2012.

²⁹⁵ As per the UNESCAP definition, good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe. This process is called *responsiveness*.

²⁹⁶ As per UNESCAP definition, good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force. This ensemble of requirements is called *rule of law*.

Figure 3. UNESCAP Characteristics of Good Governance²⁹⁷



The remaining six categories will be retained. However, these six categories need to be completed with three additional elements: empowerment, capacity to influence and shape policy and ownership. The combination of these nine elements will constitute what can be called „inclusive governance criteria“.

Of these nine elements, six are components of local empowerment. These six thus deserve to be examined together and they will be grouped for this purpose under the overall notion of empowerment. The six empowerment components are: inclusion and equity; participation; consensus orientation; access to information; accountability; and local organizing capacity/social capital.

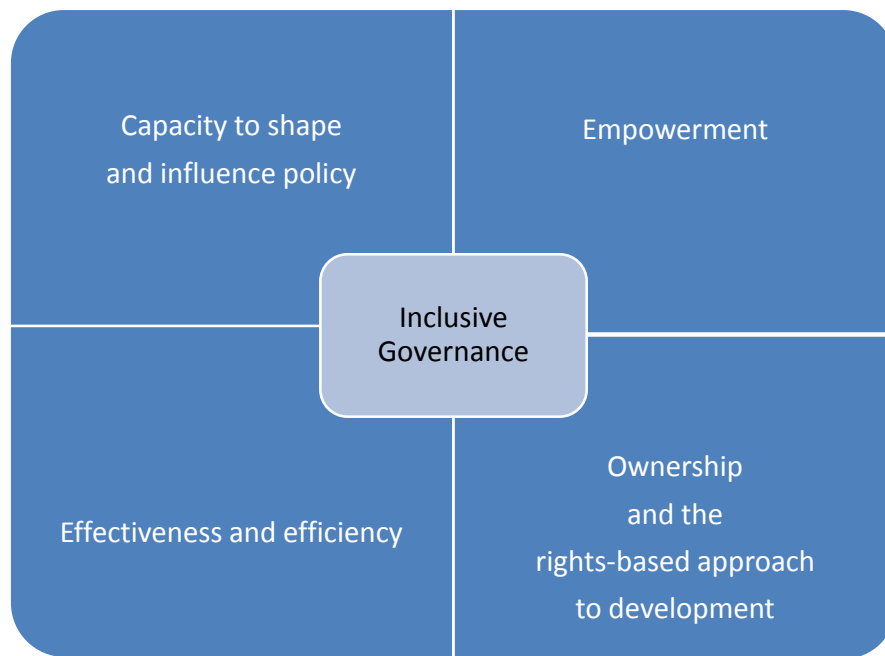
The GEF Small Grants Programme and its projects are thus going to be examined against the following components of inclusive governance:

1. *Empowerment²⁹⁸* (containing the sub-criteria of *inclusion and equity; participation; consensus orientation; access to information; accountability; and local organizing capacity/social capital*);

²⁹⁷ Figure drawn from: <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>. Site accessed in January 2012.

2. *Effectiveness and efficiency* (since this category will be thoroughly examined in the last section of this chapter only main aspects will be mentioned here);
3. *Ownership* (strongly linked to the rights-based approach to development); and
4. *Capacity to influence and shape policy*.

Figure 4. Components of Inclusive Governance



²⁹⁸ The World Bank's sourcebook on empowerment and poverty reduction elects four key components of a successful empowerment strategy: 1. inclusion and participation (part of the eight UNESCAP good governance criteria in the form of *participatory, consensus oriented, equitable and inclusive*); 2. access to information (part of the eight UNESCAP good governance criteria in the form of *transparent*); 3. accountability (part of the eight UNESCAP good governance criteria); and 4. local organizing capacity, closely linked to the notion of social capital. Source: World Bank. 2002. "*Empowerment and Poverty Reduction: A Sourcebook*." <http://siteresources.worldbank.org/INTEMPowerment/Resources/486312-1095094954594/draftsum.pdf> (accessed in March 2012).

E.3.2. The Contribution of the GEF Small Grants Programme to Inclusive Governance

a. Empowerment

Inclusion, equity and participation, consensus-orientation, access to information, accountability and local organizing capacity are key elements of a successful empowerment strategy²⁹⁹. It is noteworthy to mention that, except for local organizing capacity, the above elements are all considered as components of the traditional definition of good governance. Local organizing capacity is necessary to hold governments accountable and to contribute to horizontal governance processes. Consequently, local organizing capacity is a pre-requisite for inclusive governance structures. The following paragraphs will discuss to which extent the GEF Small Grants Programme and its projects contribute to community empowerment by ensuring inclusion, equity and participation, consensus-orientation, access to information, accountability and local organizing capacity.

Inclusion, equity, participation and consensus-orientation. For UNESCAP, participation by both men and women is a cornerstone of good governance. UNESCAP looks at the purely political part of governance in the sense that the organization considers that “*participation could be either direct or through legitimate intermediate institutions or representatives*”³⁰⁰. Governance however has not only a purely political dimension. Governance touches upon decision-making and decision implementing processes. Whereas “*participation always needs to be informed and organized*”³⁰¹ and whereas this means “*freedom of association and expression on the one hand and an organized civil society on the other hand*”³⁰², it is important to point out that there is an indirect angle of participation which is non-political and often forgotten in the governance discussion. It is

²⁹⁹ World Bank. 2002. *Empowerment and Poverty Reduction: A Sourcebook*. <http://siteresources.worldbank.org/INTEMPowerment/Resources/486312-1095094954594/draftsum.pdf> (accessed in January 2012).

³⁰⁰ <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>. Accessed in January 2012.

³⁰¹ Ibid.

³⁰² Ibid.

this angle of participation which will be considered here. Participation of community organizations in decision-taking and implementation is a way of empowering communities; and by empowering communities the latter become more important stakeholders in local governance structures and processes.

With regards to equity and inclusion, UNESCAP explains that *“a society’s well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being”*³⁰³.

Inclusion, equity, participation and consensus-orientation at the SGP programme level. Inclusion, equity, participation and consensus-orientation are key principles of the GEF Small Grants Programme. The programme states that *“participation, democracy, flexibility, and transparency are cornerstones of the SGP approach. The programme encourages and supports the participation of communities, local people, NGOs, CBOs, and other stakeholders in all aspects of programme planning, design and implementation”*³⁰⁴. These aspects include the formulation of country programme strategies, which constitutes an inclusive and participatory process in all SGP country programmes. Representatives of civil society, official government, academia and sometimes the private sector, jointly work together to elaborate their country programme strategy based on which grants will be issued. The development, presentation, and execution of project concept papers, proposals and projects constitute also a participatory and inclusive process, based on the principles of equity and transparency. The community is always involved in designing and implementing the project, and special attention is given to gender balance to ensure equal representation of interests. Additional activities which involve community participation and which lead in an inclusive, participatory, consensus-oriented and equitable way to community empowerment are numerous. To name a few, the building of partnerships to broaden the scope of the programme and to communicate and replicate successful SGP initiatives; raising public awareness of global

³⁰³ Ibid.

³⁰⁴ SGP website. Accessed in January 2012:
<http://sgp.undp.org/index.cfm?module=ActiveWeb&page=WebPage&s=HowdoesSGPwork>.

environmental issues and changing public attitudes and practices; influencing municipal, regional and national environmental policies and programmes; and mobilizing in-kind and monetary resources to support project and programme sustainability all involve communities or their representatives³⁰⁵. For all the above mentioned activities, a wide range of actors is engaged and community organizations are key stakeholders in these processes thanks to their representatives. Interaction and dialogue are taking place and communities receive a voice throughout this dialogue. Many country programmes organize on a regular basis multi-stakeholder workshops to jointly review and advance country programme activities. Lastly, in order to ensure gender sensitive inclusion, the SGP introduced gender-sensitive monitoring and evaluation systems and maintains gender criteria in its recruitment policies. A variety of rules, regulations, work processes and practices thus ensure inclusion and participation at the global and country programme levels in the GEF Small Grants Programme.

Inclusion, equity, participation and consensus-orientation at the project level.

Equity, inclusion, consensus-orientation and participation are also important elements when it comes to project implementation.

Since community organizations are the ones implementing the project, community organizations need to be as representative as possible and it is important to achieve equity, inclusion, consensus-orientation and participation throughout the project cycle.

In terms of representation, the GEF Small Grants Programmes places great emphasis on gender equality and women's participation. Most SGP country programme strategies address gender issues through the participation of women and men in various aspects of the programme and in varying cultural contexts. A so-called "SGP gender filter" was jointly developed by National Coordinators and the Country Programme Management Team in 2005³⁰⁶. This filter is applied by all National Steering Committees to ensure that any SGP project funded is upholding and supporting the criteria of gender equality. In addition, many country programmes have organized gender training for grantees, NSC

³⁰⁵ Ibid.

³⁰⁶ SGP Regional Workshop Report - Latin America and Caribbean, Nov. 2005. Chile.

members and other partners. In Guatemala, the United Nations Development Fund for Women assisted in designing a gender strategy adapted to local conditions and cultural requirements, which was thereafter more broadly applied³⁰⁷.

Formal versus substantive inclusion. The literature on participatory development allows for a distinction between formal inclusion, which refers to the extent to which community members are able to enter decision-making arenas, and substantive inclusion, which captures the ability of various participants to exert influence over decisions³⁰⁸. Assessing formal inclusion at the SGP is a much easier exercise than assessing substantive inclusion, though meeting minutes and records can translate to a certain extent the amount of substantive inclusion.

SGP data reveals that formal inclusion is generally upheld in SGP projects, though regular participation by all project members in project meetings can be an obstacle in certain cases (often due to obligations of community project members outside of the SGP project, etc.). However, whereas the SGP prescribes inclusive and participatory processes, each country programme has the flexibility to decide how the objectives of participation and inclusion are most appropriately reached in the specific national context. This leads in the SGP to varying degrees of participation and inclusion.

In Costa Rica for example, national law stipulates that civil society organizations need to have equal representation of men and women in their Boards of Directors. This automatically ensures equal participation of men and women in decision-making processes. But, the Costa Rica SGP country programme took participation and inclusion a step further by deciding that induction training is provided at the beginning of each project to all community members participating in the project. During this training, project

³⁰⁷ GEF Small Grants Programme. 2002. *The Global Environment Facility Small Grants Programme. Hands on Action for Sustainable Development 1992-2002*. (Author of initial report: Seemin Quayum).

³⁰⁸ Leach and others, White and Molyneux demonstrated that once an individual has entered a decision-making forum, the capacity to influence the decision is not the same for all participants; differences in the distribution of power and resources among community members impinge upon the process of collective decision making. (White, S. C. 1996. *Depoliticizing Development: the Uses and Abuses of Participation in Development in Practice* 6 (1): 6-15. ; Molyneux, M. 2002 *Gender and the Silences of Social Capital: Lessons from Latin America in Development and Change* 33 (2): 167-88; Leach, M.; Mearns, R; Scoones, I. 1999. *Environmental Entitlement: Dynamics and Institutions in Community-Based Natural Resource Management in World Development* 27 (2): 225-47.)

objectives, outputs and detailed budget are discussed and it is being emphasized that decisions must be taken by consensus in the group. As part of monitoring activities led by the SGP team in Costa Rica, regular meetings are held with the community to verify project progress and to examine field activities. In addition, the SGP Costa Rica team ensures that all meetings involve all stakeholders. Whereas the Costa Rica country programme was not able to confirm that all community participants are involved in each project decision, they felt that the Boards of Directors were generally representative enough to take decisions on behalf of the community. The Boards of Directors of the various projects financed meet on a regular basis and all decisions and agreements are being noted in meeting reports, which are freely accessible to all community members.

To which extent substantive inclusion (i.e., the equal capacity to influence decisions within a decision-making forum) is fully implemented in the SGP is a more delicate task to answer. In fact, it was not possible to establish concrete results. It can be supposed however, that similarly to other community projects, the more influential community members, generally those with higher socioeconomic profiles, tend to have more influence over decision outcomes³⁰⁹. It would certainly be of interest to find out to which extent more influential community members take the interests and needs of less influential community members into consideration, thereby representing and ensuring these interests. This research, though relevant, is however beyond the scope of this dissertation.

Consensus orientation. *Consensus orientation* is equally of interest when considering inclusion, participation and equity. There are several actors and various opinions in any given constellation of people. UNESCAP explains consensus-orientation by affirming that “*good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole*

³⁰⁹ Desai, V. 1996. *Access to Power and Participation in Third World Planning Review* 18 (2): 217-42; Gibson, C.; Marks, S.A. 1995. *Transforming Rural Hunters into Conservationists: An Assessment of Community-Based Wildlife Management Programs in Africa in World Development* 23 (6): 941-57; Ribot, J.C. 2001. *Integrated Local Development: Accommodating Multiple Interests' through Entrustment and Accountable Representation in International Journal of Agricultural Resources, Governance and Ecology* 1 (3/4): 327-50; Van der Linden, J. 1997. *On Popular Participation in a Culture of Patronage; Patrons and Grassroots Organization in a Sites and Services Project in Hyderabad, Pakistan in Environment and Urbanization* 9 (1): 81-90.

community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community”³¹⁰.

In SGP, consensus-orientation is a goal at both the country programme level as well as in community projects. In general, National Steering Committees will try to reach consensus when reviewing project proposals or deciding upon other important issues relating to their country programme.

When asked about consensus-orientation at the project level, a majority of SGP National Coordinators responded that consensus cannot always be reached. However, the applied principles of inclusion, gender equality and participation and well established, fair and transparent decision-making processes contribute to reaching the highest consensus possible. Several National Coordinators explained that as per their experience the higher the consensus is throughout the project implementation period, the bigger the buy-in will be. This in turn increases the likelihood to achieve project sustainability beyond project funding. Many National Coordinators and National Steering Committees therefore put special emphasis on consensus-orientation. Thus, as per SGP data assembled, there seems to be a direct link between two thematic groups: participation, inclusion and consensus orientation on one hand and efficiency, effectiveness and sustainability on the other hand.

The GEF Small Grants Programme thus upholds the criteria of inclusion, equity, consensus-orientation and participation. And, though none of the four criteria have proven to reach a level of perfection in the data examined, it can be concluded that the Small Grants Programme as well as each of its projects contribute to community empowerment through ensuring inclusion, equity, consensus-orientation and participation³¹¹.

³¹⁰ <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>. Accessed in January 2012.

³¹¹ Another area of community empowerment is capacity building. There is extensive information available as to how SGP contributes to capacity building of the communities it works with. All evaluations of the Small Grants Programme, country reports and publications contain capacity building references and there is much evidence that both technical as well as managerial capacity is being built through implementation of SGP projects. Though beyond the scope of this study, it would certainly be of interest to examine to which extent capacity building contributes to community empowerment.

Access to information and accountability. Access to information and accountability was already discussed in a previous section of this chapter. It is not necessary to repeat all research results here; however those results relevant for this sub-section will be re-called here below³¹².

Transparency in the context of governance means that *“decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media”*³¹³.

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations, amongst them community organizations, must be accountable to the public and to their institutional stakeholders. Who is accountable to whom can vary since this depends on whether decisions or actions taken are internal or external to an organization or institution. *“In general an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law”*³¹⁴.

As a result of empirical research on accountability and transparency in the Small Grants Programme, section E.1. had concluded that community initiatives can contribute to bringing the concepts of accountability and transparency closer to those (i.e., local communities) who are responsible for holding their municipal and national governments accountable. By having to stick to accountability and transparency standards throughout project implementation, SGP communities learn in practical terms what accountability and transparency mean. They also learn therefore how to demand accountability and transparency from those they elect.

In the SGP Ghana country programme for example, thanks to programme interventions and capacity building activities, community participation in decision-making

³¹² Refer to Chapter E, Section E.1.

³¹³ <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>. Accessed in January 2012.

³¹⁴ Ibid.

and local resource management has improved considerably. Communities have learned to hold their local governments accountable, and they have in certain cases even filed complaints to higher public authorities when local governments did not ensure the promised services, as stated by the SGP Ghana National Coordinator. Various Community Natural Resource Management Committees have been formed at village levels to take major decisions in resource management. These committees include community representatives alongside municipal authorities. Communities have been made aware of their rights and responsibilities; and they have been given a voice and space for participation in resource management and improved access to and transparency of information on natural resource management in the country.

The principle of accountability is one of the cornerstones of good governance in that the right to hold public leaders accountable empowers communities, it contributes to ownership and it thereby contributes to a rights-based approach to development. Transparency and accountability are necessary components of good governance. SGP contributes to both objectives at the programme and at the project level by upholding transparency and accountability standards programme-wide and by teaching communities in practical terms about their right to hold local governments accountable.

Local organizing capacity and social capital. Local organizing capacity and social capital are the last components of community empowerment to be examined here. Local organizing capacity refers to the “*ability of people to work together, to organize themselves, and to mobilize resources to solve problems of common interests*”³¹⁵. SGP data revealed that almost all SGP projects succeeded in fostering communities’ organizational capacity, since the ability of the community to reach an agreement was positively affected after project implementation in a majority of cases and since respondents’ perceptions of the changes in their mobilization skills were positive. In addition, changes in associational life, a criterion which retains changes in participation by project members in community groups and changes in cooperation between community groups, turned out to be positive in

³¹⁵ World Bank. 2002. *Empowerment and Poverty Reduction: A Sourcebook*. p.17
<http://siteresources.worldbank.org/INTEMPowerment/Resources/486312-1095094954594/draftsum.pdf>
(accessed in January 2012).

the sense that associational life was enhanced as of project start and well extending beyond project completion in most cases.

In Ghana, for example, before SGP funding, the respective community organizations were in many cases perceived as weak institutions with low organizing capacity. This was mainly due to the fact that community organizations never had real opportunities before their SGP experience to organize themselves around a well-funded and thoroughly planned project. Due to the fact that SGP Ghana strongly focuses on capacity building, local organizing capacity of the grantees was increased. This in turn strengthened grantees' credibility within their own communities and, even more impressively, allowed them to develop more constructive links with local government entities, donor communities and with international agencies. The SGP Ghana country programme reported that in several cases government agencies began to see the SGP grantee community organization as a potential development partner through which new development projects could be implemented.

SGP Ethiopia reported similar results. In Ethiopia, community organizations are required to have their own bylaws, which are useful to manage the organization and to organize joint work and funding. Community organizations are also required to keep files with hard copies of any official documentation, they need to own bank accounts, have official stamps, and fulfil other requirements to exist as a legal entity. Whilst these requirements present a particular challenge for SGP Ethiopia, since it is very difficult to initiate the poorest and most marginalized communities to this kind of organizational level, SGP Ethiopia sees these legal requirements as a stepping stone and opportunity for community organizations to organize themselves and to form a stronger, better functioning entity. SGP Ethiopia assists grantees in managing their finances, in implementing and monitoring their projects, and in producing financial and substantive reports. Thanks to all these requirements, the capacity of the grantee is built and its local organizing capacity is strongly enhanced. This capacity does not disappear with project ending and presents thus a lasting positive result. SGP Ethiopia added that SGP's resource mobilization requirement (each grantee is required to contribute in-cash and in-kind co-financing equal to the amount received by SGP for the project) also contributes to enhancing local organizing capacity. The resource mobilization requirement leads communities to provide in-kind

contributions, which is often realized in the form of provision of labour or provision of local material. This requires that the community organizes itself and its resources over a longer period, since projects usually last between two and three years, thereby increasing local organizing capacity. In addition, it was felt that the sharing of best practices, lessons learned and experiences amongst various grantees at country programme workshops also contributed to enhanced local organizing capacity (in addition to strengthening technical capacity).

Local organizing capacity is thus being strengthened through SGP community projects. Though building local organizing capacity is never a project objective by itself it is almost always a positive externality of SGP community projects. By building local organizing capacity, SGP community projects thus contribute to community empowerment, even though their primary objective is to achieve environmental and livelihood outcomes.

Social capital refers to "features of social organization, such as trust, norms (customary behaviour), and networks, that can improve the efficiency of society by facilitating coordinated actions"³¹⁶. Social capital, therefore, "measures the degree to which a community can co-operate towards achieving desired results"³¹⁷. As Buckland asserts, "Trust and cooperation are essential for achieving indigenous efforts at community development"³¹⁸. Social capital is considered a critical ingredient for sustainable development. In this respect, pre-existing endowments of social capital are valuable resources to be tapped into when setting up community projects³¹⁹. The idea behind social

³¹⁶ Buckland, J. 1998. *Social capital and sustainability of NGO intermediated development projects in Bangladesh* in *Community Development Journal*. 33 (3), 236-248.

³¹⁷ Nel, Etienne; Binns, Tony; Motteux, Nicole. 2001. *Community-Based Development, Non-Governmental Organizations and Social Capital in Post- Apartheid South Africa* in *Series B, Human Geography*, Vol. 83, No. 1 (2001), pp. 3-13. Blackwell Publishing on behalf of the Swedish Society for Anthropology and Geography.

³¹⁸ Buckland, J. 1998. *Social capital and sustainability of NGO intermediated development projects in Bangladesh* in *Community Development Journal*. 33 (3), p.241.

³¹⁹ Evans, P. 1996. *Introduction: development strategies across the public-private divide* in *World Development*, 24 (6).pp 1033- 1037. And: Evans, P. 1996. *Government action, social capital and development: reviewing the evidence of synergy* in *World Development*, 24 (6), pp. 1119-1132.

capital is closely linked to the idea of local organizing capacity in that social capital refers to the depth and range of communities' social networks whereas local organizing capacity can lead to constitution of social capital. Social capital thus refers to collective action and its norms and networks.³²⁰

By drawing people together to collectively decide and manage project activities and outputs, through the emphasis put on partnerships and co-financing, the GEF Small Grants Programme expands the depth and range of communities' social networks. In order to assess to which extent the GEF Small Grants Programme enhances social capital, five variables were used:

- a. Participation in traditional events;
- b. Participation in non-traditional/political events;
- c. Trust;
- d. Associational life;
- e. Circle of friends before and after project implementation.

Though responses necessarily capture respondent's perceptions instead of quantitative data due to the nature of the social capital concept, it can be concluded that another positive externality of community initiatives, which contributes to community empowerment, is the constitution of social capital.

In SGP Costa Rica for example, SGP projects greatly contributed to building social capital at the community level thanks to the formation of numerous local structures, which reach out to other communities and interact at the community level but also at the regional and national levels.

The SGP strategy in Costa Rica aimed at establishing a broad base of strategic projects in priority areas in order to establish a network of Rural Community Tourism (RCT), Forest Fire Control, Biological Corridors and Organic Agriculture. SGP Costa Rica organized workshops, exchanges between communities, and joint training for community organizations with similar projects and activities. The groups involved in projects of

³²⁰ Dudwick, Nora; Kuehnast, Kathleen; Jones, Veronica Nyhan; Woolcock, Michael. 2006. *Analyzing Social Capital in Context: A Guide to Using Qualitative Methods and Data*. The International Bank for Reconstruction and Development/ The World Bank. Accessed in January 2012 at: http://siteresources.worldbank.org/WBI/Resources/Analyzing_Social_Capital_in_Context-FINAL.pdf

biological corridors in Costa Rica decided for instance to establish a National Biological Corridors Network, which unites all local committees of biological corridors and organizations which support biological corridors.

The same process was followed when addressing Fire Management. Here again, a national network was established, which contributes to the National Strategy on Fire Management.

In Organic Agriculture, strategies in 10 regions of the country were developed by joint NGOs and community organizations and regional structures were then established to implement these strategies. An organization called MAOCO (National Organic Agriculture Movement) was set up as a result.

In Rural Community Tourism, the groups supported by the SGP got together in trainings, exchanges and field visits. They then created ACTUAR (Costa Rican Association for Community Rural Tourism) and the Network for Rural Community Tourism. ACTUAR, with the support of SGP prepared a draft law to promote Rural Community Tourism, which was approved unanimously.

The GEF Small Grants Programme thus empowers communities even though its projects focus on environmental issues and livelihood concerns as principal objectives instead of aiming to achieve primarily community empowerment. Consequently, in the GEF Small Grants Programme, community empowerment takes place in the form of a positive by-product of project implementation as long as projects are truly community-driven and community-implemented. Community empowerment lasts in these cases usually beyond project duration.

To summarize the key results of this section, the following elements were identified as components contributing to community empowerment:

- Building of social capital;
- Building of local organizing capacity;
- Strengthening of community capital, through ensuring transparency and accountability and by rendering the relatively abstract concepts of transparency and accountability practical and understandable to community members;

- Strengthening of community capital thanks to the principles of participation, inclusion, equity and consensus-orientation.

Empowered communities are a necessary building block of a well-functioning and healthy system of *“parallelly existing forms of collective regulation of societal matters”*³²¹. In other words, empowered communities are a necessary building block of inclusive governance.

b. Effectiveness and efficiency

For UNESCAP, effectiveness and efficiency in the context of good governance mean that *“processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment”*³²². The effectiveness and efficiency discussion expands beyond the governance concept when considering how community initiatives contribute to the objectives of the international development community in the beginning of the 21st century. In fact, effectiveness and efficiency have become a key preoccupation in international development efforts. An entire section is therefore dedicated to this topic in this dissertation³²³.

What is of importance in the effectiveness-efficiency-governance context is the fact community organizations can constitute an efficient means of channelling development funds to the poorest and most marginalized parts of society and that they can help processes and institutions to produce the necessary results in a cost-effective way as we

³²¹ Governance definition: *“nebeneinander bestehende Formen der kollektiven Regelung gesellschaftlicher Sachverhalte”*. Mayntz, Renate. 2004. *Governance im modernen Staat*, in Benz, Arthur (Hrsg.), *Governance – Regieren in komplexen Regelsystemen. Eine Einführung*. Wiesbaden. P. 65-76.; also in Risse, Thomas. 2008. *Regieren in “Räumen begrenzter Staatlichkeit” – zur Reisefähigkeit des Governance Konzeptes*, in Schuppert, Gunnar Folke (Hrsg.) *Governance einer sich wandelnden Welt*, Politische Vierteljahresschrift, Sonderheft 41/2008, 149-170.

³²² <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>. Accessed in January 2012.

³²³ Refer to Section E.4.

have seen in previous sections and chapters and as we will see in the last section of this chapter, in which the effectiveness and efficiency discussion will be further expanded³²⁴.

Efficiency - which is described in the above citation as “*the sustainable use of natural resources and the protection of the environment*” and which is considered as a criterion of good governance - can clearly be achieved thanks to community initiatives. In fact, following Elenor Ostrom’s reasoning, a polycentric approach, where key management decisions should be made and implemented as close to the scene of events and the actors involved as possible, is a prerequisite in environmental governance and resource use. Elenor Ostrom goes even so far as to argue that it is the most efficient system of environmental governance³²⁵.

c. Ownership and the rights-based approach to development

Ownership is a concept which emerged only recently noticeably in the international development dialogue. At the Paris High Level Forum on Aid Effectiveness in 2005³²⁶ it was decided that “*partner countries exercise effective leadership over their development policies and strategies and coordinate development actions*”³²⁷. But partner countries also committed themselves as part of the ownership principle to a “*consultative development process*” and to “*take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging participation of civil society and the private sector.*”

In fact, the reason for emphasizing country ownership of the development process is the conviction that ownership of development processes leads to increased effectiveness, efficiency and sustainability. Countries which guide their own development processes and

³²⁴ Ibid.

³²⁵ Ostrom, Elinor; Agrawal, ARUN. 2001. *Collective Action, Property Rights, and Decentralization in Resource Use in India and Nepal*. In *Politics & Society*. December 2001 29: 485-514.

³²⁶ Refer to Chapter C.2.3.c

³²⁷ *Paris Declaration on Aid Effectiveness*, Chapter II “*Partnership Commitments*”, 2 March 2005. Paris, France.

implement their own development measures are more likely to sustain and support these on the long run.

This is in line with research outcomes, developed earlier in this research, on community-driven versus community-based project implementation³²⁸. SGP experience clearly demonstrates that the more community-driven a project is the more effective, efficient and sustainable it is likely to be. Hence, what works at the national level is also valid at the community level in this case. In fact, community ownership can be directly linked to project sustainability. The more a community feels ownership over a project, the more it has been the creator and designer of the project, instead of being a mere participator, the higher the likelihood of project sustainability will be after project funding.

The ownership principle is deeply enrooted within the SGP due to the community-driven character of its projects and due to SGP's co-financing requirement, which enhances local ownership, local partnerships and empowers the community. The sense of project ownership by the community - who proposes the project and then implements it while contributing its very own resources - also increases the probability that the project will continue beyond the funding period. This renders the project more likely to be sustainable on the long run.

Ownership is thus crucial for project effectiveness, efficiency and sustainability; and ownership is a key component of inclusive governance processes.

Ownership has also been linked to the rights-based programming approach³²⁹. A rights-based approach redirects the focus of international development cooperation from its two traditional objectives, growth and poverty reduction, towards taking into account the rights of individuals. In international development cooperation, rights-based programming aims to support governments to improve their performance so that rights can progressively be achieved. Programmes or projects established based on a rights-based approach to development will have the following key characteristics, all of which can be found in the GEF Small Grants Programme :

³²⁸ Refer to Chapter D.4.1.

³²⁹ Refer to Chapter B.2.3.

1. Specifically express the linkage to rights;
2. Provide for a high level of accountability;
3. Ensure an explicit focus on capabilities and empowerment; and
4. Ensure a high level of participation.

The rights-based approach to development is strongly influenced by Amartya Sen's theory of capabilities³³⁰. Sen distinguishes the mere right to something (i.e., "right to education" or "right to vote") from what he calls a realized right, a right which is accompanied by the necessary conditions, by the "capabilities" to make out of that right a reality. For Sen, having the choice for or against something is a positive freedom, which everybody should be entitled to; deciding in favour of a right is a realized right. To illustrate this example, the right to education will only be a realized right when a community has a school and when it is able to cover school fees so that all children can go to school (realized "capability") and when it decides to send its children to school (realized "right") . To Sen, it is not only about *"what a person ends up doing, but also what she is in fact able to do, whether or not she chooses to make use of that opportunity."*³³¹

The principle of ownership opens the door for Sen's theory of capabilities and positive freedom. Ensuring community-driven processes not only contributes to increased effectiveness, efficiency and sustainability; it also opens a door of capabilities and positive freedom to communities, amongst them the most marginalized and poorest of many societies.

Inclusive governance is thus also about positive freedom and capabilities; it is about an individual's or community's voice, choice and ability to contribute to local development according to their own choices and priorities.

³³⁰ Refer to Chapter B.3.3.

³³¹ Ibid.

When aiming to achieve “positive freedom” in a community project, substantive inclusion³³², which captures the ability of all participants to exert influence over decisions, should therefore always be prioritized³³³.

Ensuring ownership in community initiative coordination programmes constitutes thus a rights-based approach which increases efficiency, effectiveness and sustainability and which allows communities to participate as full-fledged stakeholders in municipal, regional and national development processes.

d. Capacity to influence and shape policy

When measuring to which extent community initiatives contribute to governance, the most critical aspect one needs to consider is to which extent they manage to influence or shape local, regional or national policy.

The ability of a community organization to influence or shape policy means having created a voice; it means that the community organization has become a stakeholder in local, regional or national governance processes. It means having added to traditional top-down development processes bottom-up approaches whose lessons learned, best practices, preferences and interests inform and shape political decisions and their implementation.

Interestingly, though such active participation and representation is a characteristic of democratic political systems, the inclusion of bottom-up approaches into municipal, regional or national development processes can occur in any political system. It may be a way of preparing the ground “bottom-up” for a well-functioning democratic political system; however, its main purpose is to include into development processes local solutions which have proven to work and which increase the likelihood of project effectiveness, efficiency and sustainability. As Jamie Elizabeth Jacob puts it “*political participation and*

³³² Leach and others, White and Molyneux demonstrated that once an individual has entered a decision-making forum, the capacity to influence the decision is not the same for all participants; differences in the distribution of power and resources among community members impinge upon the process of collective decision making. (White, S. C. 1996. *Depoliticizing Development: the Uses and Abuses of Participation in Development in Practice* 6 (1): 6-15. ; Molyneux, M. 2002 *Gender and the Silences of Social Capital: Lessons from Latin America in Development and Change* 33 (2): 167-88; Leach, M.; Mearns, R.; Scoones, I. 1999. *Environmental Entitlement: Dynamics and Institutions in Community-Based Natural Resource Management in World Development* 27 (2): 225-47).

³³³ Refer to Chapter E.3.1.1 “Inclusion, Equity and Participation” for more information about the distinction between formal and substantive inclusion.

interest in environmental policy - (though one could direct interests towards other topics such as public health or education) - *at the grassroots involves people in the struggle for citizenship, rights, and government accountability in the democratic process*”³³⁴.

The below figure, which outlines the World Bank’s Small Grants Programme’s³³⁵ strategy for civic engagement, describes quite well the interdependent dynamics which contribute to turning marginalized community organizations into stakeholders of governance processes. Marginalized and vulnerable groups become SGP grantees and have the opportunity to design and implement their own tailor-made projects. As a result and thanks to SGP’s financial and technical support, their capacity is strengthened. Technical capacity is thus built and thanks to positive externalities described earlier on, such as the building of local organizing capacity and social capital, community capacity is increased as a whole. The community also leverages co-financing and establishes partnerships and in some cases it may end up informing and shaping policy. The described process results in strengthened civic engagement. Consequently, local and regional governance structures are being reshaped.

This process, which links community organizations with municipal, regional, national, and even global organizations, has been described as “*world civic politics*”, which “*define and shape public affairs*” at all levels³³⁶. In addition, the community organizations and other groups involved in the diverse networks of organizations, begin to change through the process of interaction and communication³³⁷. This is how an increasingly horizontal, inclusive and representative governance system progressively takes shape.

All country programmes of the GEF Small Grants Programme were able to cite examples, sometimes very significant examples, of projects which had resulted in

³³⁴ Jacobs, Jamie Elizabeth. 2002. *Community Participation, the Environment, and Democracy: Brazil in Comparative Perspective* in: *Latin American Politics and Society*, Vol. 44, No. 4 (Winter, 2002), pp. 59-88.

³³⁵ World Bank Small Grants Programme: <http://wbi.worldbank.org/developmentmarketplace/partner/world-bank-small-grants-program>; accessed in December 2012.

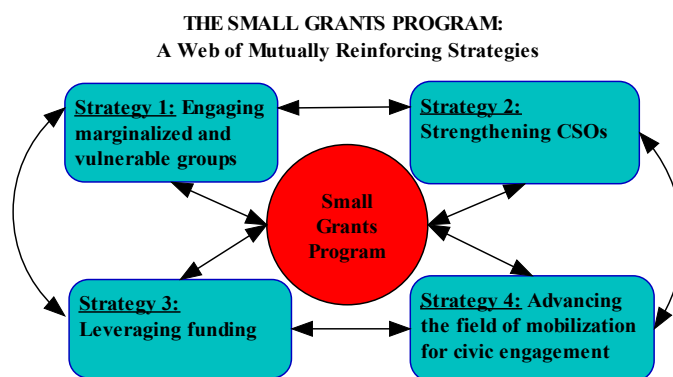
³³⁶ Wapner, Paul. 1995. *Politics Beyond the State: Environmental Activism and World Civic Politics*. *World Politics* 47, 3 (April), pp. 311-40.

³³⁷ Keck, Margaret, and Kathryn Sikkink. 1998. *Activists Beyond Borders*. In: *Advocacy Networks in International Politics*. Ithaca: Cornell University Press.

informing or shaping policy in one way or the other. This is in line with results contained in the 2008 Independent Evaluation of the GEF Small Grants Programme, which concluded that “*in all 22 country programs reviewed, the evaluation found that the SGP has contributed to the formulation and/or implementation of policies either by cultivating relationships with civil society organizations; local, provincial, and national governments; academic institutions; other global organizations; or the private sector*”³³⁸.

Of course not all projects of each country programme influence or shape policy, but amongst a portfolio of projects implemented in their country, each country programme was able to name a few projects which had contributed to policy shaping or implementation. Considering that the GEF SGP funds projects of up to US\$50,000 only (a comparatively low amount when one considers funding amounts of medium or full-size projects) and that it works mainly with the most marginalized and poorest communities, this is a remarkable achievement.

Figure 5: World Bank Small Grants Programme – Mutually Reinforcing Strategies³³⁹



How does the GEF SGP manage to produce such considerable results in the area of policy informing and shaping? The operational structure and grant-making requirements

³³⁸ Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

³³⁹ Levinger, Beryl and Mulroy, Jean. Sept 2003. *Making a little go a long way. How the World Bank's Small Grants Programme Promotes Civic Engagement*. EDC/PACT, Inc. No.47. Sept 2003.

of the programme strongly contribute to opening channels of communication and cooperation between grantees and government entities. The partnership and co-financing requirements of the programme ensure that in many cases local government entities are involved in SGP projects from the start. Grantee community organizations are communicating and working with government entities while being recognized stakeholders of their own development processes thanks to the GEF SGP; this would in many cases be impossible without SGP funding. In addition, government representatives are participating in SGP National Steering Committees³⁴⁰, which are country programme bodies consisting of representatives from local NGOs, academia, UNDP and the national government and which are in charge of providing major substantive contributions and oversight of the programme at the country level.

The GEF SGP also strongly supports replication, scaling up, and mainstreaming of local community initiatives that have proven successful. Since this is generally being done in cooperation with municipal, provincial, and national governments, the likelihood of contribution to policy formulation and implementation is automatically being increased. Country programme activities in the areas of awareness raising, knowledge sharing and development and strengthening of institutional capacities are additional factors which contribute to institutional and policy change.

As such, in SGP Costa Rica, a broad base of strategic projects was established in priority areas at the national level, which targeted Rural Community Tourism (RCT), Forest Fire Control, Biological Corridors and Organic Agriculture. Thanks to workshops, learning exchanges and training many communities decided to establish networks of cooperation around the same activities. A National Biological Corridors Network was established, which influences and shapes policies at the local, regional and national levels. A national network on Fire Management³⁴¹ was also established which informed and shaped Costa Rica's National Strategy on Fire Management.

³⁴⁰ Refer to Chapter D.3.1 "Small Grants Programme Structure".

³⁴¹ SGP Costa Rica project: COS/SGP/OP3/05/14; Fundación de Parques Nacionales; *Fortalecimiento de las estructuras operativas institucionales y organizacionales en el manejo del fuego a nivel nacional para el period 2005-2010*.

In Organic Agriculture, 10 regional strategies were established and an organization entitled MAOCO (National Organic Agriculture Movement) was formed. MAOCO supported through lobbying strategies the development of a proposal, which was unanimously approved as a law to promote Organic Agriculture in the country.

In Rural Community Tourism, ACTUAR was established (Costa Rican Association for Community Rural Tourism) as well as the Network for Rural Community Tourism. ACTUAR represents local community interests and support the marketing of local community products and services. With the support of the SGP, ACTUAR prepared a draft law to promote Rural Community Tourism. The law was approved unanimously³⁴².

When consulted on the impact which his country programme generated in the area of governance, the National Coordinator of SGP Costa Rica wrote the following: *“In our country, the program as a whole has contributed to changing governance structures, we have worked in over 500 communities, people of the projects have been empowered, women who previously did not participate in communal activities are now the presidents of boards of education, development associations, water supply management entities and other local structures. Community voices and interests have been integrated into local councils, regional councils, into the national network of biological corridors, into the national network of rural community tourism, and into the national network of brigades for fire management. All these structures are involved in the formulation and shaping of local and national policy. Overall, I think the greatest impact of the program has been in this area, which we do not tend to measure since we are focused on measuring qualitative and quantitative impact in the areas of Biodiversity, Climate Change, Land Degradation, International Waters and Persistent Organic Pollutants”*.

Examples of shaping and influencing policy are numerous in the SGP. In Vietnam, lessons learned from SGP project grants have informed municipal guidelines. In the Philippines, lessons from SGP project grants were included into municipal environmental

³⁴² Costa Rica SGP projects: COS/SGP/07-41; ACTUAR; *Hacia la consolidación del Turismo Rural comunitario*; also: COS/SGP/OP4/Y3/CORE/09/10; ACTUAR; Creación y fortalecimiento de red active de socios del PPD.

ordinances, focusing on topics as varied as the establishment of marine sanctuaries, bans on hunting, and the deputation of fish wardens and forest protection volunteers³⁴³.

In Ghana, the SGP provided information and lessons learned for the development of several national policies, including the National Wildfire Policy, the National Biodiversity Strategy, and the National Strategic Energy Plan. In Egypt, sustainable energy initiatives are contributing to informing municipal strategies. In Poland, SGP projects contributed to the development of the national agro-biodiversity plan.

Conclusion. Highly decentralized community initiative coordination programmes which emphasize maximum community-drivenness, such as the GEF Small Grants Programme, thus strongly contribute to building inclusive governance processes and inclusive governance systems. They are driven by a bottom-up dynamic, which respects the principles of the rights-based approach to development and they thereby align to the logic of ownership.

A key outcome of this section is that it is unnecessary for community initiative coordination programmes to focus explicitly on building inclusive governance, since strengthening inclusive governance is a by-product, or a “positive externality”, of community-driven programming. These programmes can focus on completely different thematics such as environmental objectives (the thematic area of the GEF Small Grants Programme), public health, education, etc. What matters is that the requirements and criteria which were identified in this section as the ones which are contributing to building inclusive governance are upheld and implemented in the community project and at the national and global programme levels. These criteria include co-financing and partnership requirements, ensuring maximum community-drivenness and ownership, upholding the principles of accountability and transparency, ensuring inclusion, equity and participation, building local organizing capacity and social capital by connecting communities amongst each other and with a maximum number of development stakeholders (government entities, academia, NGOS, private sector and international organizations), focusing on

³⁴³ Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

capacity building and, lastly, giving communities a voice by creating possibilities to shape and influence local, national and global policy dialogues.

It should not be forgotten that community initiative coordination programmes such as the GEF Small Grants Programme have a unique capacity to reach out and empower the most marginalized, most vulnerable and poorest populations and to include them in a way which is coherent with the rights-based approach to development into development processes. When it comes to inclusive governance, it is crucial to have the capacity to reach and constructively interact with all concerned. In international development, this can only be fulfilled by specialized projects or programmes, which have the right infrastructure and tools in place to reach the most marginalized people, illiterate groups and other populations difficult to access.

The identification of a niche for community initiatives in international development cooperation was one of the key objectives of this dissertation. This section demonstrated that building governance bottom-up is a component of international development which only community-driven programmes and projects can truly fulfil. Building and strengthening governance processes through a bottom-up approach constitutes thus not only a bi-product of community initiative programming; in fact, it represents a valuable and highly specialized niche in international development efforts.

E.4. Efficiency and Effectiveness

The debate around efficiency and effectiveness of international development efforts substantially increased in the beginning of the 21st century with the start of the aid effectiveness movement. During the 1990ies, donor governments and aid agencies were beginning to realize that one of the main reasons for loss in aid effectiveness was the multitude of approaches and requirements of development aid. These were not only imposing huge administrative costs upon developing countries but also reducing the effectiveness of results. Therefore, donor and developing countries started to more coherently work together and to harmonize their work in order to improve its impact. The Millennium Development Goals are a direct consequence of the initial steps of this movement since these eight goals are the first common and over-arching development goals which were defined by the international development community. The aid effectiveness movement then further picked up in 2002 at the International Conference on Financing for Development in Monterrey, Mexico and thereafter at the 2003 High Level Forum for Harmonization held in Rome, Italy, the 2005 Paris Conference on Aid Effectiveness, the 2008 Third High Level Forum in Accra, Ghana and the 2011 Fourth High-Level Forum on Aid Effectiveness held in Busan, South Korea.

In Busan, countries reviewed a set of principles as well as measurable targets, which they had agreed to achieve by 2010 at the occasion of the Paris Declaration on Aid Effectiveness in 2005. This set of principles and measurable targets provides a tool for donors and developing countries to hold each other accountable. The targets that had been set relate to 13 indicators covering all five pillars of the Paris Declaration: Ownership; Alignment; Harmonization; Mutual Accountability and Managing for Results. The results of the 2011 Survey on Monitoring the Paris Declaration demonstrate that at the global level, only 1 out of the 13 targets established for 2010 has been met³⁴⁴. Nonetheless, considerable progress has been made towards many of the remaining 12 targets. Several of the set targets are directly related to the GEF Small Grants Programme and will therefore be further considered when examining the general effectiveness of the programme in the

³⁴⁴ OECD. 2011. *Aid Effectiveness 2005-2010: Progress in implementing the Paris Declaration*. ISBN 978-9264-12549-0 - © oecd 2011.

following paragraphs. First though, the terms of effectiveness and efficiency deserve to be further defined.

The World Bank defines aid effectiveness as *“the impact that aid has in reducing poverty and inequality, increasing growth, building capacity, and accelerating achievement of the Millennium Development Goals set by the international community”*.³⁴⁵

Whereas the term effectiveness focuses on the degree to which pre-determined objectives are achieved and the extent to which targeted problems are solved, the term efficiency integrates an economic component into the equation in that it refers to the *“extent to which the project or program has converted or is expected to convert its resources/inputs (such as funds, expertise, time, etc.) economically into results in order to achieve the maximum possible outputs, outcomes, and impacts with the minimum possible inputs.”*³⁴⁶

Both effectiveness and efficiency are crucial considerations in international development cooperation since development funds are a scarce resource. Consequently, development funds need to be used where they can achieve the biggest and most relevant impact (i.e., they need to be “effectively used”) and they need to be used in the most cost-effective way. Cost-effectiveness means in this context the *“extent to which the project or program has achieved or is expected to achieve its results at a lower cost compared with alternatives.”*^{347 348} More precisely, it is considered that shortcomings in cost-effectiveness occur when implemented programs or projects are *“not the least-cost alternative or approach to achieving the same or similar outputs and outcomes”*.³⁴⁹

Assessing Small Grants Programme efficiency means to relate the results achieved to its costs. This would ideally mean to attempt to put a monetary value on the benefits achieved by the Small Grants Programme, to compare these with the costs of the programme, and to calculate the internal rate of return. However, a monetary quantification

³⁴⁵ <http://data.worldbank.org/topic/aid-effectiveness>; accessed in Jan 2012.

³⁴⁶ IEG. *Sourcebook for Evaluating Global and Regional Partnership Programs - Indicative Principles and Standards*. 2007. IEG World Bank. Accessed in January 2012 at: <http://www.worldbank.org/ieg/grpp>.

³⁴⁷ Value-for-money is a related concept in that it assesses the extent to which maximum benefit was obtained from the outputs and outcomes produced and within the resources available.

³⁴⁸ IEG. *Sourcebook for Evaluating Global and Regional Partnership Programs - Indicative Principles and Standards*. 2007. IEG World Bank. Accessed in January 2012 at: <http://www.worldbank.org/ieg/grpp>.

³⁴⁹ Ibid.

of the Small Grants Programme's outputs and outcomes would not contribute significantly to the purpose of this research since it would be based on potentially controversial assumptions. Therefore, the efficiency assessment of the Small Grants Programme will in this research focus on an assessment of the general cost-benefit analysis of the programme³⁵⁰.

The research question covering this section attempts to answer whether community initiative coordination programmes can be efficient and effective mechanisms despite the complexity of their set-up and despite the huge variety of projects that are being implemented simultaneously in these programmes.

E.4.1. GEF Small Grants Programme Efficiency

The question of the efficiency of community initiative coordination programmes comes to one's mind as soon as one considers the complexity of these programmes. As demonstrated in previous sections, community initiative coordination programmes will only result in tangible outcomes when they unite a big number of community initiatives around a same thematic, and when they are as community-driven as possible. Both of these requirements further increase the complexity of the programmes.

Community initiative coordination programmes require therefore a high degree of decentralization, while ensuring accountability and transparency and high quality of implementation, monitoring and reporting. The management of thousands of grants and of staff at headquarters and in more than 100 countries, the monitoring of all country programs, upholding networking and partnerships requirements, living up to knowledge management standards and fulfillment of reporting exigencies at the local, national and

³⁵⁰ In addition to having restrained the efficiency analysis scope for the reasons explained above, an assessment of the cost-effectiveness of the programme would also not be useful to this research. A cost-effectiveness assessment would consider the benefits arising from the activities of the program as a given and would try to answer the question whether these benefits could have been produced at a lower cost compared with alternatives (i.e.: principal alternatives are other means of delivering development assistance while achieving the same or better results). A cost-effectiveness assessment would be relevant when considering a more cost-effective implementation alternative for the programme. However, it would not contribute to the research question of this section, which attempts to answer whether community initiative programmes can be effective and efficient despite the complexity of their set-up and despite the numerous grants and projects that are being implemented. The scope of this section is therefore being narrowed to simple analysis of the programme's efficiency and effectiveness.

global levels all necessitate a strong, well managed, yet flexible mechanism, capable to adapt to the particularities of regions and countries. Obviously this mechanism comes with a cost and the conclusion that such a complex programme results in a higher administrative cost ratio than medium or large-sized projects appears logical. This conclusion would indeed be correct, if community initiative coordination programmes had not developed specific measures which enable these programmes to contain their cost, thereby ensuring competitiveness in terms of efficiency with larger programmes.

Co-financing and other cost sharing arrangements. Mobilization of co-financing from grantees is a key requirement of the GEF SGP; in fact, co-financing is a requirement of most community initiative coordination programmes³⁵¹. The GEF SGP encourages grantees to generate about one dollar of co-financing from other sources for every dollar received from SGP funds. Between 1992 and 2007, SGP grantees had mobilized about US\$1.20 in co-financing per every dollar of SGP grants received. Of this amount approximately US\$.70 was contributed in cash and US\$.60 represented in-kind contribution³⁵².

Amongst and within country programmes, the co-financing amount varies. As such, the Egypt country programme mobilized only 28.6% in co-financing during operational phase one of the programme, during which it had mobilized US\$114,648, yet received US\$400,000 in grant funds. However, during operational phase three, the same country programme mobilized US\$1,146,015 in co-financing whereas it received US\$1,060,000 in grant funds, resulting in a co-financing ratio of 108%³⁵³.

Co-financing increases SGP efficiency in the sense that the programme manages to achieve more and better results at same administrative and management cost. Moreover, as

³⁵¹ Koopman, J.; Kweka, R.; Mboya, M.; Wangwe, S.M. 2001. *Community participation in traditional irrigation scheme rehabilitation projects in Tanzania: report of a collaborative research project*, Ministry of Agriculture and Cooperatives, Irrigation Section, Dar es Salam, Tanzania.

³⁵² Negi, Neeraj Kumar; GEF Evaluation Office. 2007. *Technical Paper on Management Costs of the Small Grants Programme. Joint Evaluation of the GEF Small Grants Programme*. GEF Evaluation Office. Washington DC. UNDP Evaluation Office. New York City.

³⁵³ Risby, Lee Alexander; Genena, Tarek. 2007. *Country Programme Case Study: Egypt. Joint Evaluation of the GEF Small Grants Programme*. GEF Evaluation Office. Washington DC. UNDP Evaluation Office. New York City.

seen earlier on, since co-financing increases community ownership, which in turn has proven to strongly contribute to project sustainability, the co-financing requirement actually not only results in monetary contributions but it renders every single dollar invested by the Small Grants Programme more efficient and effective.

The downside of the co-financing requirement is that the SGP intends to work with the poorest and most marginalized communities, which sometimes simply don't have the means to contribute in-cash or in-kind an amount equivalent to project funds received. It is for this reason that co-financing amounts vary within country programmes. In fact, National Coordinators and National Steering Committees have the flexibility to approve grants for communities, which do not have the means to contribute equal co-financing amounts as long as the country programme results in an overall ratio of 1:1. In order to compensate for lacking funds at the community level, country programmes can also receive co-financing at the country or regional level and accept contributions from the private sector, academia or other entities.

In addition, SGP mobilizes resources at the headquarter level to contribute to the programme either globally or to focus on specific regions or specific thematic areas.

Economies of scale: reducing programme management costs. Economies of scale are a key element contributing to the efficiency of the GEF Small Grants Programme. In fact, independently of the number of country programmes involved and of the number of grants disbursed, there is need for a minimal infrastructure without which the programme could not function. This involves on the one hand a sound headquarter management infrastructure with an implementing and executing agency (resulting in salaries, rent, utilities and other costs related to headquarter activities) as well as a national country programme structure in each operating country (usually staffed with one National Coordinator, a Programme Assistant and requiring office space, utilities and other administrative and management costs). Since a major proportion of these costs are fixed the scale of operations becomes an important factor. The 2007 Joint Evaluation of the GEF Small Grants Programme concluded *“the greater the scale of operations, the greater the*

corresponding reduction in the proportion of management costs”³⁵⁴. Hence, from an efficiency perspective it is advantageous and recommended for community initiative coordination programmes to operate at investment levels that facilitate the greatest economy of scale. This is also applicable to the GEF Small Grants Programme.

Flexibility, creativity and innovation as efficiency criteria. Review of key successes and particularities of the GEF Small Grants Programme programme resulted in the conclusion that leaving space for flexibility, creativity and innovation at the global, the country and the community level results in creation of efficiencies. At the global level, the GEF Small Grants Programme maintained the needed flexibility and openness to innovation to be able to adapt to specific challenges encountered, according to the exigencies of the situation and, of course, keeping in mind the programme’s key objectives and main interests.

For example, in 2005, the programme started establishing sub-regional programmes instead of full-fledged country programmes in those countries where grant absorption capacity was too low to justify a country programme on its own. Instead of generating high management costs with low grant disbursements by maintaining the country programme mechanism, sub-regional programme management mechanisms were established which unite several countries under one sub-regional mechanism.

In addition, the programme decided to nominate Senior National Coordinators. These Senior National Coordinators had been with the SGP for many years; they were heading successful and well-managed country programmes and had accumulated a breadth and wealth of experience which they could share with younger and less experienced country programmes. Instead of contracting expensive consultancy companies, in house knowledge was thus used to efficiently live up to the programme’s mentoring, resource mobilization and knowledge management needs.

This same spirit of creativity, flexibility and innovation is also used at the community level. For instance, illiterate communities received access to SGP grants thanks

³⁵⁴ Negi, Neeraj Kumar; GEF Evaluation Office. 2007. *Technical Paper on Management Costs of the Small Grants Programme. Joint Evaluation of the GEF Small Grants Programme.* GEF Evaluation Office. Washington DC. UNDP Evaluation Office. New York City. p. 9.

to the possibility of video proposals³⁵⁵, which allowed them to explain their project proposals instead of having to provide written proposals. This not only increased grant absorption capacity but also ensured that grants were made available to the poorest and most marginalized populations, where each dollar could potentially achieve the highest impact.

Another example for successful innovation is the practice of revolving funds. As explained in an earlier section, a revolving fund is a source of money from which loans are made for multiple small development projects. In SGP, the Egypt country programme is one of the champions of this innovative funding modality, which consists of funding income-generating activities (or activities which increase savings). A project funded by the Qena Environmental Union Federation in the Qena Governorate of Egypt³⁵⁶ decreased for instance GHG emissions through the promotion of the use of energy-saving light bulbs. Approximately 40,000 energy-saving light bulbs were installed thanks to the revolving fund installed at the occasion of this project. The savings generated by reduced electricity bills allowed for reimbursement of the costs related to the purchase of the energy-efficient light bulbs and allowed 4,000 families to benefit from project activities. The Egypt country programme also established similar revolving funds to finance solar cook stoves, solar water heaters and other sustainable energy technologies.

Thanks to innovation, creativity and the necessary flexibility in the form of approval for such innovative methods from SGP's Central Programme Management Team, the programme was thus able to create efficiencies at the headquarter, country and community levels. The efficiency concept does thus not only belong to financial or management considerations; it is a complex concept, which touches beyond financial and management considerations upon areas such as management style, decentralization, adaptability and flexibility, and space for innovation and creativity. The GEF Small Grants Programme increased its efficiency, knowingly or unknowingly, by touching upon all the aforementioned points.

³⁵⁵ Lunch, Nick; Lunch, Chris, 2006. *Insights into Participatory Video – A Handbook for the Field*. InsightShare.

³⁵⁶ Project Title: “*Activate and Consolidate Participation in the Reduction of Energy Use*”. Country Programme: Egypt. Implementing Organization: Qena Environmental Union Federation. Location: Qena Governorate. SGP contribution: US\$40,443. In-cash co-financing: US\$62,884. In-kind co-financing: US\$6,536. Project duration: December 2010 – June 2012.

Community-drivenness. Lastly, the extent of community-drivenness is a key factor in determining the efficiency of community initiative coordination programmes. In previous sections it was demonstrated that community-drivenness is directly linked to project sustainability. The more a community has been able to design, implement and monitor a project, the more it has contributed in-cash and in-kind and the more partnerships it has built, the more sustainable the community project will be³⁵⁷. Hence, community-drivenness can also be linked to efficiency considerations. This is in line with outcomes of a review of World Bank funded community-driven projects, which resulted in the conclusion that participation increases efficiency³⁵⁸. The more participation, the stronger the feeling of ownership. The more community-drivenness, the higher the likelihood of overall funding efficiency. In the current context of international development cooperation, where efficiency and effectiveness are crucial elements of development support, these results and lessons deserve to be retained.

The Joint Evaluation of the GEF Small Grants Programme concluded that “*SGP’s management costs are in the upper middle range of programs for which data were reliably gathered*”³⁵⁹. It also pointed out that size and funding level of community initiative coordination programmes are decisive for efficiency considerations in that bigger size and higher funding levels allow these programmes to generate economies of scale. The evaluation concluded “*if funding levels were increased significantly, some efficiency gains are likely to be made*”. In addition to the above-identified factors contributing to enhancing programme efficiency, the funding level of community initiative coordination programmes is thus crucial. Notwithstanding, due to the complexity of their operational

³⁵⁷ Refer to conclusions of Section E.2 on sustainability for more specific information regarding the interdependence between community-drivenness and sustainability.

³⁵⁸ Van Zyl, J.; Sonn, L.; Costa, A. 2000. *Decentralized rural development, enhanced community participation and local government performance: evidence from the Northeast Brazil*. The World Bank. Washington D.C.

³⁵⁹ Negi, Neeraj Kumar; GEF Evaluation Office. 2007. *Technical Paper on Management Costs of the Small Grants Programme. Joint Evaluation of the GEF Small Grants Programme*. GEF Evaluation Office. Washington DC. UNDP Evaluation Office. New York City. p. 9.

set-up and the multitude of grants to administer and implement, management costs usually run in higher ranges in community initiative coordination programmes. When considering efficiency it is thus important to focus not only on the ratio between management costs and grant funds disbursed, but to strongly consider results achieved, some of which are unlikely to be achieved with other funding mechanisms³⁶⁰.

E.4.2. Small Grants Programme Effectiveness

The word “effectiveness” stems from the Latin word “effectivus”, which means creative, productive or effective. Effectiveness pertains to achieving impact. It is about the capability of producing intended results. Effectiveness, in contrast to efficiency, does not take into consideration financial aspects. It purely concentrates on the degree to which pre-determined objectives have been achieved and the extent to which targeted problems have been solved.

Results based management in the SGP. International development cooperation sets itself key objectives. The extent to which these objectives are being achieved, in other words, the progress made towards these objectives will determine the effectiveness of measures undertaken and of programmes or projects implemented. In order to enhance effectiveness and to monitor progress more accurately, results-based management practices have increasingly been introduced in international development efforts³⁶¹. These concentrate on baseline assessments, followed by determination of overall goals, outcomes, outputs and activities. Progress is measured with the help of predetermined SMART indicators. The word SMART stands in this context for indicators which are specific, measurable, achievable, relevant and time-bound. Innovative monitoring and evaluation practices as well as sharing of lessons learned and best practices are therefore receiving increasing importance.

³⁶⁰ Refer to conclusions of Section E.3 on Governance.

³⁶¹ Binnendijk, Annette. 2000. *Results Based Management in the Development Cooperation Agencies. A Review of Experience: Background Report*. DAC Working Party on Aid Evaluation. Access ed in May 2012 at: <http://www.oecd.org/dataoecd/17/1/1886527.pdf>.

The GEF Small Grants Programme adopted a results-based management approach during its second Operational Phase. This approach was further consolidated in Operational Phase Three, with the establishment of a project database and the requirement that each approved grant in the SGP would specify, by using measurable indicators, how it would contribute to the GEF's focal areas. In addition, the SGP has linked its activities to the Millennium Development Goals. All of SGP's projects automatically contribute to MDG 7, which is the goal of environmental sustainability. However, most SGP projects contribute also to two other MDGs, namely gender equality and poverty reduction. In situations where co-financing is used to provide a more comprehensive project approach, SGP projects can, in partnership with others, also contribute to the remaining MDGs: maternal health, tackling HIV/AIDS, child health and universal education. Lastly, as an overall programme, which brings together global, regional, national and local actors from the public and private sectors, academia and civil society, SGP strongly contributes to the eighth MDG, the establishment of a global partnership for development.

Tackling global development challenges through local solutions. When taking into account the community-driven character of SGP projects, the small size of the grants³⁶² and the multitude of projects, one can indeed question SGP's capacity to contribute in an effective way to global development objectives. The recipe which SGP uses to achieve impact while maintaining the community-driven character of its projects is careful project selection coupled with well-defined overall development goals focusing on the GEF focal areas and the MDGs.

However, country programmes are encouraged to narrow down their thematic and geographic areas of work to produce a measurable in-country impact. As such, for example SGP Turkey revised its set of objectives to complement existing GEF policies, procedures and operational programs, to identify outcomes and build on existing requirements³⁶³. SGP

³⁶² The average grant size in the Small Grants Programme is about US\$28,000 as per Negi, Neeraj Kumar; GEF Evaluation Office. 2007. *Technical Paper on Management Costs of the Small Grants Programme. Joint Evaluation of the GEF Small Grants Programme*. GEF Evaluation Office. Washington DC. UNDP Evaluation Office. New York City.

³⁶³ Navajas, Hugo; Puri, Jyotsna; Tektas, Aysin. 2007. *Country Program Case Study: Turkey. Joint Evaluation of the GEF Small Grants Programme*. GEF Evaluation Office Washington D.C.; UNDP Evaluation Office, New York City.

Turkey also decided in operational phase four to only focus on four out of the five GEF focal areas and to disaggregate these further into para-thematic and operational priorities³⁶⁴.

Other country programmes have chosen geographic areas of focus instead of focusing on thematic areas. For instance, SGP Brazil focuses on the Cerrado, a vast tropical savanna eco-region situated mainly in the states of Goiás and Minas Gerais. SGP Brazil works in this area mainly with indigenous peoples and marginalized populations and focuses on protecting this second largest of Brazil's major habitat types through innovative approaches which couple environmental protection with sustainable livelihood. SGP Guatemala focuses primarily on working with indigenous women. All in all, every SGP country programme strategy will fund clearly defined development objectives, which were elaborated by a representative country team composed of government officials, representatives of the private sector, civil society, academia and development professionals. SGP therefore fully falls into the logic of "country ownership", which increases national support to the programme and local buy-in. This has a direct impact on the effectiveness of program and project implementation.

For the above mentioned reasons, but also for the well-designed global and national operational set up already mentioned when reviewing SGP's contribution to project sustainability³⁶⁵, the 2008 Third Independent Evaluation of the SGP concluded that *"the SGP has a slightly higher success rate in achieving global environmental benefits and a significantly higher rate in sustaining them than GEF medium- and full-size projects"*³⁶⁶.

Community size matters. An additional reason for community project effectiveness is to be found, paradoxically, in specifically what many consider as their primary weakness: their small size. In fact, the smaller a group, the stronger is its ability to perform

³⁶⁴ Ibid.

³⁶⁵ Refer to Section E.2.

³⁶⁶ Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

collectively³⁶⁷. Gerson was able to demonstrate in a comparative analysis undertaken as a result of the Ivory Coast Water Supply and Sanitation Sector Adjustment Program that the larger the village the more difficulties were encountered when trying to form an effective water committee³⁶⁸. Group size matters due to social interactions. Trust and reciprocity are more likely to emerge and to be sustained in relatively small and stable communities³⁶⁹. This analysis coincides with Olson Mancur's theory of collective action³⁷⁰: in the absence of collective incentives, the incentive for group action diminishes as group size increases. Large groups are therefore less able to act in their common interest than small ones. As a result, community-driven development projects tend to be more effective when implemented by stable and small communities.

Development funds are effective where governance works. Community initiatives build inclusive governance. Lastly, development funds are used more effectively in systems of good governance. The link between governance and aid effectiveness was proven by Burnside and Dollar whose empirical evidence confirmed that development aid positively impacts on GDP growth in developing countries with “sound” institutions and economic policies³⁷¹. They also demonstrate that development aid has significantly less impact in countries with “poor” institutions and policies. Though, Burnside's and Dollar's conclusion that development funds should thus be systematically allocated to countries with “good” policy can be counter-argued (in fact their conclusion faces heavy scrutiny), the link between governance and aid effectiveness cannot be denied. Collier and Dollar,

³⁶⁷ Baland, J-M.; Platteau, J-P. 1999. *The Ambiguous Impact of Inequality on Local Resource Management*. In: World Development, 27 (5): pp. 773-788.

³⁶⁸ Gerson, P. 1993. *Popular Participation in Economic Theory and Practice*. Human Resources Development and Operations Policy, Working Paper 18. The World Bank. Washington DC.

³⁶⁹ Stewart, F. 1996. *Groups for Good or Ill*. In: Oxford Development Studies (24) 1; pp 9-25.

³⁷⁰ Olson, Mancur. 1965. *The Logic of Collective Action. Public Goods and the Theory of Groups*. Harvard University Press.

³⁷¹ Burnside, Craig; Dollar, David. 2000. *Aid, Policies, and Growth* in *American Economic Review*, 90(4), Sept 2000. pp. 847–868.

when reviewing the Daalgard and Hansen hypothesis³⁷², demonstrated that the interaction term between aid and policy is positive. *“For spurring investment, aid and policy are complements, with better policy substantially increasing the effectiveness of aid in inducing investment (...). In a good policy country aid has twice as much effect on the quantity of investment as in a poor policy country, which helps explain why it has more impact on growth in that context”*³⁷³. Here again, aid effectiveness is linked to governance.

This is relevant for community initiatives in the sense that the key outcome of the previous section on governance³⁷⁴ was that community initiative coordination programmes build governance bottom-up. Building governance bottom-up is an automatic bi-product, or a “positive externality”, of community initiative coordination programmes. This is in line with outcomes of the World Bank study on the Effectiveness of World Bank Support for Community-Based and –Driven Development which concluded that *“outcome ratings of Bank-supported CBD/CDD projects were, on average, better than those for non CBD/CDD projects between 1994 and 2003”*³⁷⁵. Thus, community initiatives can contribute to enhancing aid effectiveness beyond the funds that are actually allocated to them by rendering local governance processes stronger and more inclusive.

³⁷² Dalgaard C.-J., and Hansen, H. 2000. *On aid, growth and good policies*, CREDIT Research Paper 00/17, University of Nottingham.

³⁷³ Collier Paul and Dollar, David. 2004. *Development Effectiveness: What Have We Learnt?* The Economic Journal, Vol. 114, No. 496, Features (Jun., 2004), pp. F244-F271.

³⁷⁴ Section E.3

³⁷⁵ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and –Driven Development*. The World Bank. Washington, D.C.

Conclusion – Chapter E

Despite the decentralized nature of the GEF Small Grants Programme, the multitude of grants involved, and more than one hundred twenty country programmes which are part of the SGP, the programme presents (within the limits of the programme's complexity) both an efficient and effective way of channeling funds to communities for project design and implementation. The programme's operational set-up, co-financing and other cost sharing arrangements, the generation of economies of scale, emphasis in favor of community-drivenness and ability to maintain space for flexibility, creativity and innovation are all essential elements contributing to the programme's efficiency. It is nevertheless evident that management costs in a programme as complex as the GEF Small Grants Programme tend to be comparatively higher than those of well-designed and efficiently managed large scale projects. However, management cost ratios do not constitute decisive criteria by themselves. What makes a significant difference in terms of impact is a programme which is both efficient and effective. The GEF Small Grants Programme has not only proven to be an efficient programme, it is also an effective programme thanks to its emphasis on result-based management, thanks to the cumulative effect achieved by numerous community projects which generate tangible impact, and thanks to the fact that the programme successfully manages to link local solutions to global development challenges. It is this mix of efficiency and effectiveness which renders the programme successful and therefore attractive to the donor community.

As part of the general conclusion of this chapter, results from the previously discussed sustainability, governance, accountability, and transparency dimensions need to be added to the results obtained in this section on efficiency and effectiveness. In fact, a major result of the research and analysis contained in the four sections of this chapter is that the GEF Small Grants Programme contributes to the effectiveness of international development efforts beyond achieving environmental impacts, and, as demonstrated, so would any similarly designed and implemented community initiative coordination programme. As a result of the research contained in this chapter, it can be concluded that

community initiative coordination programmes can enhance traditional top-down development approaches by contributing valuable bottom-up elements. Community initiative coordination programmes facilitate access to the poorest and most marginalized populations, they give a voice to these populations and propose tailor-made local solutions to development efforts. In addition, community initiatives provide community ownership, thereby increasing the likelihood of project sustainability. It is also for these reasons that bigger development projects have proven more effective when community-based or -driven components were integrated into these projects³⁷⁶.

If one were to follow the subsidiarity principle in vigor in the European Union³⁷⁷, preference should be given to implementing development projects through community organizations and local government entities whenever possible. The subsidiarity principle lays down the standard that political decisions must always be taken and implemented at the lowest possible administrative and political level, and as close to the citizens as possible. The subsidiarity principle aims to ensure a minimum level of participatory governance and personal freedom while keeping bureaucracy and centralization at low levels. The principle holds up the right of people to participate in decisions that directly affect them, in accordance with their responsibility to the common good. Decisions are thus made and implemented at the most appropriate level, and that means in most cases as close as possible to those affected by the decisions. A higher authority should only intervene in decisions when the intervention is necessary to secure or protect the needs and rights of all. An important reason for SGP's effectiveness lies, certainly, in the fact that the subsidiarity principle is applied in the SGP. Solutions for local development challenges are tailor-made by local communities who will be responsible for implementing the projects

³⁷⁶ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and -Driven Development*. The World Bank. Washington, D.C.

³⁷⁷ De Noriega, Antonio Estella. 2002. *The Eu Principle of Subsidiarity and Its Critique*. Oxford University Press.

³⁷⁸ Article 5 TEU: "Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level. The institutions of the Union shall apply the principle of subsidiarity as laid down in the Protocol on the application of the principles of subsidiarity and proportionality. National Parliaments ensure compliance with the principle of subsidiarity in accordance with the procedure set out in that Protocol."

and for ensuring sustainability of the projects beyond project financing. This ensures automatic buy-in and maximum local participation: an excellent mix when development funds are scarce while lasting results need to be ensured.

The effectiveness of community initiative coordination programmes, such as the SGP, lies also in the ability to provide solutions for areas which larger development projects cannot tackle or cannot tackle as well. Community initiative coordination programmes, such as the SGP, can easily reach, mobilize, connect and work with marginalized and vulnerable populations. This is often difficult, if not impossible, for larger scale development projects.

Lastly, community initiatives automatically result in building governance bottom-up; and it is in the area of governance where the true niche of community initiative coordination programmes and community initiatives in international development coordination can be found. By contributing to building governance bottom-up, as seen in the examples reviewed in this chapter, SGP prepares the foundation to enhance the effectiveness of aid, generating with it an important bi-product: that of poverty reduction coupled with sustainable and right-based development³⁷⁹.

³⁷⁹ Refer to interdependence between governance, aid effectiveness and poverty reduction. Chapter B.2.

F. THE CHALLENGES AND CONTRIBUTIONS OF COMMUNITY INITIATIVES IN THE NEW ERA OF INTERNATIONAL DEVELOPMENT COOPERATION

This dissertation focused on the specific characteristics of community initiatives and community initiative coordination programmes, and aimed at fleshing out the opportunities and challenges which the context of the new era of aid effectiveness presents for community initiatives and community initiative coordination programmes in the field of international development.

Over the last chapters, it became evident that community initiatives are meant to occupy a crucial function in international development efforts of the 21st century. The emergent role of civil society actors in international development, coupled with the recent emphasis on the rights-based approach to development and the fact that community projects present simple, effective, and concrete ways to reach the poorest and most marginalized populations, increase the likelihood that community initiatives and community initiative coordination programmes are going to continue to grow in importance over the years to come. However, beyond this general trend, the below summarized concrete findings result in specific recommendations, trends and opportunities for community initiatives and community initiative coordination programmes in the current era of international development cooperation.

F.1. Findings

Community initiatives and community initiative coordination programmes were evaluated with regards to their capacity to uphold and contribute to four concept groups, namely transparency and accountability, sustainability, governance and, lastly, effectiveness and efficiency. These four concept categories receive major attention in the aid effectiveness movement and are likely to continue to be of decisive importance in international development cooperation over the decades to come.

Accountability and Transparency. In the area of accountability and transparency, the contributions of community initiatives were mixed. Whereas community initiatives can adhere to international standards of accountability and transparency when embedded into community initiative coordination programmes, these programmes don't tend to present particular advantages pertaining to accountability or transparency. To the contrary, the complexity of community initiative coordination programmes, which can render upholding of accountability and transparency principles and standards time-consuming and costly, presents a clear weakness. To address this issue, careful design of the operational structure and work processes of community initiative coordination programmes is a prerequisite.

In addition, neutrality at the stage of project selection is a necessity for transparency and accountability reasons on the one hand, and a prerequisite to maintain the community-driven³⁸⁰ character of the project on the other hand. In the case of the GEF Small Grants Programme, it was demonstrated that neutrality of project selection is ensured thanks to an independent National Steering Committee, whose non-remunerated members come from the government, civil society, the private sector, and academia. In order to guarantee transparency and neutrality, National Steering Committee members cannot vote on a project if they are in any way affiliated with the grantee. Yet, despite these measures, the project selection stage is one of the most sensitive stages in community initiative financing in terms of transparency and accountability. In addition, the sheer number of initiatives financed programme-wide increases the risk of lack of transparency and accountability. Transparent project selection procedures and their firm application therefore deserve utmost attention.

The SGP Operational Guidelines, as well as clearly defined work processes, ensure upward and downward accountability at the project and programme levels. As demonstrated, upward and downward accountability are integrated in the project proposal and the project implementation phases but, beyond the project level, work processes,

³⁸⁰ Community-drivenness is crucial since it is linked to enhanced effectiveness, efficiency, sustainability and building and strengthening of local governance processes. Projects are truly community-driven if they are proposed, designed and implemented by the community. A challenge for any community initiative coordination programme is to propose a broad programming context for financing, which allows for enough flexibility to ensure true community-drivenness while feeding into concrete international development objectives.

which guarantee upward and downward accountability and transparency are also integrated at the programme level, both at headquarters, as well as in SGP country programmes.

Another significant outcome in the area of transparency and accountability is that, in the case of community projects, local accountability is often enhanced beyond project duration at the community and the municipal levels. In the concrete examples studied, such as the SGP Armenia country programme, this outcome was linked to the establishment of local partnerships between municipal authorities and community projects, many of which did not disappear after project closure. Work processes, connections and local dialogue were created during the project implementation phase, and thus had a reinforcing effect upon local accountability and transparency beyond project duration. Implementing a community project thus often generates a positive externality on accountability processes at the community and the municipal levels, which develops independently of the scope of the specific project theme.

Lastly, a positive impact of accountability and transparency on project sustainability was identified. Direct consequences of upholding accountability and transparency requirements during project implementation are reduced risks of corruption, enhanced project effectiveness and more representative and inclusive implementation. The positive impact of accountability and transparency on sustainability can largely be explained with the fact that downward accountability requirements³⁸¹ lead to inclusive and representative project implementation. The latter contributes to increased ownership, and therefore, in the long run, to increased sustainability beyond funding duration. A long term consequence of upholding accountability and transparency principles is therefore increased project sustainability beyond project funding.

Sustainability. This research revealed that community initiatives tend to generate high project sustainability for various reasons. An important explanatory factor for this result is project ownership by the community; additional complementing factors include: the combination of co-financing (in both cash and in-kind), high levels of participation and inclusion, and an emphasis on gender equality in both project design and implementation.

³⁸¹ Refer to section E.1.1. for the difference between upward and downward accountability and what it concretely means in the case of the GEF Small Grants Programme.

In addition, the fact that sustainability plans have to be developed already at project proposal stage and that projects will only be funded if they are likely to be sustainable contributes to increasing the likelihood of project sustainability. It was also noted that income-generating projects resulted in higher levels of project sustainability. Economic aspects should thus receive the needed attention in project design and implementation to ensure project sustainability.

Overall, research results of this dissertation demonstrated that community-drivenness and ownership are key elements influencing project sustainability. Larger development projects could thus see their sustainability likelihood increased by including community components into their projects and by emphasizing local ownership.

Effectiveness and Efficiency. In the area of effectiveness and efficiency, numerous results were discovered. First, community initiative coordination programmes, such as the GEF Small Grants Programme, need to address a major hurdle in order to remain competitive in the area of efficiency. The complexity caused by a programme regrouping a high number of relatively small projects implemented in numerous country programmes with extremely diverse cultural, economic and social contexts, can easily result in high management costs. For obvious reasons, high management and administration costs tend to discourage donors in the current context of restrained development funding. The GEF Small Grants Programme managed to address these challenges in various ways. First, co-financing and cost sharing arrangements at the project, the country programme and the global levels increase SGP efficiency. This is due to the fact that co-financing allows the programme to achieve more and better results with the same administrative and management costs. The generation of economies of scale is another element contributing to the programme's efficiency. In accordance with the outcomes of the 2008 Independent Evaluation of the GEF Small Grants Programme³⁸², it was noted that it is more cost-effective for community initiative coordination programmes to cover not only a high number of countries and regions but to also have a relatively large country portfolio,

³⁸² Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

thereby decreasing the relative management cost for each country³⁸³. In terms of aid effectiveness and cost-effectiveness considerations, it is advantageous in community initiative programming to involve as many countries as possible using the same management scheme in order to generate economies of scale whilst increasing, at the same time, the impact achieved on global development objectives.

A simple, well-designed structure applicable in all country programmes is another element, which enhances the programme's efficiency. Yet, it was noted that the programme grants at the same time needed space to allow for flexibility, creativity, and innovation to allow country programmes to adjust the SGP structure to match national contexts and priorities, thereby resulting at times in decreased management cost and enhanced effectiveness. An illustration of the flexibility of the programme is the creation, in 2005, of sub-regional programmes for those country programmes whose absorption capacity would have been too low to result in an acceptable admin-grant funds ratio. This measure resulted in a considerable increase of efficiency for the countries concerned. The practice of revolving funds as well as the use of video proposals for illiterate populations constitute additional examples which testify to the programme's capacity to adjust at the country level to specific economic, cultural or social contexts and requirements, thereby rendering the programme more efficient and effective.

A main paradox was discovered when it became evident throughout this research that community initiatives will reach their maximum effectiveness when they are embedded into a global programming context, yet manage to maintain a truly community-driven character. This is easier described than done since it means in practice that the overall thematic objectives of a community initiative coordination programme need to be vast enough to allow for space and creativity so that communities can design their project proposals according to their own needs while qualifying for funding; yet these programmes

³⁸³ As such, the management costs incurred at the SGP country program level and by the SGP Central Programme Management Team shows that if the SGP were to operate at a higher program expenditure level, the average management costs would be likely to decline as a result of efficiency gains. Also, the higher level of GEF investments in the SGP during the Operational Phase 3 of the programme facilitated more cost-efficient operation than in Operational Phase 1 and Operational Phase 2. Both of these results are retained in the: Global Environment Facility Evaluation Office; United Nations Development Programme Evaluation Office. 2008. *Joint Evaluation of the GEF Small Grants Programme*. Evaluation Report No. 39. June 2008. Evaluation Office. Global Environment Facility.

also need to be specific enough to produce overall measurable and globally significant results.

It was also concluded that the community-driven character – ensured through community ownership, as well as inclusion, participation, gender equality and co-financing requirements in cash and in-kind – is not only decisive for project sustainability but also for project efficiency and effectiveness. Although funding is important, empowerment and ownership are more important than the actual volume of funding received. Empowerment and ownership are in fact a necessary component of long-term effectiveness and they contribute strongly to cost-efficiency. Without empowerment and ownership, dependencies can be created, which could potentially generate a negative impact on already existing local governance and accountability processes. When empowerment and ownership are lacking, development funding received has the potential of being counter-productive to sustainable development processes. In addition, lack of empowerment and ownership would result in inefficiencies in the long run since project sustainability would be decreased. This in turn would lower project effectiveness. Empowerment and ownership are thus crucial elements to ensure the effectiveness and efficiency of community projects.

Global effectiveness. With regards to global effectiveness, it was discovered that effectiveness and efficiency increase in the case of community initiative programming with the number of countries, regions and projects included in the programme. The higher the number of community projects and the larger the general geographic coverage³⁸⁴, the stronger and more noticeable the overall impact of the programme will be in the specific thematic area covered, thereby increasing overall programme effectiveness. This is due to the cumulative effect of results achieved.

Community initiatives can thus only contribute to global development objectives when they are part of a network of initiatives, which are contributing together towards the same global objectives. On their own, community projects can certainly contribute to the development of a local community, however, it is only at the stage of national, regional or global community initiative funding, programming and coordination that results generating

³⁸⁴ Notwithstanding the fact that it is important to have the possibility within the global programme to narrow down funding to smaller geographic areas when tackling specific results within the programming context.

a measurable difference towards global development objectives can be produced. In addition, the advantage of global community initiative coordination programmes, such as the GEF Small Grants Programme, is that these mechanisms enable to eliminate the shortfalls³⁸⁵ of community initiatives while enhancing their advantages³⁸⁶, thereby increasing impact generated by local community projects. When communities join forces, when they are coordinated so that local development concerns are linked to specific global development challenges, a measurable global difference can be made. Hence, community initiatives can effectively contribute to addressing global and supra-national problems if inserted into a global management scheme and, especially, if complemented by comprehensive macro-economic as well as political measures, which provide an inclusive, representative and empowering environment. Traditional top-down development approaches can consequently be enhanced through bottom-up initiatives. It is for this reason that the World Bank recommends community-based and driven programming as an “*integral part of [their] overall assistance strategy*”³⁸⁷.

In the current context of aid effectiveness, which stresses the importance of ownership, inclusion and participation, global community initiative coordination programmes thus provide a suitable mechanism to tackle local development concerns while addressing global strategic priorities. This is especially valid for emerging supra-national issues which are insensitive to geographic borders, such as global health pre-occupations and environmental challenges.

Governance. This dissertation specifically questioned whether there is a niche for community initiatives in international development in the sense that community initiatives would generate an output, which cannot be produced by larger development projects. A

³⁸⁵ Community initiative shortfalls are limited replicability, limited self-sustainability, and lack of broad programming context/isolation.

³⁸⁶ Community initiative advantages are capacity to reach the rural poor and marginalized populations, capacity to be inclusive, capacity to promote local participation, capacity to operate on low cost, capacity to innovate and adapt, capacity to focus on measurable results and capacity to propose tailor-made solutions to specific local development challenges.

³⁸⁷ World Bank Operations Evaluation Department. 2005. *The Effectiveness of World Bank Support for Community-Based and –Driven Development*. The World Bank. Washington, D.C.

major result of this dissertation is indeed the identification of a niche for community initiatives amongst the thematic areas examined. In fact, the most remarkable contribution, probably the most crucial one, and certainly the niche of community initiatives, lies in the area of governance.

Numerous examples demonstrated that without necessarily focusing specifically on building governance processes, community-driven initiatives automatically generate a positive externality in the area of governance by establishing and strengthening the building blocks of a well-functioning system of local governance, which is inclusive, participatory, demand-driven and representative. It was discovered that contributing to what many donors call “good” or “democratic” governance is an automatic positive externality of community projects. Furthermore, the definition of “good governance” was extended in this dissertation since additional contributions by community initiatives were identified, which are of crucial importance for local governance processes, yet not currently contained as part of the elements defining the notion of “good governance”. Hence, a new notion was proposed - that of “inclusive governance” - which focuses on four key elements: 1) empowerment; 2) capacity to influence and shape policy; 3) effectiveness and efficiency and 4) ownership.

Thorough examination of community initiatives against these four elements and their sub-components resulted in several conclusions. First, in the category of empowerment, community initiatives build social capital and local organizing capacity by drawing people together to collectively manage and decide upon project activities. In addition, through the emphasis put on partnership building and co-financing, community initiative coordination programmes, such as the GEF Small Grants Programme, expand the depth and range of communities’ social networks. These programmes also strengthen community capital thanks to the principles of participation, inclusion, equity and consensus-generation and by reinforcing transparency and accountability processes within the community and with municipal authorities and other local development partners. These are essential elements for solid local governance structures. Additional elements identified which help community initiatives prepare the ground for more participatory and representative governance were capacity building, voice building, strengthening of social accountability and enhanced involvement of marginalized groups (mainly women,

indigenous peoples and the poorest populations). Community initiatives thus contribute to the progressive establishment of sound and inclusive local governance processes by empowering the community, by building local partnerships and by providing the buildings blocks and prerequisites of a well-functioning local governance system.

Second, various examples demonstrated the resulting capacity of the communities to shape and influence policy. The National Biological Corridors Network in Costa Rica, a community organizations network, which has helped influence environmental policy at the local, regional and national levels was cited as one of the most powerful examples in this context. The upscaling and replication of successful SGP projects and the integration of best practices and lessons learned from SGP community projects into local and national policies, such as the National Wildfire policy or the National Biodiversity Strategy in Ghana, were mentioned as additional examples.

Third, it was retained that local governance processes need to generate effective and efficient results to fall into the categories of “good” and “inclusive governance”. With reference to the aforementioned results of community initiatives and community initiative coordination programmes in the areas of efficiency and effectiveness, it can be concluded that community initiatives contribute positively also to this governance element.

Fourth, in the area of ownership, true community-drivenness was identified as a crucial governance component, which - in addition - increases project sustainability. The ownership element was in this context also linked to the rights-based approach to development, reflected in Armatya Sen’s theory of “freedom of choice”³⁸⁸. In fact, according to a logic subscribing to human rights as well as the subsidiarity principle and its advantages, development decisions should be taken at the level closest to those affected by the decision.

This dissertation also questioned to which extent community initiatives generate capabilities as per Sen’s definition³⁸⁹; differently worded, to which extent community initiatives provide opportunities and choice. Whereas, community initiatives are linked to funding constraints and therefore never perfectly “community driven”, community initiative funding constitutes in international development certainly one of the most rights-

³⁸⁸ Sen, Armatya. 1999. *Development as Freedom*. Oxford University Press. Oxford.

³⁸⁹ Idem.

based methods of development. All SGP community projects examined resulted in increased opportunities and enhanced choice for community members. In fact, to align with Sen's logic and wording, the community projects enhanced the "capabilities" of the community members by providing them with the opportunity to freely decide for or against specific community developments. Though choice and opportunities did not reach perfect levels - and it is of course arguable whether there is a maximum or perfect level of choice and opportunity at all – choice and opportunities were increased thanks to the community projects implemented. Projects funded by the GEF Small Grants Programme thus subscribe to Sen's logic of "realized rights". Sen argues that creating capabilities will lead to achievements and reduce poverty. If that is the case, then community initiatives contribute to poverty reduction by creating capabilities.

The fundamental discovery of this dissertation is that independently of the overall topic which community initiative coordination programmes focus on - be it in the area of public health, environmental protection, etc. – building and strengthening of inclusive local governance processes are always an automatic by-product of these programmes as long as the community-driven character of the projects is ensured and as long as principles of accountability, transparency, effectiveness, efficiency and ownership are upheld and co-financing and partnership building constitute important elements of the initiatives.

When local governance fails, national governance encounters strong difficulties to be fully representative, inclusive and participatory due to sheer lack of local capacity and involvement. In this context, community initiatives generate a crucial positive externality which can produce impacts far beyond the local level. In fact, the progressive building of well-functioning and representative national governance systems can be accelerated through community initiatives by building local governance bottom-up. As seen in section E.3, community initiatives thus contribute a form of building local governance bottom-up, which larger scale projects can neither impose nor develop.

The GPRAE triangle and interdependence between sustainability, governance, effectiveness and efficiency. The link between poverty reduction, governance and aid effectiveness was demonstrated in Chapter B.2 in the form of the GPRAE triangle. It was noted that good governance positively impacts on poverty reduction and that bad

governance worsens poverty. Bad governance especially worsens the conditions of those whose livelihoods are already precarious. It was also noted that aid can be an effective means of poverty reduction and governance and aid effectiveness are interdependent. The more transparent, accountable and pro-poor oriented a governance system is, the higher the likelihood that aid will be effective. In conclusion, if community initiatives generate impact on either one of the three factors – governance, aid effectiveness or poverty reduction – they will also positively affect the other two through this impact.

My research demonstrated that the area where community initiatives generate a significant contribution to international development objectives is the area of governance. Section E.3 demonstrated that community-driven initiatives generate a positive externality in the area of governance in the sense that they establish and strengthen the building blocks of a well-functioning system of local governance into a system which is inclusive, participatory, demand-driven and representative. By improving local governance, community initiatives contribute to poverty reduction and improve aid effectiveness. In addition, it was demonstrated that local accountability, transparency, ownership and sustainability are enhanced through community initiatives, also making aid received more effective. The GPRAE triangle, which was introduced in section B.2, is thus positively influenced by community initiatives, especially if the community-driven character of the financed initiatives is maintained to a maximum extent so that generation of strong local governance processes can be ensured.

The positive externality generated by community-driven initiatives upon local governance thus impacts positively on the effectiveness of aid and upon the reduction of poverty. By strengthening local governance and generating what was called in this dissertation “inclusive governance”³⁹⁰, community initiatives render development funds more effective, reduce poverty and support sustainable local development.

In the areas of sustainability, governance, efficiency and effectiveness, it is especially noteworthy that the aforementioned concepts seem to mutually reinforce each other. Project ownership, co-financing and project sustainability strengthen and increase

³⁹⁰ Refer to Chapter E.3.1

project efficiency and effectiveness and they contribute to the establishment of local governance processes through partnerships, capacity building and empowerment. Co-financing automatically reduces project cost; but since it also generates a sense of ownership, the community has a tendency to invest more into project success and to maintain project benefits beyond project duration. This not only enhances project sustainability, it also increases project effectiveness.

For the above reasons, and though criticized at times for their complex operational set-up and for tackling areas which in certain cases should indeed be addressed by local governments³⁹¹, community initiative coordination programmes seem to constitute very favorable mechanisms to tackle the objectives of the new aid environment by ensuring national ownership and effectiveness and by establishing a broad network of local, regional, national and global partnerships. Community-driven initiatives notably provide the building blocks to establish governance bottom-up: a necessary prerequisite for long-term aid effectiveness, sustainable development and poverty reduction.

The key finding of this dissertation is that community initiatives positively influence both poverty reduction and the effectiveness of aid received and contribute to building governance. This key finding is however linked to one prerequisite: community initiatives need to be as community-driven as possible. By contrast, the more the community-driven character of the initiative disappears through stronger conditionalities or heightened external influence, the fewer building blocks of local governance processes will be generated. In the worst case scenario, an imposed project void of any community-driven character is likely to create the opposite effect and potentially create dependencies by the community on aid and on external control and influence. These dependencies would weaken and in certain cases destroy existing elements of local governance. Weakened local governance has the potential to reduce aid effectiveness and generate further impoverishment. The community-driven character of community projects is thus crucial to generate the building blocks of strong and effective local governance processes.

³⁹¹ By taking actively local development issues into their own hands, communities can de-responsibilize local municipalities.

F.2. Trends, Opportunities and Recommendations

Throughout the process of this research several trends were apparent. First, the progressive horizontalization of international development cooperation resulting in a change of the governance structure between international development actors has become evident and this evolution is likely to continue. An international development system which was created by governments has over time started recognizing the necessity to involve and empower non-state actors. As demonstrated throughout the analysis of the aid effectiveness movement, civil society, including community organizations, are increasingly recognized as essential partners in local, national and even global development processes. Furthermore, the rights-based approach to development introduced in the beginning of the 21st century and the emphasis put on ownership of development processes by those receiving development funds, coupled with the quest for maximum effectiveness and efficiency, provide an environment of tremendous opportunities for civil society, community organizations, and especially, community initiative coordination programmes.

Despite the progressive horizontalization of international development cooperation, counter pressure from recipient governments to influence how aid is used should nevertheless not be underestimated. Scarcity of development funds coupled with financial needs for projects implemented at the national government level often result in little funding left for community projects. However, the ongoing emphasis on aid effectiveness by donor countries will push towards involvement of non-state actors by recipient countries since effectiveness has proven to increase as a result of partnership building, ownership beyond the government level and coordinated activities amongst all involved in development processes.

The various implications of the ownership concept also deserve to be recalled at this stage. Ownership is a key element of effective and efficient international development strategies and it is consequently not surprising that the aid effectiveness movement has put such emphasis on the ownership concept. In fact, the first of the five principles of the Paris Declaration on Aid Effectiveness is the ownership principle³⁹². In the context of the aid

³⁹² OECD, 2005. *Paris Declaration on Aid Effectiveness*. Accessed in May 2012 at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

effectiveness movement, ownership is given to partner countries (i.e. recipient countries), who commit to “*exercise leadership in developing and implementing their national development strategies through broad consultative processes*”. These partner countries also “*take the lead in coordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector*”. In the context of the aid effectiveness movement, ownership has not yet been transferred to civil society organizations, and this is certainly even less so the case with community organizations. One could therefore argue that the ownership concept in the aid effectiveness movement is currently not yet fully relevant for community organizations. This is a valid argument in the short term. However, it is important to consider the overall evolutionary trend of the ownership concept. When examining the history of international development cooperation as discussed in Chapter C, it was noted that the ownership trend has continuously been progressing over the past decades and that it has significantly advanced since the beginning of the 21st century with the aid effectiveness movement on one hand and the introduction of results-based management practices around global development goals, such as the MDGs, on the other. Civil society organizations, including community organizations, are thereby increasingly recognized as key actors participating in local, national and global development. The ownership trend is thus not likely to stop at the government level of partner countries but it is expected to continue its advancement towards involving concretely those whose livelihood international development strategies aim to improve. Community initiative coordination programmes should be aware of this trend to strategically include it into their planning, resource mobilization and outreach activities.

This dissertation also touched upon additional evolving items, some of which have the potential to be developed into policy recommendations and deserve to be briefly mentioned here.

First, the subsidiarity principle applied in the European Union is one which could be extended into international development cooperation. Its objectives are effectiveness, ownership and empowerment of people. Though this principle might never be officially integrated into international development efforts, also for political reasons, its implicit integration would be of great benefit and to a certain extent this is already occurring.

Second, the existing hundreds of thousands of community organizations world-wide constitute, if linked around the topic of their specialization, a strong global network to address international challenges. Development challenges that transgress national borders, such as increasing health and environmental concerns, can at least partially be addressed through global community networks. In this context, the ongoing changes brought about by a borderless e-world have tremendously facilitated the possibility to establish communication networks and to implement effective advocacy strategies as well as knowledge management networks amongst community organizations.

Third, the role of civil society and specifically community organizations in addressing international challenges needs to be recognized even more strongly in the development context. Communities are the smallest cell of the global family of civil society organizations and the smallest development actor. In the end, development is about enhancing the lives of individuals and, beyond individuals, it is about enhancing the livelihood of societies. Lack of involvement and listening to the smallest development actor - closest to those whose livelihoods are to be improved - inevitably results in loss of efficiency and effectiveness. Greater involvement of civil society will generate political will and open doors for building inclusive governance. Inclusive governance is a prerequisite for equitable development.

Lastly, the conferences of Paris, Accra and Busan have provided material which can and should be used by community organizations and community initiative coordination programmes to attract more funding and to participate more actively in policy implementation and policy shaping at the local, regional, national and global levels. Specifically, as a programme representing thousands of communities worldwide and benefitting from necessary connections at the national and international levels, the GEF Small Grants Programme could make even more use of the relevant conclusions at the Paris, Accra and Busan conferences to help involve civil society organizations in the formulation, the implementation and the monitoring of development strategies, programmes and projects. Despite the current financial crisis, numerous opportunities waiting to be tapped into are thus opening up to the world of community initiative programming.

F.3. Future Research

In view of the main findings of this dissertation, the following directions for future research would be of interest:

First, the subsidiarity principle applied in the European Union is one which could be extended to international development cooperation. From a socio-political perspective it would be interesting to examine its implications for international development aid.

Second, in the context of the GEF Small Grants Programme, the link between capacity building and community empowerment could be further explored. There is extensive information available as to how the GEF Small Grants Programme contributes to building the capacity of the communities it works with. All evaluations of the GEF Small Grants Programme, country reports and many publications contain capacity building references and there is much evidence that both technical as well as managerial capacity is being built through implementation of GEF Small Grants Programme projects. It would be of interest to examine to which extent community empowerment is concretely achieved thanks to enhanced capacity.

Third, in the context of community-driven project implementation it would be of interest to find out to which extent more influential community members take into consideration the interests and needs of less influential community members, thereby representing and ensuring these interests. This question was beyond the scope of my research project, yet data on this topic would inform and enrich similar studies in the future.

Lastly, over the years to come, the role of community initiatives and community initiative coordination programmes in international development cooperation deserves to be further focused on. This is a field, which receives relatively little attention within the topic of international development processes and the evolution of the global family of civil society; yet, the outcomes of this dissertation demonstrate that its potential and contribution to international development should not be underestimated.

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H. KEY WEB SOURCES

African Development Bank:	www.afdb.org
Aid Effectiveness Forum:	www.aideffectiveness.org
Ash Center for Democratic Governance and Innovation:	www.ash.harvard.edu
Asia Pacific Governance Institute:	www.asiagovernance.org
Asian Development Bank:	www.adb.org
Basel Institute on Governance:	www.baselgovernance.org
Canadian International Development Agency, Office for Democratic Governance:	www.acdi-cida.gc.ca/ODG
Centre for Global Development:	www.cgdev.org
Council for the Development of Social Science Research in Africa:	www.codesria.org
Global Environmental Facility:	www.thegef.org
GEF Small Grants Programme:	www.undp.sgp.org
Institute for Governance and Sustainable Development:	www.igsd.org
OECD:	www.oecd.org
Sustainable Development Knowledge Platform:	http://sustainabledevelopment.un.org
The World Bank:	www.worldbank.org
United Nations:	www.un.org
United Nations Millennium Project:	www.unmillenniumproject.org
UNDP:	www.undp.org
UNEP:	www.unep.org
World Bank Small Grants Programme:	http://wbi.worldbank.org/ developmentmarketplace/partner/world- bank-small-grants-program

I. APPENDICES

I.1. ZUSAMMENFASSUNG

In den letzten Jahrzehnten hat sich die Rolle, die zivilgesellschaftliche Organisationen³⁹³ in internationaler Entwicklungshilfe spielen, signifikant verändert. Während zivilgesellschaftliche Organisationen jahrzentlang in internationaler Entwicklungspolitik nur als passive Beobachter toleriert wurden, sind sie in den letzten Jahren zunehmend als wichtige Akteure und ernstzunehmende Interessensvertreter der internationalen Entwicklungspolitik und der politischen Mobilisierung in den Vordergrund gerückt. Diese Entwicklung hat aber nicht nur die allgemeine Rolle der großen und heterogenen Gruppe zivilgesellschaftlicher Organisationen in internationaler Entwicklungshilfe stark verändert; sie hat auch auf die Entwicklung und Kontributionen von Gemeinschaftsorganisationen³⁹⁴, welche die kleinsten Akteure dieser Familie sind, eine grosse Wirkung ausgeübt.

Anhand von drei theoretischen Konzepten aus der modernen Entwicklungstheorie – der Governance Theorie, dem Zusammenhang zwischen Armutsreduzierung, Governance und der Wirksamkeit der Entwicklungshilfe, sowie des auf Menschenrechten basierenden Ansatzes zur internationalen Entwicklung³⁹⁵ – werden in dieser Dissertation die Entwicklung und die Beiträge von Gemeinschaftsinitiativen und Entwicklungshilfsprogrammen, die Gemeinschaftsinitiativen global oder regional verwalten³⁹⁶, in Bezug auf das Erreichen konkreter Hauptziele der modernen Entwicklungshilfe analysiert.

Nach einer geschichtlichen Analyse der Entwicklung zivilgesellschaftlicher Organisationen - mit besonderem Fokus auf Gemeinschaftsorganisationen – werden die Characteristica der Wirksamkeitsbewegung in der Entwicklungshilfe³⁹⁷ und die Prioritäten internationaler Entwicklungshilfe zum Anfang des 21. Jahrhunderts aufgezeigt und interpretiert.

³⁹³ Übersetzung des englischen Begriffes “civil society organization”.

³⁹⁴ Übersetzung des englischen Begriffes “community organization”.

³⁹⁵ Übersetzung des englischen Begriffes “rights-based approach to development”.

³⁹⁶ Übersetzung des englischen Begriffes “community initiative coordination programme”.

³⁹⁷ Übersetzung des englischen Begriffes “aid effectiveness movement”.

Die Funktionen, Vorteile und Defizite isolierter Gemeinschaftsinitiativen werden sodann erleutert, um danach das Konzept der Koordinierung von Gemeinschaftsinitiativen vorzustellen, welches am Beispiel des GEF Small Grants Programme illustriert wird.

Zuletzt werden vier Schlüsselkonzeptgruppen, die besonders die moderne Entwicklungshilfe prägen, vorgestellt und für eine empirische Analyse des GEF Small Grants Programmes verwendet. Bei diesen vier Schlüsselkonzeptgruppen handelt es sich um: 1) Transparenz und Accountability, 2) Nachhaltigkeit, 3) Governance und 4) Effizienz und Effektivität.

Die empirische Analyse zeigt, dass Gemeinschaftsinitiativen insbesondere dann wichtige Beiträge in den vier Schlüsselkonzeptgruppen leisten, wenn sie in ein Entwicklungshilfsprogramm eingebettet sind, das Gemeinschaftsinitiativen nach Standards und Prinzipien verwaltet, die in dieser Arbeit konkretisiert werden. Anhand der Daten kann überdies gesehen werden, daß die Nische der Gemeinschaftsinitiativen insbesondere im Bereich der lokalen Governance liegt. Unabhängig von dem thematischen Ziel der Gemeinschaftsinitiativen, das in verschiedensten Bereichen liegen kann (z.B. in den Bereichen Umweltschutz, öffentliche Gesundheit, etc.), bringen Gemeinschaftsinitiativen automatisch positive Externalitäten hervor, die lokale Governanceprozesse aufbauen und stärken. Dies geschieht allerdings nur wenn die Entscheidungsfreiheit der Gemeinschaft und die Prinzipien der Accountability, Transparenz, Effizienz, Effektivität, Ownership, und die Notwendigkeit der Co-finanzierung und des Aufbaus von Partnerschaften aufrecht erhalten werden.

Trotz der Tatsache, daß diese Dissertation einem multi-dimensionalen Ansatz zugrunde liegt und ein Ergebnis sowohl politikwissenschaftlicher als auch sozio-ökonomischer Elemente ist, liegt der Schwerpunkt dieser Arbeit im Bereich der Governance Theory, mit besonderem Fokus auf der Rolle von Gemeinschaftsorganisationen im Bereich der internationalen Entwicklungshilfe.

I.2. ABSTRACT

This dissertation seeks to analyze the role and contribution of community initiatives and community initiative coordination programmes in the current context of international development cooperation. It also questions whether there is a specific niche for community initiatives in international development cooperation.

Over the past decades, the role of civil society in international development has noticeably evolved. From having been considered a mere by-stander of international development efforts, civil society has become a recognized stakeholder in both socio-economic efforts as well as in political mobilization. While this development has forged the general role of global civil society in international development cooperation, it has also influenced the evolution and contributions of community organizations, the smallest actor of the big family of civil society organizations.

Three key concepts set the theoretic and conceptual framework within which this research is embedded: governance theory, the interdependence between poverty reduction, aid effectiveness and governance, and the rights-based approach to development. These concepts are being applied to examine the evolution and contributions of community initiatives and community initiative coordination programmes to the current objectives of international development cooperation.

A historic analysis of the evolution of civil society and particularly community organizations culminates in the new millennium and then focuses on the specifics of the aid effectiveness movement coupled with key priorities of international development cooperation in the beginning of the 21st century.

After an in-depth analysis of functions, advantages, and limitations of isolated community initiatives, the concept of community initiative coordination is introduced and illustrated in the form of the GEF Small Grants Programme. Lastly, four key concepts and priorities, which particularly distinguish the current era of international development cooperation, are being analyzed through use of empiric evidence gathered from the GEF Small Grants Programme and its projects. These concept groups are 1) transparency and accountability, 2) sustainability, 3) governance and, lastly, 4) efficiency and effectiveness.

Empiric evidence assembled in this dissertation demonstrates that community initiatives will contribute to all four above-mentioned concept groups when embedded into well-functioning community initiative coordination programmes, which adhere to the principles and standards identified in this document. The various elements necessary to achieve these results are being outlined and theorized. The fundamental discovery of this dissertation is that the niche of community initiatives lies in the area of local governance. In fact, independently of the overall topic of focus – be it in the area of public health, environmental protection, etc. – the building and strengthening of inclusive local governance processes is always an automatic by-product of community initiatives as long as their community-driven character is ensured and as long as the principles and requirements of accountability, transparency, effectiveness, efficiency, ownership, co-financing and partnership building are upheld. Due to the necessities of community-drivenness and ownership, this result in the area of local governance building cannot be produced by larger, non-community-driven, development projects.

Though this dissertation uses a multi-dimensional approach and is a product of political science and socio-economic elements, its key emphasis and contribution lies in the area of governance theory, with a particular focus on the role of community organizations and local initiatives in the context of international development.

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