SUSTAINABILITY OF DEVELOPMENT ASSISTANCE:
Problems, Prospects and Perspectives

Edited by Jovana Diković

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CCRS | Center for Corporate Responsibility and Sustainability

at School of Management Fribourg

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CONTENTS

Part IV Accountability and enabling change

Part V Purposefulness of aid

Pathways to sustainable development assistance

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Introduction

SUSTAINABILITY OF DEVELOPMENT ASSISTANCE AS A QUEST

Jovana Diković

One of the recurring metaphors in discussions about development assistance revolves around what is worthy: is it worthy to teach people how to fish or to catch the fish for them? This metaphor is useful as it delineates two parallel tendencies engraved in development assistance programs across a world struggling with poverty, deprivation, conflict, and hunger. For a long time, *giving* and *teaching* have unintentionally become two conflicting objectives of development assistance. They, however, do not need to be mutually exclusive. Giving does not need to exclude simultaneous teaching of people how to help themselves.

There are plenty of arguments for providing aid. In a world marked by conflict, fragile states and disrupted resources, issues of governance, economy, and food security are multiplying. With population growth, these problems are likely to worsen. Under such circumstances, one of the essential arguments in favor of development assistance would be that poverty alleviation will not

be possible without international aid programs. On the other hand, political arguments would emphasize the importance of international aid in strengthening political alliances and facilitating inclusive political processes in countries where freedoms and civil society are widely violated. Business arguments would very likely emphasize the purposeful role of international aid for sustaining consumption, trade, and improving conditions for employment and export.

Critics would argue that international aid is not indispensable for progress (Bauer 1981, Easterly 2006). In their view, the vicious cycle of poverty that entraps most low-income countries may not be that vicious. Poverty may seem self-perpetuating, but in fact, even the poor may generate and grow their own capital. The problems poor societies face cannot be reduced to poverty alone. Personal (attitudes, motivations and values), political (institutional and governance frameworks), and social (social infrastructure and organization) factors might be unconducive to progress, and international aid can rarely address all of them. Such a comprehensive view of the efficacy of development assistance led P. T. Bauer (1981) to coin his famous maxim, that countries that need aid — aid will not be effective; countries where aid will be effective — do not need aid. The maxim basically argues that the same factors that contribute to a country's poverty will also cause mismanagement of aid, preventing it from fostering development.

Yet, learning from past mistakes is a fundamental precondition for growth, as Karl Popper convincingly articulated in *Conjectures and Refutations: The Growth of Scientific Knowledge*. Delving deeper into the problem of what went wrong in development assistance programs around the world has a profound chance of answering often unwelcome questions about the failure of aid at a large scale. Learning from failure can show that some issues are not only complex; they can also occur for a variety of reasons that people involved in the programs may not have been aware of. Establishing a framework for learning from past mistakes might overcome the problem which has paralyzed advocates and critics of aid for over three decades. Debating the effectiveness of aid has not only polarized positions, but also became a futile endeavor, as both sides apply different analytical and methodological frameworks in assessing aid, best described as a "macro-micro paradox" . The paradox, in essence, reveals that many micro-level studies evaluate aid projects as effective, while, on the other hand, such positive evaluations have no impact on vast macro-level analyses that detect either minor or no observable effects of aid (Clemens et al. 2004).
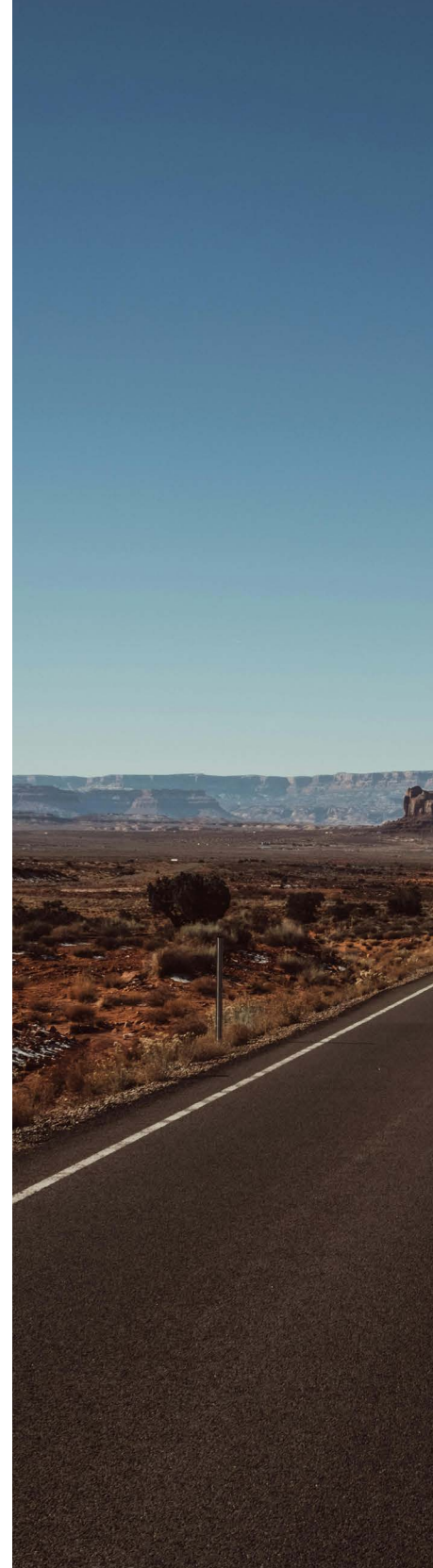
The future of development assistance will finally depend on the number of people that have been lifted out of poverty and deprivation, followed by the exponential increase in their abilities to sustain the improved living conditions in the long run.

Thus, searching for answers to the question "is aid effective?" seems to lead to a dead end. If there is any hope of restoring conditions for the better and purposeful application of aid, then, it is necessary to stop running in analytical circles (see also Banerjee and Duflo 2011). This booklet suggests that sustainability of development assistance is a quest and an exploratory process, in which finding the right solutions and modes of aid primarily depends on continuous reflections upon past and current mistakes, including governments' solutions and policies.

The booklet is organized around twelve contributions, which are anchored in rich experiences of development practitioners and scholars, who worked and conducted their studies over the years and decades across three continents (Africa, Asia, and Europe), in numerous countries, and among various populations. The authors bring to the surface practical and tacit knowledge, often sidelined in public discussions on development assistance, and yet, necessary for fixing aid. The presented case studies allow us to identify what went wrong, and how future aid programs can be modeled to better suit local people and encourage small-scale changes that may induce a larger transformation. Likewise, through some of the cases, we will be able to understand why some aid programs build trust and reach the intended outcomes, and if there are certain limitations to the application of the same models elsewhere.

By focusing on case studies from different parts of the world, the booklet shows that the overly inclusive approach of development assistance programs — an attempt to solve a wide range of political, health, environmental, economic and social problems — increases the likelihood of large-scale failure. The booklet suggests that utopian narratives for attaining universal global sustainability goals will not resonate well with the lived local

realities. Instead, remaining current, regional and local, respecting local social norms, exploring new avenues of collaborations with local self-governance institutions, such as customary authorities and other locally legitimate groups, or non-western aid organizations, may offer new solutions that better serve the needs of local populations (Brick-Murtazashvili; Mostowlansy).

The coordination of knowledge is one of the greatest challenges in development assistance. It affects the ways of aid delivery, and types of interventions implemented in local communities. The booklet discusses how the knowledge problem and the structure of institutional incentives installed in development organizations influence the very mechanisms of aid distribution, which prevents it from reaching the poorest of the poor (Briggs). Better coordination of knowledge also implies its continuous adjustments with local contexts, and even unlearning to follow the strategies that worked elsewhere and applying them in new participatory and development cooperation programs (Hakiman).

The authors further propose convincing arguments for restructuring the principal-agent problem, which is fundamental for enhancing accountability in development cooperation programs and shifting the power dynamics toward aid recipients. This also implies strengthening involvements of the aid recipients, through clearer ownership entitlements to the projects they are involved in as an important precondition for their economic empowerment and social well-being (Aerni; Muçaj).

Attempts to adjust aid should devote special attention to the loose understanding of the accountability of actors in development assistance projects. It usually stems from the institutional setup for the distribution of aid, but also from the plain disregard of the resourcefulness and knowledge of local people, and their solutions which are functional and have been adopted after a long process of trial and error in local communities. Development organizations often regard poverty as a laboratory for various social and economic experiments. Enabling change in a local community cannot be attained, as our authors argue, through distantly conceived aid interventions and participatory projects, which do not contain a grain of local social fabric, sense of inclusivity, social norms, and indigenous knowledge (Milabyo Kyamusugulwa, Hilhorst & Bergh; Yadav).

In addressing the purposefulness of aid, the authors have paid attention to the pragmatic use of available means and resources which, prudently combined, can

resolve not only the problems of nutrition and agriculture in times of increasing global and environmental crises, but can also pave the way for the creation of new jobs and economic sectors in post-conflict regions (Zammit; Reçica, Ramadani & Gerguri). The authors, however, warn that the purposefulness of aid cannot be driven by a technocratic mindset, unfamiliar with the needs and situations of recipient communities, while offering them the solutions for their economic empowerment (Diković).

Discussing the common failures of development assistance is not meant to dishearten the reader. The future of development assistance may not be as bleak as it looks. We believe now is the right moment to look back, reflect on past mistakes, and map realistic pathways to sustainable development assistance (Stadler). The future of development assistance will finally depend on the number of people that have been lifted out of poverty and deprivation, followed by the exponential increase in their abilities to sustain the improved living conditions in the long run. On this path, donations alone will not suffice. Learning and teaching need to become relational and involve both donors and recipients.

The booklet argues for sustainable development assistance. It also reminds us that it is a quest that requires modeling the path for the restoration of the natural symbiosis of *teaching* (how to fish) and *giving* (the tools for fishing).

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Rethinking development assistance

RETHINKING DEVELOPMENT ASSISTANCE: BALANCING AMBITION WITH LOCAL REALITIES
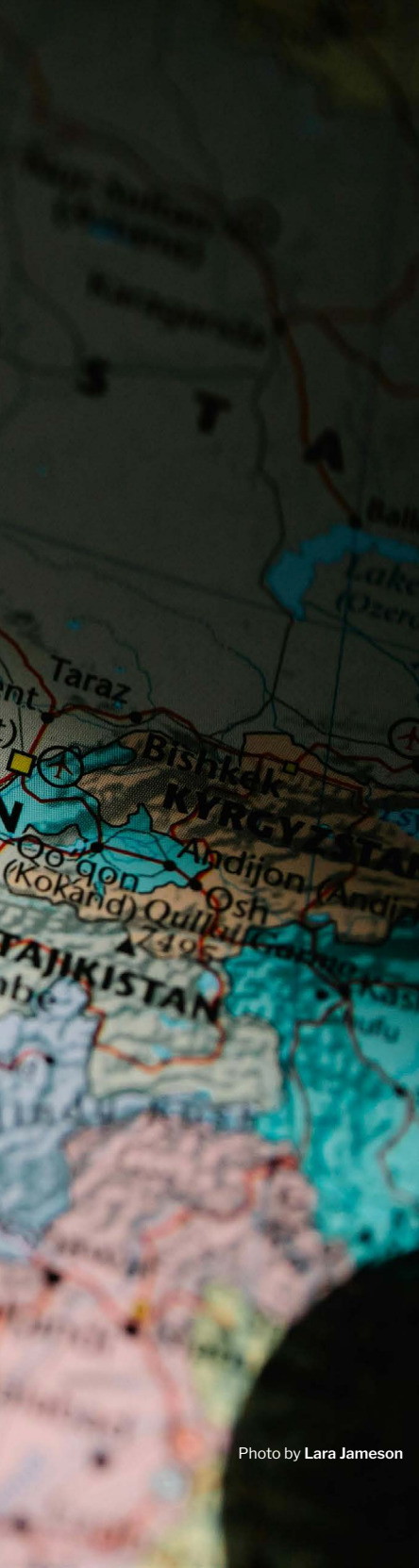
Jennifer Brick Murtazashvili

T he quest for more sustainable and effective development assistance by international donors is a perennial challenge. Over the past few decades, the agenda of donors has become increasingly ambitious, but the ability of these donors to fulfill their obligations remains limited. This essay explores the minimal requirements for sustainable development assistance, the role of transparency and accountability, and how development aid can act as a catalyst for private sector investment and inclusive markets. Furthermore, it addresses the integration of non-tangible sustainability goals and offers solutions to improve current aid approaches.

A primary challenge for development practitioners is the necessity to draw on 'best practices' while contextualizing development assistance within the socio-cultural and political fabric of recipient countries. Effective development assistance must begin with a deep understanding of social norms and formal and informal local governance structures that often wield significant influence and that are the primary source of collective action. Localized decision-making is crucial in ensuring that interventions are culturally relevant and have local buy-in. This approach can mitigate the disconnect often seen in top-down development models (Murtazashvili 2016). Additionally, investing in the capacity building of local institutions and communities is essential. Sustainable development requires that local actors have the skills and knowledge to continue development initiatives independently once external assistance concludes (Ostrom 1990).

However, despite the noble intentions behind foreign aid, it often falls short of its lofty promises. One of the critical issues is that aid can undermine local collective action. When aid is delivered without a thorough understanding of the local context, it can displace existing community initiatives and diminish the incentive for local problem-solving. This crowding-out effect occurs when external support overshadows and replaces local resource mobilization and capabilities. For instance, well-intentioned but poorly aligned aid programs can disrupt traditional governance structures and community-driven projects. By failing to integrate with the socio-cultural and political fabric of recipient countries, such aid can erode local ownership and reduce the effectiveness of development interventions (Easterly 2006; Murtazashvili & Murtazashvili 2015). To mitigate these risks, it is essential that aid programs are designed with a deep appreciation of local dynamics, leveraging and en-

Photo by **Lara Jameson**

21

hancing, rather than replacing, local capacities and institutions. Thus, we must temper our expectations about what aid can achieve and recognize its limitations.

Improved transparency and accountability are vital to enhancing aid effectiveness. When development initiatives are transparent and accountable, they foster trust and engagement from local communities. Open data policies, which ensure that all data related to development projects—including budgets, timelines, and outcomes—are accessible to the public, play a significant role in this regard (Transparency International 2020). Transparency helps in monitoring progress and holding all stakeholders accountable. Additionally, involving local communities in the monitoring and evaluation process not only enhances accountability but also ensures that the interventions remain relevant and adaptive to changing local needs (Brinkerhoff 2003).

Critiques of development assistance often point to its ineffective delivery, principal-agent problems, poor knowledge coordination, the impossibility of attaining holistic goals, and the neglect of local resourcefulness. Several solutions can be proposed to address these issues. Development programs should be designed to be flexible and adaptive, allowing for adjustments based on real-time feedback and changing local conditions (Andrews, Pritchett, & Woolcock 2013). Engaging local communities in the planning process ensures that their needs and priorities are addressed, leading to more effective and relevant interventions (Chambers 1997). Recognizing and utilizing the resourcefulness of local people, institutions, and businesses can lead to more sustainable and impactful development outcomes (Easterly 2006). One positive example of a revised aid approach is the incorporation of customary authority structures in development planning. In several regions, integrating customary leaders into the planning and implementation phases has resulted in increased community participation and project success. This approach respects local governance systems and leverages their legitimacy and influence (Murtazashvili & Murtazashvili 2015).

Furthermore, the integration of non-tangible sustainability goals, such as social cohesion, trust-building, and the strengthening of local governance, is essential for the long-term success of development programs. These goals, often overlooked in favor of more easily measurable economic targets, are critical for creating resilient communities that can sustain development gains independently. By focusing on these aspects, aid programs can foster environments where local

The integration of non-tangible sustainability goals, such as social cohesion, trust-building, and the strengthening of local governance, is essential for the long-term success of development programs. These goals, often overlooked in favor of more easily measurable economic targets, are critical for creating resilient communities that can sustain development gains independently.

A view of the neighbourhood in Kabul.
Photo by **Qasim Mirzaie**

innovation and problem-solving can thrive, further reducing dependency on external assistance.

Reimagining development assistance to be more sustainable and effective requires a nuanced understanding of local contexts, a commitment to transparency and accountability, and a willingness to embrace innovative and risk-tolerant practices. By integrating these elements and focusing on both tangible and non-tangible goals, development assistance can truly become a catalyst for lasting change. However, it is crucial to remain realistic about what aid can achieve and to continuously adapt approaches based on local feedback and changing circumstances.

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PUTTING INTO PRACTICE THE GLOBALITY OF DEVELOPMENT AS SUSTAINABILITY

Till Mostowlansky

Development donors, NGOs and international organizations headquartered in Europe and North America frequently use world maps to detail scope, reach and impact. However, in fact, they often know relatively little about the development world beyond the confines of their institutions and those of their immediate partner-organizations. How often have you heard about a meeting between Save the Children and an Islamic charity from the Gulf who both work in the same country, region or even village? Have you ever read about a collaboration between the Swiss Agency for Development and Cooperation, Central Asian philanthropists and the China International Development Cooperation Agency? It is likely that you have not. The reasons for this disconnect are complex and there might be valid reasons not to engage in such collaborations. Diverging geopolitics and values could hinder collaborations, or standards of accountability and transparency might considerably differ. But how would we know? Such experiments have rarely been undertaken. And knowledge about crucial and powerful global development actors and their approaches beyond a small selection of well-known donors and organizations is minimal. This lack of engagement with the truly global dimensions of development has created bubbles of limited conversation and ultimately hampers sustainability. Among the many obstacles that contribute to disconnection in development there are three in particular that should be urgently addressed.

The first issue to resolve is that of static notions of 'the global' and 'the local'. In classical development idiom, largely Western-based donors and implementing organizations operate with global frameworks and concepts. In contrast, there are local actors and concepts that are, at times, considered crucial to involve and integrate. However, this distinction is defined by a fundamentally flawed view of contemporary globalization. Much of the technical language of development that dominates the sector is the result of Cold War history, the rise of narrow managerial language and a few trendsetting international organizations. At the

Construction of social housing on an Islamic endowment in Lucknow, India, 2014.
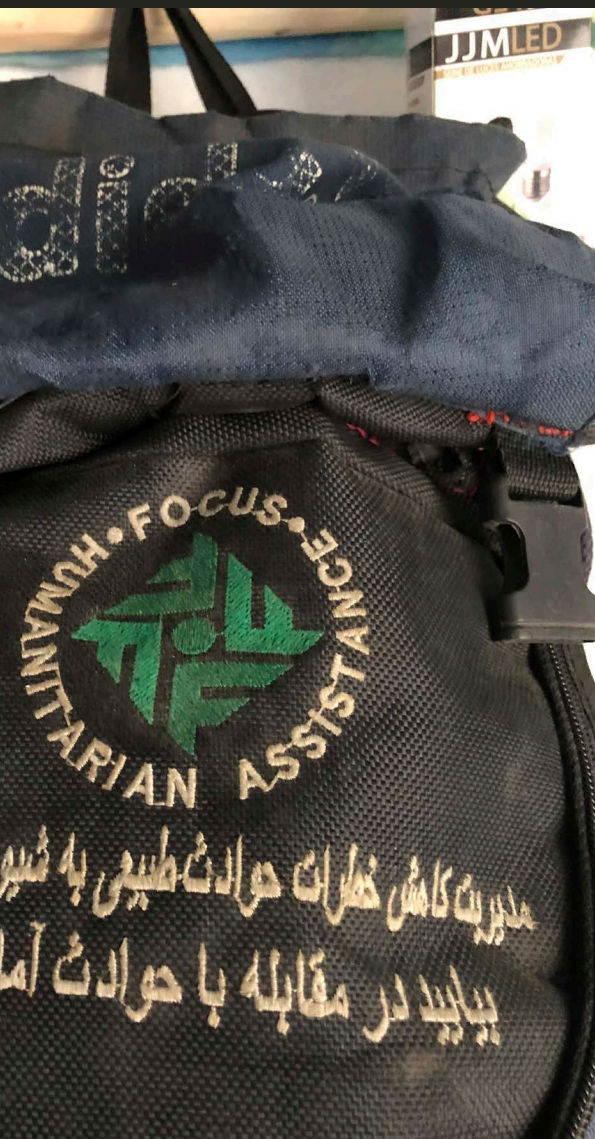Photo by **Till Mostowlansky**

same time, in most places around the world there are competing approaches and idioms that are far from being local. For example, many Muslim societies, organizations and diasporic communities, making up roughly one quarter of the world population, operate with distinct concepts of solidarity, welfare and aid. To not know those in detail is not only short-sighted, it also neglects the fact that most Muslim professionals working in the field have an excellent grasp of the dominant idiom of development whilst also being familiar with distinctly Islamic concepts that inform many influential foundations and donors today. Accordingly, rather than employing the global/local binary, it is crucial to become proficient in different, sometimes parallel ways of globalization, just as one would engage with a new language.

A second issue that hinders engagement with development actors on a truly global level is that of one-dimensional conceptualizations of the modern world. One aspect of this is the distinct distaste of many Western-based donors and NGOs for religious organizations. Over the past decades there has been, for instance in the World Bank, an increasing recognition that religions are central to social and ethical debates in most societies. Yet, many organizations find it impossible to engage on par with counterparts that use religious registers. The approach is therefore often to use religion as a management tool in project implementation, thereby reproducing a hierarchical relationship between development and religious actors. The distinction between 'secular' environments as the pinnacle of the development world and 'religious' convictions and practices as less modern and legitimate lies at the heart of the problem. This approach, however, overlooks the fact that many development organizations and NGOs that emerged from settings in Europe and the United States continue to transport persisting Christian legacies and values. These legacies shape their view of the world, even if they have now unrecognizably transfused into technical and managerial language. Meanwhile, other organizations have emerged in response to Cold War competition and decolonization. They often carry with them the distinct legacies of Christian mission, colonialism and economic expansion in the Global South. Against this backdrop, all development organizations and donors would be well-advised to engage in close dialogue and collaboration with institutions from persuasions of all kinds.

The third issue to fix, in order to improve sustainability, is to end development as an armchair and Landcruiser practice. Many development practitioners shy away
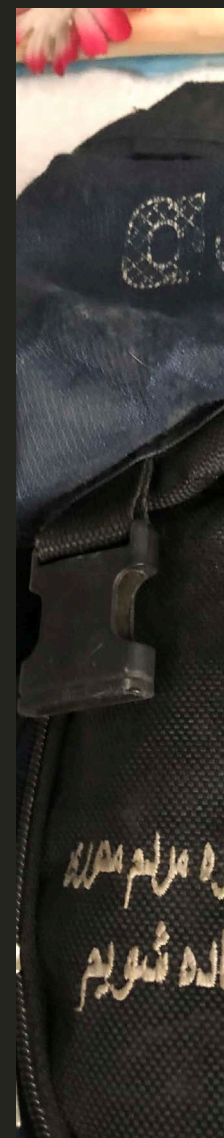
Engaging in unconventional collaborations, going beyond the secular modernism of development thinking and being where development happens – are merely three suggestions for improvement.

Backpack of a humanitarian worker in the Wakhan, Afghanistan, 2019.
Photo by **Till Mostowlansky**

from actually going to where projects are happening. Development encounters are often mediated by reports, numbers and figures. Few expatriate staff travel from the comfort of the city to rural environments. Even fewer live and work in these rural settings. The way to solve this dilemma is not to increase car travel from the urban headquarter to the countryside. Being there is a virtue in good development work. Sustainability lies in living and working where development happens. Practitioners who intimately know the places and social networks in which their projects are situated won't adhere to unrealistic trends and preconceptions. If this discourages a certain class of development professionals to engage with the sector, sustainability will increase, not be threatened.

There are many faults and future potentials in contemporary development. The mentioned fixes – engaging in unconventional collaborations, going beyond the secular modernism of development thinking and being where development happens – are merely three suggestions for improvement. However, if taken seriously and put into practice, they will substantially alter some core ills of the development world. Transforming mindsets and sticky habits is no easy feat, but it is possible.

Coordination of knowledge

Man lying on barricades.
Photo by **Abhishek Goel**

REFORMING AID ALLOCATION: INCENTIVES AND EQUITY IN POVERTY ALLEVIATION

Ryan C. Briggs

My recent research on aid allocation and poverty alleviation has documented a surprising result: Aid that ostensibly is supposed to help the poorest people is allocated to the places within countries where relatively better-off people live. This pattern is quite consistent. It appears across donors, world regions, time periods, and most kinds of aid. This pattern exists even if we ignore aid that goes to capital cities, so it is not merely some 'capital city' effect. The pattern is not due to population differences across places, as it holds across a variety of ways of adjusting the analysis for population. There is simply a durable and positive relationship between the income or wealth of people in a low-income country and the amount of aid that place receives.

Many explanations for 'pro-rich' aid targeting are benign. For example, it could be that aid simply works better in places with better infrastructure or in places with better security. These places might also be better off. If this is the case, then pro-rich aid targeting could be an unfortunate byproduct of trying to maximize the cost-effectiveness of aid. Alternatively, the explanation for this could be political. It might be that wealthier regions have more influence and can better advocate for aid. The explanation might also be more mundane. For example, aid agencies may face logistical and administrative challenges that make it easier to work in richer areas.

I surveyed World Bank staff to test the explanations, and most came up short. On average, the people I surveyed thought aid worked *better* in poorer places. Client governments did want aid to flow to places that were politically useful to them, but they also cared about allocating aid to the poor.

The only explanation to survive my survey-based tests, which might also highlight a more general lesson about aid efficacy, was based on bureaucratic incentives for donor staff. The basic problem was that the donor staff that I surveyed were professionally rewarded for getting projects approved. Approvals were, for example, much more important than ratings of project outcomes.
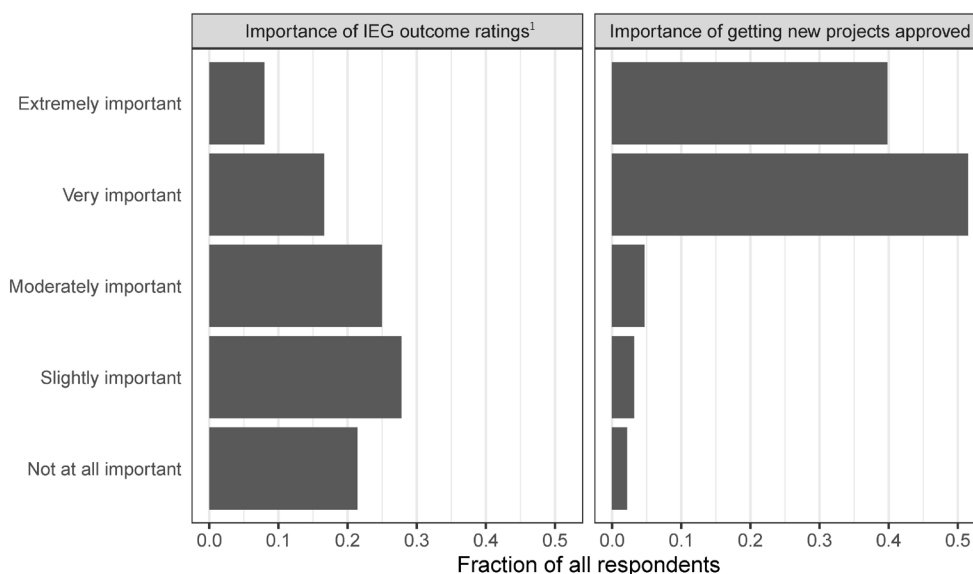
Importance of factors to career success. Source: Briggs (2021), 3.

Getting projects approved involves many things, and often, it requires field visits. These obviously take much more time if they are in more remote (and poorer) areas. These same staff also have to do oversight of contractors during implementation, and again, this is more onerous and time consuming in poorer and

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[1] The Independent Evaluation Group (IEG) evaluates the development effectiveness of the World Bank Group.

While the current system of aid allocation favors wealthier regions within low-income countries, a shift in bureaucratic incentives may be able to redirect aid to those who need it most.

Photo by **Tima Miroshnichenko**

more remote parts of countries. Time spent doing this oversight is also time not spent getting more projects approved. In short, simple career incentives for donors may go some way to explaining this pattern.

So, what do we do with this information? The most obvious move is to change the incentives. For example, it would be worth exploring ways of reducing the importance of pushing new projects and raising the importance of outcomes. This approach, however, runs into hard territory around the end goal of donors, which from a bureaucratic point of view tends to be spending their budget.

This kind of incentive problem highlights what is perhaps a more general problem around properly incentivizing bureaucrats. It is possible that a more hands-off approach would allow donor staff to exercise better judgement. While the best tweaks for any donor agency are going to be specific to that donor, more attention should be placed on either getting incentives right or perhaps weakening external incentives and allowing a larger place for intrinsic motivation. If the latter is paired with transparency, then many fears around weak performance may be reduced. On these questions of intrinsic motivation and donor incentives, I highly recommend *Navigation by Judgement and Mission Driven Bureaucrats* by Dan Honig.

In conclusion, while the current system of aid allocation favors wealthier regions within low-income countries, a shift in bureaucratic incentives may be able to redirect aid to those who need it most. By addressing the structural and operational challenges in the aid distribution process, we can create a more equitable system that truly supports poverty alleviation and inclusive development.

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Photo by **Speak Media Uganda**

SOCIAL INTERVENTIONS ARE NOT VACCINES: RETHINKING THE 'WHAT WORKS' PARADIGM FOR PARTICIPATORY PLANNING

Kamran Hakiman

In this essay, I show that the mixed evidence on participatory planning stems from a disjuncture between funders' demand to know 'what works' and the fundamental characteristics of high-quality participatory planning interventions. The question of 'what works' implies two interrelated assumptions—1) homogeneity of input across units and 2) the desirability of input standardization—which are violated by any *high quality* participatory planning program. Based on a field study of a participatory planning intervention in pastoralist, dryland regions of Kenya (Hakiman and Sheely 2023), the remainder of this essay summarizes why funders and development actors should re-think the current paradigm in development, in which funders ask 'what works', most often demanding experimental evaluations (randomized controlled trials). By exa-

mining how social interventions work in practice, our study suggests funders should abandon the simple formulation of 'what works', as *high quality* social interventions necessarily break these assumptions. Instead, funders should focus time and resources on uncovering conditional relationships about *why* and *how* participatory planning programs produce expected benefit.

The participatory turn of international development over the past three decades has seen enormous injections of money—over $85 billion as of 2013 by the World Bank alone—into programming which explicitly includes citizens in the direct allocation of public goods. So-called participatory planning has promised both instrumental benefits, through more efficient allocation of public goods at the local level, and normative benefits, such as the empowerment of populations who are encouraged to shift their role from passive recipients to empowered stakeholders and citizens. Such participatory planning programs have exploded across the globe, most notably under its marquee incarnations: Community-Driven Development (CDD) and Participatory Budgeting (PB). However, despite growing uptake, the evidence on whether participatory planning 'works' remains frustratingly mixed (Casey 2018; White, Menon, and Waddington 2018) and contested (Wong and Guggenheim 2018).

What are the assumptions of asking whether participatory planning 'works'? The two assumptions, standardized input and the *desirability* of standardized input, are borrowed from the use of randomized controlled trials (experiments) in the natural and, later, medical sciences. Medical trials commonly assume the production a standardized input, such as a vaccine candidate, which can be reproduced with extremely high fidelity. Based on simple experimental design and randomization into treatment and control, the effect of the vaccine is estimated by comparing the mean rate of infection between the treated and control groups. This model of determining whether a vaccine (or any standard medical intervention) 'works' is extraordinarily powerful. With minimal assumptions—fidelity of production, logistics of distribution, and the same disease—a successful vaccine trial in one part of the world is likely to 'work' in most human populations. This, however, relies critically on two factors: 1) the similarity of the disease and 2) the similarity of human populations globally. Because a disease, such as polio, is comparable globally *and* its infection in humans operates similarly globally, a single vaccine can 'work' with high fidelity.

This model breaks, however, when applied to participatory planning. Our research on a participatory planning program in Kenya, funded by USAID, shows that *high quality* participatory programming violates the assumptions implicit

Funders and NGOs must escape from the dominant paradigm of trying to determine whether programs 'work', and instead look to better understand what conditions will allow for programs to operate more effectively both between and within specific contexts.

Mwanda, Taita-Taveta County, Kenya.
Photo by **Sanat Anghan**

in asking 'what works', and of experimental evaluation, in two ways. First, inputs are not homogenous between units, and, rather than representing 'fidelity', standardization would have made the intervention less *effective*.

Participatory planning in Kenya was adjusted to the local (village) context at two levels: first by program planners who adjusted the formal rules of the program (technical adjustment), and second, by implementers working on the ground, who adjusted the implementation of the program to the community context (adaptive adjustment).

Turning first to technical adjustment of a program's formal rules, our study of participatory planning in Kenya (known as Ward Development Planning) suggests that there is no set of formal rules which are best (that is, which 'work') universally. Rather, we find that the design of the program was effective *contingent* on adaptation to the context of Northern Kenya. Two examples show this. First, the Ward Development Planning intervention institutionalized participa-

tion through the formation of committees at the ward level. This was explicitly designed to incorporate a pre-existing, strong and legitimate civil-society at the village level. Thus, the effectiveness of this design choice was *contingent* on the presence of teachers, elders, and women's leaders who could legitimately represent communities. Without strong civil society, the program would have been better off relying on direct participation (no committee). Second, and relatedly, the presence of dense social ties within communities—who were enmeshed in overlapping kin-groups and associations—also provided social accountability. Through this, the selected committee members were accountable to communities through embeddedness in dense and overlapping social networks across the ward. In both cases, program designers considered the characteristics of communities and villages across Northern Kenya, and adapted the formal rules to 'best fit' the context.

A second layer of adjustment, however, was largely invisible to the intervention's planners and management team, but equally pivotal for the program to function as intended. This was *adaptive* adjustments, carried out by ground-level implementers who operated where the 'rubber hits the road'. This required translating program elements from on-paper design into tangible action. Unlike the above adaptations, this process was not institutionalized, but required *discretion* and *judgement* on the part of the local implementer (see Honig 2018). Much of this adjustment happened within the 'non-codified' part of the program. For instance, when tasked to hold an 'inclusive meeting' for selecting a committee, implementers considered the characteristics of the *specific village* (e.g. civil society, traditional authorities, local chief, etc.), and subtly shifted their process of invitations to ensure the meeting was actually inclusive. This process varied by community, and in rare circumstances, the implementer would change the *institutional* rule to address a potential threat to the program. For instance, in only one community, the implementer decided to hold a secret ballot (rather than public) vote, because the chief's wife was a candidate for the committee.[1] Implementers made countless similar micro-decisions throughout the program, yet this was largely not *comprehensible* to the program's planner or management. Because these decisions take place at the ground level, and are intentionally non-standard, they cannot be centrally planned or mandated.

This second layer of adjustment presents an even thornier question for those looking to determine whether participation 'works' in development. This is

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[1] Chiefs were barred, but there was no rule about family members. She did not win in this case.

because participation, unlike a vaccine, must be adjusted not only between populations, but even at the unit of treatment (for vaccines, people, and in the Kenya case, wards). Moreover, while the first-layer of adjustment can be approached analytically by program leaders when they create the institutional rules of the intervention, the second layer of adjustment cannot be determined analytically or centrally. Instead, it is the ground-level actor who must use individual discretion to determine how best to translate the on-paper design to the local context. In the vaccine analogy, this would be akin to adjusting the vaccine recipe to each recipient using local *judgement*.

The above case clearly shows that the paradigm of 'what works' within international development is ill-suited for application to complex interventions which are highly context-dependent, and therefore unlike vaccines. Critically, our study indicates that heterogeneous inputs are not only necessary, *but desirable*, and that this heterogeneity emerges from both analytical processes (via technical adjustment) and from allowing for navigation by ground level actors (via adaptive adjustment). This finding suggests that funders and NGOs must escape from the dominant paradigm of trying to determine whether programs 'work', and instead look to better understand what conditions will allow for programs to operate more effectively both between and within *specific* contexts.

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Principal-agent problem and ownership

HOW TO ADDRESS THE OWNERSHIP PROBLEM IN DEVELOPMENT ASSISTANCE?

Philipp Aerni

The Swiss Agency for Development and Cooperation (SDC) regards smallholder farming in low-income African countries as key to reducing hunger and malnutrition[1], and aims to support them through agroecological practices[2]. It believes in small-scale farming as being part of the solution, which is derived from the Asian experience, where decreasing population growth and more off-farm employment opportunities enabled structural change, and with it, larger and more productive farms.

A survey on urbanization and farm sizes in Asia and Africa, published in 2013, indicated, however, that the trend in Sub-Saharan Africa (SSA) went in the opposite direction over the past four decades (Masters et al. 2013). This trend was re-affirmed in the latest UN Report on the State of Food Security and Nutrition in the World (WHO/FAO 2023). Average farm sizes in most marginal rural regions of SSA are shrinking, due to population growth and lack of off-farm employment. As a consequence, the affected farm families struggle to feed themselves, which forces their offspring to migrate to growing African cities, in search for off-farm employment. Mostly, they end up as day laborers in the growing urban infor-

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[1] https://tinyurl.com/4hwz9mdj

[2] https://tinyurl.com/skn52t2u

mal economy, which leaves them without any labor or tenant protection, not to speak of social security. The growth of the urban informal economy also hampers the controlled expansion of urban infrastructure, that is essential for the promotion of inclusive and sustainable growth in urban areas (Aerni 2015). Many urban migrants, therefore, take the risk to move abroad in search for employment opportunities to make a decent living. In other words, shrinking farm sizes may be the main drivers, not just of national, but also of international migration.

The proposed Swiss International Cooperation Strategy 2025-28 (IC Strategy 2025-2028) aims to put its strategic focus, among other things, on issues such as health, migration, the private sector and democracy, with special priority on countries in SSA[3]. However, shrinking farm sizes as one of the main drivers of migration is not mentioned in the IC Strategy 2025–28. Switzerland itself faced very similar challenges in the 19th century, when population growth and lack of off-farm employment led to ever smaller farms due to division of land and massive migration overseas (Meier 2011). Thanks to structural change, induced by decentralized industrialization, Switzerland was able to stop this trend. Off-farm employment opportunities and farm sizes increased and net emigration turned into net immigration (Aerni 2021).

Even though the SDC promotes partnerships with the local private sector in recipient countries, they are primarily aligned to the 'shared' goal of sustainable development, as it is understood in donor countries[4]. As a consequence, local entrepreneurs must comply with many conditionalities related to sustainability, as well as diversity, equity and inclusion, to obtain access to finance. Often, such conditionalities tend to attract local grant applicants familiar with the selection criteria in development assistance, but discourage entrepreneurs that seek investment to scale their innovations and aim to grow beyond neighborhood markets.

Why do so many fundraising brochures of Swiss development organizations continue to portray affluence rather than poverty as the main enemy of sustainability and still hail small-scale semi-subsistence farming as the solution to food insecurity[5], when it is actually the main driver of migration from rural to urban areas and

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3   https://tinyurl.com/mt5a4nyx

4   https://tinyurl.com/y5r4btac

5   Examples that illustrate the mindset of Swiss Development Organisations: https://tinyurl.com/9rc4evmx

46

Addressing the principal-agent problem through institutional reform of development assistance is therefore a precondition to achieve UN Sustainable Development Goal 8 on inclusive growth and decent work. It would mobilize local entrepreneurship and innovation as drivers of endogenous change.

A bridge over Lake Geneva in the city of Geneva, a centre of international organisations. Photo by **Christine Roy**

beyond (Aerni 2015)? Furthermore, why do so many of them remain silent about the alarming growth of urban informal settlements that tend to trap people in poverty (Aerni 2019; Janz et al. 2023)?

The reason is related to the so-called principal-agent problem, with 'agents' representing organizations involved in development assistance that have to meet the expectations of the principals, who are taxpayers and donors in Switzerland, rather than the recipients of aid abroad. All too often, these principals in affluent countries do not associate private sector development with poverty alleviation or sustainable development. Instead, they regard it as a risk for local livelihoods and a source of environmental pollution. As a result, donors tend to be skeptical about local profit-seeking entrepreneurs in recipient countries, who aim to improve their material situation through innovation (Aerni 2024). The collateral damage of such a view is that Swiss development assistance directly or indirectly discourages economic empowerment and inclusive growth through local entrepreneurship and becomes paternalistic.

The principal-agent problem could be addressed by partially changing the rules of the game in the market for development cooperation. A development fund could be set up, for example, that invites local entrepreneurs to apply with their respective business ideas. These entrepreneurs would be coached by a local competent third party to ensure that all the formal requirements are met (preferably a local institution involved in entrepreneurship training). Once the business plan is formally approved, the applicant will receive one part of the assistance in cash and one part in vouchers. With these vouchers, the eligible applicants can select Swiss-based organizations in business, academia, government and civil society (all can get accredited for free), to help them implement the project and make it financially sustainable. In other words, the local agents will become the principals and the contracted Swiss-based organizations (who will be paid via vouchers) will be the agents. This would lead to local project ownership that reflects the local priorities. Even though there is always a risk that a venture may fail, the approach is more sustainable, because it respects local ownership and enables local people to learn from experience and failure, becoming effective agents of change themselves. In return, it would force organizations involved in development assistance in donor countries to become part of a service industry for the poor (Aerni 2006). Addressing the principal-agent problem through institutional reform of development assistance is therefore a precondition to achieve UN Sustainable

Development Goal 8 on inclusive growth and decent work. It would mobilize local entrepreneurship and innovation as drivers of endogenous change. It would also increase local income and employment opportunities, and, with it, enable structural change and the build-up of prosperous local economic ecosystems, which, ultimately, could decrease migration pressure.

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FROM AID POLICY TO PRACTICE: MULTI-STAKEHOLDER PARTNERSHIP-OWNERSHIP FOR SUSTAINABLE DEVELOPMENT RESULTS

Pranvera Muçaj

In my professional life, I have seen both ends of the development aid chain. Having started at an implementation level, I was often puzzled by the decisions taken by donors in projects in which I was involved. Now that I have experienced the other side of the chain, I can say, that things do not seem much clearer from where I sit. In our office, the localization agenda is a frequent mantra. Yet, between the sea of numbers, the daily fights with administrating aid, and the politics, a disconnect persists between the strategic intentions and their implementation in practice.

This disconnect between local stakeholders and international donors has been a recurring issue in development aid. What if the donors are simply too out of touch with the local context to provide the aid necessary for development? The purported antidote is the concept of localization, which is centered on transferring power from international donors to local beneficiaries. It is no secret that

those closest to the issues at hand are best equipped to address their own development challenges, and who is closer than local stakeholders themselves who live with these issues every day?

The intention to shift power dynamics is evident, with numerous papers and policies recognizing the significance of local ownership in aid effectiveness. From what I have observed, despite the broad acknowledgment of the importance of local ownership and the intentions behind the practices aimed at shifting power, a significant gap remains between policy frameworks and their actual implementation in practice. As such, the practical aspects of achieving this shift reveal a complex puzzle, that we still struggle to solve. Experience has shown that development aid can neither be designed nor implemented by donors alone, and it is becoming even more evident that this cannot be done solely by international donors and recipient governments either. The reason for the difficulty in bridging the gap is that localization has predominantly entailed a transfer of funds and responsibilities in a downward fashion, from donor to recipient, from national to local levels. Multi-stakeholder ownership, on the other hand, entails a much more comprehensive approach. It involves all the relevant stakeholders through a mutual transfer of knowledge and capacities. This means that, while local stakeholders should have a say in the entire project cycle, donors should also remain committed throughout the project cycle. This also involves shifting our focus from not only policy and strategy level but also to prioritizing the program and project level. After all, macro policies are often translated in practice through programs, projects, and activities.

It is unrealistic to expect that donors or recipient governments alone possess all the answers. A broader engagement of stakeholders is crucial for aid effectiveness. By increasing stakeholder involvement, it enhances their sense of ownership as well as paves the way for sustainable results in development interventions.

There are many practical challenges in implementing a more comprehensive form of localization through a multi-stakeholder approach. A primary struggle is ensuring that both state and non-state local stakeholders are not only included in every phase of the program/project cycle and gain ownership, but also possess the necessary capacities to manage and lead projects effectively.

Likewise, a multi-stakeholder approach does not work if the stakeholders in question do not possess the requisite knowledge that can allow them to become

equal partners and play a central role in shaping development initiatives. Finally, because of the coordination and involvement required, it is a resource-intensive approach.

Therefore, development programs and projects should also serve as platforms for capacity building among national and local stakeholders. For instance, practices of some donors, such as the Swedish Development Cooperation Agency (Sida), of providing core support, represents a shift towards enhancing local ownership and facilitating capacity building for sustainable development. Core support, a financing model that it is not limited to specific projects, offers flexible funding and allows local stakeholders the space to decide on the use of these funds to strengthen their own capacities. This model provides local partners with security, allowing them to grow, adapt to changing contexts, and achieve greater autonomy. This enables them to become equal partners and have a greater impact by freeing them from administrative burdens. Though the core support may appear little more than just a transfer of funds without strings attached, it is precisely this unconditional aspect which implies a degree of trust necessary for a more comprehensive form of localization. It allows local partners to use their own knowledge and expertise to design and implement activities in a way that is context-sensitive and effective. Such an approach moves away from the traditional practice of designing projects with the sole aim of aligning with the objectives of the donor's strategies.

Only by listening to local stakeholders and enhancing their capacities, enabling them to become equal partners alongside those with greater power and knowledge, can we make significant progress. This includes engaging closely at the project level to truly understand the challenges, and then implementing a multi-stakeholder approach in development initiatives. By embracing these practices, we are more likely to witness positive, long-lasting results in development aid.

In conclusion, the question of how to effectively transfer and increase ownership to the rightful holders in development aid remains largely unanswered and the path of shifting power in practice has proven to be quite complex. Because of this complexity behind implementing such shifts, ensuring the sustainability of results, fostering partnerships and knowledge sharing among multiple stakeholders are aspects that require further attention, innovation, and research.

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Ownership in practice: stakeholders from various sectors coming together in a project on sustainable farming practices.
Photo by **Pranvera Muçaj**

Accountability and enabling change

POWER, GENDER AND SOCIAL ACCOUNTABILITY: WHY DO THEY MATTER FOR SUSTAINABLE DEVELOPMENT IN THE EASTERN DRC?

Patrick Milabyo Kyamusugulwa
Dorothea Hilhors
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Power, gender and social accountability are intertwined in every development assistance, while the understanding of such interconnection and the way it operates on the ground is a requisite condition for sustainable development effectiveness. Many development approaches build capacity through trainings and workshops, focused on promoting 'governance principles' through 'infrastructure rebuilding', but to understand how this works, there is a need to look at how such interconnection evolves in practice. This form of development assistance has the potential to bring about changes in enhancing social accountability, gender equality and service delivery. Equally important is understanding the relationship between sustainable reconstruction and development and existing power relations and social norms in a specific setting.

Since 1996, the Democratic Republic of the Congo (DRC) has been a site of ongoing conflict, between government forces and different rebellion movements, with notable waves of war happening in 1996-1997, 1998-2003 and currently, particularly in the eastern DRC. The consequences have been dramatic in terms of enormous losses of people, and of social and physical capitals, such as the destruction of schools and health centres. In this context, Tuungane prog-

Woman leader.
Photo by **Patrick Milabyo Kyamusugulwa**

ramme, in its different phases (2008-2010 Tuungane I, 2011-2014 Tuungane II, and 2015-2016 Tuungane II plus), aimed at rebuilding infrastructure, namely schools, health centres, and roads, chosen by the target population, while at the same time, promoting practices of good governance to reconstruct trust and social relations. The Tuungane II plus programme focused on strengthening capacities of user committee members, including Parents' Committees and Health Facility Committees, to sustain governance through reconstruction in conflict-affected zones in the eastern DRC.

The study discussed below is based on fieldwork conducted in the eastern DRC from 2017 through 2018, using qualitative methods and focusing in particular on the 'promoting governance and its principles' component of the community-driven reconstruction programme. These consisted of Community Score Card processes, trainings, workshops and facilitation of public meetings between members on health and school committees and their respective constituencies. In this study, we collected data from 2017 through 2018 in both Kalehe and Mwenga territories. For data collection, we used the qualitative ethnographic method, particularly, semi-structured interviews, with Parents' Committees (PCs)/Health Facility Committees (HFCs) members, women leaders, men and women in Focus Group Discussions (FGDs), service providers (education and health), local chiefs, church leaders and youth, because these categories of actors were in one or another way involved in the project execution. We found that men dominated the process while some women, though in minority, showed a certain degree of empowerment in decision making in a sustainable development and reconstruction intervention.

Background of Social Accountability and Gender Equality

Social accountability initiatives have become widespread in many spheres of life in the context of Africa, especially in conflict-affected areas in the eastern DRC. Such initiatives are among many solutions for improving people's access to education or health care. At

the same time, gender equality signifies involvement of both men and women in terms of equal contribution, empowerment and visibility in private as well as in public life, including in decision making. The Tuungane II plus project, implemented by the International Rescue Committee (IRC), showcased how women in comparison to men have been empowered in their ability to hold their leaders accountable, and how this has translated into more accountability in women's everyday lives. We looked at power, gender and social accountability interplay between user committees, service providers and the people and their leaders in the target schools and health centres.

Power, social accountability and gender

We observed diverse power relations among stakeholders, namely the influence of chiefs and church leaders over schools and health centres, because power imbalances have often been criticized in particatory development and reconstruction. That is, a force of those in the position of power over others, be they established through formal institutions or patriarchal systems that perpetuate domination of men over women. This analysis shows the impact of power and gender relations on the social nexus of every society. Power relations also affect how people understand the legitimacy of their leaders' decisions and how they perceive space, given that those in higher positions may prevent those in lower positions from entering the space of decision making.

Key findings: dominant men and empowerment of women leaders in minority

The findings have shown that despite male and female representation in PCs and HFCs, women have been relegated to traditional and common tasks. An accountability mechanism seems to have reproduced the traditional division of labour, while low levels of education and traditional norms explain why women were reluctant to take on public roles. Likewise, although they were in minority in the committees, informal recognition of certain women of influence in a community meant that they could demand accountability from service providers. Thus, women who had more work experience, more recognition, and who received more trainings, were able to make a difference. Especially women who got Tuungane training displayed behaviour change because they were encouraged to act

as leaders among men. These women were able to show that the shift in balance between men and women in these communities is possible. While the Tuungane trainings had an impact on women participation and representation in the committees, it did not have any significant impact on reproductive health, women's rights to inheritance and housing, and education of children.

What can be learnt from the Tuungane II plus approach?

The Tuungane II plus's social accountability interventions in education and health sectors within community-driven reconstruction programmes followed the roles and attributions given to men and women according to the local culture. Likewise, church and chieftaincy institutions remain powerful institutions at the village level. In light of these findings, we have several suggestions for what needs to be done for decision-makers and development practitioners that may lead toward more sustainable interventions and reconstruction programmes.

 1) Capacity building in the area of social accountability and gender should include trainings and workshops based on governance and its principles, and infrastructure rebuilding such as schools and health centres. They should also reconsider existing institutions' roles and norms in these interventions, namely churches and chieftaincies, as they are permanent and strong, and in instances where the Congolese State is weak, they deliver services in terms of security, education and health. To contribute to progress of gender equality and sustainability of development interventions in the context of the eastern rural DRC in particular and in Sub Saharan Africa in general, there is a need to recognize and work with such institutions in a more intentional and strategic way, rather than just in an informative and passive way.

2) To promote gender equality, efforts need to be focused on gender parity in existing institutions and governance bodies such as PCs and HFCs. Changes at the individual level will likely be the key steps before wider change occurs at household, community and societal levels. In order to support such changes, the institutionalization of the gender quota would be necessary, where capacity development of women leaders would have the influence on gender equality in the long run within existing social norms. In practice, in both private and public governance bodies, the combination of empowering women leaders and their

Many development approaches build capacity through trainings and workshops, focused on promoting 'governance principles' through 'infrastructure rebuilding', but to understand how this works, there is a need to look at how such interconnection evolves in practice.

representativeness at institutional level have the potential to bring about change.

3) To improve the culture of social accountability, there is a need to strengthen facilitation in the use of tools that emphasise joint assessment of health and education services in existing institutions. Likewise, strengthening governance bodies, such as PCs and HFCs, for monitoring and evaluating changes, can additionally increase the level of individual involvement and accountability of local leaders and commissions.

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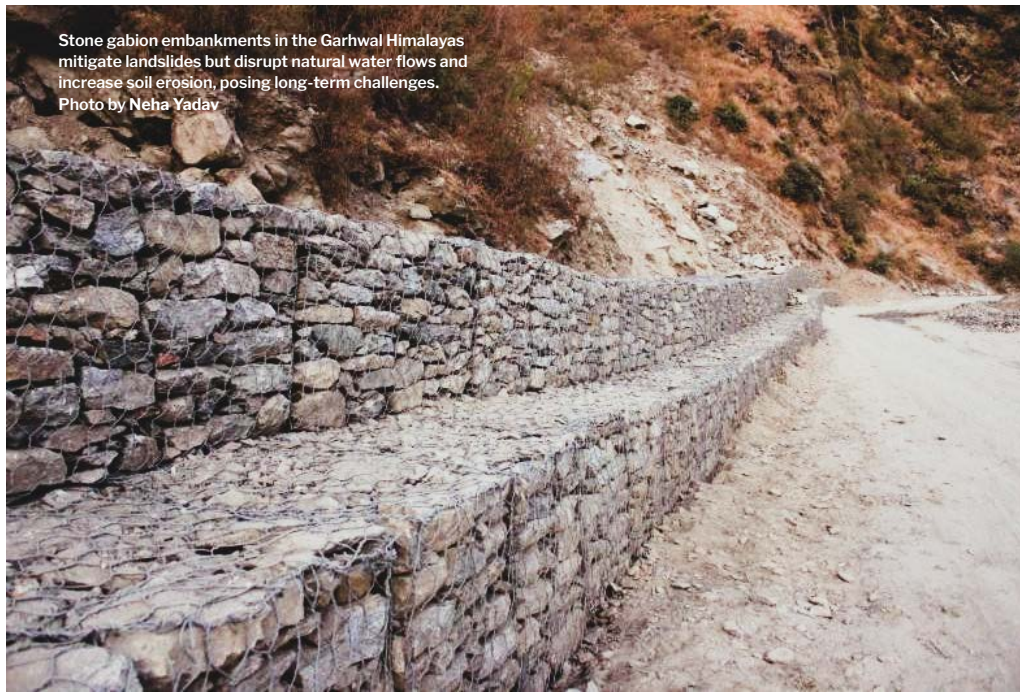
A Mweha Health Facility Committee member.
Photo by **Patrick Milabyo Kyamusugulwa**

INTEGRATING LOCAL KNOWLEDGE AND INNOVATIVE STRATEGIES IN DEVELOPMENT ASSISTANCE FOR THE INDIAN HIMALAYAN REGION

Neha Yadav

In the heart of the Indian Himalayan Region (IHR), amidst its vast and challenging terrains, lies a profound lesson on the essence and effectiveness of development assistance. This region, critical for its ecological services and as a watershed for major rivers like the Ganges and Yamuna, faces unique vulnerabilities, exacerbated by climate change and socio-economic disparities. As we delve into the sustainability of development assistance, it is crucial to re-evaluate our approaches to ensure they are not only effective but enduring.

Historically, development aid in the IHR began in the 1950s, focusing initially on infrastructure and connectivity, then shifting towards agricultural enhancement during the Green Revolution, and more recently, pivoting towards climate resilience and sustainability. Each phase brought its lessons, often highlighting the gap between intention and impact. For instance, traditional top-down practices, such as constructing concrete embankments to prevent landslides and flooding, were often imposed by donors like the World Bank and the Asian Development Bank. These practices aimed to mitigate immediate risks through disaster-resistant infrastructure and financial mechanisms like insurance, but frequently overlooked long-term ecological and social impacts. For instance, in the district of Chamoli in Uttarakhand, the embankments provided short-term protection, but disrupted natural water flows and exacerbated soil erosion, leading to increased vulnerability of local communities in the long run.

This short-term focus is a critical flaw in current development paradigms, often leading to unsustainable development and the exclusion of marginalised communities in decision-making processes. For instance, in Uttarakhand, the Tehri Dam project, funded by agencies like the World Bank and supported by the Indian

Stone gabion embankments in the Garhwal Himalayas mitigate landslides but disrupt natural water flows and increase soil erosion, posing long-term challenges.
Photo by Neha Yadav

government, illustrates these flaws. While the dam aimed to provide hydropower and irrigation benefits, it resulted in the displacement of over 100,000 local residents and significant ecological disruption. The lack of effective community engagement and consideration of local knowledge in project planning and implementation highlighted the disconnect between development intentions and community needs. Similarly, in Himachal Pradesh, the promotion of monoculture apple orchards under development schemes, by agencies like the National Horticulture Board, initially boosted local economies, but eventually led to soil degradation, reduced biodiversity, and increased financial strain on farmers. It demonstrated the adverse effects of overlooking the region's unique climatic conditions and soil types and fell short due to inefficiencies and disconnection from localized needs and realities.

Development assistance, traditionally seen as a benevolent endeavour by affluent nations to aid less developed countries, often stumbles over several critical issues, such as ineffective delivery, poor knowledge coordination, and the neglect of local capabilities. These challenges exacerbate the already complex

nature of poverty and underdevelopment in high-risk areas, such as the IHR. For example, the Alaknanda River embankment project in Uttarakhand failed, due to inadequate coordination between local authorities and donor agencies, resulting in substandard construction and increased flood risk. To make development assistance more sustainable and effective, it is crucial to integrate comprehensive strategies that address these systemic issues.

The minimal requirements to enhance the sustainability of development assistance include a deep integration of local knowledge systems and ensuring that aid delivery aligns with the actual needs of the communities. In Uttarakhand, a community-led initiative focused on reviving traditional rainwater harvesting techniques, known as 'chals and khals', demonstrated significant success. Supported by the National Bank for Agriculture and Rural Development (NABARD), these structures, tailored to the local topography and rainfall patterns, helped conserve over a million litres of water annually and improved agricultural productivity significantly. Historically, 'chals and khals' have been an integral part of the region's water management system, reflecting centuries of indigenous knowledge and sustainable practices.

A shift towards more inclusive and participatory approaches can help bridge this gap, as evidenced by successful interventions that emphasize community engagement and the use of indigenous knowledge in project design and implementation. For instance, the Apatani tribe in Arunachal Pradesh has long practised a unique wet rice cultivation system that integrates fish farming. This traditional agroecosystem has been recognised for its sustainability and productivity, demonstrating how local knowledge can inform and enhance development efforts. In contrast, a failed agricultural project in the same region, which attempted to introduce high-yield varieties without consulting local farmers, resulted in crop failures and financial losses.

Secondly, the role of transparency and accountability cannot be overstated. Improved transparency in how aid is allocated and used can significantly boost its effectiveness. This involves not just the donor and the implementing agencies, but also the recipients at every level. In the north-eastern Himalayan state of Sikkim, the state's organic farming initiative, supported by international donors and NGOs, has been successful, partly due to transparent processes and robust accountability mechanisms. Farmers were actively involved in decision-making,

Terraced fields along Tehri Lake illustrate traditional farming practices that prevent soil erosion and manage water resources in the Indian Himalayan Region.
Photo by **Neha Yadav**

and regular assessments ensured that the project stayed aligned with local needs and conditions. This initiative resulted in a substantial increase in organic crop yields and improved soil health.

Furthermore, development assistance can act as a catalyst for private sector investment, especially in regions where traditional investment is hindered by perceived risks and instability. By providing initial funding and support, development projects can mitigate initial risks, making these areas more attractive to private investors. In Ladakh, solar energy projects, initially funded by the German Development Agency (GIZ) and the Indian government's Ministry of New and Renewable Energy, have attracted significant private investment, leading to the establishment of solar farms that provide sustainable energy to remote communities.

Addressing risk aversion in development assistance also means rethinking how risks are perceived and managed. Development projects should not shy away from higher-risk investments, if they hold the potential for high rewards in terms of community development and sustainability. This can be facilitated by innovative financing models such as blended finance or impact investing, which can distribute risks more effectively, while ensuring that the potential benefits to vulnerable communities are maximised. The 'Climate Resilient Agriculture Fund' in Uttarakhand, supported by the Global Environment Facility (GEF), which combines public and private investments to support climate-smart agricultural practices, is a prime example of such innovative financing. This fund has enabled projects like the adoption of drought-resistant crop varieties and the construction of water-saving irrigation systems, benefiting thousands of farmers.

Moreover, the integration of non-tangible sustainability goals such as knowledge application, environmental stewardship, and social equity is essential. These goals often lack immediate, quantifiable outcomes, but are crucial for the long-term sustainability of development efforts. Effective integration of these goals requires a shift in how success is measured in development projects, moving away from short-term outputs to long-term impacts. For instance, the community-based forest management programmes in Nagaland, have shown that prioritising environmental stewardship and social equity can lead to significant long-term benefits, including biodiversity conservation and enhanced livelihoods.

Drawing from the experiences in the IHR, it is evident that development assistance must evolve from its traditional constraints and embrace a more holistic, inclusive, and sustainable approach. Solutions such as leveraging local knowledge, enhancing stakeholder engagement, and innovating financial models are not just theoretical, but have shown real-world efficacy in improving the resilience and sustainability of development projects.

The future of development assistance hinges on our ability to learn from past mistakes and successes. Programs like the Marshall Plan or the microcredit initiatives in Bangladesh provide valuable lessons in how targeted, well-accounted, and community-inclusive approaches can lead to substantial progress. For the IHR, and similar regions globally, the call to action is clear: embrace a risk-inclusive, transparent, and accountable framework, that not only addresses immediate needs, but also seeds enduring growth and resilience. Only then can develop-

ment assistance transcend its historical limitations to become a true enabler of sustainable development. Moving forward, it is imperative that all stakeholders in the development process—donors, governments, communities, and private sectors—work in concert to adapt, innovate, and sustain efforts that transcend traditional paradigms of aid and truly transform lives.

Purposefulness of aid

TOWARDS MORE SUSTAINABLE, EFFECTIVE AND INCLUSIVE DEVELOPMENT ASSISTANCE: AN ANALYSIS OF APPROACHES THAT CREATE STRUCTURAL CHANGE IN THE FOOD SECTOR

Lisa Marie Zammit

When funding does not match needs

According to the 2023 Global Report on Food Crises, the number of people suffering from acute food insecurity and requiring urgent humanitarian assistance in 2022 was around 258 million people in 58 countries and territories. A comparison with the six previous years of this report shows a steady increase in the number of people requiring assistance. This is due to conflict escalating or persisting in some countries, including the enormous impact of the war in Ukraine on global markets, economies struggling to recover from the COVID-19 pandemic, and the increasing impacts of climate change, which all together, reverse the progress that development assistance has made.

As global needs are increasing, so is the provision of humanitarian assistance. Humanitarian funding for food, agriculture and livelihoods assistance has been steadily increasing since 2016. However, in 2021, the increase in humanitarian assistance could not keep up with the number of people facing acute food insecurity. In fact, when looking at annual funding per person, it decreased by 40%. On top of that, development assistance to the food sector has also decreased by around 10%. There is also a growing need for assistance to be used more effectively and equitably.

An organic farm in the Philippines.
Photo by **Julius Bronola**

Therefore, how can development assistance in the food sector become more sustainable, effective and inclusive?
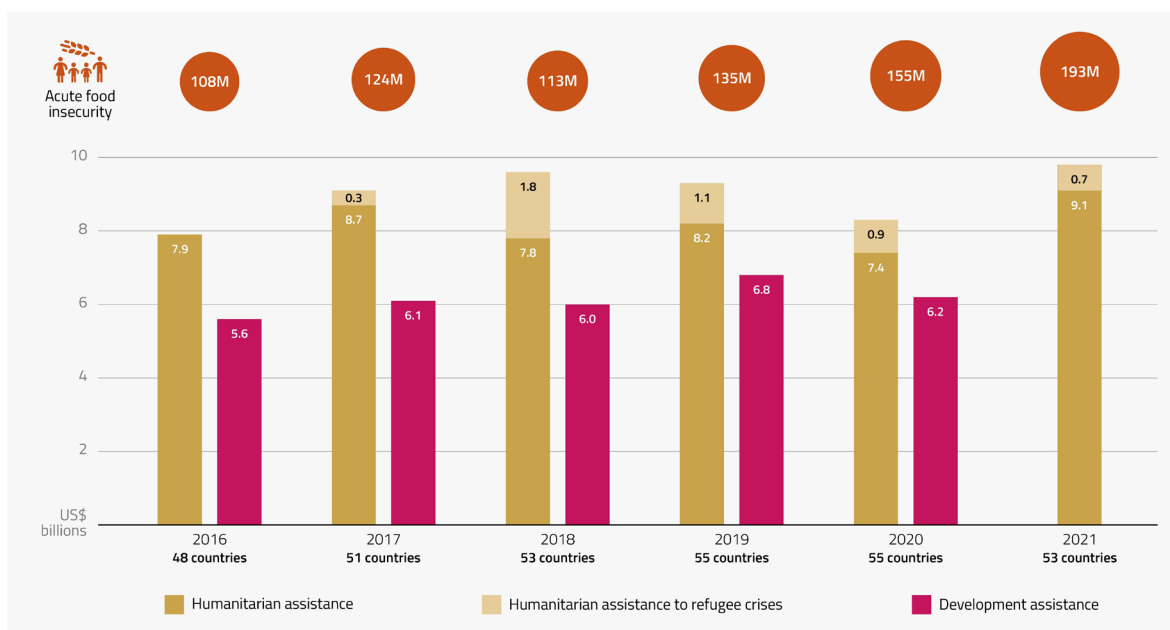
People in high acute food insecurity vs assistance provided (trends 2016-2021). Source: 2022 Financing Flows and Food Crises Report.

Combining development initiatives with humanitarian ones

An approach that could be part of the solution that addresses issues surrounding climate change, sustainability and resilience is Disaster Risk Reduction (DRR). The United Nations Office for DRR claims it is effective in preventing new and reducing existing disaster risk through the implementation of integrated and inclusive measures that combine humanitarian and development initiatives. In essence, DRR enables a community that has survived a disaster to receive response that 'builds back better', making sure it is better prepared for climate hazards or can even prevent them from turning into disasters. An example of an ecosystem-based DRR project is Indonesia's mangrove forest restoration and seaweed/shrimp farm creation, which protects the coastline from natural hazards, protects land and sea biodiversity, and creates livelihoods in fisheries production. All these steps gradually contribute to economic and food security.

An emerging initiative that is crucial to reducing disaster risk as well as food insecurity is called Anticipatory Action. It is part of the disaster risk management cycle. The objective of Anticipatory Action is to reduce the potential impacts of forecastable hazards through actions based on forecasts or predictive analyses of when and where a hazard will occur. Some organisations, such as the Red Cross Red Crescent Movement, the World Food Programme, the Food and Agriculture Organization of the United Nations and the United Nations Office for the Coordination of Humanitarian Affairs, are already implementing anticipatory action around the world.

While the benefits of reducing and anticipating the risk of disasters are evident, OECD data shows that it is not yet obvious to the humanitarian and development world. Although it is estimated that half of today's crises are somewhat predictable and 20% highly predictable, less than 1% of the financing for potential disasters is pre-arranged. Only 0.5% of Official Development Assistance and 4.1% of Emergency Assistance is spent on prevention and preparedness. Every US dollar invested in DRR and Anticipatory Action can save up to fifteen US dollars in post-disaster recovery, while every US dollar invested in making infrastructure disaster-resilient saves four US dollars in reconstruction.

Fulfilling the human right to food

According to the Universal Declaration of Human Rights, everyone has a right to adequate, affordable, nutritious and safe food. "The right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement. The right to adequate food shall therefore not be interpreted in a narrow or restrictive sense which equates it with a minimum package of calories, proteins and other specific nutrients."[1] The global COVID-19 pandemic has thwarted efforts made to fulfil people's right to food. Therefore, development assistance should continue supporting work done to fulfil this right, by not only temporary measures, but ones that lead to the self-reliance of the people.

[1] CESCR General Comment No. 12: The Right to Adequate Food: https://www.refworld.org/legal/general/cescr/1999/en/87491

Combining development initiatives with humanitarian ones, implementing programmes that fulfil the human right to food and closing data gaps are some measures that need to be taken to make development assistance in the food and nutrition sector more sustainable, effective and inclusive.

Nursery at organic farm in the Philippines.
Photo by **Lisa Marie Zammit**

As an immediate response to the current food crisis, a recent UN report calls for programmes implemented by governments during the pandemic that addressed people's right to food to be made permanent. Such initiatives include direct cash transfers, school meals, or support for indigenous people, peasants, fisherfolk and other small-scale producers. The report also outlines several measures that should be taken to transform food systems on a global scale, such as, moving from industrial agriculture to agroecology, prioritising territorial markets over global ones, strengthening local economies, and finally, anchoring multilateralism in food sovereignty. For this to happen, governments need to not only have national plans in place, but also to coordinate together an international response that makes food systems resilient to climate change and prevents biodiversity loss. In short, people and planet should be at the centre of the solution.

Closing data gaps

For all of these solutions to be implemented effectively, data is key. Although experts have raised awareness on the importance of data in the food security and nutrition sector and made efforts to improve access to quality data across the data cycle, data produced in this sector remains unfortunately inadequate. This is due to a multitude of reasons, among which are the lack of capacity to deal with the unprecedented volume and speed at which data and information are generated nowadays as well as the multiple actors that are involved in this sector. A report by a High-Level Panel of Experts on Food Security and Nutrition highlights five major shifts in the way in which data and information are used in this sector that are required for development assistance to be more effective. These include demanding better data from decision-makers and governments, increasing investment in data collection, infrastructure and human capital, and improving data governance at all levels, including promoting inclusiveness.

Combining development initiatives with humanitarian ones, implementing programmes that fulfil the human right to food and closing data gaps are some measures that need to be taken to make development assistance in the food and nutrition sector more sustainable, effective and inclusive. Only then can funding start to match the needs of the global population.

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DEVELOPMENT INNOVATION FOR INCLUSIVE GROWTH: THE CASE OF MODERN NURSERIES FOR SEEDLING PRODUCTION IN KOSOVO

Fisnik Reçica
Avni Ramadani
Elion Gerguri

Boom irrigation installed at one of the PPSE's 'change agents' modern seedling nurseries.
Photo by **Dini Begolli**

The effectiveness of development assistance is still debated, especially given the complex socioeconomic challenges. Over the last few decades, development assistance has shifted toward systemic and inclusive approaches to increase outreach, be more effective, and perform more beneficially and sustainably for the poor.

To create a vision for long-term change and achieve systemic success, development projects promote a participatory approach, local ownership, and building of local expertise. Support for innovation encourages businesses to invest, while donor-funded projects leverage private sector investments that would otherwise go unrealized, making development finance a crucial tool.

A Swiss government project intervention in Kosovo, implemented since 2013 by Swisscontact and Riinvest Institute, through the Promoting Private Sector

Employment (PPSE)[1] project, attempted to use development assistance as a facilitator of innovation, additional investments and market system improvements in the tourism and food and natural ingredients sectors. It is grounded in the idea that such an approach enables quality and productivity improvements, and efficient and inclusive growth.

Over the past two decades, Kosovo has experienced continuous economic growth. However, it remains a consumption-oriented economy with a significant trade deficit, primarily due to low productivity. The food processing and agriculture sector are among key contributors to economic growth, accounting for around a quarter of employment in the country.

Low productivity in the food and agriculture sector is caused by the continued reliance on traditional practices, low-quality inputs, and a lack of field specialists. In the vegetables sector, lack of quality seedlings resulted in low yields, making planned and contracted production unreliable. To address this issue, the introduction of modern seedling nurseries was a necessary market change to improve quality, increase yields, decrease seedling costs of production and failure rate, improve environmental conditions for plants, and increase efficiency of water usage and other inputs. Yet, traditional agricultural practices are common, and changing behavior is difficult.

Through the action research intervention in Kosovo, we explored the effects of modern seedling nurseries as compared to traditional methods for vegetable seedling production. We examined diffusion of innovation in seedling nurseries through change agents, or innovators, willing to embrace change, who then influence expansion through followers, with the goal of eliciting a systemic response from institutions. Our study investigated the process, its outcomes, and evaluated the impact of development financing on the growth and expansion of modern seedling nurseries in Kosovo.

It is well known that innovation diffusion happens easier when change agents introduce and promote it. The first two change agents were identified in 2018 through an open call, with the goal of influencing investments through co-financing and expert support. To ensure local ownership and commitment, a significant share of the initial financial investment was done by the private

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[1] PPSE is a Swiss Agency for Development and Cooperation project, implemented by Swisscontact and Riinvest Institute in Kosovo.

sector partners' own funds, with the external expertise facilitated through development assistance. To further influence expansion, technical knowledge and expertise in explaining innovation have an influence on the behavior change and establishing trust with local market change actors.

The team's active promotion of the project and good reception among several entrepreneurs influenced five other followers in five regions of Kosovo to modernize their seedling nurseries. Development support through knowledge facilitation, access to new technologies, and experience sharing induced a quick change in the market, leveraging private sector investment to initially cover around 3% of the market demand for vegetable seedlings in Kosovo.

Long-term observations, based on several rounds of interviews with beneficiaries, show that the main factor driving positive outcomes is the package of combined support provided through the development assistance facilitation. Without the provided support, this new modern way of seedling production in Kosovo would only be realized after significant delay, due to limited funding, risk aversion, a lack of specialized knowledge and awareness of the benefits that the change brings. The findings of our study show that income of both women and men contractual farmers increased as well as the rate of the beneficiary small and medium-sized enterprises' (SMEs) employment. Vegetable production improved by around 30%, as well as positive environmental effects due to controlled water and quality input use. More importantly, knowledge improvement and exchanges between innovators and early adopters increased learning and adaptation of new production methods, bridging initial local knowledge gaps.[2]

One can always question the long-term viability of donor-supported interventions, which usually last until the completion of respective projects. This raises the question of post-project sustainability: Who will influence further consolidation and continuous behavioral change? Our study shows that lessons from current modern seedling nurseries reached the Ministry of Agriculture, Forestry, and Rural Development, which then engaged with the Swisscontact team to learn more about the new modern methods/technologies of seedling nurseries, the process, and the knowledge required to further expand and diffu-

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[2] This video contains an overview of traditional vs. modern nurseries: https://www.youtube.com/watch?v=UY-0YiQ7k4o&t=12s

se this innovation in the market. As a result, in 2022, the Ministry has added a new grant measure to support the expansion of modernized seedling nurseries, which induced a tenfold increase in investment piloted through donor-development support.

Despite increased financial support, which is necessary for the faster expansion, the knowledge required to support such growth is transmitted at a slower rate, particularly among new beneficiaries who may lack expertise. However, farmers are quick to adapt to proven changes in their communities and follow industry leaders. Kosovo is a small country geographically, but today, each region has at least one modern seedling nursery, which serves as a role model to others. They contribute to closing knowledge gaps and more efficient knowledge spillover.

Although the effectiveness of development assistance is a debatable topic, our action research shows that development assistance that applies systemic and inclusive approaches, and is based on facilitation techniques, can be effective and perform beneficially and sustainably for the poor.

Development projects promote a participatory approach, local ownership, and building of local expertise. Support for innovation encourages businesses to invest, while donor-funded projects leverage private sector investments that would otherwise go unrealized, making development finance a crucial tool.

Healthy and uniform seedlings growing in styrofoam modules at one of the 'change agents' modern seedling nursery.
Photo by **Dini Begolli**

EMERGING ENTREPRENEURS IN RURAL KOSOVO: WHY ARE DONOR-DRIVEN ASSOCIATIONS NOT THE RIGHT ENVIRONMENT FOR THEM?

Jovana Diković

Numerous development organizations support rural and agricultural associations in Kosovo, as a means of rebuilding local economies after the 1999 war, which was the final stage in the breakup of Yugoslavia. Donor-driven associations serve to promote rural entrepreneurship and the integration of local producers into the sustainable food and trade chain. They bring people together in rural areas and introduce them to business practices, marketing and expanding their customer networks. Donors see associations as institutions that empower the local population, especially women, by providing them with the necessary knowledge and training in entrepreneurship. These new skills are supposed to enable members of the associations to independently lead donor-sponsored factories, or to successfully run their own private enterprises.

Yet, during my extensive ethnographic fieldwork research in rural Kosovo, I wondered whether the donor-driven associations were serving the desired purpose of business skills training and producing new entrepreneurs. The reality I encountered suggests that associations do not endure; they have not achieved the anticipated spectacular transformation of rural livelihoods, including creation of enterprises, especially ones owned by women.

The failures in expected outcomes of development aid, as Banerjee and Duflo (2011) rightly observed, are not necessarily the result of sabotage from specific elites or cartels, or poverty traps that perpetuate the vicious circle of corruption and drainage of resources. The failures in aid emerge "because the whole system was badly conceived to start with and no one has taken the trouble to fix it. […] Change can be a matter of figuring out what will work and leading the charge" (256).

I tried to understand why donor-driven associations do not last and do not deliver the expected results. Beyond wrong assumptions engraved in the blueprints of the observed projects, I wondered if there are overlooked cultural and social preconditions that contribute to their failure. My studies of development projects in rural Kosovo from 2019 to 2023, including of donor-sponsored associations, suggest that they largely share features of the failure design, which is engraved both in the blueprint of the

development project and in the cultural and social predicaments of post-conflict rural Kosovo. The scope of the failure was more obvious in ethnically mixed rural areas of northwestern and eastern Kosovo, with Albanian majority and Serbian minority, where I did most of my fieldwork research.

The observed donor-driven associations had two goals: economic – to improve the local livelihoods, and social – to strengthen local connectedness and enable peaceful coexistence between the two ethnic groups. In some cases, associations were formed to train members to start their own enterprise. In one other case, an association was established to run a local factory built with development cooperation funds. Prior to the opening of the factory, the members of the association had never worked and had been housewives and farmers, engaged in subsistence farming and cultivating 1 to 2 hectares of land. As inexperienced workers, they faced challenges they were not prepared for, which later led to the collapse of the association and the factory (Diković forthcoming).

Wrongly conceived blueprints of donor-driven associations

The donors assumed that in ethnically mixed villages, partnership between Albanian and Serbian members of the associations, who had seldomly worked together before, would automatically harvest good relations and trust. However, these are difficult to develop in a post-conflict environment, where there are no genuine common needs, where villagers' cooperation in the past has rarely gone beyond the cordial expression of neighborliness, and where trust has never been tested.

Since the incentive for the associations did not come from the locals but from the donors, the members did not have genuine and equal commitment. The associations soon revealed a collective action problem, in which individuals failed to cooperate because of conflicting interests and opportunism.

Likewise, donors had overlooked the fact that functional associations require long-term perspective. Given the social, economic, and political predicaments of Kosovo, many people, especially in rural areas, see migration to urban places or to western countries as a solution to their problems. This affects the long-term commitment, and consequently, the endurance of associations in villages.

**Donor-driven associations do not create entrepreneurs**

The basic goal of any professional association is to safeguard its members from volatile markets and social exposures. It represents a controlled and risk-averse environment, where all members must abide by the collective goals, liabilities, constraints, and responsibilities. Indeed, "joint liability works against those who want to take risks: As a group member you always want all other group members to play it as safe as possible" (Banerjee and Duflo 2011, 173). Associations cannot tolerate trial and error business experimentation, which demands quick adjustments of level of duties and work investments, reliance on intuition, or taking loans. They are tailored to protect their members against risks, which is the wrong incentive for the development of entrepreneurs. Risks are essential for the emergence of entrepreneurs. They learn and develop thanks to their exposure to risks, and ability to overcome them. Associations aim to ensure social equilibrium, while disequilibrium gives birth to entrepreneurs. As risk-averse institutions, they are neither able to encourage people to take risks nor to recognize those who do.

Likewise, donor-driven associations in rural Kosovo continue to perpetuate false assumptions. They see their members as potential entrepreneurs because of their skillful navigation of scarcity. But donors confuse their resilience with entrepreneurship, which creates a whole range of wrong incentives. In fact, members of the observed associations were not interested in becoming entrepreneurs. Most wanted jobs in the public sector, which they associate with the stability and predictability they often do not have. Entrepreneurship, on the other hand, is commonly associated with the instability and obstacles poor people in Kosovo face on a daily basis. They do not have to become entrepreneurs to experience this.

Rethinking foreign donations and donor-driven associations

Associations are necessary and important, but only if they emerge organically through the initiatives of established local entrepreneurs, producers and peers. Donor-driven associations are not an appropriate environment for experimenting with entrepreneurship, especially under Kosovo's current institutional problems such as high-cost and low credit supply, various trade barriers, inflexible institu-

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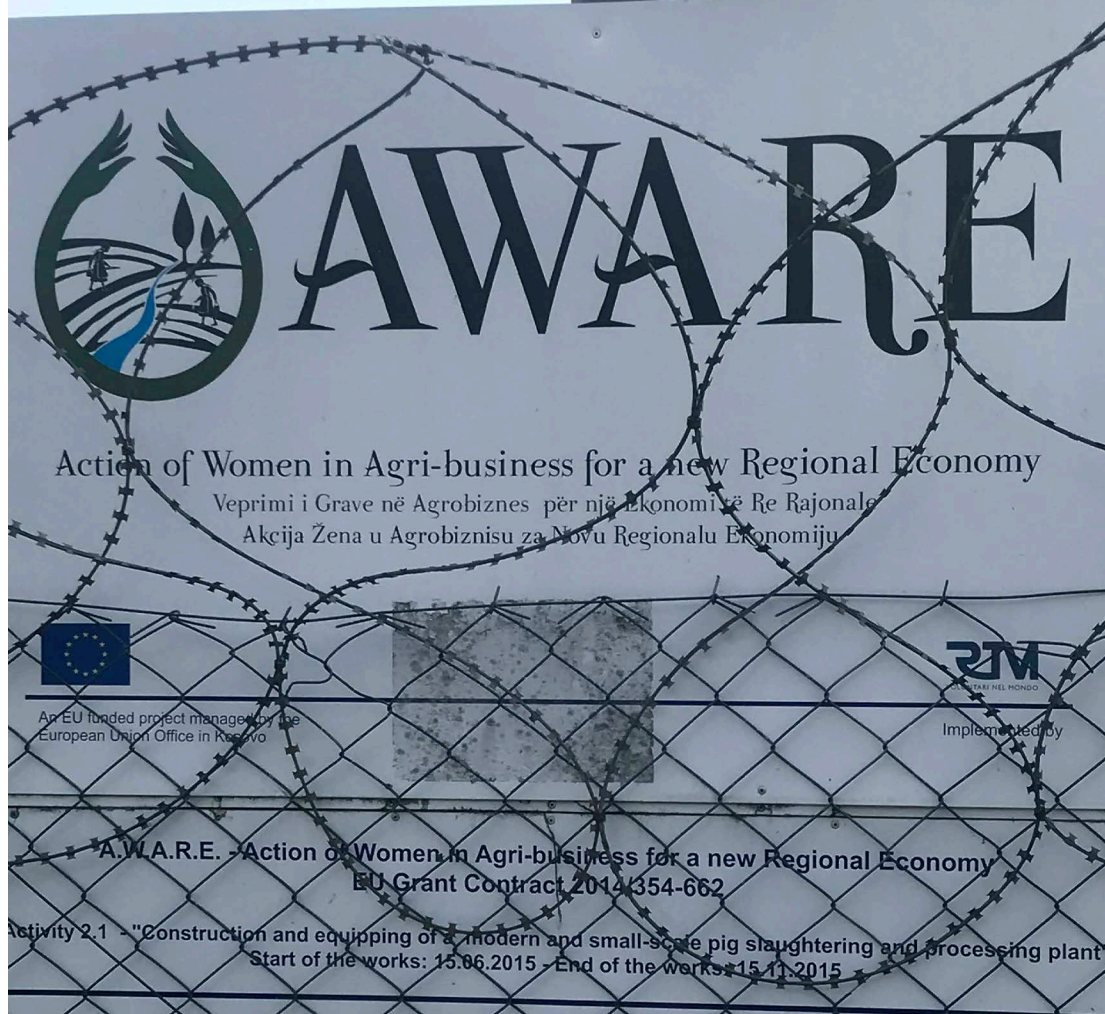
This project, supported by several international donors, aimed to enable a women's association to open and run a factory in rural Kosovo, but after a few years both the project and the factory collapsed.
Photo by **Jovana Diković**

tional environment, and informal economy. These institutional impediments to entrepreneurship need to be addressed, before associations are established.

In post-conflict Kosovo, where foreign donations and remittances substitute direct investments, spontaneous entrepreneurial initiatives are rare. Both formal and informal donations negatively affect supply and price of available labor, encourage risk-averse behavior, and make the growth of entrepreneurs within local economic ecosystems less likely. Such a situation generates a general belief that development occurs mainly as an imposed external force. Development organizations, thus, should consider modalities of assistance to Kosovo that replace patterns of dependency and risk-aversion with tailored solutions for improving the institutions of justice and business landscape. Without these, markets and entrepreneurs cannot flourish.

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Pathways to sustainable development assistance

LIMITATIONS OF SUSTAINABILITY IN DEVELOPMENT ASSISTANCE

Toni Stadler

The word sustainability entered the development vocabulary in the early 1980s. At that time, its meaning was primarily ecological, in the sense, not to overuse natural resources in development projects. Today, we are talking about the environmental, economic and social dimensions of sustainability, while the word has spread increasingly into the world of advertisement. Almost anything you buy these days contributes to sustainability.

As a development practitioner, sceptical vis-à-vis trendy buzz words, I have perceived many definitions of sustainability as something rather obvious. Nobody wants to design and fund agricultural projects that deplete the soil. No one wants to place an employment generating factory that collapses after funding from foreign donors dries out. And nobody intends to organise vocational training of professions for which there is no market. Yet, such things still regularly happen, and the question is why. Perhaps, because the following steps are often disregarded.

Rushed and flawed needs assessments

In low-income countries, needs are unlimited. Most international development staff are neither economists nor have they ever worked in a public administration or a private company. Instead of randomly choosing projects, careful consultations with the local authorities and the beneficiaries are necessary, to choose the right projects and the right methods of implementing them. Where available, practitioners should also talk to the Chamber of Commerce and local banks,

about which private enterprise activities have a fair chance of becoming profitable and, therefore, financially sustainable in the long run.

Neglected local project ownership

Practitioners should assume from the beginning of the project design and implementation, that this is not their project, but the project of the people who will later make use of it. Too tight supervision during the project build-up inhibits peoples' feeling of ownership. Practitioners should not offer fully-financed projects. Part of the budget has to be in repayable loans or contributions to the local community. Practitioners should think carefully whether a business to be created shall be privately owned in the future or handed over to an association or a cooperative. 'Not for profit' sounds good, but often, it leads to inefficient management and a sophisticated take-over of the business by the cleverest member of a non-profit organisation.

Bypassing state institutions

Few low-income countries have truly democratic governments. Corruption control through the rule of law is often lacking. Likewise, state health services and education for the poor population are often inefficient and corrupt. This has motivated many foreign aid agencies to bypass the state entirely and work directly with the population. What may be appropriate in a crisis situation is usually not conducive to sustainability, because the institutions of any host country, as flawed as they may be, play a vital role in creating an environment in which sustainable development can take place. By getting local state institutions involved, they are given the chance to learn and to develop themselves.

Conditioning assistance

In the first decades of development assistance, between 1962 and the end of the Cold War in 1989, foreign aid by Organisation for Economic Co-operation and Development (OECD) countries was granted with few strings attached. Around 1990, the International Monetary Fund (IMF) and the World Bank (WB) began

linking credits to governments with fiscal and other structural reforms. Later, human rights and democratic governance were added as preconditions for the continuation of aid, in most cases with poor or, in the case of Rwanda, disastrous results. In Sub-Saharan Africa, conditional aid was quickly called neo-colonialism. Strings of nations returned to open dictatorships and alliances with China, which quickly imposed itself as the main provider of financial and infrastructure aid, without reforming strings attached.

Poor results of state reform

The financially powerful IMF, WB, and the United Nations Development Programme (UNDP), mandated for improving good economic and democratic governance, particularly in low-income countries, have, in the past 60 years, not delivered what was expected from them. After all, it is the state that sets the rules for all actors in politics and business. Without a functioning state, development efforts from the outside world, as sustainable as those may be, are of limited effect.

Limits of sustainability to improve aid effectiveness

Sustainability, carefully included into all development activities, is an obvious contribution to better aid. It often finds its limits in local governments, who insufficiently mobilise domestic sources to finance their progress, i.e. natural resources and domestic tax revenues. The development 'industry' of the past sixty years has unwillingly shifted the responsibility for the poor of the Global South to OECD countries. Meanwhile, the southern local elites do not contribute enough to the modernisation of their societies. Looking back to the 60 years of development assistance, most countries who have made real progress are Asian, with the one exception in Africa, Botswana. This raises the question what has to be changed. Despite some expert authors, such as Dambisa Moyo or William Easterly, who proclaim foreign aid as 'dead' or as a thing of the past, I believe it has to continue. A stronger focus on climate change adaptation and on economic development and job creation can create alternatives for young people and disincentivise them to migrate to the Northwest.

Nobody wants to design and fund agricultural projects that deplete the soil. No one wants to place an employment generating factory that collapses after funding from foreign donors dries out. And nobody intends to organise vocational training of professions for which there is no market. Yet, such things still regularly happen, and the question is why.

Photo by **Maksim Goncharenok**

SUSTAINABILITY OF DEVELOPMENT ASSISTANCE: Problems, Prospects and Perspectives

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