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## Introduction: why local organizations are central to meeting the MDGs

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### I. OVERVIEW

Measures to meet most of the Millennium Development Goals (MDGs) have to be intensely local or have strong local components – because, to succeed, they have to change outcomes in each particular locality, especially for those with the least income and assets. Most of the MDGs are about improved outcomes for individuals and households – food security, adequate incomes, access to schools and health care, secure homes with adequate provision for water and sanitation,

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**Most of the local organizations that benefit and represent poorer groups are invisible to development assistance**

protection from and treatment for life-threatening diseases. This requires tens of thousands of more effective local organizations to provide the relevant services – and to increase local capacity to cope with social and environmental change. These organizations are unlikely to serve poor groups<sup>(2)</sup> unless these groups have more influence on service providers, and more voice in local governments. So meeting the MDGs also requires actively supporting civil and political rights – for pastoralists, forest dwellers, scattered rural populations or those living in farming and fishing villages, small towns and large cities. Where local governments are ineffective or simply ignore the needs of poorer groups, organizations formed by the poor – the landless, “slum” dwellers, smallholders, pastoralists – often have particular importance, providing their members with services and more influence.

Perhaps the two greatest failings of development assistance to date have been that it has provided too little support to the local organizations that benefit poor groups (including these groups’ own organizations) and has not checked the local and extra-local organizations that ignore or impoverish poor groups. Indeed, most of the local organizations that do benefit and represent poorer groups are invisible to development assistance. In most places, these organizations have much greater importance for meeting local needs than activities funded by development assistance. Perhaps this failure to support pro-poor local organizations is also a key reason why decades of development and environmentalism have failed to halt the destruction or damage of the natural systems on which virtually all food, fresh water supplies and a stable climate depend. Development assistance has failed to support the local organizations that have the knowledge and capacity to halt and reverse this damage, and has failed to check those local and extra-local interests that cause such destruction. Local organizations also usually have the central

**2. The inadequacy in this terminology should be acknowledged, although it is difficult to find an alternative word that will not be misunderstood. “Poor groups” refers to those with incomes and asset bases that are insufficient for them to meet their needs and to cope with stresses (e.g. rising prices) or shocks (e.g. a disaster, failure of the rains, an income-earner seriously ill or injured). Many such groups are not poor in other ways. Many are made poor by external influences over which they have no control.**



role in ensuring that the two goals of sustainable development are compatible – meeting needs without depleting natural resources and compromising ecosystem functioning.

The Millennium Development Goals are meant to provide new energy and resources to meet the needs of poor people – but are they addressing the ineffectiveness of development assistance? Do discussions about how to meet the MDGs recognize the central role of local organizations? To date, there is little discussion of how national governments and international agencies can support local organizations that work in favour of the poor and sustainable resource management. Meeting most of the MDG targets requires three major changes in local organizations: providing or improving services; providing a more just rule of law; and ensuring more voice and capacity to act for those with unmet needs and limited assets. These three changes are usually linked, and reinforce each other. Is it possible to get a better match between generating the needed pro-poor changes in each locality, and the highly centralized management of development assistance?

## II. THE CONTRADICTION BETWEEN LOCAL DEVELOPMENT AND CENTRALIZED INSTITUTIONS

Meeting the MDGs means having to meet the needs of hundreds of millions of small-scale food producers (farmers, pastoralists, fishers) who work within localized food systems that provide the livelihoods, incomes, economies and cultures of much of the world's population (see Chapter 6). A high proportion of these have no formal title or rights to the land and water resources on which their livelihoods and most food production depend (see Chapters 2, 3 and 6). Meeting the MDGs also means meeting the needs of hundreds of millions of low-income urban dwellers who provide the cheap labour and services on which much economic growth depends – who live in houses and settlements that are of such poor quality that their health is constantly compromised and their lives at risk (see Chapter

Is it possible to get a better match between generating the needed pro-poor changes in each locality, and the highly centralized management of development assistance?



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5). Sustainable use of natural resources and management of ecosystems also require local institutions (informal or formal) that both serve local populations and are based on detailed knowledge of the particulars of each locality: most food production is embedded in complex, risk-prone and diverse environments (Chapters 3 and 6). Each locality needs local institutions to ensure that there is a capacity among local groups to adapt to change and successfully cope with stresses and shocks (including those related to climate change – see Chapter 7). Local groups also need capacity to manage ecosystem functions important for their locality and also for the wider region, nation or globally – for instance with regard to water flows, biodiversity and emissions of greenhouse gases (see Chapters 3 and 7).

Yet, while successful development is intensely local, most development actions and investments are planned, implemented and evaluated centrally – by national governments and international agencies. The very people on whose unmet needs the whole development business and virtually all the MDGs are justified have been given very little role in this. Most of the discussions about what should be done, and most of the project documents are not in their languages. Rarely do they have access to documents that set out the forms of external support that are meant to benefit them. Most decisions about what is funded and how the funds are used are made without consulting them – and with no accountability to them.<sup>(3)</sup> And the knowledge and resources they can bring to meeting the MDGs is almost always ignored – even though this has been shown in countless case studies to make poverty reduction far more effective and to make external resources go much further. (And sometimes to show that external resources are not actually needed – see Chapter 5.) Only a very small proportion of official development assistance goes to what poor groups identify as their priorities. If they get any benefit from some externally funded initiative, it has usually

**3. The move to greater donor “harmonization” within each nation, and support for national Poverty Reduction Strategies might be considered to be addressing these – but do village associations, grassroots women’s savings groups and federations of “slum” dwellers really have any influence here?**

been determined by someone else within a decision-making process over which they had no influence and within which there is no accountability to them. And much of what is funded and supported by external agencies is inappropriate to the complex, risk-prone and diverse environments on which their livelihoods depend. The institutional structures of official aid agencies and development banks are largely incapable of supporting the diverse local processes that really deliver for the poor (except in just a few showcase projects).

Why does the development business ignore pro-poor local organizations? Is it because they do not exist? Clearly not, since this book gives many examples of local organizations that have contributed to meeting the MDGs. They include organizations formed by smallholder farmers, small-scale traders and forestry enterprises, pastoral herders, fishing communities, indigenous peoples and “slum” and shack dwellers. As Chapters 3 and 6 describe, in regard to food production, people have always worked together in resource management, labour-sharing, marketing and other tasks that would be too costly if done alone. Local groups and indigenous organizations have been essential in facilitating collective action and coordinated management of food systems and their environments at different scales. Local organizations continue to have a central role in this process of negotiation and coordinated action in a variety of settings. They include traditional and indigenous organizations, voluntary associations and emergent, popular or community-based structures, as well as more formal institutions such as NGOs and local government agencies. These organizations work across a range of scales – one reason being to increase their effectiveness in managing local food systems and increase their leverage in policy and political debates on farming, environment and people’s access to goods. Chapter 5 highlights the importance of collective action undertaken by low-income urban dwellers and the potential they have demonstrated to help local governments meet many of the MDGs.



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The problem is not that pro-poor, representative organizations do not exist but that they are so often invisible to external “experts” and international agencies. There are women’s groups, savings groups, migrant groups, village associations and indigenous organizations with critical roles in development, sustainable resource use and ecosystem management. In many places, as this book will describe, local organizations and federations of local organizations formed by small farmers, small forest enterprises, tenants, “shack” dwellers, homeless people and indigenous communities are also critical both to supporting and spreading innovative development and to giving poorer groups greater influence locally and beyond. In many instances, local informal institutions have key roles in ensuring the poorest groups, or those that suffer serious shocks (for instance serious injury or death of a working adult), can cope – thus ensuring food security on the ground (see Chapters 5 and 6).

In many locations, informal local institutions also have the central role in ensuring sustainable natural resource management that fits the particular local ecological context. Local organizations formed by smallholders and other food producers often have critical roles in natural resource management, pest control, research and innovation and marketing (Chapter 6). They are responsible for managing thousands of wetlands, forests, grazing lands, lakes and marine areas in ways that spread benefits and protect resources (Chapter 3). In many nations, local organizations and federations formed by the homeless and the “slum” and “shack” dwellers are demonstrating new approaches to poverty reduction and city development that are more effective than most programmes of governments and international agencies (Chapter 5). Many of these local organizations are representative of the very groups whose needs are the “targets” that the MDGs are meant to address. But these groups are marginalized by the ways in which most development and environmental management is planned and implemented. As Chapter 6 notes, local food systems and the local organizations that govern them are



largely ignored, neglected or actively undermined by the international development community.<sup>(4)</sup>

If a savings group formed by 300 low-income women in a sub-Saharan African nation wanted a loan for the equivalent of US\$ 20,000 – to purchase land on which to build their homes, to develop a group enterprise or to support their capacity to provide small loans to individuals within their group, for example – most official bilateral agencies and development banks could not support them.<sup>(5)</sup> If they did, it would be by some mechanism that was outside their main funding structures, and this mechanism would be capable of providing support for only a few such initiatives in each country. The agency staff and institutional structure could not manage to support hundreds or thousands of such small loan requests. They would also have great difficulty managing the funding flows that came back to them from the loan repayments organized by these women, especially if the women developed the repayment schedules and procedures that best served them.

Perhaps it is unfair to criticize official aid agencies and development banks for not being able to support this kind of request. They were not set up to do so. They are meant to support local processes by channelling funding through national “recipient governments”. But the last half-century of development assistance shows very disappointing results in most nations. This is rarely acknowledged. Now, in the discussions about how to meet the MDGs, where is the consideration of how to make international funding more effective at supporting local processes that can ensure the MDGs get achieved? What about using local institutions that are accountable to and influenced by the poor? But which avoid the kind of uncoordinated action by different

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**4. See in Chapter 6 some powerful examples of local organizations in the Andes and in India providing food security to the poorest groups in ways that were ignored or undermined by official institutions. See also the role of informal savings groups formed mostly by women who live on pavements or in slums and shacks (Chapter 5).**

**5. Note that the comments in this chapter about aid agencies and development banks refer to the official bilateral agencies of governments from high-income nations, and the official multilateral agencies such as the World Bank and the various regional development banks. They are not directed at international NGOs, although many international NGOs have comparable problems listening to and working with low-income groups and their organizations.**



Most poverty reduction, including meeting most of the MDGs, requires local processes that improve the performance of the more visible and formal local institutions and also support the more informal organizations formed by poorer groups

agencies within each locality that the Paris Declaration on Aid Effectiveness seeks to avoid at national level?<sup>6</sup>

### III. THE LOCAL PROCESSES ON WHICH DEVELOPMENT DEPENDS

Most poverty reduction, including meeting most of the MDGs, requires local processes that both improve the performance of the more visible and formal local institutions (many of them government organizations) and also support the more informal organizations formed by poorer groups. As all the chapters in this book highlight, this includes partnerships between these two.

There are three areas of change needed in the more visible and formal local institutions:

1. **Providing services**, such as good-quality schools, health care services and provision for water and sanitation that poorer groups can access and afford – although the most effective way of providing these is often through partnerships with the informal organizations of poorer groups.
2. **A just rule of law**, locally applied in ways that protect poorer groups' rights and livelihoods (including access to land, forests and water in rural areas, and land for housing and services in urban areas) and that recognizes customary rules and traditions. As Chapter 2 makes evident, this has to include local institutions that protect the right to land or land use (for instance secondary rights) of smallholders, tenant farmers and pastoralists. This has to check the powerful interests who want that land or resources; without this, economic growth can underpin mass eviction, as it often has in prosperous cities or mass dispossession of farmers who have long farmed the land they occupy but without formal land rights. As Chapter 8 discusses, environmental laws,

6. See the Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability, agreed at the High Level Forum on Joint Progress Towards Enhanced Aid Effectiveness, Paris, 28 February – 2 March 2005. This was signed by governments from virtually all high-income nations and most large low- and middle-income nations; and also by most multilateral development assistance agencies.





including those developed in response to international environmental laws, often lack the measures needed to ensure that they benefit and respond to the priorities of low-income groups. Indeed, these laws may even be used to support the dispossession of such groups.<sup>(7)</sup> The rule of law also has to protect and support those who face discrimination, for instance on the basis of gender, caste or ethnicity.

- 3. More voice and power locally** for those suffering deprivation or at risk from stresses and shocks – and local governments and traditional authorities that are more accountable to them and able to work in partnership with them. In many instances, support is needed for small-scale producers and their associations to reduce the discrimination they face in government regulations and procedures, and in helping them tap new markets (see Chapters 4 and 6). In most instances, particular support is needed to ensure greater gender equality.

Table 1.1 contrasts the kinds of supportive local organizations that can contribute to meeting the MDG targets with the kinds of unsupportive local organizations that will prevent these targets being met. If the MDGs are to be met, international donors and national governments have to have systems that shift the actions of local organizations from the unsupportive to the supportive.

The importance of securing land or land-use rights for smallholders, pastoralists and low-income urban households is now more widely recognized by international agencies as central to reducing poverty and supporting more prosperous economies. But as Chapter 2 asks with regard to sub-Saharan Africa, is this recognition accompanied by an understanding of the current and potential role of local institutions (including informal institutions) in providing intermediate ways of securing rights to land? Is there also

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**7. As Chapter 8 notes, environmental laws are not self-executing and they cannot function in the absence of effective implementation, which in turn requires extensive administrative capacities, detailed regulatory mandates, strong government commitment, and active civil society participating in the law and decision-making processes.**

**Table 1.1: Examples of supportive and unsupportive formal local organizations**

Local organizations that are supportive	Local organizations that are unsupportive
<i>Schools (pre-school, primary and secondary)</i>	
Schools that are accessible to all and with costs kept down (e.g. for fees, school uniforms, text books); special provisions to help low-income families keep their children at school and to ensure gender equality may be needed.	Education departments that make very inadequate or no provision for schools in many areas. Schools with high user charges (as formal charges, or through informal payments requested).
<i>Primary health care centres, hospitals and emergency services</i>	
Health services that are available and easily accessible to all, with strong outreach programmes for poorer areas, special programmes for vulnerable and at-risk groups and provision to keep down costs for users. Special outreach for all those with HIV/AIDS to provide counselling and guarantee the supply of needed drugs while avoiding stigmatising them.	Very inadequate or no provision for health care in many areas. Where provision is made, high user fees and locations and opening hours which make them difficult to use, especially for working people. Staff members who are antagonistic and judgemental to 'poorer groups' or to particular groups (such as adolescents or specific ethnic groups). Inappropriate or no services for those with HIV/AIDS.
<i>Providers of water, sanitation, drainage, household waste disposal and energy</i>	
Service providers with a focus on ensuring adequate provision for all – with differential service standards and support for community partnerships to ensure that poorer groups are reached, where the resources are insufficient for universal provision through conventional systems.	Service providers who have little or no interest in reaching poorer groups within political systems that do not ensure that they do so. Provision for water and sanitation and, where needed, waste collection, often available only to richer groups in particular cities (and often provided at below cost). Refusal to provide any services in illegal urban settlements and most rural settlements.
<i>Local government role in securing and protecting poorer groups' access to natural resources (land, forest products, water, fisheries)</i>	
Local government support for and engagement with organizations representing smallholders, pastoralists, indigenous people, fishing communities and other groups with limited asset bases and often unclear rights to resources to work with them in protecting and enhancing their access to resources and their capacity to manage these sustainably.	Local governments that primarily represent and serve the more powerful vested interests within their jurisdiction. Such local governments are often among the primary causes of poverty. Land registration systems that benefit the richer, more powerful groups. Governments undermining the successful natural resource management systems of local populations.
<i>Local government role in reducing the active and passive discrimination that small enterprises usually face in, for instance, getting government contracts and finance</i>	
Local government support for associations of small producers, traders and builders, and working with them to increase possibilities for their members.	Local governments that work only with the associations developed by powerful groups, which often exclude small-scale entrepreneurs and capture resources and markets.
<i>Local government role in monitoring social and environmental impacts of business activities</i>	
Local government with an active programme to monitor social and environmental impacts of business (for instance in relation to minimum wages, occupational health and safety, child labour, environmental pollution) and to work with local groups to develop the most appropriate local responses.	Local government not acting to prevent pollution and abuses of health and safety at work.

Local organizations that are supportive	Local organizations that are unsupportive
<i>Local government bodies for planning and land-use management that influence the availability of land for housing in urban areas</i>	
Local government actively working to ensure that land for housing is available at prices and in locations that serve low-income households wishing to build their own homes; also supporting provision of secure tenure for those living in informal settlements.	Local governments that do nothing – or actively seek to keep poorer groups out of official land for housing markets – for instance by maintaining inappropriate standards for minimum lot sizes and infrastructure, and by having slow, costly, inefficient official procedures required to develop land for housing.
<i>Public, private or NGO providers of safety nets</i>	
Official provision for safety nets to help those who cannot work or those with inadequate incomes, or official support for NGO or community provision of safety nets (including emergency credit) and community-based systems for guaranteeing food security.	No local organization providing safety nets or supporting community-managed safety nets.
<i>Public, private or NGO finance agencies</i>	
Microfinance programmes for individuals, and support for community finance for poorer households provided in ways that recognize the need to minimize debt burdens for poor households.	No local organization providing or supporting microfinance or community finance in ways that are appropriate to local needs and capacities to repay.
<i>The police, the legal system and local government bodies involved in ensuring the rule of law</i>	
The rule of law provided (including police services), and poorer groups' civil and political rights protected. Also seeking to be supportive of poorer groups' livelihoods and to lessen discrimination and work towards greater gender equality – often with the police developing partnerships with traditional authorities and community organizations.	Those who do not serve poorer groups (for instance with no police service provided), or who oppress them. In many urban areas, it is common for poorer groups living in illegal settlements to be evicted and for informal enterprises (such as hawkers and sellers in informal markets) to be harassed. In many rural areas, government bodies and regulations undermine effective community-based systems of natural resource management.
<i>Local government systems for voting and accountability to citizens</i>	
The right to and the possibility of voting for local government; political and bureaucratic systems in which poorer groups have access to senior politicians and civil servants to ensure that their rights are respected. This includes protection from forced eviction, and appropriate support in an emergency.	Local government that is not elected – or if it is, where little or no attempt is made to ensure that all adults are on the voter register and able to vote. In urban areas, those living in illegal or unregistered settlements are denied the vote (for instance, because they lack an official address). Politicians and the bureaucracy unresponsive to demands of poorer groups and of possibilities of working in partnership with them.
<i>Local government relationship with organizations formed by smallholders, landless groups, 'slum' dwellers</i>	
Local governments recognizing the validity of these organizations and seeking ways to work with them and support them. Also an active programme to change local government structures and regulations that impede development. In most places, support for community-developed disaster avoidance and preparedness.	Local governments opposing or ignoring these organizations, and local politicians refusing to respond to and work with them, unless they are allied politically to their party. No actions taken to support community-developed disaster avoidance and preparedness.
<i>How governments define and measure poverty and how local organizations act on this</i>	
Local processes in which poor groups are involved that define and measure poverty and use this to support local poverty reduction strategies seeking to reach all poor groups; poor groups' involvement in monitoring poverty and the success of interventions to reduce it.	Poverty defined and measured by a national government agency, usually based only on consumption levels and with poverty lines making little allowance for the cost of non-food necessities. Poverty measurements based on representative national samples so they have little or no relevant data for local organizations, including local governments.



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understanding of the difficulty for any centralized institution in providing land titling in ways that are tailored to each locality’s particular social, economic and political context? And is there sufficient provision to guarantee the land or land-use rights of the least powerful households and communities or of those with ancestral claims and cultural ties to specific land areas? In many places, local institutions are more capable of administering just, appropriate and easily implemented land rights than are conventional, formal land-titling programmes.

All land-titling processes have to have powerful checks against the dispossession of poorer groups in both rural and urban areas. In rural areas, they have to guard against the dispossession of groups who may have been farming the land or have had secondary-use rights for decades but who have no formal title. In urban areas, they have to resolve the fact that much of the housing built in the last few decades that poorer groups can afford has been built illegally, usually on land that is occupied or subdivided illegally. As Chapter 5 describes, depending on how it is done, land titling in urban areas can contribute greatly to either reducing poverty or increasing it. Low-income households may also be unable to afford the costs of getting a formal title to their land. In rural areas, land-titling programmes have to recognize secondary land rights – which are so important for many farmers and pastoralists – and have full regard for the importance of collective property. It is difficult to see land-titling programmes being effective and working in favour of poorer groups without both strong local institutions within which they have real “voice”, and also a more just local rule of law.

Identifying the current and potential roles of local organizations in addressing the MDGs should focus on their positive contributions and on reducing their failures – by their actions or their failure to act. Local governments can be key developmental institutions but they are also often the institutions that exacerbate poverty. Many informal institutions may also exclude the priorities of particular

groups. Many informal organizations and federations do not welcome women having equal roles. Many are not inclusive of poorer groups or “outsiders”, and most are not immune to manipulation by powerful insiders and outsiders. They may reproduce subtle forms of exclusion in the absence of a conscious commitment to freedom, equity and gender inclusion.

#### IV. CHANGES BEYOND THE LOCAL

Most of the discussions on how to meet the MDGs do not address what might be termed the local dimensions of good governance – or if they do, they fail to specify how this should be supported. The “Make Poverty History” coalition also pays little attention to this. Debt relief, a fairer international trade regime and increasing aid flows will not, of themselves, reduce poverty. Nor, in most instances, will economic growth. Indeed, economic growth can increase poverty for large sections of the population – as poorer groups get evicted from their homes and lands to make way for “development” projects and investment in infrastructure, thereby being excluded from resources on which their livelihoods depended.

The recommendations on how to meet the MDGs or to “make poverty history” are not wrong in themselves, but they fail to address the political and institutional means by which the changes they recommend will actually benefit the poor. This book does not assert that only local action can bring results. But it does stress the need for mechanisms to ensure that benefits are actually felt by those in each and every locality. This book is not proposing non-government channels for delivery of solutions – indeed, the authors regard better local governance through representative structures as vital to success.

This book draws on the work of the International Institute for Environment and Development (IIED) and its many partners in Africa, Asia and Latin America and the Caribbean over the last 20–30 years – in forestry, agriculture, drylands management in the Sahel, biodiversity, energy and climate



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**From local engagement comes the identification of the “policies that work”, of the pro-poor local institutions that can be supported, and of the changes needed in higher levels of government and international agencies and in local and international markets that will in turn generate the changes needed in each locality to meet the MDGs and to “make poverty history”**

change and urban development.<sup>(8)</sup> This work has been rooted in local studies to identify what needs to change in “environment and development” to ensure poverty reduction and promote sustainable management of natural resources. This work is done in partnership with local researchers, practitioners and activists. It is often done with organizations formed by those suffering poverty or at risk of poverty – smallholders, pastoralists, household enterprises, landless groups, “slum” and shack dwellers and homeless groups in urban areas. IIED’s work on climate change also focuses on building local capacity to reduce risk: perhaps not surprisingly, it is usually the poorest groups who are most at risk from the direct and indirect impacts of climate change (Chapter 7). From this local engagement comes the identification of the “policies that work”, of the pro-poor local institutions that can be supported, and of the changes needed in higher levels of government and international agencies and in local and international markets that will in turn generate the changes needed in each locality to meet the MDGs and to “make poverty history”.

## **V. WHAT INTERNATIONAL AGENCIES SHOULD DO**

For official development assistance agencies, perhaps the single most important action with regard to the MDGs and their contribution to “making poverty history” is rethinking how their ways of working and their institutional structure can support the local dimensions of development and natural resource management. This includes reviewing how they can support the shift by formal local organizations (especially local governments) from an unsupportive to a supportive role, as illustrated in Table 1.1. Central to this rethinking is a fundamental change in the relationship between international agencies and poor groups and their organizations. Donors need to ask how each of their country programmes can support the development of stronger local organizations that really deliver for poorer groups, are more accountable to them and are able to work in partnerships

8. For more details, see [www.iied.org](http://www.iied.org)

with them. This includes support for associations or federations that these groups form; it also includes support for changes in local processes that reduce inherent anti-poor biases.

Therefore, international agencies need to shift away from seeing “the poor” as clients or targets to which “development” and “environmental management” must be delivered, and towards recognizing low-income groups as partners and active agents with knowledge, resources and rights to influence how donor assistance is used. Development is not something that international agencies and their “experts” “do” for the poor. Yet most professionals working in development, from small NGOs to the largest development banks and bilateral programmes, have very strong opinions about what the “solutions” should be – even for locations or nations they have never visited. Energy experts see solutions in cleaner fuels, health specialists promote targeted interventions that they consider most cost-effective in terms of deaths and disabilities prevented, specialists in water and sanitation and transport promote their own projects and sectors, land specialists promote land titling, governance specialists focus on national administrative reform, education specialists claim that schooling plus enhancing human capital is the key intervention, economists seek “pro-poor growth” (although they are not sure what this actually means), and each rural development specialist has their own idea of what best supports agricultural development. There is little or no space for “beneficiaries” to influence these views and priorities. There is always some expert who has more influence than them on what is done. The Millennium Project, which seeks to show governments and international agencies how to meet the MDGs, has so many recommendations for what should be provided, expanded, distributed, reformed, launched, eliminated, established... but not much on listening, supporting, enabling, empowering and protecting.



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Rather than specifying what should be done, international agencies need to develop the funding structures that support choices and priorities made by local organizations, formal and informal, in which poorer groups have influence. A critical test for this is to ask donors what proportion of their development assistance goes to groups such as the savings group mentioned above, formed by 300 low-income women who seek a loan for \$ 20,000. And what proportion of their funding could be accessed by groups such as these? This is not simply a question of increasing the funding for “small projects” through country programme offices but of considering what funding structures within each low- and middle-income nation can be permanently accessible and accountable to local groups. For instance, as Chapter 6 explains, achieving the MDGs for hunger alleviation and environmental sustainability for soils, forests and fisheries will largely depend on support for locally determined food systems, and policy frameworks that empower local organizations to manage food systems and their environments. As Chapter 5 highlights, for urban areas, this has to include funding to support thousands of local initiatives by “slum” and shack dwellers and to support these developing into long-term partnerships with local governments.

International agencies may claim that they have moved significantly away from determining priorities themselves towards supporting choices made by recipient country governments – for instance supporting poverty reduction strategies that are “locally owned.” But this “local ownership” is not local, it is at national level, with ownership being by national “partner” governments. The Paris Declaration on Aid Effectiveness, to which most international agencies signed up, is about official development assistance agencies being coordinated in their support for “partner countries’ priorities, systems and procedures” and “strengthening partner countries’ national development strategies and associated operational frameworks”.<sup>(9)</sup> In many respects, this actually reduces

9. Paris Declaration on Aid Effectiveness 2005, *op. cit.*, page 1.





international agencies' commitment to support pro-poor local processes on the ground.

The need for international agencies to provide more support for priorities identified by local organizations, formal and informal, in which poorer groups have influence, is hardly controversial. Many personnel in donor agencies recognize the need for this shift. But there is little evidence that this recognition is leading to the necessary changes within agencies. The structure of most agencies was defined and developed when "development" was conceived in terms that we now know to be very inadequate. These agencies are still subject to the pressures to spend (or make loans), while keeping down expenditures on their own staff costs. But if each official agency recognizes that part of its responsibility is supporting the development of stronger local organizations that really deliver for poorer groups, are accountable to them and are able to work in partnerships with them (including local NGOs and local governments), this needs a very different structure from one designed to fund large projects and provide sector support to national governments. This shift may imply more staff time per dollar spent, and it certainly implies a far more careful use of external funding – in which all efforts are made to minimize the amount of external funding actually needed, because the less external funding is required, the more the potential to scale up and sustain the initiative using local resources. Long-term support may often be required because development assistance is less about funding particular capital items and more about supporting pro-poor local processes and organizations. It often implies long-term partnerships rather than exit strategies. All this requires major changes in the criteria used for monitoring and evaluating "success" for international agency performance.<sup>(10)</sup>

if each official agency recognizes that part of its responsibility is supporting the development of stronger local organizations that really deliver for poorer groups, this needs a very different structure from one designed to fund large projects and provide sector support to national governments

**10. Some years ago, I interviewed staff members of one of the most prominent bilateral agencies that had suffered a considerable cut in its budget when the government changed. While the staff members opposed the government's decision to cut the aid budget, they also admitted that this might allow them to spend the funding better – because it lessened the pressure to spend. Like all official agencies, this agency is under tremendous pressure, from the government that funds it, to keep down staff costs.**



**There are two priorities for future action. The first is for each official agency to review its current procedures to consider how more support can be given to pro-poor local organizations. The second is to consider the means by which a larger proportion of agency funding can be made available in each province, state or district within low- and middle-income nations**

This also requires a change in perception of development assistance by the politicians in high-income nations who, in the end, are the ones who allocate or have to approve funding to development assistance.

Those politicians who are committed to development assistance (and to meeting the MDGs) see success in terms of how much development assistance is allocated or how much debt relief is provided. These politicians are also often the ones who see “efficient” development assistance agencies as those which spend the lowest proportion of their total funding on their own staff and administration. This is also a strongly held public perception of what constitutes an efficient international NGO. If a development assistance agency wants to support local processes, work in partnership with organizations and federations formed by poorer groups, use their support to leverage local resources and get real support from local governments – and keep to a minimum the amount of external funding (because this increases potential to enlarge the scale of what is done) – this may increase the proportion of total funding spent on staff costs. But rather than hide this fact – or invent ingeniously named categories to hide some of their staff costs when reporting expenditure – official development assistance agencies and international NGOs need to change this perception.

There are two priorities for future action. The first is for each official agency to review its current procedures to consider how more support can be given to pro-poor local organizations. For instance, how can Poverty Reduction Strategy Papers and “donor harmonization” support this (or at least avoid marginalizing it). It may be that many of the measures to “enhance aid effectiveness” actually go against supporting pro-poor local organizations. The second priority is to consider the means by which a larger proportion of agency funding can be made available in each province, state or district within low- and middle-income nations to support this. There are many precedents here – such as bilateral agencies funding institutions within recipient



governments that support local processes (see Chapter 5), and international NGOs that have long had this as an important part of their work, especially those working through country offices.

In some low- and middle-income nations, there are already government agencies that support local processes, including organizations formed by poorer groups, through which international funding could be channelled.<sup>(11)</sup> In many nations, there are representative organizations and federations of “slum” and “shack” dwellers that are engaged in many initiatives, working with local governments, with their own urban poor funds through which external assistance can be channelled – and which also provide external donors with the accountability they need (see Chapter 5). Other chapters point to the importance of other organizations and federations – organizations of landless people, indigenous people’s movements, peasant movements, and federations of small farmers, traders and forest enterprises. The means by which pro-poor local processes can be supported will obviously vary greatly, depending on each international agency’s structure and experience, and circumstances and possibilities in each nation. But the principle is the same – that more official development assistance should be made available to provide long-term support for local processes and institutions that directly benefit poor groups. This includes these groups’ own organizations. And this must build on local systems of knowledge and management, enhancing their capacity to cope well with social and ecological changes. It must also build on locally available resources and techniques. This funding has to be accessible to these organizations, while how it is spent also has to be more accountable to them. Donor policies should be subject to local scrutiny, and criticism where needed – as in the citizen juries and other mechanisms described in Chapter 6. This certainly poses many political and institutional challenges for most official development assistance agencies.

The means by which pro-poor local processes can be supported will obviously vary greatly, but the principle is the same – that more official development assistance should be made available to provide long-term support for local processes and institutions that directly benefit poor groups

**11. See the example of the Community Organizations Development Institute in Thailand, as mentioned in Chapter 5 and described in more detail in Boonyabantha, Somsook (2005), “Baan Mankong: going to scale with ‘slum’ and squatter upgrading in Thailand”, *Environment and Urbanization* Vol 17, No 1, pages 21–46.**



**Monitoring should provide the information needed to track progress towards meeting the MDGs and their targets. But the information it provides should also be useful to those who contribute to meeting these goals and targets**

Even if it proved possible to spend only 10 per cent of official development assistance through such channels, the returns would be considerable. Many of the experiences discussed in the following chapters show how supporting poor groups' active engagement also increases their capacity and willingness to invest individually and collectively, and work in partnership with local governments – which multiplies the impact of external assistance. But this is enabled only when poor groups have confidence that long-established practices of neglect or oppression by formal institutions are changing. This shift to supporting local processes also requires a rethinking about monitoring, to involve those whose needs the MDGs are trying to meet.

## **VI. MONITORING THE MDGs: LOCAL INFORMATION FOR GLOBAL GOALS**

The emphasis given within the MDGs to better monitoring, to see if the MDGs are being met, is right but it misses the critical local dimension. The emphasis is on national and global monitoring by national governments and international agencies, not on local monitoring. This matches the emphasis by donor agencies on supporting “national strategies” and “national partner governments”. There is a danger that too much attention will be given to building the data sets that monitor progress on meeting MDG targets nationally, and allow international comparisons, and too little attention to generating the information base needed to monitor progress in each locality in ways that also inform action on the ground and put pressure on local governments and other service providers in each locality to improve their performance.

Monitoring should provide the information needed to track progress towards meeting the MDGs and their targets. But the information it provides should also be useful to those who contribute to meeting these goals and targets. If more, better targeted, better managed donor assistance is the key to meeting the MDGs, then the monitoring system can be designed to serve this. Standard national sample surveys can



do this, and also provide data for international comparisons. So when the monitoring identifies a deficit in MDG achievement in any nation, then donor assistance can be increased and better “donor harmonization” sought. But if meeting the MDGs also requires pro-poor local processes and organizations in each locality, this needs a very different kind of information base – because the information base has to help inform local organizations and drive local change. Statistics on infant, child and maternal mortality, on the quality and coverage of schools, health care, water and sanitation, and on the incidence of diseases are needed for each place in a form that can be discussed and acted on in each locality. This means building capacity to monitor progress towards achieving the MDGs in each locality.

National sample surveys do not generate data that are useful locally. For instance, to improve provision of water and sanitation, details are needed of the quality and extent of provision for each household. The kinds of national sample surveys currently used in most low- and middle-income nations to monitor development progress contribute nothing to this because their sample size is too small to provide statistics of local relevance. They are designed to provide national governments and international agencies with data on the proportion of people with provision in the whole nation. The sample size may be large enough to allow some very limited disaggregation – for instance by province, or divided into rural and urban areas. These national surveys may serve global and national monitoring by providing the percentages of people lacking piped water in a nation or province – but they do not identify inadequacies in provision within each province, and they do not identify which households have inadequate provision. If the water and sanitation MDGs (and most other MDGs) are to be met, details are needed of all households lacking adequate provision in each village or urban settlement, located on maps which show existing infrastructure and services. This information base can then serve local organizations in addressing these deficiencies. Generating such a detailed information base might be

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**An important part of monitoring is supporting discussion and learning within each locality that involves both those whose unmet needs the MDGs are meant to be addressing, and the local organizations that contribute to meeting these needs**

considered too expensive – but again, it is only very expensive if conceived as something implemented by professionals within national agencies, as with a census, for example. There are many ways to generate detailed, accurate, local data for monitoring that are not expensive and that also contribute to pro-poor processes. Chapter 5 gives examples of maps and household enumerations generated by urban poor federations in many nations, and also by the Orangi Pilot Project Research and Training Institute in Pakistan that provide the information needed for local action and lay down a baseline from which progress can be monitored.

Monitoring should also support learning, and inform current or potential implementers about where progress is lacking. Thus, one of the key issues for monitoring is whether it is supporting learning among the groups contributing to meeting the MDGs. Again, if local processes and organizations are central to meeting most of the MDGs, monitoring has to provide the information that allows reviews of progress in each locality, involving those whose needs the MDGs are meant to meet. An important part of monitoring is supporting discussion and learning within each locality that involves both those whose unmet needs the MDGs are meant to be addressing, and the local organizations that contribute to meeting these needs (see Chapters 3, 5 and 6).

Another key part of monitoring is getting an accurate baseline from which progress can be measured. There are two problems here: first, how to identify indicators for which data are easily collected that actually measure progress towards the MDGs; and second, the difficulty in reconciling the need for locally and nationally specific indicators with the desire for international comparisons. Both problems are evident in how the MDGs conceive of poverty and plan to monitor it.

The first indicator recommended for the measurement and monitoring of extreme poverty and hunger within the MDGs is the proportion of the population with an income



of less than one dollar per day. But this is known to be a very inadequate measure, because the extent to which a dollar per person per day allows individuals or households to meet their needs varies so much from place to place within each nation.<sup>(12)</sup> It is also unrealistically low for many nations, even when adjusted using purchasing power parity rates. Hundreds of millions of people with incomes above a dollar a day still face very serious deprivations because food and non-food needs cost far more than a dollar a day.<sup>(13)</sup>

The second recommended poverty indicator is the poverty-gap ratio – the incidence of poverty multiplied by the depth of poverty. But for this to be useful requires an accurate poverty line from which to measure the incidence of poverty. It is easy to produce nonsense statistics about the incidence of poverty if inappropriate poverty lines are set.<sup>(14)</sup> If the poverty-gap ratio is using the dollar-a-day poverty line, then it will greatly under-estimate the depth of poverty for many nations – for the reasons given above. But even if it is based on poverty lines set within each nation, it will often under-estimate the depth of poverty.

Most of the poverty lines used by nations in Africa and Asia are defined using methods that follow World Bank guidelines. Setting poverty lines is seen as a technical issue and not something that poorer groups have a right to influence. The setting of these poverty lines is largely based on data on food consumption and costs, often with no data collected on the costs of non-food needs – and little attention is given to incorporating the costs poor households face in meeting non-food needs. In many cases, the assumption is made that if a household has sufficient

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12. This was discussed in more detail in the first IIED book on the Millennium Development Goals, Satterthwaite, David (editor) (2003), *The Millennium Development Goals and Local Processes: Hitting the Target or Missing the Point?*, IIED, London (which can be downloaded at no charge from [www.meetingthemdgs.org](http://www.meetingthemdgs.org)); see also Satterthwaite, David (2004), *The Under-estimation of Urban Poverty in Low and Middle-Income Nations*, IIED Working Paper 14 on Poverty Reduction in Urban Areas, IIED, London, 69 pages (which can be downloaded at no charge from [www.iied.org/urban](http://www.iied.org/urban)).

13. Ironically, the “poverty line” is said to be “An income level that is considered minimally sufficient to sustain a family in terms of food, housing, clothing, medical needs, and so on” on the United Nations website which gives details of all the Millennium Development Goals indicators ([http://unstats.un.org/unsd/mi/mi\\_dict\\_xrxx.asp?def\\_code=440](http://unstats.un.org/unsd/mi/mi_dict_xrxx.asp?def_code=440)) but very few of the poverty lines used in African and Asian nations make adequate allowance for the cost of “minimally sufficient” housing, health care or other non-food needs; indeed, these poverty lines are usually set with no data gathered regarding the cost of housing and other non-food needs.

14. For many examples, see Satterthwaite 2003, op. cit., and Satterthwaite 2004, op. cit.



**If the MDGs are to monitor the eradication of extreme poverty, they need to give more attention to better definitions and more accurate baselines**

food, it must have its non-food needs met too. In addition, the poverty lines set rarely make sufficient allowance for the variations within nations in the income individuals and households need to avoid deprivation. Again, there is too much focus on generating national data to serve national discussions and international comparisons, rather than generating relevant data to serve local discussions and actions. In addition, such definitions of poverty make no attempt to incorporate many other aspects of poverty such as inadequate asset bases, absence of the rule of law for the poor, and the absence of “voice” for the poor within political and bureaucratic structures. They also include no consideration of inadequacies in basic services.

Thus, if the MDGs are to monitor the eradication of extreme poverty, they need to give more attention to better definitions and more accurate baselines. They need to identify indicators for which data are easily collected that actually allow progress towards the MDGs to be measured, and that reconcile the need for indicators to be useful locally as well as nationally. There are comparable problems with the indicators suggested by the MDGs for assessing environmental sustainability. For instance, the only two indicators relating to the management of renewable natural resources (including soils, forests, fresh water and fisheries) are the proportion of land area covered by forest and the land area protected to maintain biological diversity. As Chapter 3 describes, official statistics on land area protected to maintain biological diversity do not include thousands of community conserved areas that often have a better record of sustainable management and protection than do protected areas managed by government. In addition, government-protected areas are often managed in ways that exacerbate poverty, undermining people’s access and tenure rights. Again, a focus on government-protected areas focuses too much on national policies, neglecting the local processes, organizations and institutions that contribute much to maintaining biological diversity and sustainable natural resource use in ways that also support local livelihoods. The new enthusiasm among many international



agencies for supporting land titling (see Chapter 2) also has the potential to focus too much on national land-titling programmes that are monitored by the proportion of land for which official titles have been provided – rather than supporting local institutions for managing secure rights in which poorer groups and secondary-rights holders have influence.

## VII. CONCLUSION

Whether or not most of the MDGs get met depends on more effective and pro-poor local organizations being engaged in all aspects – from determining what should be done, to doing it, and to monitoring progress. So it also depends on donor agencies changing to support this. If this is neglected, it is unlikely that most of the MDGs will be met. If the poor lack voice and influence, rights and protection by the rule of law, then much-increased donor flows and even debt relief and fairer global markets are unlikely to bring them much benefit. The people on whose poverty the programmes of all donor agencies are justified surely have a right to a greater influence on what is done and by whom. As the examples given in this book show, this greater influence can transform the quality, scale and cost-effectiveness of development assistance. It can also contribute much to building more effective governance systems, but doing so from the bottom up – which is where it is most needed.



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