New Horizons for Community-Led Development

Recommendations For Funders

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Disclaimer

Table of abbreviations

ABCD	Asset-based community development
CAF	Charities Aid Foundation
CDAC	Communicating with Disaster Affected Communities Network
CDD	Community-driven development
CLD	Community-led development
GACP	Global Alliance for Community Philanthropy
GFCF	Global Fund for Community Foundations
IKS	Indigenous Knowledge Systems
INGOs	International Non-Governmental Organizations
ODA	Official Development Assistance
RCTs	Randomized Control Trials
SCHR	Steering Committee for Humanitarian Response
USAID	United States Agency for International Development

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Contents

Executive summary

This report summarizes key findings from an extensive scoping exercise undertaken by the Global Fund for Community Foundations (GFCF) aimed at understanding the current landscape of strategies and approaches that put local people and local institutions in charge of their own development.

Underpinning this report is the suggestion that not only are donors and other organizations of 'big aid' increasingly concerned about issues of civil society resourcing, effectiveness and legitimacy over the long-term, but that there is growing evidence of new thinking, new practice and new thought leadership that supports the vision of a new, more grounded, locally-rooted but globally-connected system, or architecture, for community-led development. Although efforts are being made to connect different aspects of practice and thought leadership in a new framework of what we are calling 'Community-led 2.0' (a system which emphasizes the recognition and mobilization of *local assets* as well as bonds of trust and local ownership), there is still much work to be done in this regard. However, as long as the prevailing norms within the existing aid system continue to emphasize concrete outputs and tangible indicators as evidence of success rather than more qualitative outcomes (such as increases in confidence, dignity etc.) or an ecosystem lens, there are few incentives for behaviours – or the design of externally-funded development projects – to change. The report concludes with specific recommendations to funders interested in supporting community-led approaches that shift power closer to the ground on what roles they can play – both in terms of their grantmaking and non-grantmaking activities.

The study is based on two main sources. One is a literature review and the other a series of interviews with key informants and practitioners from the global south. The work has involved much discussion with Comic Relief staff, who have reviewed various drafts of this report. This included a workshop on emerging findings. This means that the conclusions have emerged from an iterative process with many people contributing to this final report. More information about the methodology is provided in Section 2 of the report. Findings are set out under seven main headings as follows, while more detail is given in Section 3.

Key Findings

The value and power of community-led organizations

There are a bewildering variety of terms in use, about how 'community' is defined, but ultimately what matters is the emphasis on community as:

An actor: an agent of change – i.e. taking decisions and making things happen – and not just a recipient of aid.

A resource: a source of knowledge, experience and assets to mobilize and tap into, rather than a gap or deficit to fill.

A network: a resource for collective problem-solving through shared efforts, decision making and action, rather than isolated entities cut off from one another and operating alone.

A formidable force: an influence to reckon with and to take seriously, to engage with on equal terms, rather than pay lip service to.

Central to the idea of community is that it is about making connections between people. At its heart, the purpose of a community-led approach is to invest in people, their social and psychological ties ('bonding capital'), the institutional arrangements that allow them to organize themselves more systematically ('bridging capital') and their ability then to engage with, leverage and make claims from others ('linking capital').

Community organizations exist to negotiate the terrain between individuals and the outside world, and many of the most successful ones do so with little external intervention, suggesting that a key role of external support might be to help to build up the 'assets, capacities and trust' (which are the core characteristics of the community philanthropy framework) that communities already possess and seek to enhance.

Successful community engagement focuses on building relationships and networks

Increasingly, the discourse on community is turning to systems theory to understand engagement with, between and beyond communities.[1] This is a 'network' or 'ecological' approach that puts *relationships* at the heart of development. Networks with multiple actors are harder to manage but are more durable. They are able to respond, adapt and re-group when part of the system is blocked. The systems approach is rapidly gaining ground and it is important for funders to be aware of it and to work with others to develop this approach. A systems lens also helps to shift the focus away from two typical donor preoccupations: one around the notion of scale (which tends to emphasize success as linear, financial growth) and the other regarding internal capacity – both of donors and of

1 Dupree, S. & Allan, C. (August 2017) *Resilient funders*, Global Greengrants http://www.globalfundcommunityfoundations.org/information-bank/GGF%20Resilient%20Funders%20Framework%202017-07-261.pdf

civil society organizations – which often results in the preference for donors to make fewer, larger grants. This often creates a dynamic of 'winners' and 'losers' at the local level. Instead, systems theory focuses more on the emergence of multiple 'hubs of influence' at the local and regional level, which can connect variously down to communities, across to peers, as well as up and out to global actors.

Asset-based approaches enhance community power

Evidence suggests that an asset-based and citizen-led development approach can advance social capital, increasing the ability of people in communities to have three types of power: 'power to' (creating and participating in new forms of activities); 'power with' (fostering relationships and possibilities by collaborating with others); and, 'power within' (beginning to see their own capacity and self-worth). The language of assets generates shifts in how people see themselves and paves the way for people to work together – at first on issues and tasks they can organize themselves around – and then to take on initiatives that require the support of others such as NGOs, government, and the private sector.

Creative, flexible evaluative tools are needed to build the evidence base for community-led approaches

The evidence base on effectiveness is underdeveloped, particularly when it comes to tracing a direct route between specific programme investments and concrete outcomes using conventional evaluation methodologies. The gold standard of Randomized Control Trials (RCTs) is almost impossible to conduct in the case of community-led development – in part because there are so many variables to control for, so outcomes can be masked by hidden factors. What evidence exists from the limited number of RCTs is mixed. While scientific evidence may be hard to come by, however, there are good case studies and stories that demonstrate positive change. Evaluation tools such as Appreciative Inquiry and Outcomes Harvesting[2] also offer more nuanced ways to measure, analyze and interpret outcomes.

Current funding approaches and priorities can inhibit community-led approaches

Local civil society operates at a tremendous disadvantage within the funding ecology. The structural design of donor programmes can often be inherently disruptive for civil society (short-term cycles, changing priorities, linear statistical modeling, etc.) and tends to favour big organizations. Money often bypasses local organizations, and ends up focusing on 'solving' local people's problems without involving them, and can further increase their marginalization. Increased instances of government restrictions on civil society in many countries – as well as anti-terrorism legislation in many donor countries –

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2 See https://appreciativeinquiry.champlain.edu/learn/appreciative-inquiry-introduction/ and http://www. betterevaluation.org/en/plan/approach/outcome_harvesting

are both having mixed effects, disrupting funding flows on the one hand, but highlighting the importance of both local resources and local constituencies for civil society on the other. The research points to six donor practices that create barriers for civil society and a community-led approach, including: 'superior donor mindsets', 'unreasonable demands', 'silos', 'deficit framework', 'working with usual suspects', and 'low appetite for risk.'

Constraint	Proposed Solution
'Superior' mind-set	Shift from: ■ 'We know best,' to 'communities know what is best for them'; ■ Rushing to 'give things,' to stopping to 'listen and understand'; ■ A drive to 'be there first' and 'plant the flag', to pausing to understand, and then build on, what exists in a community.
Unreasonable demands and expectations of local partners (including asking those with the least time and resources to contribute the most)	■ Provide grant funding in the context of other kinds of institutional supports (whether facilitated by others or provided directly) (short-term); ■ Invest in the ecosystem or architecture for community development – including networks and local level institutions (such as local grantmakers/foundations) that can steward and disburse resources at an appropriate level to local groups (medium to long-term); ■ Bring a social justice lens (i.e. addressing root causes) to programme approaches (long-term).
Silo ('vertical') thinking	■ Appreciate community-led development in the context of an ecosystem which involves (and must involve) complexity and interplay of multiple actors, including government and other sectors, each with different roles, constraints, incentives and ways of working.
'Empowerment'/deficit-based framework which assumes that communities' lack ideas, resources and the ability to act	■ Shift from the idea of 'empowering communities' to 'investing in communities.'
Funder/INGO 'cliques': i.e. funding the 'usual suspects' while overlooking small organizations	■ Tackle the broader issues of funding to the global south.
Risk – funders do what is safe and 'acceptable', in the face of political pressures, constituency demands, and bureaucratic systems	■ Invest in developing management and work around strategies to mitigate risk as well as find spaces for flexibility: doing things differently; ■ Make the case that it is safe, efficient and effective to fund community organizations directly.

Alternative funding opportunities and mechanisms are expanding and challenging traditional aid models

The funding landscape is both changing and expanding. It includes both new actors and new mechanisms for giving and channeling funds. Among these new developments, the growth of direct cash transfers and crowd funding have a particular role in challenging the status quo. Direct transfers of cash via different platforms challenge the notion that organizations which have the capacity to distribute resources to smaller groups have a particular role to play in improving the well-being of communities and, indeed, may force such organizations to become more effective in making the case for their value-added, rather than simply their transactional, role. Cash transfers from the diaspora sending money back home household to household, constitutes a huge transfer of financial assets between senders and receivers. According to the World Bank, 250 migrant/diaspora[3] remit over half a trillion[4] and impact 4.5 people (over a billion) in their countries of heritage.[5] By comparison, less than 2% of UK aid is delivered using cash,[6] although that may change with time. These personal transfers through individual giving by the diaspora would have even greater impact, however barriers persist in bringing down the cost of sending money home. The average transfer cost is between 5–10%. The global target set by the World Bank is to bring the cost down to 3% by 2030. Comic Relief is supporting this endeavour through its funding to the African Foundation for Development, AFFORD. In addition to cash transfers, the diaspora also transfer skills and knowledge, are hugely committed to volunteering, and have strong networks for end to end business partnerships in emerging markets.

Community-led approaches have the potential to rebalance power and align donor, civil society and community priorities

A community-led approach fits with the priorities of southern civil society because it moves power to where it belongs: into the hands of people whose lives are to be changed. This report provides many examples, as well as ways in which funders can contribute to such efforts (see pp 33–34 for full recommendations).

Our three overarching recommendations for funders are:

1 **Be a game changer in community-led development:** invest in building the case by testing the theory of change hypothesis underpinning the new community-led paradigm.

2 **Add value through non-financial capital:** intellectual (institutional knowledge) and reputational capital (influence) are important assets that donors can mobilize beyond simply their funding.

3 **Actively learn, collaborate and cooperate with peers and partners:** establish communities of practice and support places and platforms for grant partners and peers through a coordination, convening, catalyzing and learning role.

3 http://www.un.org/en/development/desa/population/publications/pdf/popfacts/PopFacts_2017-5.pdf
4 https://economictimes.indiatimes.com/nri/forex-and-remittance/india-to-retain-top-position-in-remittances-with-80-billion-world-bank/articleshow/66998062.cms
5 https://www.weforum.org/agenda/2018/06/migrants-remittance-global-economic-force/
6 http://www.alliancemagazine.org/blog/not-just-question-trust-can-philanthropists-get-better-resultsless/

1 Introduction

1.1 Background– the changing context for development aid

In the past decade, there have been many genuine efforts by actors in the development space to stimulate active citizenship, community building, and community-driven development. This has meant a shift from treating people as passive 'beneficiaries' or 'consumers' of development services to recognizing them as active producers of livelihood strategies, as well as necessary and credible actors in development decision-making. This trend is evident in various and diverse quarters, including among bilateral donors and international non-governmental organizations (INGOs). The Grand Bargain , first proposed by the former UN Secretary General's High-Level Panel on Humanitarian Financing, commits donors and aid organizations to providing 25% of global humanitarian funding to local and national responders by 2020, and the 'Participation Revolution' – which emerged as a key outcome of the 2016 World Humanitarian Summit, together with the broader localization agenda, all represent a new commitment by donors to move more resources to the Global South (these currently stand at 0.3% of humanitarian aid[7] and 3–5% of development aid[8]).

Meanwhile, a parallel conversation has focused on how to reconceptualize development as a process that enables people to translate their assets (however few) in to agency (however constraining the external environment may be). It explores how to ensure that external assistance designed to guarantee basic services, rights and levels of security does not inadvertently undermine the energy and initiative of community level mechanisms and how communities can organize to leverage external investment (rather than assistance) on their own terms so that development is community-driven, rather than donor-driven.[9]

These conversations are taking place against the larger backdrop of a changing global context in the environment for civil society funding. Some of these include:

- Reductions and changes in flows of development aid, often associated with a closer alignment to the geopolitical and economic interests of donor countries, which raise large existential questions about the relevance of traditional aid in its current framing;[10]

- Emergence of new actors in the development space (such as the Turkish International and Cooperation Agency – TIKA, SlovakAid, and the Russian Rossotrudnichestvo) which bring different geopolitical, philosophical perspectives and styles of implementation;[11]

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7 http://devinit.org/post/global-humanitarian-assistance-2017/# See slide 6
8 https://www.theguardian.com/global-development-professionals-network/2015/nov/09/five-reasons-donors-give-for-not-funding-local-ngos-directly
9 See https://www.africanindy.com/opinion/durable-development--time-to-do-things-differently-10110842
10 See http://www.oecd.org/dac/development-aid-rises-again-in-2016-but-flows-to-poorest-countries-dip.htm and https://www.devex.com/news/after-cida-ausaid-australia-integrates-aid-into-foreign-affairs-81826
11 https://www.odi.org/sites/odi.org.uk/files/odi-assets/events-presentations/1724.pdf

- Private philanthropy – and particularly wealth associated with individual business leaders – as a new and increasingly significant actor (both in traditional 'donor' contexts as well as in emerging markets and developing contexts such as Russia[12], China[13] and India[14], for example);

- Emergence of organized philanthropic sectors across the Global South – which include high net worth individuals, middle classes and community actors as donors – which make local resources a possibility (as well as a necessity);[15]

- Increased restrictions on, and the stigmatization of, civil society as a global trend, limiting or preventing external funding in which local organizations are cast as 'foreign agents' or criminal organizations.[16]

These are all creating ripple effects within the environment for aid, and are also challenging traditional donor roles, as well as some of the assumptions that have underpinned ways of working in the past. Much of the grey literature reviewed here refers to, and is shaped by, different features of the new development landscape, such as the role of local resources (and the building of local assets) and the kinds of capacities that southern civil society organizations need to have in order to be effective and legitimate among domestic and external constituencies. Inevitably, these shifts in the external environment will start to be reflected more explicitly and frequently in the research and teaching agendas of academic institutions in the future.

1.2 Introducing a community philanthropy framework and language

The GFCF has been actively involved in conversations and programmes aimed at fostering more bottom-up, people-led development approaches for the past ten years, building up a network of partners around the world that are seeking to model a different kind of development by emphasizing local autonomy and local assets. As a grantmaker, the GFCF focuses its efforts (in the form of financial and technical support, network-building and building an evidence base through rigorous data collection) on one particular part of this new ecosystem for people-led development, which is the rapidly-growing field of organized community philanthropy. The framework of community philanthropy, which is under-pinned by three core pillars of assets, capacities and trust, is introduced in this report as a particular lens through which to consider people-led development – in particular, how the development of local resources, including

12 http://english.fondpotanin.ru
13 http://philanthropies.org/china/
14 http://philanthropies.org/india/ and http://azimpremjifoundation.org
15 https://www.brookings.edu/wp-content/uploads/2017/02/global_20170228_global-middle-class.pdf
16 See https://www.opendemocracy.net/openglobalrights/shannon-n-green/adapt-or-perish-new-normal-for-civil-society and a host of articles on the topic of the closing space and the role of local resources.

local giving – can transform local development processes, strengthen local ownership and amplify local voices.[17]

The GFCF brings both a lens of 'reform' of the existing system for development aid (where gaps exist, where practice and institutions can be adapted and built on, etc.) and a lens of 'redesign' towards a new development paradigm that shifts power to communities. Of particular relevance here is the GFCF's work with a diverse range of private and public donor organizations to explore what role they can play in supporting such efforts. The key question here is how external funders can transfer power and responsibility to people who are often marginalized, while simultaneously: maintaining appropriate oversight of the work; developing feedback mechanisms to evaluate results and share learning; and, ensuring robust mechanisms of accountability and transparency.

17 The community philanthropy framework of 'Assets, Capacities and Trust' emerged from data collected by the GFCF over seven years of grantmaking to community philanthropy organizations – which include a diverse range of community foundations, women's funds, environmental funds and public foundations, all of which seek to build local cultures of philanthropy and participation and use grantmaking as a development tool. Data has been collected specifically around social capital indicators (of bonding, bridging and linking).

2 Research methodology

The study is based on two main sources. One is a literature review and the other lessons derived from interviews with key informants. The work has involved much discussion with Comic Relief staff, including a workshop on emerging findings. This means that the conclusions have emerged from an iterative process with many people contributing to this final report.

2.1 Literature review

The literature review included a broad range of resources, most of which were accessed online. In particular, there was a focus on more recent 'grey' (i.e. not peer-reviewed) and practitioner-based literature. In order to maintain a focus in the report on the current state of the conversation (i.e. shifts in the larger development landscape as well as donor trends), some of the references to more specific angles and aspects of the literature are indicated in the bibliography, which has been organized by topic.

2.2 Key informant interviews

Insights, perspectives, practice and lessons about the landscape of community-led development and its funding were provided by 13 individuals participating in key informant interviews conducted between March and May 2017. The specific organizations consulted included INGOs, foundations, non-governmental organizations, grassroots associations, funds and funders, a community of practice and a university centre. A full list of interviewees can be found in Appendix 1. They represent a diverse array of perspectives that include a rural focus, an urban focus, a diversity of regional experiences from Africa, Asia and Latin America as well as sectors such as health, sexual and reproductive health, productive youth, education, humanitarian crises, women's empowerment, housing and infrastructure services, income generation, livelihoods and community philanthropy.

3 Findings – development sector and donors trends

3.1 Defining community-led and community

Community-led development

The language associated with what might be broadly described as 'people-led development' (such as 'asset-based', 'locally-driven', 'community-led', 'development with a human face', 'bottom-up development', etc.) is often used interchangeably.

However, it is important to acknowledge the association of specific frameworks and terminology with specific institutions, emerging at specific moments and shaped by larger political and economic contexts and underlying assumptions. These fall into two broad categories, which are interconnected but distinct: one has emerged *within what has been the mainstream or predominant development discourse* which dates back to the 1960s.[18] It is associated with a strong emphasis on participation, a rights-based or pro-poor approach to development (see Gaventa 2002, for example) in which the key variables are the state and citizens' ability to claim their rights. In this framing, official development aid is considered a key instrument for change (or reform), but there is little mention of local non-state resources, and the role of the private sector is also considered with some scepticism or distance.

The second has emerged more recently as part of an external critique informing a *new narrative for locally-led development* at a time when the landscape for development aid has changed dramatically, with reduced flows of Official Development Assistance (ODA) funding and the emergence of new non-traditional actors in the donor space. This new narrative has emerged from different experiences and bodies of work – often outside the mainstream development discourse – and so to some extent is still rather fragmented. Bringing both a lens of 'reform' and 'radical redesign' of the existing system (so, new kinds of practices and new kinds of institutions), the new narrative is also characterized by a particular emphasis on the central roles of *agency, trust and local assets* (and the interplay between them) in 'shifting the power' closer to the ground. These qualities give both ownership and control of resources to local people.

Community-led approaches within the mainstream development discourse

The term *community-driven development* (*CDD*) was coined by the World Bank in the 1990s as a distinctive strategy for delivering aid in ways that emphasized community control over planning and resource allocation, particularly in regard to local government. It marked part of a broader shift in understanding the participation of 'beneficiaries' in projects, to the more political and rights-based definitions of participation by citizens

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18 For the purpose of this paper, we focus predominantly on discussions of 'community-led' that have emerged between the 1990s and today. Although not covered here in detail, it is also important to look back further, to the earlier origins of community-led development in India and Latin America as articulated by Gandhi and Pablo Freire *Pedagogy of the Oppresssed* (1972) and Schumacher (1973).

who are the 'makers and shapers' of their own development (Cornwall and Gaventa 2000), with:

> 'the explicit objective of reversing existing power relations in a manner that creates agency and voice for the poor, while allowing the poor to have more control over development assistance. It is expected that this will result in the allocation of development funds in a manner that is more responsive to the needs of the poor, better targeting of poverty programs, more responsive government and better delivery of public goods and services, better maintained community assets, and a more informed and involved citizenry that is capable of undertaking self-initiated development activity.'[19]

At its heart, CDD meant *communities* using their *social capital* to *organize and participate* in development processes (although Mansuri & Rao point out that all of these terms – italicized here – are open to interpretation). More recently, a further evolved version of this approach, community-led development (CLD), has been coined by Inspiring Communities,[20] a New Zealand NGO, and adopted by a network of NGOs[21] which proposes a specific methodology for strengthening the capacities of communities not just to implement projects but from a broader, system-level perspective.

Like CDD, *asset-based community development* (ABCD) emerged in the 1990s as an alternative set of practices within the predominant aid paradigm. Led out of Northwestern University by Kretzmann and McKnight, ABCD emphasizes the importance of local assets in ensuring effective development outcomes (in particular, skills, associations, local institutions).[22]

It is important to note that all of these provide an important background for the most recent discussion around community-led. The emphasis on *local philanthropy* in the context of a more complex ecosystem of actors is a more recent phenomenon and largely absent from the above. Indeed, there have been notes of scepticism raised by researchers who dismiss ABCD as part of the neo-liberal project which perpetuates unequal power relations and is inconsistent with a social justice or rights-based approach to development. This scepticism, it should be noted, may also be assumed regarding the role of local philanthropy which still does not feature in the language and framing of mainstream development (at least it does not feature as a tool for community development but it should be noted that local philanthropy has become an increasingly important part of the fundraising strategies of many INGOs).

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19 Mansuri & Rao, 2003.
20 CLD is conceptualized as a planning and development approach resting on five principles: shared local visions drive action and change; use of existing strengths and assets; people, groups and sectors working together; building diverse and collaborative local leadership; and working adaptively with learning informing planning. See http://inspiringcommunities.org.nz/resources/about-cld/principles/.
21 https://communityleddev.org
22 https://resources.depaul.edu/abcd-institute/Pages/default.aspx

Community-led 2.0: the new conversation(s)

More recently, new literature has begun to emerge from outside the ODA system and development studies faculties, among a broader cross-section of civil society activists, researchers and practitioners, which challenges the mainstream aid system around issues of *power* and *control*, and around top-down and top-heavy approaches. It considers more centrally the role of local financial assets and community co-investment, both in terms of enhancing the impact of development programmes and as part of the essential 'DNA' of a new, more distributed system for social change. Although much of this new literature might be considered 'grey' (i.e. not peer-reviewed), it offers important new insights and opportunities for further inquiry. It includes:

1 **'Power at the edges:'** Recent publications, *Time to Listen: Hearing People on the Receiving End of Aid*[23] and *Smart Risks: How small grants are helping to solve some of the world's biggest problems*[24], explore the importance of power that exists 'at the edges', which challenges the conventions of large, donor-controlled, project-based approaches that concentrate capacity at the centre rather than sharing it. The former focuses on the knowledge and insights of people – through consultations with more than 6,000 individuals – on their experiences of development programmes and how they might be made more effective and responsive, while the latter offers perspectives from a broad range of donors and practitioners on the role of small grant investments that build on, and invest in, existing human and social capital at the local level.

2 **Horizontal learning practices:** Promoted by actors such as the Community Development Resource Association (CDRA) in South Africa, which have come to the fore with the reemergence and recognition of Indigenous Knowledge Systems (IKS), particularly in the post-colonial countries of Africa, Asia and South America, and, to a lesser extent, amongst the native peoples of North America.[25]

3 **Financial architecture, blending of funds, asset development, upward and downward accountability:** New attention has begun to be paid to understanding how the financial architecture – the institutional processes and the funding delivery systems that underpin them – can be made more effective when it comes to supporting local communities and their priorities. Central to some of this new thinking, which is emerging from different places including the experiences of the slum-dweller/low-cost housing movement[26] and the growing field of community philanthropy (see below), is how more 'blended' financial models (that combine both local and external resources) can not only put equal value on, and enhance, greater downward accountability but how communities with their own assets are also better placed to negotiate with and claim their rights from other stakeholders.[27]

23 http://cdacollaborative.org/wordpress/wp-content/uploads/2016/01/Time-to-Listen-Hearing-People-on-the-Receiving-End-of-International-Aid.pdf
24 http://www.developmentbookshelf.com/doi/book/10.3362/9781780449302
25 See CDRA http://www.cdra.org.za/uploads/1/1/1/6/111664/horizontal_learning_lit_survey_jo_stielau2007.doc
26 http://pubs.iied.org/10181IIED/
27 http://www.tandfonline.com/doi/full/10.1080/09614524.2016.1191437

4 Another interesting development in the area of financial architecture has emerged in the context of **'disruption'** and the unstable environments in which many civil society organizations find themselves. Here, the more linear concept of 'sustainability' has been replaced with ideas of 'adaptability' or 'durability' and the overall ability of organizations to adapt to different changing circumstances or shocks, both in terms of the external environment and also being able to respond to sudden or changing needs within the communities they serve.[28]

5 **Community philanthropy:** The emergence of a distinct evidence base around the rapidly emerging global field of community philanthropy is also worth noting. This development is reflected in the academic landscape (with, for example, the recent creation of two academic chairs in Community Philanthropy in the United States and a new Chair in African Philanthropy in South Africa) as well as in a growing body of research (peer-reviewed[29] and practice-based[30]). This literature locates community philanthropy within both the context of existing cultures and traditions of trust-based giving and self-help,[31] and broader conversations around aid effectiveness (in particular, through the application of metrics and indicators that align with the three inter-connected pillars of community philanthropy: assets, capacities and trust).[32] [33]

6 **New thinking on poverty:** Anirudh Krishna, a leading authority on poverty and development in India, has been paying particular attention to the role of social capital and the extent to which it is often preferable to external money. Closer to home, recent research on poverty in the UK has stressed the importance of community solutions. The comprehensive strategy developed by the Joseph Rowntree Foundation[34] notes that community organizations have an important role to play. More recent research by the Webb Memorial Trust[35] suggests that unless communities are fully engaged in solutions, the problem of poverty will never be solved. The research concludes: 'What we need is not a set of transactional policies that shift resources, but the development of transformational relationships that shift power.'

7 **New thinking on 'capacity' and the role of development aid:** The USAID-funded 'Learning Agenda on Capacity Development'[36], which was informed by the commitments laid out in the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008) and the Busan Partnership Agreement (2011), is an important and extensive source of critical thinking and reflection that has taken place within large donor organizations about local ownership, local capacity and the role of external actors. A rich source of curated data and research, the conclusions of the

28 See the work of the Non-Profit Finance Fund http://www.nonprofitfinancefund.org
29 http://www.igi-global.com/chapter/subnational-governance-and-development/172914
30 http://www.globalfundcommunityfoundations.org/information/building-community-philanthropy-in-vietnam-understanding-the.html
31 http://clpv.sanford.duke.edu/documents/Poor_philanthropist_screen.pdf
32 http://www.globalfundcommunityfoundations.org/information/the-case-for-community-philanthropy-how-the-practice-builds.html
33 http://www.globalfundcommunityfoundations.org/latest-news/2014/12/3/a-snapshot-of-the-global-community-philanthropy-field-new-gf.html
34 https://www.jrf.org.uk/report/we-can-solve-poverty-uk
35 https://policypress.co.uk/rethinking-poverty
36 https://www.developmentiscapacity.org/about-us

Learning Agenda suggest that although there has been an overall shift away from development aid as 'the delivery of money, things and services, towards knowledge, institutions, systems and linkages,' (which it describes as Capacity 1.0), much that is done by donors and INGOs 'continues to lie in the former arena.' Systems thinking, social network or systems mapping and feedback loops (including Constituent Voice) etc. all stand to enhance existing development practice while also serving as cornerstones of an entirely new, locally-rooted and shaped, operating system for development (Capacity 2.0).

Community

Although *community* is most commonly defined by geography, it can also be defined by identity, interests and shared values (now more possible than ever, thanks to the Internet). Communities – particularly those of place – are not static, harmonious or homogenous; instead, they are complex places, where different views play out and where different interests and agendas may compete for power and resources. They can also be subject to elite capture[37] and the 'tyranny' of majority interests, where the voices of minority and marginalized groups can be ignored or excluded, unless specific checks and mechanisms are put in place.

Community can also be understood as a dynamic construct, which emphasizes connection to others and a shift from the individual to collective. In the words of one interviewee, community can be seen as '. . . a group of people working together for a common purpose that ropes in whoever is around them, providing benefits to them and the wider community.' In this sense, community can be seen to have a dual function of both 'gluing' people together through a shared sense of belonging, and providing an 'engine' that can allow the collective to express voice and action in relation to others. These two purposes can also be characterized by the concepts of bonding and bridging social capital, which are at the heart of most community and community-led approaches. While different processes, they operate hand-in-hand, with the former a prerequisite for the latter. The evidence also suggests that external development interventions are invariably more effective when they occur in places where communities have strong internal ties and networks.[38] From a programming perspective, therefore, investment in both dimensions of community strengthening would be important to consider, with interventions that invest in community both as a place to associate (which are inclusive of potentially marginalized groups) as well as a place for organizing with a view to articulating and claiming rights.

The concepts of social capital, participation and empowerment are broadly agreed to be important features of community as understood as an engine for social change. Two additional concepts are also offered here: one is the notion of 'durable development'[39]

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37 Post, David. 2008. *CDD and elite capture : reframing the conversation.* Social Development how to series ; vol. 3. Washington, DC: World Bank. http://documents.worldbank.org/curated/en/397181468137726436/CDD-and-elite-capture-reframing-the-conversation
38 See https://cup.columbia.edu/book/active-social-capital/9780231125710 Anirudh Krishna, Active Social Capital – Tracing the Roots of Development and Democracy, 2002.
39 See Mawiyoo, J. *Durable development: Time to do things differently,* African Independent, 3 July 2017, https://www.africanindy.com/opinion/durable-development--time-to-do-things-differently-10110842

i.e. creating local level processes, practices and institutions that are strongly rooted in and owned by local communities, and which can adapt over time in the face of changing circumstances, and the other that of 'shifting power,'[40] which speaks to both north-south dynamics around resource flows, systems of accountability, as well as the need to avoid creating southern 'gatekeepers,' or overly centralized centres of local power.[41] In the new narrative, how community is defined – i.e. whether bound by geography or interest – matters little. What is more important is an emphasis on community as:

An actor: an agent of change – i.e. taking decisions and making things happen – and not just a recipient of aid.[42]

A resource: a source of knowledge, experience and assets to mobilize and tap into, rather than a gap or deficit to fill.

A network: a resource for collective problem-solving through shared efforts – decision making and action – rather than isolated entities cut off from one another and operating alone.

A formidable force: an influence to reckon with and take seriously, to engage with on equal terms, rather than pay lip service to.

What does matter, however, is the idea that:

- Community is about connections among people, with the implication that the purpose of community-led is to *invest in people*, their social and psychological ties ('bonding capital'), the institutional arrangements that allow them to organize themselves more systematically ('bridging capital') and their ability then to engage with, leverage, and make claims from others ('linking capital').

- Community organizations exist to negotiate the terrain between individuals and the outside world, and many of the most successful ones do so with little external intervention, suggesting that a key role of external support might be to help to build up the 'assets, capacities and trust' (the framing of community philanthropy) that communities have or seek to grow. The idea of the 'good life' is central to the way we construct meaning in our lives. What we believe in, how we act, and the institutions we build all contribute to who we are. The key text here is an essay by Berger and Neuhaus, which examined the importance of 'mediating structures' such as family, church, workplace and neighborhood in enabling people to live flourishing lives, and to develop a healthy society.[43]

40 Shifting power was the theme of the Global Summit on Community Philanthropy which was held in Johannesburg, South Africa, in December 2016 and attended by 400 civil society actors and activists from over 60 countries – from the community philanthropy field as well other parts of civil society and the funding space. See www.cpsummit.ngo

41 See Hodgson, J. & Knight, B., #*ShiftThePower: the rise of community philanthropy,* December 2017, Alliance magazine http://www.alliancemagazine.org/feature/shiftthepower-rise-community-philanthropy/

42 www.coady.stfx.ca/tinroom/assets/file/ABCD_Interpretive_Summary.pdf

43 Berger, P.L. and Neuhaus, R.J. (1977) *To empower people: The role of mediating structures in public policy* (Vol 1), Washington: American Enterprise Institute

3.2 Community engagement – and entry points for donors

Increasingly, the discourse on community is turning to systems theory to understand engagement with, between and beyond communities. A network approach puts *relationships and resilient systems* at the heart of development which are able to respond, adapt and re-group when parts of the system are under pressure.[44] It is important for funders to be aware of, and to work with, others to develop this approach. Connections to multiple diverse actors are critical in increasing a strong social infrastructure. Although networks with multiple diverse connections may be less efficient and harder to manage, they are much less vulnerable to disruption than more conventional 'hub and spoke' relations (such as between donors and grantees or between NGOs and resource or support organizations) and more effective in generating and sharing learning and ideas in more organic, multi-directional ways.

At a more local level, different forms and expressions of civil society exist in all societies. They do not all look alike and can also have their own nature or distinctive features. They typically do not operate in isolation but have connections with others – making up an ecology or system of community associations, action and agency. Practice suggests that, too often, funders support and partner with the 'usual suspects,' i.e. larger, established and registered civil society organizations that have worked with other donors before and therefore have their own 'seal of approval' or legitimacy. Social network mapping, which explores (and seeks to grow) connections and relationships at the local level is an effective way to: establish deeper insights into a local landscape; identify different potential partners, alliances and platforms; and, measure general systems/network strengthening at the local level.

> **The various 'faces' of actors in the community-led space**
>
> ■ Formal structures with legal status, bank accounts and governance bodies, or established but not registered, and operating on widely understood but informal procedures and policies that are widely accepted and valued;
>
> ■ Permanent (enduring and long-standing) or have a short life span, emerging to address a issue or problem before dissolving;
>
> ■ Capacity to engage their membership, constituency and the authorities and other actors on the ground to advance their interests and benefit or more simply serve the purpose of association and belonging, using what they have internally and not linking to others and their resources;
>
> ■ Shorter or longer-term thinking that addresses immediate or longer-term needs;
>
> ■ Focus on survival (avoiding things from getting worse) or movement – systemic change and advance;
>
> ■ Focus on self-help or advocating for rights, services and state accountability to them;

44 Dupree, S. & Allan, C. (August 2017) *Resilient funders*, Global Greengrants

■ Look inward to their own immediate community or look outward to serve and support communities that interest them – diaspora organizations being exemplary of this for identity-based organizations.

3.3 The case for community-led

The evidence base on the effectiveness of community-led initiatives has often been hard to come by or, at least, tends to lag behind the speed at which such projects are being implemented (Mansuri & Rao, 2003). The absence of large and systematic studies could, in part, reflect the fact that community strengthening and community-led development – by virtue of its longer-term, transformative nature – is hard to assess. Additionally, community change work is not well-suited to scientific studies and the use of 'control groups.' What does exist, however, are case studies offering learning and reflections from individual initiatives or projects, as well as articles written in response to critiques that frame a case. However, at present, these form part of a larger hypothesis regarding effective social change, and what is missing – and offers a potential gap that could be filled – is a concerted effort to 'join the dots', by looking across projects and organizational experiences, for an analysis of the bigger picture, and for a sector-wide assessment of trends and tendencies, strengths and weaknesses, potential and promise.

The literature on community-driven development (CDD, as defined by the World Bank) offers most in terms of evidence: it reveals that effectiveness is mixed. Rigorous evaluations of 17 World Bank Social Fund and CDD programmes reported positive impact of CDD on targeting households, increasing household level of living standards and welfare, increasing access to and use of basic services, but mixed and sparse evidence of impact on governance, social capital or micro levels of conflict (Wong, 2012). Other studies of specific World Bank programmes offer similar results (Mansur and Rao, 2013). One conclusion drawn is that CDD tends to solve the welfare problem at the local level more consistently than it solves problem of governance, peace or social cohesion (Bennett, S & D'Onofrio, 2015).

Evidence from Ethiopia, the Philippines and South Africa (Mathie, 2017), suggests that an asset-based and citizen-led development approach can advance social capital, increasing the ability of people in communities to have three types of power: 'power to' – creating and participating in new forms of activities; 'power with' – fostering relationships and possibilities by collaborating with others (linking up and being a doer) and, finally 'power within' – beginning to see their own capacity and self-worth. The language of assets generates shifts in how people see themselves and paves the way for people to work together – at first on things they can organize themselves around – and then to take on initiatives that require the support of others such as NGOs, government, private sector.

The emergence of community philanthropy – which is characterized by a set of institutions and a set of practices aimed at shifting power to, and growing the power of, communities – has largely occurred outside the mainstream development/donor discourse. The nature of research conducted either directly by the GFCF or by its partners, however, reveals that while there is an aspiration for this work to be transformational

and relevant to other parts of the development space, community philanthropy has committed itself to a strong learning agenda, largely focusing on what it does differently and how.

In the literature, a report based on stakeholder consultations in three regions of the world (and supported by the Charles Stewart Mott Foundation and the Aga Khan Foundation), makes a six-point case for community philanthropy and its value, framing the following hypothesis to test and refine:

- If people feel like they are *co-investors* in their own development, then they care more about the outcomes.

- If people bring their own assets to the table, then the power dynamics are more equal.

- Community philanthropy builds on natural instincts, norms and conventions, already present in communities.

- Community philanthropy can provide a 'way in' to communities for larger, external donors.

- If community philanthropy institutions act as repositories of different kinds of trust and assets, then they can drive development in more effective and, sustainable ways.

- Finally, community philanthropy is not going anywhere in that it draws from a natural impulse existing in all communities and so decisions made around investment and activities are ones that communities must live with (i.e. this is a shift from the typical project-approach to development). (GACP, 2014)

In the absence of large studies and an expansive research base on community philanthropy, what the literature reveals in its descriptive, explanatory and reflective texts, typically informed by surveys and consultations with different local and external actors in the field, is an emerging narrative of 'people-led development.' This is but one example, with some others signalled below in the discussion of funding channels for communities. However, it is a noteworthy illustration that points to what could be a new energy – a renaissance – and interest in 'bottom-up'[45] designs that start with local people and local assets.

3.4 Constraints to civil society and community-led solutions

The literature points to recent and important conversations between civil society actors from the north and south, donors, and those on the receiving end of international aid (such as the 'Rethinking the resourcing of civil society' conversations led by Civicus and culminating in a meeting of activists and donors at Rustlers Valley, South Africa in

45 'Bottom-up' is a paradigm that was developed to describe agricultural and rural development in the late 1970s and early 1980s. It is commonly known as the 'farmer first' approach, or 'bottom-up' development, and has greatly influenced the way that rural development is practised, even to this day. The approach places participation and empowerment firmly at the heart of rural development. See Chambers, Robert. 1997. *Whose Reality Counts: Putting the First Last.* London: Earthscan.

February 2017, the outcomes of which are reflected in the organization's new strategic plan).[46] This literature points to three major disrupters for southern civil society. They are:

A power imbalance with the ODA system: those with the money have the say and work in their favoured ways, chopping and changing strategies and disrupting funding flows. Part of this conversation also touches on the move by various INGOs to localize (by moving headquarters to the global south and by registering local offices), and some of the ripples around competition and displacement of local actors that this has/may result in.

A traditional development paradigm based on filling needs with external resources: with large sums and at a rapid pace, bypassing the assets and agencies found in southern countries, thereby marginalizing and disempowering southern civil society, and creating dependency and further disempowerment.

Growing restrictions for southern civil society to operate (the 'shrinking space'): it is harder to fund civil society in many countries but also where organizations have been recipients of external support and have not yet built local constituencies (and a donor base) for their work, they are being left vulnerable to government scrutiny.

Complementing this list of macro level influences are a set of other, more operational, constraints at the organizational level. These are:

Resource challenges: particularly when it comes to being able to identify resources that can move an organization from being project-led to being mission-led;

A poverty of south-south relationships: limited horizontal connectivity or networking restricts the potential for empowerment and constituency building (as evidenced, for example, through recent social network analyses conducted by the GFCF with the support of Root Change);

A widespread sense of disempowerment and frustration that local voices continue to be overlooked and local organizations kept on a short rein: this was a recurring theme at the Global Summit on Community Philanthropy.

Disempowerment – what is it and what is _required_ to overcome it?

- There is the potential for economic poverty to create poverty of the mind and imagination, _requiring_ a process to help people find their power – a critical factor for getting people to participate and invest.

- Disempowerment fuels popularism, _underlining the importance of_ establishing systems that give people voice (build this capacity) and that allow them to be part of decision making processes.

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46 http://www.civicus.org/index.php/strategic-plan-2017

- Grantmaking is a way to devolve and share power, especially when it includes local resource mobilization (asset building), which enables people to come to the table with equity and negotiate power as a co-investor in the process, flattening the typical 'donor/recipient' bipolarity. Community philanthropy organizations and grassroots grantmakers such as Tewa, the Nepal Women's Fund and the Red Umbrella Fund know this. The former invites its grant partners to donate back to the organizing as a deliberate strategy for flattening power, while the latter uses a participatory grantmaking process. Similarly, the Community Development Foundation Western Cape in South Africa asks beneficiaries of its youth programme to give back their time to the programme and donate to a YouthBank, fostering a sense of solidarity and inclusion rather than reinforcing the donor–recipient divide.

- The donor/recipient dichotomy can entrench power, *requiring* grantmaking systems that flatten the vertical relationship and point to blending or hybridity as a solution – where everyone is a giver and a receiver. This is a relationship that is familiar to many communities who help themselves based on self-help, reciprocity and mutual assistance.

Much has been written on the subject of 'disruption' – in the form of both powerful external factors (natural disasters, climate change, poverty) and internal ones (staffing and funding challenges etc.) and the new terrain which civil society must currently navigate. A recent report on disruption entitled 'Getting good at disruption in an uncertain world' (IIED 2015), which focused specifically on the experiences of southern NGOs, identified two key disrupters in particular: one e funding environment, while the other was the shrinking space for civil society in the Global South. At the same time, the report concluded that the current disruptive environment has both necessitated and fueled fresh thinking in terms of business models and ideas on national and regional self-directed development pathways.

Key informants interviewed as part of this report identified six funder practices (see Table 1 below) as inhibiting community-led development, along with recommendations on how they might be addressed. The six include:

1 'Superior' donor mind-sets

2 Unreasonable demands on partners

3 Operating in siloes

4 A 'deficit' framework (framed as 'empowerment')

5 Working with the 'usual suspects'

6 Low appetite for risk

Table 1: Six aspects of funder behaviour that constrain community-led solutions and how to address them

Constraint	Proposed Solution
'Superior' mind-set	Shift from: ■ 'We know best,' to 'communities know what is best for them'; ■ Rushing to 'give things,' to stopping to 'listen and understand'; ■ A drive to 'be there first' and 'plant the flag', to pausing to understand, and then build on, what exists in a community.
Unreasonable demands and expectations of local partners (including asking those with the least time and resources to contribute the most)	■ Provide grant funding in the context of other kinds of institutional supports (whether facilitated by others or provided directly) (short-term); ■ Invest in the ecosystem or architecture for community development – including networks and local level institutions (such as local grantmakers/foundations) that can steward and disburse resources at an appropriate level to local groups (medium to long-term); ■ Bring a social justice lens (i.e. addressing root causes) to programme approaches (long-term).
Silo ('vertical') thinking	■ Appreciate community-led development in the context of an ecosystem which involves (and must involve) complexity and interplay of multiple actors, including government and other sectors, each with different roles, constraints, incentives and ways of working.
'Empowerment'/deficit-based framework which assumes that communities' lack ideas, resources and the ability to act	■ Shift from the idea of 'empowering communities' to 'investing in communities.'
Funder/INGO 'cliques': i.e. funding the 'usual suspects' while overlooking small organizations	■ Tackle the broader issues of funding to the global south.
Risk – funders do what is safe and 'acceptable', in the face of political pressures, constituency demands, and bureaucratic systems	■ Invest in developing management and work around strategies to mitigate risk as well as find spaces for flexibility: doing things differently; ■ Make the case that it is safe, efficient and effective to fund community organizations directly.

Other additional factors which constrain local leadership for community-led development include:

- Politicians often send a message to communities that they cannot 'do it on their own,' while local government often wants communities dependent on, and beholden to, them;

- Established NGOs and local governments consider themselves to be the drivers of development;

- The field of social sciences is predicated on 'problems,' making it difficult to consider situations with an asset-based lens, and building from there;

- Media stigmatization of certain communities can result in a self-internalized sense of deprivation and need.

3.5 New opportunities that facilitate more community-led approaches

Informants observed that beyond the more traditional ODA and philanthropic actors, the funding landscape was expanding, with both new actors and new mechanisms for giving or channeling funds.

Among these new developments, the growth of direct cash transfers and crowd funding in particular were identified as playing a particular role in challenging the current status quo. Direct transfers of cash via different platforms challenge the notion that organizations which have the capacity to distribute resources to smaller groups have a particular role to play in improving the wellbeing of, and support to, communities and, indeed, may force such organizations to become more effective in making the case for their value-added, rather than simply their transactional, role .[47]

Although direct giving to individuals may be effective in some situations and for certain causes, informants raised concerns that such transfers tended not to target more complex root causes (such as domestic violence) or promote the kind of collective action required for systemic change. Crowd funding models (such as GlobalGiving) direct individual donors to choose among projects offered by local organizations advertised on a single platform. Both approaches can certainly help to foster a sense of community and solidarity among the donors they bring together. They also stand in opposition to the traditional aid model, by starting from the point of a specific need or idea and mobilizing resources towards that, rather than assuming available resources which need to be distributed through whatever mechanism. However, the presentation of development as a series of bite-sized projects – although effective as a way of 'packaging' it to broader audiences – runs the risk of sidelining the importance of local institutions with deep roots and long-term insights into the communities they serve.

47 http://adesoafrica.org/newsroom/keeping-somalias-lifeline-open/

3.6 Aligning priorities among donors, civil society and community

The notion of scale

The literature confirms that scale is one of the categories of indicators developed by the World Bank within its CDD work, and several informants organizations' have also built scale into the design of their models. However, informants also introduced four main challenges associated with conventional notions of scale in the context of community-led development. These are:

1 Variations in the ability to scale;

2 Scale as denial of the local;

3 Scale re-framed as the ability to do more;

4 Scale as defined by communities themselves.

To consider these each in more detail:

The ability to scale: The carrying capacity for scale varies. One informant suggested that 'expecting too much scale is dangerous.' Twenty years of experience has led her to believe that men are more ready to scale up than women and other disadvantaged groups. The message is that placing a premium on scale could favour some groups and exclude those who are already marginalized.

Scale as a denial of community-led: The preoccupation of many funders with scale as 'replication,' may mean that specific or tailored solutions get overlooked or side-lined. In short, the assumption that everything can be generalized can both exclude 'excellent solutions' and compromise the core principle of community-led. One informant said that, in the quest for scale: 'You can get into a dangerous place of creating winners and losers, exaggerating the divide between communities, rather than bridging it and, in doing so, leaving some organizations behind.' Another suggested that one alternative and, perhaps more appropriate, measure of results and impact for community-led solutions could be 'an end-game approach', which focuses on, and is measured by, what a community itself has set out to do.

The ability to do more: One informant proposed a 'reframing of scale', which recast it as 'a community and partners being able to do more and achieve more.' Another suggested focusing on sector achievements and outcomes with transition markers along an arc, showing progress in the direction the community wants to go.

Scale as defined by community: Funders should ask community what scale means to them, and then invest according to that. One informant raised the question: 'We have our own ideas of what scale is, but what does growth, scale and impact look like from a community perspective?'

The review suggests that the issue of scale is an area that needs greater clarification in development circles. The issue is less about whether communities should bring initiatives to scale, but rather when scale is introduced through large investments, communities should help to shape the processes and the outcomes so that what is developed has resonance with local needs and ambitions. Top down efforts to invest in communities almost always fail unless local people drive the agenda.[48]

What kinds of evidence?

The literature review reveals that the evidence base for community-led development is uneven in both quality and distribution. Informants were in agreement regarding gaps in the knowledge base that funders could help fill. They also made a number of specific recommendations:

Rethink the kind of evidence required and its purpose: Encourage and be open to new metrics and indicators for 'community-led.'

Commission/conduct more robust research: In particular, generate more nuanced learning and evaluation frameworks that, for example, break down evidence in different categories, such as type of approach, funding modality, model, definition of community and accountability mechanism used.

Make the case for collective impact: Funders should collaborate more with each other in pursuit of joint impacts when it comes to community-led approaches, including going beyond the mission of a particular organization, a single project or a single issue.

3.7 New directions in community-led practice and donor approaches

The literature suggests that local funding is increasingly becoming an imperative in the global south, a strategy both to counter changing and reduced flows of external funding from traditional sources, but also to build longer-term sustainability and ownership at the local level. Notions of 'horizontal' (local) and 'vertical' (external) resources are gaining greater currency, with the implication that the mobilization of both kinds – and the interaction between them – can play a critical role in ensuring sustainability and local ownership of development efforts. There is also a growing body of data on patterns, trends and amounts of giving among the super-wealthy, the middle class, as well as communities, through national surveys, giving indexes, etc. At present much of this research is being conducted by private banks (who offer philanthropy advice among their services) and philanthropy networks and organizations (foundation associations, centres on philanthropy, national foundations, etc.).

The emergence of new platforms and mechanisms points to this shift and there is a growing evidence base of these in both northern and southern contexts. These include:

- Individual giving platforms (capitalizing on technology and online giving);

48 Knight, B. (2017) *Rethinking poverty: what makes a good society?* Bristol: Policy Press, pages 96–101

- A growing interest in research and survey data on individual giving – why and how the middle class and high net wealth individuals give;

- The growth of private and family foundations – and networks that support them – in emerging markets and developing country contexts (global philanthropy forums held in Russia and China in recent years speak to this growing sector).

Although there has been a new interest among a number of development organizations in growing local philanthropy (such as the Yetu Initiative in Kenya, which is co-funded by USAID) and among the fundraising departments of INGOs looking to grow a local donor base in southern contexts, there are a number of gaps that need to be bridged in terms of local philanthropy's role in development. These include:

- Breaking down the separate functions of 'fundraising' on the one hand and 'project implementation' on the other, and seeing local philanthropy development as a strategy for local constituency building (for causes such as human rights, environmental protection, etc.), rights claiming and community building. The Change the Game Academy[49], for example, and the Kenya Community Development Foundation, have produced compelling evidence of how local asset mobilization can strengthen communities' stake in demanding their rights from government, for example.

- A sense among civil society organizations working on sensitive or unpopular issues that local resources are not an option because of negative attitudes towards this kind of work;

- 'Philanthropy' and 'giving' generally not being considered as part of a 'participation,' 'rights-based' agenda of INGOs or institutes of development studies (a perception that philanthropy is a symptom of structural inequality rather than an act of civic participation).

However, despite these constraints there are many examples of different organizations, mechanisms and practices used to channel resources to – and within – communities:

Participatory grantmaking[50]: Different models for devolving decision-making around grants allocation to constituents and community members (see Dalia Association, Red Umbrella Fund, UHAI-EASHRI);

Crowd-funding platforms: GlobalGiving, for example, combines fundraising and capacity building opportunities for NGOs with a mechanism to encourage individual giving in an engaged way (including choice of recipient, as well as regular information flows and updates);

49 Wiggers, R. (2016) *Action for Children: a model for stimulating local fundraising in low- and middle-income countries*, Development in Practice Vol. 26 , Iss. 5,2016 http://www.tandfonline.com/doi/full/10.1080/09614524.2016.1191437
50 http://scholarworks.gvsu.edu/tfr/vol7/iss3/8/

Giving circles: A growing area of collective giving, which has had particular traction in African-American communities in the US[51] and, more recently, in Central and Eastern Europe, both as stand-alone arrangements or connected to projects of community philanthropy organizations;

YouthBank[52]: A global network of youth-led grantmaking (programmes and organizations) which puts money in the hands of young people who decide on how it is spent;

Individual giving for small grants as claiming power: When Tewa, the Nepal Women's Fund[53], was established 20 years ago, a founding principle was that only money raised locally would be used for grantmaking (external resources covered overheads and other programme costs); with donations from 3,000 individual Nepalis, this strategy was deliberately aimed at modelling a different kind of locally-owned development;

Community card: In Romania, the Odorheiu Secuiesc Community Foundation[54] introduced a community card (along the lines of a 'loyalty card') which can be swiped at various local businesses with proceeds going into a community fund;

Environmental tourism: Tourists travel to Costa Rica to experience its rich bio-diversity and natural beauty; the Monteverde Community Fund[55] offers a way for visitors to the area – as well as local businesses – to contribute towards the preservation of the local environment by donating to the fund;

Natural resources and creation of assets: The Newmont Ahafo Development Foundation in Ghana was established through the agreement of a gold-mining company and local communities as a mechanism into which to channel a portion of the profits for long-term community benefit (with support from the International Finance Corporation);[56]

Community asset ownership: A pub[57] bought by the local community to save it from bankruptcy was recently named the best in the UK; one of a number of community co-operatives or enterprises supported by the Plunkett Foundation and the Big Lottery Fund aimed at building community assets;

Community co-ownership: The Kenyan Tea Development Agency is co-owned by 550,000 small-scale tea farmers with 66 tea-processing factories, allowing farmers to receive over 75% of final tea prices; farmers across the border in a more traditional business structures earn 25% – this study makes the point that value can be shared in different ways.

51 http://www.thecommunityinvestment.org
52 http://www.youthbankinternational.org
53 http://www.tewa.org.np
54 https://szka.org/community-card-instrument-and-network-for-development-of-active-citizenship/?lang=en
55 http://cpsummit.ngo/monteverde-community-fund/
56 http://www.nadef.org/pages/
57 https://www.theguardian.com/lifeandstyle/2017/mar/03/cheers-pub-saved-by-its-customers-rated-best-in-the-uk

There is case study evidence that community assets/local contributions are central to a wide range of organizations, platforms, and mechanisms, many of which are emerging organically, others virally. However, the literature reveals that in the traditional development model community assets are captured under the idea of 'the community contribution' – a nod to participation and ownership and part of an institutional arrangement – usually a requirement of proposal writing. Evidence now suggests a shift in thinking. The community contribution and the diversity of fundraising tools involving community members are being placed within a wider framework of community building, empowerment and shifting the power.[58] Despite scepticism regarding asset-based approaches and the redistribution of power, the evidence base has become much deeper and more nuanced in recent years and suggests that asset-based approaches can reverse internalized powerlessness and strengthen capacity for community action.[59] Similarly, where local resources are mobilized by community members, it need not have a substitution effect which takes government off the hook: indeed, not only does community fund mobilization contribute to a stronger sense of collective voice when engaging with other stakeholders (especially government), it also creates a greater sense of co-investment and ownership in how public resources are allocated.

Other donor-led initiatives in the community-led space

This section looks at new strategies and opportunities amongst donors aimed at fostering more locally-owned and locally-driven development processes among diverse actors. While specific strategies and entry points may vary – and are inevitably shaped by different institutional capacities and constraints – what each one shares is an acknowledgement of the importance of fundamental behavioral change, and the testing of assumptions. This is not only in the design of individual programmes, but also within donor institutions themselves. Implicit in each of these is an emphasis on the question of how external actors can provide the right kinds of supports to foster, rather than displace or distort, bottom-up approaches: how, in short, external funding and other forms of support can leverage, catalyze, inform, acknowledge and build on what already exists. Recent donor-led initiatives of interest include the following:

1 **USAID's localworks**[60] 'seeks to invest in the creativity and resourcefulness of local communities, enabling them to drive their own development.' Initial pilot countries are Malawi, Vietnam, Morocco, Serbia, Macedonia, Bosnia and Herzegovina and the Philippines.

Key terms and concepts Ecosystem approach, emphasis on local resources, strengthening local networks, building social capital, centres of influence shift away from USAID missions.

Core strategies/tools Three to five pilot countries per year, five-year investments (or longer), discretionary funds, emphasis on testing and creativity.

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58 http://oxfamblogs.org/fp2p/a-successful-project-to-wean-southern-civil-society-organizations-off-aid/
59 http://journals.sagepub.com/doi/abs/10.1177/1464993416674302?journalCode=pdja
60 https://www.usaid.gov/partnership-opportunities/ngo/localworks

Values Local actors drive the agenda, 'wholesale' approach, listening, patience, systems lens, learn and share.

2 **Big Lottery Fund's[61] 'People in the Lead'** vision is about 'focusing on the skills, assets and energy that people can draw upon and the potential in their ideas.' International programmes will focus on Uganda and Tanzania.

Key terms and concepts 'People in the Lead,' people living in communities are best placed to build and renew them, developing skills of individuals to take the lead, engaging new actors, access to all, strengthening adaptability of civil society to respond to disruption, asset-based approaches.

Core strategies/tools Blended funding model (strategic and open, demand-led approaches, new funding instruments), funding ideas not proposals, participatory approaches, networks of partners.

Values 'Confidence, not control,' simple processes, shared direction, diverse approaches.

3 **The World Humanitarian Summit's 'Grand Bargain'** brought together 30 donors and aid providers to agree on improving aid effectiveness and, specifically, to increase the percentage of funds reaching southern civil society. This is a looser network which includes different organizations and issue-focused networks (SCHR, CDAC Network, Humanitarian ICT Forum etc.).

Key terms and concepts The 'Participation Revolution,' less earmarked funding, feedback and action loops, core humanitarian standards, 'authenticity.'[62]

Core strategies/tools V`arious, including core humanitarian standards, qualifying southern organizations to receive aid.

Values Putting affected people at the center of decision-making, participation, accountability to affected people.

4 **The Global Alliance for Community Philanthropy** (GACP) is a collaborative of six donors (private and bilateral – including the Aga Khan Foundation, Charles Stewart Mott Foundation, Ford Foundation, Inter-American Foundation, Rockefeller Brothers Fund and USAID) which aims to advance the practice of community philanthropy and influence international development actors to better understand, support, and promote the role of community philanthropy in the sustainability and vibrancy of civil society and in achieving more lasting development outcomes. Each member has committed $50,000 per year for five years. It started in 2014 for some partners, although others joined later. A research and learning agenda with focus on some overarching issues (such as how can donors support this kind of work at the level of practice?) as well as issues and regions where there is specific interest (such

61 https://www.biglotteryfund.org.uk/about-big/strategic-framework/our-vision
62 http://www.cdacnetwork.org/tools-and-resources/i/20170522015033-cdpka

as humanitarian relief, human rights, shrinking space, etc.). Objective of growing learning within Alliance member institutions and engaging/influencing other donors.

Key terms and concepts Community philanthropy, 'assets, capacities and trust' framework, #ShiftThePower, new metrics and indicators.

Core strategies/tools Learning across different donor institutions, internal constituency-building for community philanthropy within GACP partner organizations, research agenda, convening of different actors (practitioners, donors etc.), leveraging reputational capital to influence behaviors.

Values Collaboration, learning from the field, inclusion of community philanthropy voices, community of practice, 'spirit of exploration.'

5 **Leading from the South (LFS)** is a fund created by the Dutch government to promote women's rights, gender equality and strengthening civil society, by supporting women's organizations and networks to influence the policies of governments, leaders, communities and other actors (for example, funding to and through global networks of women's funds).

Key terms and concepts Gender equality and empowerment of women and girls, southern women's funds, movement building (local, regional, global networks), resourcing of women's organizations.

Core strategies/tools Devolved grantmaking through southern women's funds with capacity as mission and valued-aligned partners.

Values Devolving power, local agenda setting, role of southern grantmakers.

4 Recommendations for funders

4.1 Devolved grantmaking and shifting power

In light of ongoing concerns about how little funding (approximately 1%) goes directly to southern organizations, grantmaking to partners who have the ability to target resources deep into communities can play an important role as part of a larger system-wide response to address this imbalance.

However, the strategy of devolved grantmaking among donors in general, often tends to be understood in terms of the existing operating system for development aid and can thus look costly and administration-heavy. In this scenario, making grants to and through a local organization simply moves the existing machinery in terms of geography, and even adds another 'vertical layer' between back donors and communities. Here we come to a question of language: the term 'intermediary' implies something transactional – a cold bureaucracy, an efficient 'bean-counter' – rather than anything more transformational. The more recently coined 'fundermediary,' although it at least implies a more refined role for southern actors to play in channeling resources to communities, nonetheless still underplays any greater, developmental or 'value-adding' role in the effective application of (largely external) donor money.

For those funders with an appreciation *of social capital and trust as necessary elements of effective communities, of the agency and knowledge of individuals and their institutions, and of the importance of local assets in enhancing greater ownership of development processes*, then partnership with appropriate southern actors can be cast in a different light altogether, in which such partnerships add all kinds of other value to funder money. Local partners which have grantmaking capacity as well as the ability to harness and steward different kinds of resources, to make a virtue of blending external and local financial and social capital, to support community agency and initiatives through small grants (rather than increase their staff numbers to be able to implement more programmes 'for' people), and to embrace more devolved decision-making systems while demonstrating good governance, can play an important role in contributing to community-driven outcomes.

4.2 Recommendations

A set of overarching recommendations for funders are suggested as follows:

- Engage in internal conversations about what community-led may mean within the organization;

- Considers ways in which funders can leverage their experience and their reputation and play the role of thought and practice leader in the 'community led' space as both a catalyst and convener of critical conversations, evidence generation and piloting in the field through strategic partnerships;

- Add value through non-financial capital by mobilizing intellectual, reputational and moral capital and seeking to influence peer funder practices more broadly;

- Actively learn, collaborate and cooperate with peers and partners, by establishing communities of practice and providing support platforms for grant partners and peers through a coordination, convening, catalyzing and learning role;

- Invest in strengthening and deepening the evidence base for a 'Community-led 2.0' narrative: foster learning, data collection across different types of grantees, issue siloes, etc. (This might evolve to become an extra budget line in all grants to take part in learning circles and to tell stories of achievements, disappointments and lessons learned);

- Adopt a flexible framing when it comes to the definition of community: allow it to be defined and emerge from below, rather than predetermined from the start (and make space for multiple 'types' of communities to interact with each other in pursuit of a particular objective);

- Consciously invest in strategies that strengthen bonding capital as a necessary precondition for the strengthening of bridging and linking capital (community agency);

- Put community asset development/community philanthropy at the heart of programming: promote cultures of local giving, use matching funding, support new thinking around and types of institutional arrangements, etc.;

- Try out different approaches to experiment with what works well and what works less well; don't be put off by risk of failure so long as learning from experience is part of the grant relationship;

- Apply a systems lens: this can be applied both to map and pilot grantmaking/ programme approach that can include big and small, mainstream and outlier actors, within a single, linked framework focused on some key hypotheses and questions.

- Create safe, externally-facilitated spaces for honest conversations about, and the co-creation of, a new eco-system for community-led development;

- Level the playing field between big and small organizations when announcing any new programme by inviting only short (word and page-limited) concept notes (or just 'ideas'), not complex proposal and forms (lead with the ideas);

- Embed an element of local asset development in all programmes;

- Set up a 'learning lab' – pilot, fail fast and self-correct – to integrate practice and theory and to build the capacity of individuals and the field, while building linkages and new ways of working together as a way of bringing innovations, that emerge from conversations and ideas,to life. Use it to learn organizationally and also to build the field. Produce intellectual, reputation and social capital.

Appendix 1
List of informants

Gord Cunningham, Assistant Director, Coady International Institute, St. Francis Xavier University, Canada (Ethiopia, South Africa, Philippines) – Key actor (training and research) in asset-based and citizen-led development

Rose Longhurst, Facilitating Member, Edge Fund, (UK) – U.K. participatory grantmaking fund supporting issues of social, economic and environmental justice

Neena S Jain, Executive Director, emBOLDen Alliances (Nepal, Brazil, India, Africa, USA) – U.S.-based non-profit using partnership approach to strengthen community resilience

John Hecklinger, Chief Network Officer, Global Giving (Global) – Crowd-funding platform, aggregator of NGO data and funding,'democratizing giving'

Chung-Wha Hong, Executive Director, Grassroots International (Global, Brazil, Haiti, Middle East, Mesoamerica, West Africa) Grassroots grantmaking and advocacy to global social movements

John Coonrod, Executive Vice President, the Hunger Project (Africa, Bangladesh, India, Mexico, Peru) – Coordinator of the Movement for Community-Led Development, global network (with strong U.S. participation) to strengthen community-led development

Kristin Giantris, Managing Director in Advisory Services, Non-Profit Finance Fund (USA) – U.S. organization providing loans and financial advice to non-profits to strengthen their adaptability/resilience

Dedo N Baranshamaje, Director Special Programs, Segal Family Foundation, (Africa-wide) – Private U.S. family foundation focused on people-led development through strong partnerships

Bijal Brahmbhatt, Director, Mahila Housing SEWA Trust (India) – Part of SEWA (Self-employed Women's Association) network working on right to shelter and housing

Skye Dobson, Deputy Manager, Slum Dwellers International (SDI) Secretariat (Global) – Global social movement of urban poor

Chloe Tomlinson, Strategy Director, Spark MicroGrants (East/Central Africa) – U.S. grassroots grantmaker/capacity builder with focus on East Africa

Gannon Gillespie, Chief of Staff, Tostan (West Africa) – Senegal-based community development NGO using community empowerment approach adopted in 6 African countries

Rita Thapa, Founder, Tewa – Nepal Women's Fund, TEWA, (Nepal) – Community philanthropy organization, grassroots grantmaking, building philanthropy in Nepal, promoting women's participation and rights

Appendix 2
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Main report to USAID: The broad conclusions of the Learning Agenda research project tend to go against the tide of the development assistance industry. This final report ends with scores of recommendations under different headings, from changes needed in overall culture of the agency to procedures in human resource development. https://www.developmentiscapacity.org/file/209/download?token=G3vRWEoA

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Appendix 3
Glossary of terms

Appreciative inquiry A process for facilitating positive change in human systems, e.g., organizations, groups, and communities. Its assumption is that every human system has something that works right. Appreciative inquiry begins by identifying this positive core and connecting to it in ways that heighten energy, sharpen vision, and inspire action for change.

Asset-based approach The application of asset-based community development, including an emphasis on resources that already exist in a community (without necessarily a particular emphasis on financial assets).

Asset-based community development A term coined by John McKnight and Jody Kretzman in 1993 in their book, 'Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets' which emphasizes the existence and the importance of local assets in ensuring effective development outcomes (in particular, skills, associations and local institutions).

'Big Aid' Refers to the existing architecture for development aid whose origins date back to the period after the Second World War, including the largest and most influential bilateral and multi-lateral donors and international non-governmental organizations (INGOs).

'Bottom-up'approach A paradigm developed to describe agricultural and rural development in the late 1970s and early 1980s. It is commonly known as the 'farmer first' approach, or 'bottom-up' development, and has greatly influenced the way that rural development is practised, even to this day. The approach places participation and empowerment firmly at the heart of rural development.

Buen vivir A political philosophy whose origins lie in the indigenous past of communities in Latin America (especially Ecuador and Bolivia) and which has inspired a social movement that stands in opposition to the current development paradigm of capitalism, economic growth and individualism. Loosely translated as 'good living' or 'well living', buen vivir is an approach to development which puts community and harmony at its heart.

Capacity 2.0 Developed by USAID and its partners, an updated understanding of how to effectively strengthen organizations, which focuses on adapative capabilities, networking and strategic partnerships, shared ownership, learning through experimentation and feedback, and developing capacity at the systems level, not the organizational one.

Community Most commonly defined by geography, community can also be defined by identity, interests and shared values (now more possible than ever, thanks to the Internet). Communities – particularly those of place – are not static, harmonious or homogenous; instead, they are complex places, where different views play out and where different interests and agendas may compete for power and resources. Community can also be understood as a dynamic construct, which emphasizes connection to others and a shift from the individual to collective.

Community-driven development A term coined by the World Bank in the 1990s as a distinctive strategy for delivering aid in ways that emphasized community control over planning and resource allocation, particularly with regards to local government. It marked part of a broader shift in understanding the participation of 'beneficiaries' in projects, to the more political and rights-based definitions of participation by citizens who are the 'makers and shapers' of their own development.

Community-led development A development framework with a strong emphasis on participation, a rights-based or pro-poor approach to development in which the key variables are the state and citizens' ability to claim their rights.

Community-led 2.0 A term introduced in this report that describes the latest iteration of community-led development which places a particular emphasis on the role of local assets (particularly, but not exclusively, financial) in enhancing local ownership of, and buy-in of, development processes. Previously, local philanthropy/giving was not part of the equation but more recently developed narratives around community-led development place particular emphasis on the central roles of agency, trust and local assets (and the interplay between them) in 'shifting the power' closer to the ground. These qualities give both ownership and control of resources to local people. At the same time, a number of donors are starting to explore the role of local philanthropy as a critical piece of locally-owned development.

Community philanthropy A development approach that emphasizes the building of local assets, capacities and trust. External funding may compliment local efforts. According to the Community Foundation Atlas, there are more than 1,800 community philanthropy organizations worldwide.

Constituent voice A performance management and measurement methodology developed by Keystone Accountability to enable organizations addressing social issues to improve their results by improving relationships with their constituents. Like customer satisfaction measurement, Constituent Voice treats measurement as an aspect of an intervention that not only provides metrics but contributes directly to outcomes by increasing the engagement of intended beneficiaries.

Durable development Creating local level processes, practices and institutions that are strongly rooted in and owned by local communities, and which can adapt over time in the face of changing circumstances. The framing of durable development was developed through a facilitate process of consultation with GFCF donors and partners in 2016 that sought to answer the question 'Community philanthropy for what?' The specific articulation states that 'Durable development shifts power and resources to communities because local people should control their own destinies. Local people know what they want and need best, and trusted and rooted local organisations bring deep insights and connections to, and a long-term stake in, the communities they serve. Resources should be used to engage local people as actors and agents in issues that affect them, and to fulfill their agendas rather than those of external agencies. This is a prerequisite for durable development.'

The Grand Bargain Launched at the World Humanitarian Summit, an agreement between more than 30 of the biggest donors and aid providers, which aims to get more means into the hands of people in need. The Grand Bargain was first proposed by the former UN Secretary General's High-Level Panel on Humanitarian Financing. The Grand Bargain commits donors and aid organizations to providing 25 per cent of global humanitarian funding to local and national responders by 2020, along with more un-earmarked money, and increased multi-year funding to ensure greater predictability and continuity in humanitarian response, among other commitments.

Outcomes harvesting An evaluation technique that collects ('harvests') evidence of what has changed ('outcomes') and, then, working backwards, determines whether and how an intervention has contributed to these changes.

The Participation Revolution Was one of the ten goals agreed under the Grand Bargain that aimed to get more resources into the hands of those in need. It was agreed by over 30 of the biggest donors and aid providers at the World Humanitarian Summit in Istanbul in May 2016.

'Power at the edges' Explores the importance of power that exists 'at the edges,' which challenges the conventions of large, donor-controlled, project-based approaches that concentrate capacity at the centre rather than sharing it. It focuses on the knowledge and insights of people.

#ShiftThePower The hashtag developed as the rallying cry for the Global Summit on Community Philanthropy, held 1st–2nd December 2016, which speaks to both north-south dynamics around resource flows, systems of accountability, as well as the need to avoid creating southern 'gatekeepers,' or overly centralized centres of local power.

Social capital The links, shared values and understandings in society that enable individuals and groups to trust each other and so work together.

Systems theory The interdisciplinary study of systems. A system is an entity with interrelated and interdependent parts; it is defined by its boundaries and it is more than the sum of its parts (subsystem). Changing one part of the system affects other parts and the whole system.

YouthBank A unique way of involving young people in grantmaking within their local community. Funding distributed by youth-led decision-making committees supports projects designed and run by young people that address issues that matter to them to improve their communities.

The GFCF works with individual community foundations and other local grantmakers and their networks, particularly in the global south and the emerging economies of Central and Eastern Europe. Through small grants, technical support, and networking, the GFCF helps local institutions to strengthen and grow so that they can fulfil their potential as vehicles for local development, and as part of the infrastructure for durable development, poverty alleviation, and citizen participation.

About the report

This report summarizes key findings from an extensive scoping exercise undertaken by the GFCF, commissioned by Comic Relief, aimed at understanding the current landscape of strategies and approaches that put local people and local institutions in charge of their own development.

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Published in March 2019.