



UNIVERSITY OF NAIROBI
Institute of Diplomacy and International Studies

“The effect of funding conditionality on peace NGOs in Kenya 1995-2005”

Hellen Adhiambo Gichuhi
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DECLARATION

I, Gichuhi Hellen Adhiambo, hereby declare that this research project is my original work and has not been presented for a degree in any other University.

Signed  Date 1/5th Nov. 2007
Gichuhi Hellen Adhiambo

This project has been submitted for examination with approval as University Supervisor:

Signed  Date 19/11/07
Prof. Makumi Mwagiru

Signed  Date 19/11/07
Mr. Robert Mudida

**Institute of Diplomacy and International Studies
University of Nairobi
Kenya.**

ABSTRACT

This study is an investigation of the effect of conditionalities on peace NGO's, using Kenya as a case study. With the conflicts surrounding Kenya, there has been an unprecedented proliferation of Peace NGOs in Kenya to complement the government's effort to manage conflicts and build sustainable peace regionally.

Unlike unconditional assistance, the failure to demonstrate progress towards or to meet set conditionalities may lead to changes in donor behaviour. Conditionalities vary in terms of their content (why they are applied), the process through which aid is conditioned (how they are applied), and the target of the conditions (who they are aimed at).

The argument that that external accountability mechanisms (conditionalities) can be both positive and negative is investigated in this project. The positive include increased planning and implementation requirements, with tighter appraisal mechanisms and reporting and budgeting requirements; while the negative include 'cessation of cooperation from society which implies a loss of social legitimacy i.e. consistency with cultural traditions and other social customs standards.'

Four rationales for conditionality are identified and analysed in this paper. The first rationale is that the donor offers funding as an incentive to change or adopt policies. The second is that the donor believes they know what is best for the recipient's welfare. The third is that the recipient needs to make a commitment for a particular policy and conditionality as viewed as credible threat to avoid reversal of such a policy. The last one is signaling to other donors that the policies of the recipient will improve in the face of the funding conditionalities. The debates

that revolve around conditionalities are attempts made analysing the effectiveness of foreign funding in achieving better results in the delivery of services to the intended beneficiaries.

The literature examined gives a detailed account of funding conditionalities and their failure; as well as schools of thought that support conditionalities against the backdrop of structural violence, the school of thought against conditionalities with reference to peace research paradigm and the school of thought that seeks the rationale between the two extreme was viewed from the human needs theory.

A case study is made of the effects of funding conditionalities to peace NGO's in Kenya. Lessons learned from the past experiences of foreign funding are that foreign aid is effective when it compliments local initiatives rather than substituting them. Effectiveness of projects and programs depend on local ownership, local involvement, and adaptation to local conditions. When aid is responsive to local ownership, local involvement and local conditions it can play a critical role in achieving effective support to the local communities and countries. Therefore, for foreign funding to work effectively, the recipient must be at the driver's seat and this is analysed from the impartiality debate in the mediation school of thought. Finally, the findings of the case study are critically analysed based on conflict management theories and schools of thought.

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CHAPTER ONE

Introduction – Research Problem

Kenya as a country has had a semblance of peace in the midst of the turmoil in the Horn and East of Africa. Under the auspices of IGAD, Kenya has been a mediator in several international disputes.¹ With this, there has been an unprecedented proliferation of Peace NGOs in Kenya. War creates a sense of urgency, which may lead to hastily organized programs that may not always have a positive impact.

It is increasingly recognized that civil society has an important role to play in conflict resolution by involving and educating grass roots and granting legitimacy to top level peace processes. 'NGOs especially locally based NGOs remain key civil society players in development for providing service delivery, promoting community development and gender equality, and undertaking advocacy work.'² A growing interest among donors to support peace has paved the way for an influx of funds to peace NGOs in Kenya. Statistics from the NGO Council of Kenya³ indicates that the general trend is an upward trend in the number of registered peace NGOs. From an average of 3 between 1990 and 1995; average of 15 between 1996 and 2000 and an average of 47 between 2001 and 2005. One of the main reasons for this recent boom is the need arising from the recurrent conflicts as well as western governments finance.

¹ See Mwangi, Makumi; 2000, *Conflict, Theory Processes and Institutions of Management*: Watermark Publications, Nairobi; p 80-81 and *Issues Problems and Prospects in Managing the Diplomatic Service in Small States*: The Fletcher Forum of World Affairs; Vol 30:1 Winter 2006; p 193

² Wallace, Tina & Chapman, Jennifer; 2002; *Do current UK donor funding conditionalities promote good development?*: <http://www.jhu.edu/istr/conferences/capetown/abstracts/wallace.html>

³ See Appendix 1

Therefore as much as there was need for these peace NGOs, there has also been economic gain associated with them. Funding has not been domestic but external.⁴ The word 'peace' in most instances has become a solution to unlocking funding opportunities. This has resulted in a rush among peace NGOs to do peace work. Instead of bringing in the peace dimension in all programmes, donors tend to isolate peace work in different administrative units and specific programs. Maresko argues that 'just as quickly as relief workers enter a conflict, development workers seem to disappear, taking with them their knowledge of the country in conflict. Instead of cooperating in relief efforts, these two communities have become notorious for their lack of communication, with each community clinging to its separate arena: relief aid in times of war, development in times of peace'.⁵

With such funding there are conditionalities (defined as preconditions for getting aid or trade opportunities⁶). More articulately defined by Goodhand and Sedra⁷, conditionalities are the conscious use of aid to create incentives and disincentives to achieve particular goals. Unlike unconditional assistance, the failure to demonstrate progress towards or to meet these goals will lead to changes in donor behaviour. Conditionalities vary in terms of their content (why they are applied), the process through which aid is conditioned (how they are applied), and the target of the conditions (who they are aimed at).

⁴ See Pearce, J (1993); *NGOs and social change: agents or facilitators?*: Development in Practice, 3(3), pp 222-227

⁵ Maresko, Deborah; *Development, relief aid, and creating peace: humanitarian aid in Liberia's war of the 1990's*: Online Journal of Peace and Conflict Resolution No. 6.1, 2004; p 94

⁶ Bhagwati, Jagdish N: *In defense of globalization*. Oxford University Press, 2004, p 5

⁷ Goodhand, Jonathan & Sedra, Mark; *Bargains for Peace? Aid, Conditionalities and Reconstruction in Afghanistan*; Netherlands Institute of International Relations, Clingendael; Netherlands, 2006, p14

According to Goodhand and Sedra⁸, there have been four generations of conditionalities reflecting changing donor objectives . The first generation was from the 1908's where donors applied economic conditionalities linked to structural adjustments and economic liberalization programmes. This was followed by political conditionalities which emerged in the 1990's and was linked to good governance and reform programmes. The third set, peace conditionalities emerged in the last decade associated with the large number of countries worldwide emerging from violent conflict. During this period, there were numerous experiments in liberal peacebuilding, which has become a major growth industry for international donors, governments and NGO's. Fourth generation conditionalities emerged after the September 11th incident in USA. Development assistance has increasingly been viewed as a means of combating terrorism and enhancing security which is reflected both in the allocation of funds and how funds are deployed. These conditionalities may operate alongside each other. Although peace conditionalities explicitly focus on peace, other forms of conditionalities may have profound effects on conflict and peace dynamics. However, the focus of this study is general funding conditionalities given to peace NGO's and their effect on conflict.

NGO's have to abide by the donor conditions to access the funds and this highlights the inequality between the two. Occasionally NGOs may find themselves in the crossfire between being accountable to the donors and thus losing their autonomy vis-à-vis serving the interests of the people they work among. The critics of peace NGOs argue that

⁸ Goodhand, Jonathan & Sedra, Mark; *Bargains for Peace? Aid, Conditionalities and Reconstruction in Afghanistan*; Netherlands Institute of International Relations, Clingendael; Netherlands, 2006, p14

the NGOs do not have legitimacy and are manipulated by foreign interests. Peace activists in foreign funded organizations are accused of working for money and not for peace. The NGO sector is alleged to be corrupt. This can be seen from a wider context of a country having corrupt officials, corrupt judiciary and police force considered even more corrupt. The lack of transparency regarding what NGOs actually do and how they use their money contributes to the insecurity about their motives and honesty.

STATEMENT OF THE RESEARCH PROBLEM

The essence of the study focuses on the relationship between donors and local NGOs, that is the bureaucratization of peace work and the fact that the NGOs are held accountable to donors rather than the local population through conditionalities. These conditionalities include the use of certain management tools, planning and reporting systems. It is argued that the interest of the local population need to be discussed and local NGOs be accorded the autonomy deserved. Funding responses should be based on need and context rather than political factors.

Research questions therefore start from the premise that the way funding is secured and the conditions attached to the funding play a role in shaping the nature of peace work undertaken. Do the current approaches and ways of managing the funding relationship ensure accountability and control of resources and do they promote the stated aims of the NGO sector which include participation, enhancing local ownership and contributing to building of strong civil societies? What are the effects of funding conditionalities to peace

NGOs in Kenya? How have the NGOs reacted to these funding conditionalities and do the reactions to the funding conditionalities affect conflict?

OBJECTIVES OF STUDY

1. The overall objective of the study is to investigate the funding conditionalities to peace NGOs in Kenya. This will be with the view to analyze funding conditionalities in relationship to the NGOs autonomy.
2. To investigate and give an in-depth analysis of how the funding conditionalities affect the NGOs contribution to peace building and how conditionalities may worsen conflict.
3. To investigate and assess the appropriateness and effectiveness of such funding conditionalities to peace NGOs.

JUSTIFICATION

The academic justification is that there is a gap in the literature reviewed below as concerns alternatives to conditionalities. There are no recommendations offered as alternatives to the conditionalities to peace NGOs. This research will therefore come up with some alternatives that can be useful and acceptable to both the donors and the NGOs.

The policy justification is that the study will inform the process of policy formulation with respect to funding conditionalities to peace NGOs in Kenya and more clearly establish the need to tailor the funding conditionalities specific to each peace NGO.

LITERATURE REVIEW

Peace NGOs in Kenya

The peace related NGOs continue to be funded and this is a decision taken by the international community that peace is the highest priority for the world. Indeed the United Nations Charter Article 1:1 states that ‘the purposes of the United Nations are to maintain international peace and security and to that end, to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of peace’⁹.

Peace NGOs are therefore primarily advocates of peace and a negotiated solution. According to the NGO Council (Kenya) NGOs have awareness raising campaigns, others promote coexistence in war torn areas and others focus on advocacy campaigns to end the war, yet others have peacebuilding programs in post conflict situations. Their impact in the country is substantial in that there has been overwhelming support for peace processes. Therefore the argument against foreign funding is not the real issue but how the said funds are utilized and the accountability trends. The question is whether the NGOs that work in peace initiatives are more accountable to the donors or the community wherein they operate due to funding conditionalities.

⁹ Charter of the United Nations and Statute of the international court of justice; p 5

Funding Conditionalities to NGO's

According to Michael Todaro¹⁰ conditionality in international development is a condition attached to a loan or to debt relief, typically by the International Monetary Fund or World Bank. Conditionalities may involve relatively uncontroversial requirements to enhance aid effectiveness, such as anti-corruption measures, but they may involve highly controversial ones, such as the privatization of key public services, which may provoke strong political opposition in the recipient country. While Goldstein¹¹ posits that conditionalities are the requirement that countries agree to implement certain economic policy reforms, as a condition of receiving financial assistance, also known as policy-based lending.

Conditionality has evolved over the years. Initially focused on macroeconomic policies, they have been broadened and deepened over the years in recognition of the complexity of structural adjustment.¹² This has entailed focusing more sharply on the conditions attached to the receiving of financial support on the one hand and being flexible and responsive in discussing alternatives on the other hand. Wallace; Crowther; Shepherd, (1997)¹³ argue that the role of funding conditionalities has not been seen as a key factor in shaping development work. NGOs have seen the new and widely promoted procedures and systems as cumbersome, inconvenient even unpleasant at times but essential for securing funding.

¹⁰ Todaro, Michael; 3rd ed; *Economics for a developing world*; Longman London and New York, p 486

¹¹ Goldstein, J S (1994); *International relations*; HarperCollins College Publishers, USA; pp 538-540

¹² Stiglitz, Joseph; (2002); *Globalization and its discontent*; Penguin Books Ltd, London England; Pg xiii

¹³ Wallace, Tina; Crowther, Sarah; Sheperd, Andrew; *Standardizing development*; Worldview, 1997;
www.bond.org.uk/networker/2001/oct01/conditionalities.htm

The donor funds sent to NGOs are scrutinized by the donors and there are stringent conditions attached and conditionalities imposed. For example it is customary that quarterly reports are submitted regarding the projected activities conducted by an NGO and the NGO is bound to adhere by the rules and regulations. If an NGO is to spend money outside the project for which the money was disbursed then the NGO has to ask permission from the donor. This concern about the NGO accountability not being to the wider public is advanced by scholars such as Edwards & Hulme 1992; Fischer 1994; Tandon 1995; Wallace 2004 and Pearce 1993.

These scholars list the new criteria and requirements as emphasis on quantifiable results rather than objectives, greater control on resources, the tendency to fund specific projects, and the disappearance of the concept of programs and the return of contracts in carrying out projects, the ideology of short term success and pragmatism dominated by the concept of short term criteria and projects, in lieu of program and development approaches. Other conditionalities are planning and reporting mechanisms, log frames, monitoring and reporting, gender equality in staffing of NGOs, time frames and approaches or methodologies utilised.

Eade, 1994¹⁴ argues that the concept of accountability – the means by which individuals and organization report to a recognized authority are held responsible for their actions – is important on claims of legitimacy. NGO accountability may be formal, or informal, may emphasize the honesty and efficiency with which resources are used or the impact and effectiveness of work.

¹⁴ Eade, D (1994); *Editorial*. Development in practice; 3 (3), pp161-162

Hulme 1994¹⁵ argues that NGOs have multiple accountabilities, upwards to their trustees and donors; and downwards to their partners, beneficiaries, staff and supporters. The danger herein is that accountability will be skewed towards the more powerful constituent and many times this means the official donor. The stronger the system of accountability to the donors, the more difficult it is to honor accountabilities to the community with whom the NGOs work directly and the wider society of which these communities are part.

Ideally, in any NGO project, the staff needs to feel accountable to the needs of the communities rather than following rigid schedules and getting things done. Therefore from the beginning the community needs to set its own priorities and set the pace to ensure that the community feels a sense of ownership of the project in the long term.

Effects of funding conditionalities to NGOs

Hulme 1994¹⁶ posits that the increasing funding of NGOs puts the question of legitimacy into centre stage. If NGOs are becoming more responsive to external concerns and are growing larger on the basis of foreign funding, inevitably their values and mission as well as accountability to the beneficiaries are compromised through conditionalities.

¹⁵ See Hulme, D. (1994). *Social development research and the third sector NGOs as users and subjects of social enquiry*. In D. Booth (Ed.), *Rethinking Social development: Theory Research and Practice*. London: Longman.

¹⁶ See Hulme, D. (1994). *Social Development Research and the Third Sector NGOs as Users and Subjects of Social Enquiry*. In D. Booth (Ed.), *Rethinking Social Development: Theory Research and Practice*. London: Longman.

Since NGOs can only invite voluntary involvement in their activities and must therefore use discussion, persuasion, bargaining and accommodation in their dealings rather than bureaucratic control, then popular support provides a basis for legitimacy. This then implies that if the NGOs depend on external funding for their survival, then they have a weaker claim in the society. The question is if the NGO can have an independent mission while relying on donor funding.

On NGOs acting against sovereignty of the country, the accusation by Constantino (1992)¹⁷ has been against NGOs working for peace, human rights and stand for power sharing of the country where they operate. These NGOs values are based on the premise that all people should enjoy equal rights and that there should be devolution of power. Orjuela Camilla (2005)¹⁸ posits that by allowing foreign funded NGOs to work in the war zones and border areas, the government gives up some of its sovereignty, campaigning for a negotiated settlement to the conflict and third party involvement has been considered a surrender of sovereignty and that it is easy to see how donors being in control of the money, are in charge of setting the agenda, designing the rules and initiating changes in the society they intervene in.

However Bahavar, David; (2001)¹⁹ argues that the basic mission of NGOs devoted to ethnic conflict resolution is to transform the way that society deals with a conflict and to

¹⁷ See Constantino-David, K., *The Caucus of Development NGO Networks: The Philippine Experience in Scaling-Up NGO Impact*. Development Journal. 1st Quarter 1996. Vol.1(No.1): p. 109

¹⁸ Orjuela Camilla (2005); *Dilemmas of civil society aid: donors, NGOs and the quest for peace in Sri Lanka*; Peace and Democracy in South Asia, Number 1

¹⁹ Bahavar, David; (2001); *Beyond mediation: the integral role of non-governmental approaches to resolving protracted ethnic conflicts in lesser developed countries*; *The Online Journal of Peace and Conflict Resolution*; www.trinstitute.org/ojpcr

improve the process of conciliation. Their efforts typically are focused on capacity building, consultation, dialogue and training conflict resolution for all people on all sides of the ethnic conflict. While aiming to build an understanding of the interests of each side, these NGOs refuse to side with any one party or another over any particular issue, even in the face of hostile or intimidating pressure. The acceptance by the parties of NGO involvement with key individuals on all sides of a conflict is not based on an official position nor on leverage as an outsider, rather legitimacy is based on a very personal level of trust.

Partnership between donors and their recipients does not erase the unequal relationship between the two. Dougherty and Pfaltzgraff²⁰ posit that foreign assistance can be a form of power in which the donor seeks to influence the recipient, or it can be a form of interdependence in which the donor and recipient create a mutually beneficial exchange. Most NGOs have had to adjust their programs to meet the donors' desires expressed as conditionalities and have had to adjust to the bureaucracy of the aid agencies. Project funding discourages long term planning and makes the work piecemeal. The NGO dependency on the outside funding is in some instances extremely high; professionalisation has come to replace voluntarism. Bureaucratic inefficiencies cause NGO personnel to sit around waiting for project money to come through. Different directives of reporting and budgets between the different donors are another bureaucratic problem. Donors aim to show quick and visible results do not allow short term impacts.

²⁰ Dougherty, James E & Pfaltzgraff, Robert L; 1997; *Contending theories of international relations – a comprehensive survey*; Addison-Wesley Educational Publishers Inc; p 543

Hawkins et al²¹ supported by McCubbins, Mathew D and Talbot, (1987)²² argue that conditionalities are an extension of donor countries government policy and as such serve the interests of the donor countries and that rather than performing the act itself, a state delegates authority to a specialized NGO with expertise, time and resources to perform the task. Peacekeeping provides a clear example that delegation to an NGO is most likely when the costs of establishing a specialized agent are more than the benefits to any single state but less than the benefits to a collection of states. Without gains from specialization there is little reason to delegate. In most cases, no single state benefits enough from peacekeeping to pay those costs itself, yet the benefits are larger than any states cost if burdens are distributed in politically viable ways.

Following this argument, the greater the states needs, the larger the gains from specialization and the more likely states are to delegate. Secondly, Hawkins et al argue that since cooperation may fail due to informational problems, states can also gain by delegating to NGOs to monitor behavior, provide information about the various policy alternatives, or endorse various cooperative solutions. And finally Hawkins et al argue that states may delegate authority to an NGO or revise an existing NGO contract to enhance the credibility of their policy commitments.²³

²¹ See Hawkins et al: *States, international organizations, and principal agent theory*: <http://mjtier.wm.edu/papers/INTRO%20HLNT%20July2030.pdf>

²² McCubbins, Mathew D and Talbot, (1987); *A theory of congressional delegation*: Cambridge University Press, New York; p 412

²³ Marin Lisa; 1993: *Coercive cooperation: explaining multilateral economic sanctions*: Princeton New Jersey; Princeton University Press; p 18

Conditionalities and Accountability Debates

Edwards and Hulme²⁴ posit that NGOs continue to rely heavily on donor funding for their programs, while donors have continued to relate with NGOs premised on their preference to channel funds to and through them. This reliance is more so for African NGOs and particularly Kenyan peace NGOs. Fowler²⁵ argues that the explosive growth of NGOs in many countries is clearly related to the availability of funding.

Meyer, 1992²⁶; Sollis, 1992²⁷; Vivain, 1994²⁸ argue that NGOs are viewed by many official agencies and members of the public as more efficient and cost effective service providers than governments, giving better value for money especially in reaching poor people (NGOs especially the churches have long provided services in health and education, but this was usually by default rather than design, as governments in developing countries lacked the resources to provide universal coverage.

Critics who are concerned about NGOs and their role in society take many forms. Some like Goonatilake 2001²⁹ and Duffield 2001³⁰ argue that NGOs are dependent on

²⁴ Edwards, Michael (1996); Hulme, David: *Too close for comfort? The impact of official aid on nongovernmental organizations*: World development volume 24; Elsevier Science Ltd; United Kingdom

²⁵ Fowler, A; 1991: *Non-governmental organizations in Africa: achieving comparative advantage in micro-development*. IDS Discussion Paper No 249

²⁶ Meyer C; 1992; *A step back as donors shift institutions building from the public to the private sector*: World Development Bank; Vol 20:8; pp 1115-1126

²⁷ Sollis P; 1992; *Multilateral agencies. NGOs and policy reform*. Development in practice; Vol 2:3 pp 163-178

²⁸ Vivian J; 1994: *NGOs and sustainable development in Zimbabwe: no magic bullets*. Development and change; Vol 25; pp 181-209

²⁹ See Goonatilake, Susantha (2001) *Foreign funded NGOs privatizing foreign relations*. Paper presented at the International Sri Lanka Studies Conference, Jaipur, November 2001

foreign funds, they are not financially transparent, are a law unto themselves holding seminars in five star hotels and spending extravagantly and that those involved in the advocacy for peace are acting against the sovereignty of that country. Others like Wickramasinghe, 1997³¹ criticize NGOs as being instruments of globalization and the fact that NGOs are foreign funded. There is no doubt that this is true. There are also criticisms with regard to the governance structure of NGOs lacking minimum forms of internal democracy and where directors are for life. However, Arundhati Roy³² argues that the growth of NGOs has been a phenomenon and proliferated due to the states non fulfillment of its peoples aspirations. The sum total of the activities of NGOs has filled the space the state could not.

Another argument by Lehmann³³ is that NGOs are a law unto themselves and spend lavishly, defraud their donors and have little accountability and Smillie, I (1993)³⁴ argues that Northern NGO survival has been almost completely de-linked from performance, while Edwards, M (1994)³⁵ argues that NGOs appear under little obligation to tell the truth to their supporters. Hancock, Graham (1989)³⁶ posits that the UN has installed a tribe of highly paid men and women who are irredeemably out of touch with the day to day realities of the global state of poverty and underdevelopment which they are supposed to

³⁰ Duffield, Mark (2001); *Global governance and the new wars: the merging of development and security*. London/New York; Zed Books

³¹ Wickramasinghe, Nira (1997); *Rethinking sovereignty: the state, NGOs and humanitarian relief*. Lanka Outlook, Winter 97/98

³² Roy, Arundhati (2004); *Help that hinders*: Le Monde Diplomatique; November 2004
<http://www.globalpolicy.org/ngos/credib/2004/1104hinders.htm>

³³ See Lehmann, D (1990); *Democracy and development in Latin America: economics, politics and religion in the post war period*. Cambridge: Polity Press

³⁴ Smillie, I. *Changing Partners: Northern NGOs, Northern Governments*. International Journal of Voluntary and Nonprofit Organizations, Springer Netherlands, Vol. 5 No. 2, June 1994. pp155-192

³⁵ Edwards, M (1994); *NGOs in the age of information*: IDS Bulletin, 25 (2); pp 117-124

³⁶ Hancock, Graham; (1989); *Lords of poverty*: Camerapix Publishers International; Nairobi, Kenya

be working to alleviate. These overcompensated bureaucrats demand and get a standard of living often far better than which they could aspire to if they were working in industry or commerce in their home countries. At the same time however, their achievements and performance are in no way subjected to the same exacting and competitive process of evaluation that are considered normal in business. Surrounding themselves with the mystifying jargon of their trade, these lords of poverty are the druids of the modern era wielding enormous power that is accountable to no one. (Although Hancock's criticism was mainly leveled at UN agencies and donor community, it can also be considered as having relevance on the conceptual discussion on NGOs from international level to community based.)

THEORETICAL FRAMEWORK

New Institutional Economics tries to explain what institutions are, how they arise, what purposes they serve, how they change and how they may be reformed. The New Institutional Economics is an interdisciplinary enterprise combining economics, law, organization theory, political science, sociology and anthropology to understand the institutions of social, political and commercial life. It borrows liberally from various social-science disciplines, but its primary language is economics. Scholars³⁷ in this school of thought include Coase, Williamson, Toboso, and Menard.

³⁷ See Oliver E. Williamson (September, 2000). "*The New Institutional Economics: Taking Stock, Looking Ahead*" *Journal of Economic Literature*, vol. 38, pp. 595-613.

Davis and North³⁸ New Institutional Economics cares about efficiency and distribution issues and many concepts such as organizational arrangements, transaction costs, credible commitments, modes of governance, persuasive abilities, social norms, ideological values, decisive perceptions, gained control, enforcement mechanism, assets specificity, human assets, social capital, asymmetric information, strategic behavior, bounded rationality, opportunism, adverse selection, moral hazard, contractual safeguards, surrounding uncertainty, monitoring costs, incentives to collude, hierarchical structures and bargaining strength.

Institutional levels

Although no single, universally accepted set of definitions has been developed, most scholars doing research under the New Institutional Economics methodological principles and criteria follow North's³⁹ demarcation between institutions and organizations. Institutions are the "rules of the game", consisting of both the formal legal rules and the informal social norms that govern individual behavior and structure social interactions (institutional frameworks). Organizations, by contrast, are those groups of people and the governance arrangements they create to coordinate their team action against other teams performing also as organizations. Firms, Universities, clubs, medical associations, unions, etc. are some examples.

Because some institutional frameworks are realities always "nested" inside other broader institutional frameworks, this clear demarcation is always blurred in actual

³⁸Davis, L E and North, D C (1990); *Institutional Change and American Economic Growth*, Cambridge, Cambridge University Press; pp 3-4

³⁹North, Douglass C. (1997). "*Understanding Economic Change*". in *Transforming Post-Communist Political Economies*, Joan M. Nelson, Charles Tilly and Lee Walker, eds., Washington D. C.: National Academy Press. pp. 13-18

situations. This is why scholars usually divide institutional frameworks into several levels. Level 1 consists of embedded informal institutions; these include traditions, customs, values and religion. These institutions arise spontaneously over a long period of time and are very slow to change. North asks, “What is it about informal constraints that gives them such a pervasive influence upon the long run character of economies?” The answer is unknown but many lower level institutions are designed to protect Level 1 institutions.

Level 2 is where formal rules (legal rules) are created, for instance, Constitutions and General Laws defining the rules of the game. Major changes at this level are rare but are often preceded by major upheavals such as the Civil War or the American Revolution. Marginal legislative reforms are frequent however.

Level 3 is the level of governance when more detailed organizational rules exist and it is the level of interest for this study. This is the level at which the game is played. Cooperation and conflict, exchange and bargaining, efficiency and distributive issues enter into the equation here. These organizational rules usually serve to facilitate the resolution of conflicts and realize mutual gains by at least a significant part of participants in each arena. Attempts to collectively reform this governance structures are also frequent.

HYPOTHESES

- Increased fulfillment of funding conditionalities by Kenyan peace NGOs leads to increased funding by donors.
- Funding conditionalities to peace NGOs influence the work of peace NGOs in Kenya.

- Peace NGOs in Kenya are more accountable to the donors than the populace they serve owing to funding conditionalities.

METHODOLOGY

This project will rely on both primary and secondary data. The primary data collection will involve direct interviews with select respondents in peace NGOs in Kenya. This will be done through the administration of both open and closed questionnaires, in which responses will be recorded by the researcher in the course of the interview. This method is preferable because it has the advantage of in-depth probing. It also eliminates questionnaire losses and assists in the clarification of any ambiguous questions. The sample design will target 5 respondents in Nairobi. This is because the number of peace NGOs is not large. Specifically, purposive sampling will be used to identify donors and recipients that operate with funding conditionalities.

For the purposes of identifying potential respondents and the institutions they represent, the researcher will rely on the list of peace NGOs from the NGO Council of Kenya. Interviews will be conducted during the day preferably during official working hours.

The questionnaires and answers will be collected analyzed and a report developed in consultation with the project supervisor.

The secondary data will involve comprehensive literature review on funding conditionalities and their effects for purposes of learning from other authors as well as

provide current background information. Specific sources will include academic books, journals, pamphlets, reports, academic research papers, newspapers etc.

SCOPE AND LIMITATIONS OF THE RESEARCH

The extent of the data collection may be influenced by the amount of time and resources available. The number of respondents (peace NGOs) studied will be limited to 5 in Nairobi because of geographic locations as well as other constraints such as the fear the interviewees may have which may inhibit in-depth analysis of the problem. However the interviewees will be assured of confidentiality and that their identity will not be revealed nor the interviews reported in a way to hint at the source of information.

CHAPTER OUTLINE

Chapter one: Proposal

Chapter two: Debates on funding conditionalities

Chapter three: Effect of funding conditionalities on conflicts

Chapter four: Critical analysis of the effect of funding conditionalities on peace NGOs in Kenya

Chapter five: Conclusions.

CHAPTER TWO

FUNDING CONDITIONALITIES AND PEACE NGOS

Introduction

Conditionalities in international development are requirements or conditions to be fulfilled or implemented that are attached to a loan or to debt relief, typically by the World Bank (WB) or in the case of bilateral aid, the donor country. To Goldstein, conditionalities are the requirement that countries agree to implement certain economic policy reforms, as a condition of receiving financial assistance, also known as policy-based lending.⁴⁰ Generally, conditionalities are requirements in the form of economic reforms attached to loans from international lending institutions to developing countries.⁴¹ In the recent years, the World Bank along with the rest of the donor community maintain that the failures of the 'one size fits all' policy have been acknowledged and replaced with country tailored, locally owned and participatory approach that customizes policies to fit local circumstances.⁴²

However, Gould⁴³ portrays conditionalities as being disguised as partnerships based on mutuality and trust, Such a transformation implies significant changes in the procedure and modalities of aid and in the relationships between the actors involved in the negotiation and disbursement of foreign grants and credits. He further argues that the implications of the new aid modalities for the configuration of domestic political domains

⁴⁰ J. S. Goldstein, International Relations, (New York: HarperCollins College Publishers, 1994).

⁴¹ S.L Spiegel, World Politics in a New Era, op.cit p. B-5.

⁴² World Bank (2002); *Participation in Poverty Reduction Strategy Papers: a Retrospective Study*, Participation and Civic Engagement Group, Social Development Department.
<http://www.worldbank.org/participation>

⁴³ Jeremy Gould (2005); *The New Conditionality, the Politics of Poverty Reduction Strategies*; Zed Books Ltd, UK

and consequently the way in which the state is being reconstituted. Thus the relationship between the state and the non state actors is affected.

On partnerships, Van de Walle⁴⁴ argues that despite the rhetoric about partnerships, donors retained final decision making power. This is reflected in both the preference for project aid over program aid and the presence of conditionality to govern program aid. He further argues that throughout the 1960s and 1970s, project aid constituted two thirds of all aid to Africa. Donors similarly controlled the various kinds of program aid through strict disbursements schedules and the exercise of prior conditions. Although the scope and scale of conditionality rose in the 1980s, the donors had always imposed conditions on their program aid. This chapter will explore the debates in relation to funding conditionalities generally and funding conditionalities in relation to peace NGO's.

Funding Conditionalities

Governments are supposed to deliver services to their citizens and improve their capacities to develop. But since most governments use top-down approach, the perception is that some government officials and political elites engage in corrupt deals, therefore making funding ineffective in meeting the needs of local communities. This meant that the funds were not able to achieve their initial intended objective. Instead of economic development, developing countries found themselves sinking deeper into debt crisis. NGOs offer complementary efforts to improve communities through bottom-top approach.

⁴⁴ Nicolas van de Walle (2001); *African Economies and the Politics of Permanent Crisis, 1979-1999*; Cambridge University Press, USA

As governments receive international aid which is attached to conditionalities, so do NGOs.

Many developing countries in Africa, Latin America, Middle East and Pacific are poor. Poverty makes a large segment of these countries population lack access to basic needs. This makes development a priority to these countries' Government projects. Spiegel qualifies this by noting that, "development is the central topic of negotiation, if not a preoccupation, in contemporary relationships between South and North"⁴⁵.

As a strategy, the World Bank opted to use funding conditionalities as a tool to achieve development and enhance accountability. This resulted in the development of Structural Adjustment Programs (SAPs). In order to receive financial assistance, the debtor countries had to undertake structural adjustment policies approved by lending institutions.⁴⁶ Such policies favored market economy and trade liberalization. For the poorest developing countries in the world the Bank's assistance plans are based on Poverty Reduction Strategies; by combining a cross-section of local groups with an extensive analysis of the country's financial and economical situation the World Bank develops a strategy pertaining uniquely to the country in question. The government then identifies the country's priorities and targets for the reduction of poverty, and the World Bank aligns its aid efforts correspondingly. Many academics have argued that the World Bank is in fact a key cause of contemporary poverty⁴⁷.

⁴⁵S.L Spiegel, World Politics in a New Era, (New York: Harcourt Brace College Publishers, 1995), p. 340.

⁴⁶ Ibid

⁴⁷ For these arguments see David Moore's edited book 'The World Bank', University of KwaZulu-Natal Press, 2007

Conditionalities may involve relatively uncontroversial requirements to enhance aid effectiveness, such as anti-corruption measures (although in Kenya this may be controversial as in the current prevention of Kenya Anti Corruption Commission from investigating corruption that occurred before 2003 by the Miscellaneous Statute Amendment Bill tabled in Parliament on 12th September 2007); but they may involve highly controversial ones, such as privatization of key public services, which may provoke strong political opposition in the recipient country.⁴⁸

Other types of conditionalities that often occur are aid which is tied to be used on a specific way. For example, many countries tie aid to purchases from the donor country, although this practice has drastically decreased over the past 15 years. The United Nations Human Development Report in 2005 estimated that only about 8% of bilateral aid is 'tied', down from 27% in 1990. This however varies from country to country with the United Kingdom, Ireland and Norway giving 100% of their aid untied, and Canada, Austria and Spain giving less than 60%.⁴⁹ Developing countries have continued to receive aid from western countries either through financial institutions or bilateral agreement.⁵⁰

Kang Xiaoguang and Feng Li⁵¹ argue that external accountability mechanisms (conditionalities) can be both positive and negative. The positive include increased planning and implementation requirements, with tighter appraisal mechanisms and

⁴⁸ M. Todaro, *Economics for a Developing World*, 3rd ed (London: Longman,).

⁴⁹ http://hdr.undp.org/global/2005/pdf/HDRo5_HDI.pdf

⁵⁰ World Bank, *World Development Indicators*. (Washington D,C,: World Bank, 1998). See also, World Bank, *Assessing Aid: What Works, What Doesn't, and Why*. (New York; Oxford University Press, 1998).

⁵¹ Kang Xiaoguang and Feng Li (2006); *NGO Governance in China: Achievements and Dilemmas* in Lisa Jordan & Peter Tuijl (eds); 2006; *NGO Accountability*: Earthscan London, United Kingdom; pp129-145

reporting and budgeting requirements; while the negative include 'cessation of cooperation from society which implies a loss of social legitimacy i.e. consistency with cultural traditions and other social customs standards'.

Failure of Conditionalities

With time, the initial intentions of funding conditionalities were not realized. In some cases, the conditionalities have been perceived to aggravate the situation in they were intended to improve. This is illustrated through the conditionality of target group. Some donors tie funding to strict target of particular group(s) and recipients avoid spending resource beyond the targeted group(s) that may have a significant bearing on the success of the project for fear of losing the funding. To address the issue of refugees alone without consideration of member communities with whom they live may degenerate to resentment and conflict as can be demonstrated in Uganda⁵².

Mwagiru⁵³ argues that structural violence and structural conflict are all about structures that generate or cause conflict in a society. These structures are economic, social and psychological. They also include religious and legal structures. The effect of these structures is to create inequalities in various sectors including health, education, life and employment. The essence of these structures in the context of structural violence and conflict is that they must be a result of relations between groups in society. Religious organizations form a broad category of donors. Many religions also inspire their followers

⁵² O. Otunnu, "Rwandese Refugees and Immigrants in Uganda" in H. Adelman & A. Suhrke Eds., *The Path of Genocide: The Rwanda Crisis From Uganda to Zaire*, (London: Transaction Publishers, 1999), pp. 3-29.

⁵³ Makumi Mwagiru (2000); *Conflict, Theory, Processes and Institutions of Management*: Watermark Publications, Nairobi, Kenya, p32

to help other people directly or by providing funds. Concerns arise with the way religious beliefs may influence access to or the nature of the help provided which may create a structural conflict situation.

In addition, one can argue that some form of religious proselytizing particularly in relation to contemporary notions of rights and democracy can raise structural violence. Mwangi⁵⁴ states that there are many doctrinal quarrels between religious. If an individual may not access educational help due to religious affiliation (which is set as conditionality), then that conditionality has hindered the individual from realizing their full potential and has led the individual into structural violence. Mwangi⁵⁵ also posits that ‘the spiritual aspects and the physical violence of conflict do not always coexist easily.’ Such situations then raise the question on the effectiveness of funding conditionalities to enhance peace. This provoked debates on whether it is important to have funding conditionalities or to do away with them.

The failure of conditionalities is a serious problem for the donor community and the multilaterals because this instrument is viewed as a necessity for achieving the goals of aid.⁵⁶ At the same time, receiving aid is a very important income source for poor countries and NGO’s. Developing countries have continued to receive aid from Western countries either through financial institutions or bilateral agreement.⁵⁷

⁵⁴ Makumi Mwangi (2000); *Conflict, Theory, Processes and Institutions of Management*; Watermark Publications, Nairobi, Kenya, p138

⁵⁵ Ibid, pp138-139

⁵⁶ Kanbur, Ravi, “Aid, Conditionality and Debt in Africa” in Finn Tarp (ed), *Foreign Aid and Development: Lessons Leant and Directions for the Future*. (London: Routledge, 2000), pp. 409-23.

⁵⁷ World Bank, *World Development Indicators*. (Washington D.C.: World Bank, 1998). See also, World Bank, *Assessing Aid: What Works, What Doesn't, and Why*. (New York; Oxford University Press, 1998).

Conditionality has evolved over the years. Initially focused on macroeconomic policies, conditionalities have been broadened and deepened over the years in recognition of the complexity of structural adjustment⁵⁸ and now focusing on Poverty Reduction Strategy Programmes as well as Millennium Development Goals which have led to significant increase in pro-poor expenditures⁵⁹. This has entailed focusing more sharply on the conditions attached to the receiving of financial support on the one hand and being flexible and responsive in discussing alternatives on the other hand.

While conditionalities are seen as key to development in the developing countries, Experience has provoked debates on the efficacy of funding conditionalities. In this respect, scholars, analysts and development practitioners have been divided into those who see strict adherence to funding conditionalities as the key to development, those that consider funding conditionalities as obstacle to development, and those who seek middle ground on funding conditionalities and flexibility of such conditionalities.

DEBATES ON FUNDING CONDITIONALITIES

There are four rationales for conditionality according to Collier et al.⁶⁰ First is that the donor offers funding as an incentive to change or adopt policies. The second is that the donor believes they know what is best for the recipient's welfare. The third is that the recipient needs to make a commitment for a particular policy and conditionality as viewed

⁵⁸ Joseph Stiglitz, Globalization and Its Discontent, (London: Penguin Books Ltd, 2002), p. xiii.

⁵⁹ Evaluation of Poverty Reduction Strategy Papers (PRSP) and the Poverty Reduction and Growth Facility (PRGF); 2005; World Bank, Washington DC; p8

⁶⁰ P. Collier, S. Guillumont and J.W. Gunning, "Redesigning Conditionality" in World Development, Vol. 25, No. 9 (1997), pp. 1399-1407.

as credible threat to avoid reversal of such a policy. The last one is signaling to other donors that the policies of the recipient will improve in the face of the funding conditionalities. The debates that revolve around conditionalities are attempts made analysing the effectiveness of foreign funding in achieving better results in the delivery of services to the intended beneficiaries.

The first school of thought is the one that advocates for funding conditionalities. In this school, for a country to receive financial assistance from the World Bank and IMF it had to undertake Structural Adjustment policies approved by the lending institutions. These policies sought to open market, devalue currency, cut government spending, reduce price controls and subsidies, and reduce state ownership of industries. Initially Structural Adjustment programs were 'one size fit all' that is, they were uniform conditionalities that were supposed to be fulfilled by all countries to receive aid. Countries such as Nigeria, Uganda, Kenya, Bolivia, Algeria, Zambia, Russia and Mexico were all expected to follow through the same procedures. Despite their economic, geographic and cultural differences, the above countries were expected to devalue their currencies and simultaneously remove the price controls. This resulted in price hikes that led to extreme poverty.

The World Bank and IMF recognize the hardship that conditionality entail, but see conditionality as necessary tools to make it possible for debtor countries pay back the loans, attract private investment in the future, and reorient economies for long-term growth.⁶¹ Since World Bank and IMF considers conditionality a necessary yet they recognize the hardships of 'one size fit all' policy, they have resorted to country tailored,

⁶¹ S.L Spiegel, World Politics in a New Era, op. cit. pp.364-367.

locally owned and participatory approach that customizes Structural Adjustment policies to fit local circumstances.⁶²

To respond to criticism that funding conditionalities have not worked in the past, this school of thought include Mosley et al,⁶³ Lipton and Ravallion⁶⁴ and Lustig⁶⁵, claim that the failure of the funding conditionality is as a result of continued funding despite the fact that the recipient does not comply with the conditionalities. The donors have failed to apply sanctions or enforce conditionalities stipulated in the conditionality contracts. The recipients' anticipation to receive further funding regardless of their compliance to the funding conditionalities makes the recipients not committed to complying with the conditionalities. This has resulted to the low performance of funding conditionalities to achieve the desired goals.

Therefore, conditionalities ineffectiveness stems from two major proximate reasons, these are, poor borrowers compliance and lack of donor enforcement.⁶⁶ Mosley et al⁶⁷ in subscribing to this school of thought hold that compliance to funding conditionalities is more important than the volume of foreign funding to be issued.

⁶² World Bank, Participation in Poverty Reduction Strategy Paper: a Retrospective Study. Found in <http://www.worldbank.org/participation>

⁶³ P. Mosley, J. Harrigan and J. Toye, Aid and Power: The World Bank and Policy Based Lending. Volume 2: Case Studies. (London: Routledge, 1991)

⁶⁴ Lipton, Michael and Martin Ravallion. 1995. "Poverty and Policy," in Jere Behrman and T.N. Srinivasan, editors, Handbook of Development Economics, Volume 3B, Chapter 41, 2551-2658.

⁶⁵ Lustig, Nora "Crises and the Poor: Socially Responsible Macroeconomics" *Economia*, Journal of the Latin American and Caribbean Economic Association, Vol.I, Number1, Brookings Institution, Washington, D.C., October 2000.

⁶⁶ World Bank, The Theory and Practice of Conditionality: a Literature Review, 2005. pp. 7-8.

⁶⁷ P. Mosley, J. Harrigan and J. Toye, Aid and Power: The World Bank and Policy Based Lending, Volume 2: Case Studies. (London: Routledge, 1991)

Such a position regarding funding conditionalities implies that, the recipients that will strictly adhere to the funding conditionalities will continue to receive funding while those that do not strictly comply with the conditionalities are struck from the list of funding. This school of thought assumes that this is the best way forward for enforcing funding conditionalities and ensuring compliance of the recipients which results in better outcomes in the delivery of services to beneficiaries.

The second school of thought rejects funding conditionality as a strategy to development. This group led by Noorbakhsh⁶⁸ and Nhema⁶⁹, view funding conditionalities that were imposed on African countries through the SAP's in the last two or so decades by the West to have either directly or indirectly caused social instability making African states vulnerable to conflicts.⁷⁰ Critics of funding conditionalities argue that conditionality and ownership are incompatible.⁷¹ Since interests and choice of the donors and recipients do not necessarily coincide, funding conditionalities will remain ineffective in improving the performance of recipients in service delivery.⁷² Paloni and Zanardi⁷³ further argue that there would be no reason for conditionalities to a recipient country if that country owned

⁶⁸ F. Noorbakhsh; P. Mosley and A. Paloni *'The importance of a better design of conditionality for improving implementation of World Bank-supported reforms: The case of Sub-Saharan African countries'* Discussion Paper No 2004-06 Department of Economics, University of Glasgow; p28

⁶⁹ See Alfred G Nhema (Ed), The Quest for Peace in Africa , Transformations, Democracy and Public Policy, International Books, 2004.

⁷⁰ Ibid.

⁷¹ Alberto Paloni and Maurizio Zanardi "Development Policy Lending, Conditionality and Ownership: A Dynamic Agency Model Perspective" in Review of Development Economics. Vol. 10 No. 2, (2006), pp253-266

⁷² H. White and O. Morrissey, "Conditionality when Donor and Recipient Preferences Vary" in Journal of International Development. Vol. 9 No. 4, (1997), pp. 497-505.

⁷³ Alberto Paloni and Maurizio Zanardi "Development Policy Lending, Conditionality and Ownership: A Dynamic Agency Model Perspective" in Review of Development Economics. Vol. 10 No. 2, (2006), pp253-266

the reform program. Thus the very presence of conditionalities signals a conflict of interest between the lenders and the recipients and undermines ownership.

Funding conditionalities have not been seen as key factors in shaping development work.⁷⁴ McMurtry⁷⁵ argues that in Africa, an estimated 500,000 more children died from the imposed restructuring of their countries' economies to ensure increased flows of money to external banks, while spending on health care declined by 50 per cent and on education by 25 per cent since these structural adjustment programs began.

Many debtor governments resent conditionality and consider it as being foreign meddling. Gould posits that funding conditionalities as a partnership based on mutuality and trust is a disguised partnership that seeks to reconstitute states.⁷⁶ However, the debt-strapped countries have little recourse but to accede to conditionalities because of their great need of foreign aid even though donors retain the final decision on funding.

While non-compliance to funding conditionalities has been attributed to the low score of the funding conditionalities to deliver in making recipients improve the welfare of the people they serve, there is no conclusive evidence regarding the advantage of good or poor compliance.⁷⁷ Empirical results⁷⁸ highlight the role of a country's income status,

⁷⁴ Tina Wallace, Sarah Crowther and Andrew Sheperd, *Standardizing Development: Worldview*, 1997 found in www.bond.org.uk/networker/2001/oct01/conditionalities.htm

⁷⁵ John McMurtry, 1998, *Unequal Freedoms: The Global Market as an Ethical System*, Kumarian Press, p.305.

⁷⁶ J. Gould, *The New Conditionality, the Politics of Poverty Reduction Strategies*. (London: Zed Books, 2005).

⁷⁷ F. Noorbakhsh and A Paloni, "Structural Adjustments and Growth on Sub-Saharan Africa: The Importance of Complying with Conditionality" in *Economic Development and Cultural Change*, Vol. 49, (2001), pp. 479-509: 497.

economic performance and political stability during the programme, the external economic environment, the size of financial support for the reform programme, and initial macroeconomic conditions. In this way, the advocacy for compliance to funding conditionalities for better results in service delivery by recipients of foreign funding is misguided.

Funding conditionalities have been criticized as not taking sufficiently into account policy alternative in specific areas.⁷⁹ Therefore, the funding conditionalities reflect the narrow perspectives of the donors mostly with negative consequences to the recipient in coping with their specific needs and interests as empirical evidence suggests that a major determinant of compliance is a country's income status, which could reflect a low quality of institutions⁸⁰. Although foreign funding can contribute to the ability of the recipients to address local needs of the people, funding conditionalities constrain recipients to respond to a narrow framework that is provided by the donors.

When viewed from the peace research paradigm as furthered by Galtung⁸¹, it can be argued that the structures that emerged after the SAP's regime devalued the conditions of human beings. This was as a result of the high unemployment rates, high inflation rates that followed the implementation of the SAP's which can be said to have stunted

⁷⁸ F. Noorbakhsh; P. Mosley and A. Paloni *'The importance of a better design of conditionality for improving implementation of World Bank-supported reforms: The case of Sub-Saharan African countries'* Discussion Paper No 2004-06 Department of Economics, University of Glasgow; p28

⁷⁹ World Bank, *The Theory and Practice of Conditionality: a Literature Review*, 2005.

⁸⁰ F. Noorbakhsh; P. Mosley and A. Paloni *'The importance of a better design of conditionality for improving implementation of World Bank-supported reforms: The case of Sub-Saharan African countries'* Discussion Paper No 2004-06 Department of Economics, University of Glasgow; p28

⁸¹ For more arguments on structural violence see Johan Galtung, 1969; *Violence, Peace and Peace Research: Journal of Peace Research*; Vol 6, No 3; pp167-191

development and undermined justice and ultimately the actual somatic and mental realisations fell below the potential. Galtung defines structural violence as existing in those conditions in which human beings are unable to realise their full potential. He develops the concept of structural violence by considering violence to be the cause of the difference between the potential and the actual.

Tying SAP's conditionalities with structural violence, Robbins⁸² argues that 'at first glance it may seem that the growth in development of export goods such as coffee, cotton, sugar, and lumber, would be beneficial to the exporting country, since it brings in revenue. In fact, it represents a type of exploitation called *unequal exchange*. A country that exports raw or unprocessed materials may gain currency for their sale, but they lose it if they import processed goods. The reason is that processed goods—goods that require additional labor—are more costly. Thus a country that exports lumber but does not have the capacity to process it must then re-import it in the form of finished lumber products, at a cost that is greater than the price it received for the raw product. The country that processes the materials gets the added revenue contributed by its laborers'. The laborers in the countries exporting raw products do not realize their full potential.

Adam Smith further argues that 'though the encouragement of exportation and the discouragement of importation are the two great engines by which the mercantile system proposes to enrich every country, yet with regard to some particular commodities it seems to follow an opposite plan: to discourage exportation and to encourage importation. Its ultimate object, however, it pretends, is always the same, to enrich the country by the

⁸² Richard Robbins (1999), *Global Problems and the Culture of Capitalism*: Allyn and Bacon, p. 95

advantageous balance of trade. It discourages the exportation of the materials of manufacture, and of the instruments of trade, in order to give our own workmen an advantage, and to enable them to undersell those of other nations in all foreign markets; and by restraining, in this manner, the exportation of a few commodities of no great price, it proposes to occasion a much greater and more valuable exportation of others. It encourages the importation of the materials of manufacture in order that our own people may be enabled to work them up more cheaply, and thereby prevent a greater and more valuable importation of the manufactured commodities.⁸³

From the above arguments, it is evident that the conditionalities during the SAP regime caused structural violence⁸⁴; the human beings in the affected countries did not realize their full potential. Therefore, the SAP conditionalities channeled resources away from constructive efforts to bring the actual closer to the potential. Although no actor directly harmed another, the violence was built in the system and was manifested by social injustice. Thus it can be concluded that the SAP conditionalities contributed to creating conflict situations.

This school of thought considers funding conditionality as overly and increasingly intrusive thus infringing on the freedom of the recipient⁸⁵ undermining internal democratic processes of the recipient⁸⁶ and ineffective in bringing about the desired outcome⁸⁷. While

⁸³ Adam Smith, 1991(6th edition); *Wealth of Nations*, Everyman's Library, p.577

⁸⁴ See Johan Galtung, 1969; *Violence, Peace and Peace Research*; Journal of Peace Research; Vol. 6, No 3; pp167-191

⁸⁵ A Drazen, *Conditionality and Ownership in IMF Lending: a Political Economy approach*, Mimeo, 2002.

⁸⁶ J. E. Stigiz, "The World Bank at a Millennium" in *Economic Journal*, Vol. 109, 1999). pp. 577-597.

funding is intended to improve the performance of recipients in service delivery, conditionalities bring in foreign interests affecting internal adjustments that the recipient may desire to make in order to be responsive to the needs of beneficiaries of its projects.

The donors continually appear to be contented to issue funding within their traditional administrative frameworks leading to high proportion of implementations problems. The administrative-intensive approach does not give flexibility to the recipient to respond to the needs of the local communities in a more accommodating manner. The creativity of the recipient is also shunned by the funding conditionalities as the recipient has to convince the donor that the funds were 'well' used by following the administrative guidelines of the donor. Therefore, the recipient is incapacitated in responding to the local community and local conditions; and at times the projects initiated become irrelevant to the local community.

The third approach scholars among them Alberto Paloni and Maurizio Zanardi, see the rationale in the two divergent positions on funding conditionality. This school of thought seeks to harmonize the divergent positions by recognizing that funding conditionality can help streamline the use of foreign funding yet it may also aggravate the problems in recipient countries. To this school of thought, there is a middle ground on funding conditionality and local ownership.

⁸⁷ W. Easterly, "What did Structural Adjustment Adjust? The Association of Policies and Growth with Repeated IMF and World Bank Adjustment Loans" in Journal of Development Economics, Vol. 76, No. 1, (2005), pp. 1-22.

Conditionality and ownership can be complementary depending on the characteristics of reform programs.⁸⁸ International Financial Institutions (IFI) insists that conditionality and ownership can be complementary if conditionalities are streamlined and policy change is implemented before disbursement of funds rather than disbursements made following the promise of policy change. This school of thought argues that conditionalities can be effective if the reform program is appropriate to the country's circumstances. Since the International Financial Institutions (IFI) recognized the problems associated with uniform approach to funding conditionalities, they have sought to replace it with country tailored approaches. In this way, funding conditionalities become a partnership based on mutual consent and trust.⁸⁹

The debate on compliance and non-compliance to funding conditionalities and results in improving recipients' performance in service delivery settles no more than those recipients of foreign funding with a higher tendency to comply with funding conditionalities tend to exhibit better performance.⁹⁰ This seems to strike middle ground that funding conditionality can contribute to service delivery by the recipient but the positive effects of funding conditionalities are not absolute.

Lessons learned from the past experiences of foreign funding are that foreign aid is effective when it compliments local initiatives rather than substituting them. Effectiveness

⁸⁸ Alberto Paloni and Maurizio Zanardi, "Development Policy Lending, Conditionality and Ownership: A Dynamic Agency Model Perspective" in Review of Development Economics, Vol. 10(2), (2006) pp. 253-266.

⁸⁹ World Bank, Participation in Poverty Reduction Strategy Paper: a Retrospective Study, op. cit.

⁹⁰ O. Morrissey, Conditionality and Aid Effectiveness Re-evaluated, (Oxford: Blackwell Publishing Ltd, 2004), 158-164.

of projects and programs depend on local ownership, local involvement, and adaptation to local conditions. When aid is responsive to local ownership, local involvement and local conditions it can play a critical role in achieving effective support to the local communities and countries. Therefore, for the foreign funding to work effectively the recipient must be at the driver's seat.⁹¹

When viewed from the conflict research paradigm, this approach can be further explained through advocacy for non partisanship and involvement of all parties concerned during funding negotiations. Conflict researchers led by J. Burton⁹² in his needs theory argues that conflict is an acquired behavior from the environment and that the environment does not need to be manipulated by use of force. They also believe that conflict arises due to diverse levels of decision making centres. Burton posits that 'the origins of structural violence are therefore the policy and administrative decisions that are made by some and which adversely affect others. Unless the organization is democratic in the widest participatory sense, norms inevitably tend to accommodate institutional or organizational interests, with insufficient knowledge or consideration of those affected giving rise to structural violence'⁹³. Therefore if the decision making centres are consolidated into one and all parties are involved in the decision making process during funding negotiations, there would be no incompatibility due to conditionalities which may breed conflict. The overall process is thus owned by the funds recipient.

⁹¹ N. Stern, J. J. Dethier and H. Roger, Growth and Empowerment, Making Development happen, (Cambridge: The MIT Press, 2005).

⁹² J. Burton; *Violence explained*; Manchester, Manchester University Press; 1947: pp32-40

⁹³ Ibid, p32-33

Donors can influence the choice of policies and strategies that the recipient can adopt to deliver better results in delivering services to the local communities. This can be through providing information on policies and strategies that have worked in the past and in different places. The donor can also support in the analysis of the effects of the policies and strategies being implemented. Thus the recipients of the funding adopt policies and strategies because they believe that such policies and strategies are right. Such a choice should not be limited by whether the analysis was made by the recipient or influenced by the information provided by the donor or other agencies.

FUNDING CONDITIONALITIES AND NGOs

While the debate on funding conditionality continues to boil, there has been continued interest on the effectiveness of aid to developing countries. One of the concerns for international development partners is that resource given to these countries do not trickle down to make an impact on the local population. Among the reasons for this thinking is that, governments of developing countries are broad and general in perspective, making them not respond to specific needs of the citizens and some of the governments officials are corrupt diverting resources from intended objectives. This may hinder international aid from achieving its intended goal of development and building capacity for the local citizens. Such perceptions have prompted a search for another alternative or complementary channel in which foreign funding would have a deeper positive development impact in developing countries citizens. One of the alternatives or complementary channel to government development work is NGOs.⁹⁴

⁹⁴ B. Sanyal, "NGOs' Self-Defeating Quest for Autonomy" in The Role of NGOs: Charity and Empowerment, Vol. 554, (Nov. 1997), pp. 21-32:28.

NGOs have been viewed by many official agencies such as CIDA, USAID and members of the public as more efficient and cost effective service providers than governments, giving better value for money especially in reaching poor people.⁹⁵ NGOs, especially the churches have long provided services in health, education and peace management. Despite the state's control and command of significant resources, the resources have remained limited to have universal coverage. This explains partly why governments in developing countries have not been seen to be effective in service delivery to the local population. Although NGOs do not command a lot of resources as states and Intergovernmental Organizations they tend to focus their efforts on specific projects in order to maximize their effectiveness in service delivery.

NGOs are perceived to be effective in service delivery as they are more concerned to community building and empowerment⁹⁶ through; democratic, decentralized, and cooperative efforts; are small served by volunteers hence more efficient and responsive to meet specialized needs of communities based on their closeness to communities; due to legitimacy gained through their effectiveness and accountability NGOs are not tied to the control of the states and market institutions hence are not controlled by the state or driven by profit making motives; finally NGOs keep away from political parties hence are not subject to often corrupt political processes making them autonomous from dominant

⁹⁵ C Meyer, "A Step Back as Donors Shift Institutions Building from the Public to the Private Sector" in World Development Bank, Vol. 20, No. 8, (1992) pp. 1115-1126. See also, P. Sollis, "Multilateral Agencies, NGOs and Policy Reform" in Development in Practice, Vol 2 No. 3, (1992), pp. 163-178. See also, J. Vivian, "NGOs and Sustainable Development in Zimbabwe: No Magic Bullets" in Development and Change; Vol 25, (1994), pp. 181-209.

⁹⁶ B. Sanyal, "NGOs' Self-Defeating Quest for Autonomy" in The Role of NGOs: Charity and Empowerment, op. cit., pp. 28-29.

political institutions controlled by the elites making them effective in organizing and empowering the communities.⁹⁷

The perceived effectiveness of NGOs in service delivery particularly to the local communities has made them to be perceived by Western development partners as effective instruments to achieve development in developing countries. This has resulted to a continued funding from Western countries together with their financial institutional and International Non-Governmental Organizations to local NGO. Some International Non-Governmental Organizations have also come to operate in developing countries.

The explosive growth of NGOs in many countries is clearly related to the availability of funding.⁹⁸ NGOs continue to rely heavily on donor funding for their programs, while donors have continued to relate with NGOs premised on their preference to channel funds to and through them.⁹⁹ This reliance is evident in NGOs and particularly Kenyan peace NGOs. Odera concludes that the proliferation of NGO in developing countries signifies the availability of funding from developed countries.¹⁰⁰ This funding is mostly humanitarian aid that is given as a grant and need not be paid back directly.

A 1995 UN report on global governance suggests that “nearly 29,000 international NGOs existed. Domestic ones have grown even faster. By one estimate, there are now 2m

⁹⁷ R. F. Gorman, (ed) Private Voluntary Organizations as Agents of Development, (Boulder, Co.: Westview Press, 1984).

⁹⁸ A. Fowler, Non-Governmental Organizations in Africa: Achieving Comparative Advantage in Micro-Development, IDS Discussion Paper No 249, 1991.

⁹⁹ Michael Edwards and David Hulme, “Too Close for Comfort? The Impact of Official Aid on Nongovernmental Organizations” in World Development, vol. 24, (London: Elsevier Science Ltd, 1996).

¹⁰⁰ J. A Odera, The Role of the Civil Society in Managing Conflicts in Eastern Africa, (A Paper Presented at the Conference on Managing Conflicts in East Africa on 16-18 December, 2002, Entebe, Uganda).

in America alone, most formed in the past 30 years... in Kenya alone, some 240 NGOs are now created every year”¹⁰¹. One of the main reasons for this recent boom is the need arising from the recurrent conflicts as well as western governments finance. One can therefore argue that as much as there is need for these peace NGOs, there has also been economic gain associated with them. Funding has mainly not been domestic but external.¹⁰² This has resulted in a rush among NGOs to do peace work.

Kenya is a country that is located in the troubled Horn of Africa and the Great Lakes region. Viewed in a broader sense from the conflict systems perspective as argued by Mwangi¹⁰³, conflict analysis and management needs to be understood from all dimensions of the conflict, that is take into account the other conflicts in the region which are all interconnected. ‘These ideas are important for conflict management, and especially regional conflict management. They suggest that conflicts within a region such as the Horn of Africa or the Great Lakes, cannot be managed effectively on an ad hoc basis. Thus systemic conflict management must trace the larger regional pattern of conflict. It must identify and trace the across-system causes of conflict. And ultimately it must design a conflict management repertoire that takes these systemic factors into account.

Mwangi further posits that systems theory as applied to the analysis of conflict performs two useful and interrelated purposes. It takes into account the diversity of actors,

¹⁰¹See The Commission on Global Governance. "Our Global Neighborhood: the report of The Commission on Global Governance." *The Commission on Global Governance*. <http://www.cgg.ch/> (26 Feb. 1996)

¹⁰² See J. Pearce, "NGOs and Social Change: Agents of Facilitators?" in *Development in Practice*, Vol. 3(3), 1993, pp. 222-227.

¹⁰³ Makumi Mwangi (2000); *Conflict, Theory, Processes and Institutions of Management*; Watermark Publications, Nairobi, Kenya, pp72-73

factors and transactions in a conflict and is holistic in its approach to and appreciation of conflict. It therefore recognizes and acknowledges that conflict like many other phenomena, is indivisible from the whole.¹⁰⁴

While the two regions have over the years been characterized by protracted conflicts, internationally, Kenya has been considered to be calm. Despite the international image of Kenya as a peaceful country, it has undergone many difficult situations of conflicts.¹⁰⁵ These conflicts have been attributed to but not limited to political issues, historical ethnic hatred and fight over resources and spilling conflicts from neighboring countries. Conflicts have devastating effects on human life and the environment in general which may lead to environmental conflict.

Two main sources of environmental conflict are resources such as strategic raw material, shared resources and sources of energy as well as environmental degradation which may be caused by either pollution of air, water and soil or by overuse of natural resources. Indeed Mwagiru posits there is an environmental pattern to conflicts apart from the other patterns that help define the conflict system of the Horn of Africa.' That there is such an environmental system was realized amongst others by IGADD, in its transformation into the Inter-Governmental Authority on Development. One of the concerns of the new look IGAD are environmental concerns that affect the relations

¹⁰⁴ Makumi Mwagiru (2000); *Conflict, Theory, Processes and Institutions of Management*: Watermark Publications, Nairobi, Kenya, p73

¹⁰⁵ B.A. Ogot, (ed), *Ethnicity, Nationalism and Democracy in Africa*. (Maseno: Maseno University College, 1997). See also, J.M Kahumbi, *Women Religious leaders as actors in Ethnic conflicts management and resolution In Nakuru and Uasin Gishu Districts. Kenya*. (M.A. Thesis submitted to Kenyatta University, 2002).

between member states. In terms of purely environmental conflicts, these form part of an eco-conflict system'¹⁰⁶.

With the conflicts surrounding Kenya, there has been an unprecedented proliferation of Peace NGOs in Kenya to complement the government's effort to manage conflicts and build sustainable peace regionally. While the NGO have been viewed as important partners in development, some critics consider NGOs as having lost their initial intention to serve local communities and have focused on serving the interests of the donors. Goonatilake argues that NGOs are dependent on foreign funds, they are not financially transparent, are not accountable, holding seminars in five star hotels and spending extravagantly and that those involved in the advocacy for peace are acting against the sovereignty of that country.¹⁰⁷ Others such as Wickaramasinghe criticise NGOs as being instruments of globalization and the fact that NGOs are foreign funded.¹⁰⁸ There are also criticisms with regard to the governance structure of NGOs lacking minimum forms of internal democracy and where directors are for life. Peace activists in foreign funded organizations are accused of working for money and not for peace.

Other critical arguments on the effectiveness of NGOs to address development issues in developing countries note that NGOs defraud their donors and have little

¹⁰⁶ Makumi Mwagiru (2000); *Conflict, Theory, Processes and Institutions of Management*; Watermark Publications, Nairobi, Kenya, p81

¹⁰⁷ See, Susantha Goonatilake, *Foreign Funded NGOs Privatizing Foreign Relations*. (Paper Presented at the International Sri Lanka Studies Conference, Jaipur, November 2001). See also, Mark Duffield, *Global Governance and the New Wars: The Merging of Development and Security*, (London: Zed Books, 2001).

¹⁰⁸ Nira Wickaramasinghe, *Rethinking Sovereignty: The State, NGOs and Humanitarian Relief*. (Lanka: Outlook, Winter 1997).

accountability.¹⁰⁹ Northern NGO survival has been almost completely de-linked from performance,¹¹⁰ while Edwards argues that NGOs appear under little obligation to tell the truth to their supporters.¹¹¹

Ideally, in any NGO project, the staff need to feel accountable to the needs of the communities rather than following rigid schedules and getting things done. Therefore, the community needs to set its own priorities at the beginning and set the pace to ensure that the community feels a sense of ownership of the project in the long term.¹¹²

It is increasingly recognized that NGOs have an important role to play in conflict resolution by involving and educating grass roots and granting legitimacy to top level peace processes. 'NGOs especially locally based NGOs remain key civil society players in development for providing service delivery, promoting community development and gender equality, and undertaking advocacy work.'¹¹³ A growing interest among donors to support peace has paved the way for an influx of funds to peace NGOs in Kenya.

Due to the issues that have emerged in the process of funding to NGOs, donors have sought to make NGOs accountable to the resources that they receive. This has resulted in the imposition of funding conditionalities on NGOs. This constrains the conduct of NGOs to meet certain specified criteria of implementation of projects and reporting in

¹⁰⁹ D. Lehmann, Democracy and Development in Latin America : Economics, Politics and Religion in the Post War Period. (Cambridge: Polity Press, 1990).

¹¹⁰ I. Smillie, Changing Partners: Northern NGOs, Northern Governments. (Paris: OECD, 1993), p. 1.

¹¹¹ M. Edwards, NGOs in the Age of Information, IDS Bulletin, 25 (2), (1994); pp. 117-124

¹¹² D. Eade, Development in practice, Vol. 3 No. 3, (1994). pp. 161-162.

¹¹³ T. Wallace & J. Chapman, Do Current UK Donor Funding Conditionalities Promote Good Development, (2002), found in www.istr.org/conferences/capetown/abstracts/wallace.html

line with strict time schedules. NGOs have seen the new and widely promoted procedures and systems as cumbersome, inconvenient even unpleasant at times but essential for securing funding.

The donor funds sent to NGOs are scrutinized by the donors and there are stringent conditions attached and conditionality imposed. For example it is customary that regular reports are submitted regarding the projected activities conducted by an NGO and the NGO is bound to adhere by the rules and regulations. If an NGO is to spend money outside the project for which the money was disbursed then the NGO has to ask permission from the donor. This makes NGOs more responsive to the need and dictates of donors as compared to the local communities that they claim to serve.¹¹⁴

Edwards and Hulme further posit that emphasis has been put on objectives, greater control on resources, the tendency to fund specific projects, and the disappearance of the concept of programs and the return of contracts in carrying out projects, the ideology of short term success and pragmatism dominated by the concept of short term criteria and projects, instead of program and development approaches. Other conditionalities are planning and reporting mechanisms, log frames, monitoring and reporting, gender equality in staffing of NGOs, time frames and approaches or methodologies utilised. The more an NGO responds by strict adherence to the donor conditionality, the more it is likely to

¹¹⁴ Edwards, Michael & Hulme, David (1996); "Too close for comfort? The impact of official aid on Nongovernmental Organizations" in World development, vol. 24, (London: Elsevier Science Ltd, 1996). See also, J. Pearce, NGOs and social change: agents of facilitators" in Development in Practice. Vol 3, No. 3. 1993.

unlock funding. This constrains the flexibility of NGOs to respond to specific needs of the local communities and being accountable to the local people.

Constraints of the NGO flexibility may be argued from the human needs theory as causing conflict. The human needs theory directs attention to a distinction between negotiable interests and non negotiable needs. The interests may be dealt with by legal and bargaining processes while non negotiable needs usually require structural change and are assumed to be universal. Burton states that 'the human needs frame of analysis is based on the proposition that while structural violence is a reality, while that is, there is a large degree of forced compliance, there are situations and conditions which are beyond the capability of the person or identity group to accommodate. There are human needs that will be pursued. In response to structural violence there will be resistance to the imposed conditions, violent resistance if necessary'¹¹⁵. Therefore if the conditionalities restrain the flexibility of the NGO's respond to community needs, resistance to such imposed conditionalities may result in violence.

Instead of bringing in the peace dimension in all programs, donors tend to isolate peace work in different administrative units and specific programs. The other viewpoint is that a peace program should be implemented exclusively just as much as the peace message should be mainstreamed in humanitarian, relief and development efforts. Maresko argues that 'just as quickly as relief workers enter a conflict, development workers seem to disappear, taking with them their knowledge of the country in conflict. Instead of cooperating in relief efforts, these two communities have become notorious for their lack

¹¹⁵ J. Burton, Violence explained. Manchester, Manchester University Press, 1997; p33

of communication, with each community clinging to its separate arena: relief aid in times of conflict, development in times of peace'.¹¹⁶ This can be attributed to strict conditionalities that guide their operation.

Accountability is a process by which individuals and organization report to a recognized authority are held responsible for their actions.¹¹⁷ This is important if NGOs are to claim legitimacy. NGO accountability may be formal or informal may emphasize the honesty and efficiency with which resources are used or the impact and effectiveness of its work. Informal institutions - such as family and kinship structures, traditions, civil and social norms - are of high importance and can help or hinder development. Conditionalities such as time log frame, budgets and project methodology are formal institutions. Ignoring informal institutions can be costly for partner and donor countries alike. The effectiveness of aid can be substantially increased if informal institutions are taken into account, either by taking advantage of them in their existing state, by seeking to optimise their impact or providing incentives to change them or by adopting measures to alleviate their unwelcome effects.¹¹⁸

NGOs have multiple accountabilities, upwards to their trustees and donors, and downwards to their partners, beneficiaries, staff and supporters.¹¹⁹ The danger herein is that accountability will be skewed towards the more powerful constituent and many times

¹¹⁶ D. Maresko, "Development, Relief Aid and Creating Peace: Humanitarian Aid in Liberia's War of the 1990s" in The Online Journal of Peace and Conflict Resolution, Vol. 6, No. 1, (2004).

¹¹⁷ D. Eade, Development in practice, op. cit., pp161-162.

¹¹⁸ International Seminar on: *Informal Institutions and Development: What do we know and what can we do?*; World Bank; <http://www.oecd.org/dataoecd/29/54/37738427.pdf>; p2

¹¹⁹ D Hulme, "Social Development Research And The Third Sector NGOs As Users And Subjects Of Social Enquiry" in D. Booth (Ed.), Rethinking Social Development: Theory Research and Practice, (London: Longman, 1994).

this means the official donor. The stronger the system of accountability to the donors, the more difficult it is to honor accountabilities to the community with whom the NGOs work directly and the wider society of which these communities are part.

Ideally, an NGO needs to feel accountable to the needs of the local communities rather than following rigid schedules and getting things done. This requires that the community sets its own priorities and set the pace to ensure that the community feels a sense of ownership of the project in the long term. However, funding conditionality to NGOs restrains such an approach. Burton argues that the struggle to satisfy basic human needs is a key motivating factor behind human needs behavior and social interaction. Poverty, economic inequality and social injustice can often be conceptualized in terms of obstacles to meeting basic needs and often give insurgents in different countries a basis to agitate for change sometimes by violent means. 'More generally, structural violence results from compliance processes, perceived injustices and deprivations such as an absence of job opportunities. There are also many more damaging instances such as starvation and deprivations experienced in civil wars.

The origins of structural violence are therefore the policy administrative decisions that are made by some and which adversely affect others.¹²⁰. Burton further argues that 'unless the organization (NGO) is democratic in the widest participatory sense, these norms inevitably tend to accommodate institutional or organizational interests with

¹²⁰ J. Burton, Violence explained. Manchester, Manchester University Press, 1997; p32

insufficient knowledge or consideration of those affected giving rise to structural violence.¹²¹

The conditions applied by the donors on aid recipients have varied over time and from donor to donor according to their goals, interests, changing development fads and fashion, and evidence about aid effectiveness.¹²² Generally it can be said that funding conditionalities has evolved over time. There were those conditionalities that were aimed at economic recovery of developing countries; there have been those that have sought to improve governance, rule of law, democracy, human rights and market economy, there are those that are associated to peace mostly targeting countries emerging from conflicts.

Not all conditionality has adverse effects on peace-building.¹²³ Indeed over the past decade, aid has been pledged to support peace-building efforts in war torn societies. The opportunities to use conditionalities to support peace-building are constrained by conflicting interests on both the recipient and the donor sides of the foreign aid. Therefore, there is need to harmonize the interests of the donors and those of recipients.

Peace funding conditionalities are intended to contribute to conflict resolution, promote reconciliation and help peace-building efforts. Peace projects and activities have been of concern to international donors, NGOs and governments.¹²⁴ Although aid

¹²¹ J. Burton, *Violence explained*. Manchester, Manchester University Press, 1997; p 33

¹²² J. Goodhand, *Peace Conditionalities: Definitions and Approaches*, 2006 forthcoming.

¹²³ Institute of Social Studies, *Aid Conditionality as a Tool for Peacebuilding: Development and Change*, Vol. 33 (5). (London: Blackwell Publishers, 2002).

¹²⁴ J. K. Boyce, 'Aid Conditionality as a Tool for Peacebuilding: Opportunities and Constraints' in *Development and Change*, 33(5), 2002 pp. 1025-1048.

conditionalities were intended to improve performance in prevention or resolution of violent conflicts, funding conditionalities have been met with mixed reaction. There are those that claim that strict adherence to aid conditionalities will yield better results in conflict management, there are those that strongly reject aid conditionalities as an instrument to effective peace management, and there are those that seek a compromise in the two positions.¹²⁵ Therefore the argument against foreign funding is not the real issue but how the funds are utilized and the accountability trends. The question is whether the NGOs that work in peace initiatives are more accountable to the donors or the local community which they claim to serve.

¹²⁵ G. Frerks, The Use of Peace Conditionalities in Conflict and Post-Conflict Setting: A Conceptual Framework and a Checklist, (Hague: Netherlands Institute of International Relations, 2006), pp. 5-8.

CHAPTER THREE

CASE STUDIES OF FUNDING CONDITIONALITIES AND THEIR EFFECTS ON CONFLICTS

Introduction

From the 1980s funding conditionalities have been in use. For the funding to be made available, the donor set some conditions that had to be met prior to the disbursement of funds or to be implemented after the funds have been disbursed. The rationale that led to the imposition of the funding conditionalities was the poor performance of aid to meet desired or intended goals and objectives. The practice of funding that is linked to conditionalities has been perceived differently by different observers. As presented in chapter two, there are those that advocate for funding conditionalities, there are those that do not advocate for funding conditionalities, while there are those that recognize the positive and negative effects of funding conditionalities hence seeking a reconciliatory position between the two extreme positions.

The debates in chapter two are based on the observed effects of funding conditionalities. Funding conditionalities can have positive and negative effects in the realization of the intended goals and objectives. Funding conditionalities are aimed at changing policies and behavior of actors towards a certain goal or objective. The practice of funding conditionalities has a bearing on conflicts. This section of the study presents the effects of funding conditionalities on conflicts.

FUNDING CONDITIONALITIES TO PEACE NGOS

Conditionalities attached to foreign aid are diverse and vary from one donor to another. Despite such variations, some of the conditionalities are common across most foreign funding. It is important at this point to explore some of the conditionalities that are attached to foreign aid.

One of the common conditionalities given to NGO's is time log frame¹²⁶. Depending on the culture of the people the concept of time can vary. Particularly in Africa, the issue of strict time frame which is a common practice in Western countries is not common.¹²⁷ Strict time frame of activities can be resented by the local communities. However, foreign aid has been tied to a particular time frame in which a project must be initiated and completed. This compels the recipient of the funding to spend all the resources received within a particular time frame without taking due consideration of the long term effects of the project implemented. Logistics take a long time to be put in place while limited time is left for implementation. This approach is not effective in managing conflicts.¹²⁸

Time log frame as a funding conditionality to peace organizations and NGOs contravenes the principle of long term peace building processes. People are not machines to be turned on and off in conflict situations by foreign funding, instead they need a long

¹²⁶ Interview with Mrs Janet Nyakinda, Finance and Administration Manager, Norwegian Church Aid on 9th June 2007.

¹²⁷ J. S. Mbiti, *African Religions and Philosophy*, (Nairobi: East African Educational Publishers, 1969).

¹²⁸ Interview with Millicent Otieno, Programme Coordinator, Local Capacities for Peace Project on 2nd June 2007

period of time to re-orient their perceptual aspects of the conflict. Unless the actors in conflict are given time to address their perceptual distance,¹²⁹ short term engagement of foreign funded organizations (based on strict time frame) in conflict prevention and mitigation will contribute minimally to conflict resolution. The furthest such short term and strict deadlines projects can go is to settle conflicts, which are likely to erupt once triggered.¹³⁰

Monitoring and reporting are essential for the projects initiated and are consistently utilized as funding conditionalities¹³¹. These two processes employed in foreign funded projects are helpful as they contribute in ensuring that there is progress in the process of project implementation. The successes and failures are likely to be noted in the processes and acted upon in good time. Reporting also keeps the donors aware of the progress of the projects they fund. In this way, collaboration between the donor and recipient is kept alive as projects are followed through the monitoring process. However, foreign aid has been tied to strict and rigorous monitoring and reporting requirements and methods.

To confine funding to stringent monitoring and reporting techniques and demands diverts the focus of the recipient organization from implementing the projects to the advantage of the communities and concentrating on reporting on the project to donors¹³². This means that a lot of time and human resource is utilized in the office to prepare reports.

¹²⁹ M. Mwangi, *The International Management of Internal Conflicts in Africa: the Uganda Mediation, 1985*, (PhD Dissertation, University of Kent at Canterbury, 1994), pp. 350-352.

¹³⁰ M. Mwangi, *Conflict: Theory, Processes and Institutions of Management*, (Nairobi: Watermark, 2000), pp. 39-42.

¹³¹ Ibid

¹³² Interview with Manasseh Wepundi, Senior Analyst-Northern Uganda; Africa Policy Institute on 3rd July 2007.

This then makes the recipients promise a lot to the communities but deliver little. In this way, stringent monitoring and reporting give funded organizations limited flexibility in responding to community needs.

Staffing is important in any project and is one of the funding conditionalities to NGO's. The staffs involved have a significant bearing in the success or failure of the project. People involved in projects should understand community dynamics otherwise they may act contrary to the community expectation leading to resentment and conflict. Most of the donors insist that technical staff be recruited from the donor's country¹³³. This has a bearing in the success or failure of the projects. While volunteers and expatriates may bring new life to the project, they may also contribute significantly to its failure. Most of the foreigners who get engaged in projects have limited capacities to understand community dynamics.¹³⁴

One expatriate noted that, having lived among the Luo community in Kenya for many years and learned their language, the community members told him that he (the expatriate) knew their language but they did not understand what he was talking about.¹³⁵ Meaning that the expatriate does not know the community dynamics and he misperceives the community's reality. The projects that engage volunteers and expatriates may tend to

¹³³ Interview with Mrs Janet Nyakinda, Finance and Administration Manager, Norwegian Church Aid on 9th June 2007.

¹³⁴ C. Kessey, "Who's Development? The Quest for the Re-visitation of Traditional Civil Society Group's involvement in the Local Level Development Process" in H. Katsui and R. G. Wamai (eds), *Civil Society Reconsidered: A Critical Look at NGOs in Development Practice*, (Helsinki: Institute of Development Studies, 2002), pp. 70-71.

¹³⁵ These sentiments were made by Fr. Michael Kirwen from US who has lived in Africa for over forty years on 31/08/2007 and 05/09/2007. This is what triggered him to start Maryknoll Institute of African Studies to prepare people to appropriate other people's culture.

be expensive and limits the chances for capacity building within the communities together with misperception of community reality.

Planning is essential for setting the base in which funding is going to be utilized. However, the donors often insist that planning be done between the recipient organization and the donor ignoring or downplaying the communities in which the projects are to be implemented¹³⁶. This has created problems during the implementation of projects since what is planned in paper does not mirror the reality on the ground or may not be supported by the community populace. This leads to low performance in delivery of services by the recipient organization of foreign funding¹³⁷. The planning by the donor and the recipient organization may not take into account all the community dynamics and sequence of events and seasons. In this way, projects have faced strains during implementation as projects may be contrary to community dynamics. Strict following of planned events in paper may not be responsive to deliver services to recipient communities as the communities require some significant flexibility which tally with their community rhythm. Furthermore, time log frames and planning may interfere with the community's seasonal calendar. The time frame conditionality may conflict with activities such as planting and harvesting thus jeopardizing the projects implementation.¹³⁸

¹³⁶ Interview with Millicent Otieno, Programme Coordinator, Local Capacities for Peace Project on 2nd June 2007

¹³⁷ Interview with Njeri Kinyoho, Policy Coordinator East and Southern Africa, ActionAid, on 10th August 2007

¹³⁸ Interview with Millicent Otieno, Programme Coordinator, Local Capacities for Peace Project on 2nd June 2007

In most African communities, events and activities are divided into time series which forms a significant component of the mindset.¹³⁹ Planning of projects may not be sensitive to the time series of the communities involved. This makes the community have less regard for the projects as such projects may not tally with their community activities and seasons. Planning in which locals are not involved may not be relevant to the context of the people's needs at a particular time¹⁴⁰. The plans may be rigid in responding to rising needs of the communities hence insensitive to community changing needs. In this way, the recipient organizations may perform poorly in delivering services to the communities and the local communities may resent the implementing organization's activities as being insensitive to their rising needs and rhythm of events.

Funding has been tied to the targeted group(s)¹⁴¹ including but not limited to children, youths, elderly or aged, women and widows/widowers. Some donors tie funding to strict target of particular group(s) and recipients avoid spending resource beyond the targeted group(s) that may have a significant bearing on the success of the project for fear of losing the funding. To address the issue of refugees alone without consideration of member communities with whom they live may degenerate to resentment and conflict as can be demonstrated in Uganda¹⁴² and Northern Kenya. Strict following of target group(s) ignores the wider community and community dynamics that the targeted group(s) find themselves and operate in. Targeting specific group(s) excludes others from benefiting

¹³⁹ M. Kirwen, *African Cultural Knowledge: Themes and Embedded Beliefs*, (Nairobi: Maryknoll Institute of African Studies, 2005).

¹⁴⁰ Interview with Millicent Otieno, Programme Coordinator, Local Capacities for Peace Project on 2nd June 2007

¹⁴¹ Ibid/Manasseh Wepundi, Senior Analyst-Northern Uganda; Africa Policy Institute on 3th July 2007.

¹⁴² O. Otunnu, "Rwandese Refugees and Immigrants in Uganda" in H. Adelman & A. Suhrke Eds., *The Path of Genocide: The Rwanda Crisis From Uganda to Zaire*, (London: Transaction Publishers, 1999), pp. 3-29.

from the project or contributing to the project, yet, the targeted group(s) affects the community in many ways¹⁴³. Without taking into account the community dynamics and groups together with larger implications of a project that targets particular group(s) conflicts can emerge and the already existing conflicts may polarize causing more tension in the communities.

Gender consideration is one of the funding conditionalities. Some emphasis has been on women emancipation¹⁴⁴. Therefore, some projects have targeted women with minimal or no consideration for men. While gender considerations have been a significant step in ensuring a balanced approach to community issues, the radical approach alters social settings of the community with substantial effect on the success or failure of the projects. Over emphasis on gender emancipation has resulted in conflicts within the communities and at times resentment to the implementing organization of such projects. Empowerment of women have at times made some empowered women to be considered outcasts and at times ostracized from the communities. Some family conflicts emerge when gender become the criterion for accessing the benefits of projects. Men tend to feel ignored or sidelined and do not support such projects. In such a situation, polarization of the community on the basis of gender is reinforced by such projects that are gender conditioned.

¹⁴³ Interview with Camlus Omogo; Small Arms and Conflict Researcher; Security Research and Information Centre on July 9th 2007

¹⁴⁴ Interview with Millicent Otieno, Programme Coordinator, Local Capacities for Peace Project on 2nd June 2007/Camlus Omogo; Small Arms and Conflict Researcher; Security Research and Information Centre on July 9th 2007

Budgets as conditionality are set are rigid to particular time frame and project¹⁴⁵. The balances of resources after the time frame or at the end of the project are usually returned to the donor. Leftover resources imply that subsequent funding will be reduced as the NGO may not be having capacity to absorb the amounts given. This compels the recipient organizations to hurry in spending the funds to ensure that funds do not remain at the end of the budgeted time frame or project¹⁴⁶. Some budgets are made in such a way that resources are made available to hold seminars and workshops with limited or no resources to follow up the progress on the ground. A lot of money for aid programs goes to staff salaries and technical requirements, rather than to the intended recipient communities. This can create tensions in relief programs.¹⁴⁷ However, as aid workers often risk their lives in extremely difficult and stressful conditions, this is a difficult issue to resolve.

Funding can be tied to particular approaches designed by the donors.¹⁴⁸ The approaches attached to funding may be detached from the reality on the ground. Some approaches contravene the cultural norm of the communities where the project is to be implemented¹⁴⁹. A case in point is the team building methodology utilized by Local Capacities for Peace which expects a lady to be carried on a man's back across a stream. This may result in limited or even negative results upon implementation. Projects should

¹⁴⁵ This sentiment was expressed by all interviewees. See also A. Fowler, "Civil Society, NGOs and Social Development: Changing the Rules of the Game," (Nevine: UNRISD occasional paper 1 pp. v-vii. See also, T. Tvedt, *Angels of Mercy or Development Diplomats, NGOs and Foreign Aid*, (Trenton: Africa World Press, 1998), p. 224

¹⁴⁶ Interview with Mrs Janet Nyakinda, Finance and Administration Manager, Norwegian Church Aid on 9th June 2007.

¹⁴⁷ M. Godelier, *The Enigma of the Gift*, (Cambridge: Polity Press, 1999), pp. 206-209.

¹⁴⁸ See J. Farrington and A. Bebbington, *Reluctant Partners? NGOs, the State and Substance Agricultural Development*, (London: Routledge, 1993), pp. 188-189.

¹⁴⁹ Interview with Millicent Otieno, Programme Coordinator, Local Capacities for Peace Project on 2nd June 2007

not contravene people's culture radically within a short period of time if long term success is to be registered.

EFFECTS OF FUNDING CONDITIONALITIES ON CONFLICT

As noted above, a number of funding conditionalities have been utilized by donors in the process of foreign aid. There has also been increasing recognition among development actors of how foreign funding policies can influence the dynamics of conflict and even facilitate peace processes.¹⁵⁰

NGOs play a variety of roles both positive and negative in conflict such as conflict resolution, conducting Track II diplomacy, development aid and humanitarian assistance, human rights advocacy, monitoring of election, disarmament and environment work¹⁵¹. All these activities by NGOs can exacerbate or reduce conflict. NGO's have to abide by the conditions of the donor to access the funds which highlights the inequality between NGO and the donor. In such a situation, there is an implicit conflict of interests in which an NGO has less bargaining power to access funding from the donor¹⁵². This in turn lowers the capacity of an NGO to deliver services to the communities as its freedom and flexibility is tied to the conditions of the donors. The implicit conflict of interest between the donor and the recipient organization minimizes capacity of recipient organization to address conflict situations in local communities.

¹⁵⁰ J. K. Boyce, "Aid Conditionalities as a Toll for Peacebuilding: Opportunities and Constraints" in *Development and Change*, Vol. 33, No. 5 (2002), pp1025-1048

¹⁵¹ Jassy B Kwesiga & Harriet Namisi: *Issues in Legislation for NGO's in Uganda*: In *NGO Accountability* Lisa Jordan & Pater van Tuijl; Earthscan, United States 2006; pg84-87

¹⁵² Jem Bendell & Phyllida Cox: *The Donor Accountability Agenda*: In *NGO Accountability* Lisa Jordan & Pater van Tuijl; Earthscan, United States 2006; pg109-113

Humanitarian assistance has been common and it reaches diverse actors in conflict and peace processes. Humanitarian assistance has been conditioned to progress in areas such as human rights, sincerity at negotiating table, security of aid personnel, curtailment of aid diversion and other actions that improve the environment for and effectiveness of humanitarian aid, as well as contribute to conflict prevention and mitigation. Such conditioning helps to re-orient actors to the search for peace, hence positive contribution to peace.

Funding conditionalities have contributed to the repatriation processes of refugees. The donors have attached their funding to repatriation of refugees. This has influenced states and other actors to take the necessary steps to ensure repatriation of refugees have taken place. In this way, funding conditionalities contribute positively in addressing conflict situation. However, if the process is not carried out diligently, it can create more complications that may aggravate the conditions for conflict. Countries may be forced to repatriate their refugees as a condition to receive foreign funding without proper structures to accommodate returnees. This may result in the transformation of refugees to internally displaced persons as the returnees often come and settle in areas where their sympathizers are instead of their original home.¹⁵³ This may aggravate the suffering of the returnees and may not encourage ethnic integration for societies that are ethnically torn.

Funding conditionalities give donors some capacity or power to affect power relations in the recipient country for better or worse. The use of conditionalities orients the

¹⁵³ J. K. Boyce, "Aid Conditionality as a Tool for Peacebuilding: Opportunities and Constrains" in *Development and Change* Vol. 33, No. 5 (2002), pp. 1025-1048:1036.

donors' power more systematically towards building peace or obstructing peace. So depending on the accuracy of the information on conditions of conflict in recipient country and genuineness of the donors to support peace, donors can use funding conditionalities to orient the parties in conflict to peace¹⁵⁴. Funding conditionalities were tied to the implementation of a peace agreement in Mozambique with positive results.¹⁵⁵ The parties are aware of the repercussion of not implementing the peace agreements in good faith. In this case, conditionalities played a positive role in re-orienting parties to peace initiatives. Funding conditionalities may ensure that parties receive funding to make reforms that are peace oriented, yet the same conditions weaken and discourages dynamics that favor or aid violence.¹⁵⁶

Funding conditionalities are flexible in that they can be used at all stages of conflict. They can be used during pre-negotiation stage to make actors agree to negotiation, during negotiation to make breakthroughs on deadlocks and post negotiation to ensure that peace agreements are implemented making peace sustainable¹⁵⁷. In this way, funding conditionalities may positively contribute to the search for peace. Conditionalities are also relevant in various types of conflict ranging from structural to violent ones.

¹⁵⁴ Interview with Manasseh Wepundi, Senior Analyst-Northern Uganda; Africa Policy Institute on 3rd July 2007

¹⁵⁵ B. Posthumus, "An End to an Imported War" in *Searching for Peace in Africa: An Overview of Conflict Prevention and Management activities*, (Utrecht: European Platform for Conflict Prevention and Transformation, 1999). pp. 413-420.

¹⁵⁶ G. Frerks, *The Use of Peace Conditionalities in Conflict and Post-conflict Settings: A Conceptual Framework and a Checklist* (Hague: Netherlands Institute of International Relations, 2006), pp.15-18

¹⁵⁷ See Touval Sandia, (1975) 'Biased Intermediaries: Theoretical and Historical Considerations'; Jerusalem Journal of International Relations Vol. 1 no. 1 pp51-69

Funding conditionalities that are geared to peace have not been coordinated. Although donors may agree to implement funding conditionality in favor of peace, based on their interests, they may not comply. Despite the agreement to implement conditionalities, many donors have taken minimal steps to implement them. This implies that aid may continue to strengthen actors who do not support peace initiatives. Donor conditionalities can effectively work in the presence of well coordinated effort to impose the conditions. However, when the donors are not coordinated, conditionalities may not be effective in addressing conflict. The case in Eastern DRC after the 1994 Rwandan genocide demonstrates a case where aid was used to exacerbate the conflict.¹⁵⁸ Although the humanitarian workers were aware that aid helped to exacerbate the conflict in the region, their uncoordinated approach incapacitated them from effectively utilizing aid conditionalities.

In some cases, the results of conditionalities on conflict prevention and mitigation have been short term., thus not sustaining peace in the areas that they have been applied. Funding conditionalities that are imposed on developing countries have directly or indirectly caused social instability and making societies vulnerable to conflicts.¹⁵⁹ The current trend in which most donors have opted to divert funding to NGO have significant implications on conflicts. Cutting government services to reduce budget deficits can weaken the social contract and the ties between citizens and government. Aid administered through government will favor those in power, while channeling aid in a way that bypasses central government can decrease a government's leverage, also causing problems. Funding

¹⁵⁸ OAU, *Rwanda: The Preventable Genocide*, (Addis Ababa: OAU, 2000), pp. 211-217.

¹⁵⁹ Alfred G Nhema (Ed), *The Quest for Peace in Africa, Transformations, Democracy and Public Policy*, International Books, 2004.

conditionalities that do not foster coordination between the civil society and the government creates friction between the two resulting in potential conflicts.

Foreign funding can be conditioned to enhance progress in areas such as human rights, sincerity at the negotiating table, security of aid personnel, curtailment of aid diversion, or other actions which both improve the environment for and effectiveness of humanitarian aid, as well as contribute to conflict prevention or mitigation.¹⁶⁰ Therefore aid can contribute positively in the processes of searching for sustainable peace. Humanitarian assistance has been largely exempt from overt conditions. Humanitarian assistance from external donors to a government or rebel group engaged in conflict can exert tremendous leverage on conflict management.¹⁶¹

While such conditions may result in policy changes that could help to prevent, mitigate or even resolve conflicts, nations are often unable to make the necessary reforms due to lack of resources, or they ignore the implicit pressures and continue "business as usual".¹⁶² As a result, frustrated donors are increasingly attaching explicit conditions to economic packages, which are more difficult for recipient to attain. Such a situation leads to generation or protraction of conflicts as the state is incapacitated by a lack of resources to address the needs of the citizens. Frustrated people are more prone to conflicts and aggressive behavior as propagated by frustration aggressive behavior theory. Galtung

¹⁶⁰ Joan Nelson and Stephanie Eglinton, *Global Goals, Contentious Means: Issues of Multiple Aid Conditionality*, ODC Policy Essay No. 10, Johns Hopkins University Press.

¹⁶¹ Joan Nelson and Stephanie Eglinton, *Global Goals, Contentious Means: Issues of Multiple Aid Conditionality*, Ibid.,

¹⁶² David Cortright, "Incentive Strategies for Preventing Conflict," in David Cortright (ed.), p. 249.

argues in his work that the concept of peace may be more than just the absence of overt violent conflict (negative peace), and include a range of relationships up to a state where nations (or any groupings in conflict) might have collaborative and supportive relationships (positive peace).¹⁶³

Most donors award funding on a year-to-year basis, making forward planning very difficult for agencies. In general, each year's funding has to be used up before the next year's funding can be obtained, even if that money could be more usefully spent at a later date. In general, the donors tend to take a fairly short-term view of post-conflict reconstruction, although in reality it takes years for reconciliation or refugee returns to occur.

Conditional development assistance may interfere with local capacities to deal with problems. Most of the funding conditions may not take care of community dynamics. While the recipient may be susceptible to aid dependence, it may also encourage adoption of development techniques that are unsustainable when foreign aid dries up or unsustainable to the community set up. This at times has generated, escalated and triggered conflicts in communities¹⁶⁴. Foreign aid that was strictly targeting on Rwandese refugees in Uganda led to the anti-Rwandese sentiments¹⁶⁵; this has also been the case in the Northern Kenya where refugees receive services from UNHCR without taking into account the communities of the region who suffer the same consequences as refugees. Conflicts

¹⁶³ Galtung, Johan; *Twenty five years of peace research*; Journal of Peace Research, Vol 22 No 2, 1985

¹⁶⁴ Interview with Camlus Omogo; Small Arms and Conflict Researcher; Security Research and Information Centre on July 9th 2007

¹⁶⁵ UNHCR, *Open Cities Initiative*, Sarajevo: Office of the Special Envoy and Office of the Chief of Mission, 1997).

have emerged as the local communities see that the refugees benefit a lot while they themselves are ignored despite the same challenges that they face. However, UNHCR in Bosnia has used funding conditionalities to municipalities that willingly welcome returnees. In such municipalities, UNHCR takes a step forward not only to concentrate their reconstruction to returnees but also to the majority community.¹⁶⁶

Problems arise primarily due to the institutional cultures and organizational dynamics of donor agencies, which are not geared to dealing with the needs of deeply divided societies. Success is often measured in terms of the amount of money disbursed, rather than the outcome of programs. The mandate of these donor agencies is to promote economic growth and development "without regard to political or other non-economic influences or considerations."¹⁶⁷ However, to concentrate solely on increasing the size of the economic pie, without considering how that pie is divided, is an approach that is ill-suited to war-torn communities.¹⁶⁸ Conditionalities that accompany aid do not take into account other dynamics that have a bearing on conflict. As all peace settlements are based on a balance of power between conflicting parties, any measure that disproportionately benefits or hurts one side can make both sides reassess their positions, with potentially catastrophic consequences on peace.

NGOs undertake development programs, which are often provided with monetary grants that are conditioned thus encouraging more costly initiatives that are unsustainable in the long run. Often, NGOs will focus their resources on winning such grants, rather than

¹⁶⁶ UNHCR, *Open Cities Initiative*, Sarajevo: Office of the Special Envoy and Office of the Chief of Mission, 1997).

¹⁶⁷ World Bank Charter, Article III Section 5

¹⁶⁸ James K. Boyce, *Investing in Peace: Aid and Conditionality after Civil Wars*, Adelphi Paper 351 (New York: Oxford University Press, 2002), p.67.

helping the local communities deal with the conflicts. Therefore, instead of concentrating their activities in peace promotion activities, they opt to concentrate their energies in report writing to prove their efficiency to the donor. This has contributed to the diversion of interests of NGOs from serving the communities to cope with challenges of conflicts or prevent and mitigate conflicts. Alteration of accountability of NGOs from the local communities to donors leads the local communities resenting NGOs as doing too little or even nothing to the communities leading to lose of legitimacy in the communities, hence conflicts emerging between the communities and NGOs.¹⁶⁹

Funding conditionalities have locked NGOs in a prison of competition for resources amongst themselves. Instead of working together to increase their effectiveness, they become locked in competition against one another for the finite conditioned resources from donors¹⁷⁰. This has a times resulted to conflicts among NGOs as a result of unhealthy competition amongst themselves for conditioned aid. Lack off cooperation among NGOs dealing with peace and development have divided communities. Conditionalities minimize the ability of the NGOs to cooperate and this has resulted to NGOs' political vulnerability.¹⁷¹

Conditionlities limit the operations of NGOs in the name of ensuring efficiency. Such limits may not be relevant in the changing dynamics of the communities and at times have not been useful in helping communities deal with different conflict situations. NGO

¹⁶⁹ Interview with Njeri Kinyoho, Policy Coordinator East and Southern Africa, ActionAid, on 10th August 2007

¹⁷⁰ Interview with Mrs Janet Nyakinda, Finance and Administration Manager, Norwegain Church Aid on 9th June 2007.

¹⁷¹ B. Sanyal, "Antagonistic Cooperation: A case Study of NGOs, Government and Donors' Relationship in Income Generating Projects in Bangladesh" *World Development* Vol. 19 No. 10 (1991), pp. 1367-1380.

projects dealing with conflict and peace have been turned into management-intensive as traditional framework funding conditionalities resulting in implementation problems.¹⁷² Conflict management requires that aid programs be decentralized and not management-intensive bureaucracies.¹⁷³ Such an approach is unsustainable in building social cohesion of communities that are experiencing social tension. The uniqueness of NGOs engagement is that they are decentralized and responsive to communities' needs and not management-intensive.

Allocation of funding to good performers in terms of efficiency denies funds to organizations or countries that may desperately need aid to address conflict situations. Such an approach ignores the risk of violent conflicts that can emerge because of sticking to the perceived performance of recipient to 'core competencies' of the donor. This approach denies an opportunity for the utilization of aid in promoting peace and minimizing social tension. Funding conditionalities to Rwanda contributed to the increase in social tension.¹⁷⁴

Conditionalities have made NGOs to act individually without coordinating with governments. The lack of coordination is intentional to ensure autonomy and effectiveness. The NGOs that work for peace lack governmental or political backing making them vulnerable to pressures of local elites. NGOs-government relationship has not necessarily been positive since the two compete for finite donor resources.¹⁷⁵ This creates conflict

¹⁷² N. V. De Walle, "Aid's Crisis of Legitimacy: Current Proposal and Future Prospects" in *African Affairs* Vol. 98, No. 392, (1999), p. 346.

¹⁷³ J. Bossuyt, *Decentralized Cooperation: Lessons fro EU Experiences under the Lome Convention*, (Maastricht: EDCPM, 1995).

¹⁷⁴ OAU, *Rwanda: The Preventable Genocide*, (Addis Ababa: OAU, 2000), pp. 31-34.

¹⁷⁵ N. V. De Walle, "Aid's Crisis of Legitimacy: Current Proposal and Future Prospects" in *African Affairs* Vol. 98, No. 392, (1999), p. 347.

between the governments and NGOs. Thus the two are incapacitated by conditionalities and do not cooperate in conflict situations and resolutions.

Peace funding conditionalities are intended to contribute to conflict resolution, promote reconciliation and help peacebuilding efforts. Peace projects and activities have been of concern to international donors, NGO and governments.¹⁷⁶ Although Aid conditionalities were intended to improve performance in prevention or resolution of violent conflicts, funding conditionalities have been met with mixed reaction. There are those that claim that strict adherence to aid conditionalities will yield better results in conflict management, there are those that strongly reject aid conditionalities as an instrument to effective peace management, and there are those that seek a compromise in the two positions.¹⁷⁷

¹⁷⁶ J. K. Boyce, 'Aid Conditionality as a Tool for Peacebuilding: Opportunities and Constraints' in *Development and Change*, 33(5), 2002 pp. 1025-1048.

¹⁷⁷ G. Frerks, *The Use of Peace Conditionalities in Conflict and Post-Conflict Setting: A Conceptual Framework and a Checklist*, (Hague: Netherlands Institute of International Relations, 2006), pp. 5-8.

CHAPTER FOUR

CRITICAL ANALYSIS OF EFFECTS OF FUNDING CONDITIONALITIES TO PEACE NGO'S

Introduction

NGOs continue to rely heavily on donor funding for their programs, while donors have continued to relate with NGOs premised on their preference to channel funds to and through them. The explosive growth of NGOs in many countries is clearly related to the availability of funding¹⁷⁸. NGOs are viewed by many official agencies and members of the public as more efficient and cost effective service providers than governments, giving better value for money especially in reaching poor people (Meyer, 1992¹⁷⁹; Sollis, 1992¹⁸⁰; Vivain, 1994¹⁸¹). NGOs especially the churches have long provided services in health and education, but this was usually by default rather than design, as governments in developing countries lacked the resources to provide universal coverage.

NGO funding conditionalities give rise to questions concerning the NGO performance and accountability, and the ability of the NGO to act independently in pursuing its goals. The conditionalities given to the NGOs are often extensive demanding their own share of resources, specialist skills and effort. The peace related NGOs continue to be funded and this is a decision taken by the international community that peace is the highest priority for the world. Indeed the United Nations Charter Article 1:1 states that 'the

¹⁷⁸ Fowler, A; 1991; Non-governmental organizations in Africa: achieving comparative advantage in micro-development. IDS Discussion Paper No 249

¹⁷⁹ Meyer C; 1992; A step back as donors shift institutions building from the public to the private sector; World Development Bank; Vol 20:8; 1115-1126

¹⁸⁰ Sollis P; 1992; Multilateral agencies, NGOs and policy reform. Development in practice; Vol 2:3 Page 163-178

¹⁸¹ Vivian J; 1994; NGOs and sustainable development in Zimbabwe: no magic bullets. Development and change; Vol 25; Page 181-209

purposes of the United Nations are to maintain international peace and security and to that end, to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of peace'¹⁸².

Peace NGOs are primarily advocates of peace and a negotiated solution. They have awareness raising campaigns, others promote coexistence in war torn areas and others focus on advocacy campaigns to end the war¹⁸³. Bahavar argues that NGOs values are based on the premise that all people should enjoy equal rights and that there should be devolution of power. However, the basic mission of NGOs devoted to ethnic conflict resolution is to transform the way that society deals with a conflict and to improve the process of conciliation. Their efforts typically are focused on capacity building, consultation, dialogue and training conflict resolution for all people on all sides of the ethnic conflict. Peace NGO's as actors within a conflict may appear to be impartial but however, the effects of conditionalities may cause the NGO to appear partial. This then raises the debate on impartiality in mediation as one of the negotiators within the peace process.

¹⁸² Charter of the United Nations and Statute of the international court of justice; Pg 5

¹⁸³ P. Hilger, "Beyond Organised Civil Society: Definition and Discourse of Civic Engagement" in H. Katsui and R. G. Wamai (eds), *Civil Society Reconsidered: A Critical Look at NGOs in Development Practice*, op. cit., p. 18. See also, H. Selbervik, *Aid as a Tool for Promotion of Human Rights and Democracy: What can Norway Do*, (Oslo: The Royal Ministry of Foreign Affairs, 1997), p. 35.

PEACE NGO'S, CONDITIONALITIES AND MEDIATION

While aiming to build an understanding of the interests of each side, these peace NGOs refuse to side with any one party or another over any particular issue, even in the face of hostile or intimidating pressure. The acceptance by the parties of NGO involvement with key individuals on all sides of a conflict is not based on an official position nor on leverage as an outsider, rather legitimacy is based on a very personal level of trust.¹⁸⁴ When viewed from the debate on impartiality in mediation, traditionally, one can posit that the mediators' attributes stem from conflict research paradigm. Groom states that 'the conflict researcher rejects partisan behaviour since his approach is both non judgemental, highly participatory for all the parties and seeks to impose no guidance in the form of a clear suggested outcome.'¹⁸⁵

To the conflict researcher, conflict is subjective, in structure if not in perception and that conflict is objective only because the parties choose to see it as such and their perceptions are subject to change.¹⁸⁶ In seeking resolution, the conflict researcher is apt to take much more of a birds view which in part 'stems from his willingness to treat all parties to a conflict as undifferentiated participants and his refusal to take a judgemental role. Thus once recognised as a party, an actor's position must be accommodated on terms acceptable to it if the dispute is to be resolved.'¹⁸⁷

¹⁸⁴ Bahavar, David; (2001); *Beyond mediation: the integral role of non-governmental approaches to resolving protracted ethnic conflicts in lesser developed countries*; The Online Journal of Peace and Conflict Resolution; www.trinstitute.org/ojpcr

¹⁸⁵ Groom, A J R (1990), *Paradigms in conflict, the strategist, the conflict researcher and the peace researcher*; in Burton, J & Dukes, Frank (eds); *Conflict: readings in management and resolution*; Macmillan Press Ltd UK, pp 95-96

¹⁸⁶ For more of this argument see *ibid*, pp 85-87

¹⁸⁷ *Ibid*, pp 89-90

The question of impartiality contributing to the success of mediation is fairly debatable. Traditionalists maintain that the mediator must be impartial for a successful outcome. This point of view has been challenged in modern analysis and demonstrated that the mediator need not be impartial. 'Indeed it has also been shown that the parties are less concerned about the mediators impartiality than with whether s(he) can deliver certain resources that s(he) possesses with which the parties value.'¹⁸⁸ Most peace NGO's have resources such as finances which the parties highly value.

This implies that a mediator (in this case a peace NGO) need not be impartial to be influential and successful, there could be other psychological reasons that would make a biased mediator succeed. Finally impartiality is not neutrality. 'While impartiality refers to the relationship between the parties and the mediator, neutrality refers to the relationship between the parties and the conflict itself. This is the basis of the view that it is not possible to be neutral about a conflict. In conflict situations, one is either causing the conflict, is a victim, or is responding to it.'¹⁸⁹ And in responding to it, peace NGO's have to abide by donors conditionalities so as to be funded. This results in a skewed relationship. The donor due to the funding conditionalities is more influential than the peace NGO and the peace NGO due to the funds availability is more influential as the other parties to the conflict are more interested in the resources the NGO has than the conditionalities.

¹⁸⁸ Mwangi, Makumi (2004); *Diplomacy, documents, methods and practice*; p 126

¹⁸⁹ Mwangi, Makumi ; *Diplomacy, documents, methods and practice*; p 126; Kiwan Printers, Kenya; 2004

Mwagiru¹⁹⁰ argues that impartiality can be viewed from the conflict system approach, in which a heterogenous mediator is prone to psychological burdens of dual identity and thus cannot be impartial. In this argument, the existence of a third party's identity is defined by the nature of the conflict system. The first of the traditional classifications are exogenous third party whose defining characteristic is that they come from outside the conflict and can maintain some distance from the stresses and strains of the conflict and be fresh in their approach to conflict management. The second type is the endogenous third party whose main characteristic is that they are from within the conflict itself and may be prone to the vicissitudes of the conflicts thus affecting its efficiency and conflict management outcome.

A third party may exist who has both exogenic and endogenic characteristics, by coming from a particular sovereign state within the conflict system and also coming from the conflict system. This dual personality has implications for the conduct and reactions of the third part in the conflict. An example is Daniel Moi while president of Kenya he mediated in the internal conflict in Uganda in 1985. Kenya and Uganda are part of the East African conflict system giving Moi endogenic characteristics, but Moi also entered the conflict as an exogenous mediator because Kenya is territorially different from Uganda. Therefore the psychological relationships he had with the parties and the conflict, and this relationships influence on the outcome of the mediation dictate that such a mediator cannot be impartial.¹⁹¹ When extended to peace NGO's, they may be both exogenic and endogenic

¹⁹⁰ Mwagiru, Makumu; *Conflict –Theory, processes and management institutions*: Watermark Publications, Nairobi, 2000 p 77

¹⁹¹ For more of this argument see *Ibid*; pp 77-78

in the sense that members of staff are usually from within the conflict system. They are **part of the community within which there is conflict.**

In most war situations even a willing state will not be to support many important structures and resources for peace-building. Resources from outside agencies can be crucial. The way these resources are offered, channeled, monitored and possibly controlled will have a huge impact on how useful they are in peace-building. NGO's who are the conduits through which the resources are channeled become actors in the conflict and all actors in a conflict and their interests and values (and changing interests as well as changing values) must be addressed if the agreements reached are to last. Traditionally it was assumed that only the immediate parties to the conflict were involved and interested in the conflict and its outcome. However, Wall¹⁹² suggested a mediation paradigm in which the environment of mediation includes not just the parties to the conflict but also the mediator and the constituents of both the parties and the mediator, and also includes third parties who affect, or are affected by the process and outcome of the management process.

Scholars argue that it is not necessary for a mediator to be impartial. One of the reasons is that the mediator (the peace NGO) possesses certain resources which the parties in conflict value. Bercovitch posits that a 'mediator may have access to the other side, and the potential to deliver concessions and agreements despite a bias'¹⁹³ Mwagiru adds that 'because they value those resources, they are less concerned with whether or not the mediator is impartial. Their preoccupation is with the delivery of those resources rather

¹⁹² See Mwagiru, Makumu (2002); *Conflict –Theory, processes and management institutions*., pp 96-97

¹⁹³ Bercovitch, J. (1996); *Bias and Impartiality in International*; p 41

than the mediators impartiality.¹⁹⁴ An example is in the mediation between Israel and Egypt, United States was known to be close and even biased towards Israel but this did not unduly preoccupy Egypt because it knew that there were some resources it needed from the United States which could be delivered as a result of the mediation such as ensure Israel attended the mediation and abided by the agreements reached.¹⁹⁵

Touval and Zartman argue that the mediators impartiality is not as important to the adversaries' decision to accept mediation as their consideration of the consequences of accepting or rejecting mediation. For example 'United States accepted Algeria as a mediator in 1979-80 with Iran not because Algeria was considered impartial, but because its ability to gain access and facilitate the agreement of people close to Khomeini held promises that it might help release the hostages.'¹⁹⁶

Mediators (in this case NGO's) must be perceived as having an interest in achieving an outcome acceptable to both sides and as being not so partial as to preclude such an achievement. Again the question for the parties is not whether the mediator is objective, but whether it can provide an acceptable outcome.¹⁹⁷ In this case, not whether the NGO is abiding by the conditionalities but whether it can use the same conditionalities to provide an acceptable outcome.

¹⁹⁴ Mwagiru, Makumu (2002); *Conflict, theory, processes and management institutions*; p 54

¹⁹⁵ See Ibid; pp 116-117

¹⁹⁶ Touval S & Zartman I W (2001); *International Mediation in the post-cold war era*; In Crocker, Hampson and Aall (eds); *Turbulent Peace, the challenges of managing international conflict*; United States Institute of Peace Press; p 432

¹⁹⁷ Mwagiru, Makumu (2002); *Conflict – Theory, processes and management institutions*; pp 116-117

The other argument is that a mediator has certain motives in mediation and cannot therefore be impartial, 'the mediator brings individual interests to the mediation process.'¹⁹⁸ Mediators have interests and incentives that motivate their involvement in conflict. Mwangi¹⁹⁹ argues that third parties do not involve themselves in mediation for pure altruistic reasons. They do so for what they can gain from their involvement as third parties both for individuals and institutions that engage in conflict management. He further argues that mediators will choose the roles that enable them to reap the rewards that they expect to gain in their involvement as third parties and that roles define the strategies adopted. Similarly, rewards expected define the strategies and roles chosen by third parties as they engage in conflict management.²⁰⁰ NGO's do not involve themselves for purely altruistic reason either, they do have an objectives and expect to reap certain rewards. From the above arguments, one can posit that the strategies utilized by donors to peace NGO's are conditionalities.

CONDITIONALITIES AND STRUCTURAL VIOLENCE

When the impartial stance is viewed from the peace research paradigm, it does not address the underlying structures that cause conflict. Fast²⁰¹ argues that mediation and by extension mediators, may not address the structural causes of the conflict in the sense that the stance of neutrality or impartiality may contribute to structural inequalities, simply by virtue of its lack of judgment against or for one party over another, and by its propensity to work within existing structures to resolve conflicts. In this sense, mediation could be seen

¹⁹⁸ Ibid

¹⁹⁹ Ibid pp 55-57

²⁰⁰ For more of this argument see Ibid; p 56

²⁰¹ Fast, Larissa; *Frayed edges: exploring the boundaries of conflict resolution*; p 539

as a method of social control or social change depending on how you view it. This is 'because mediation works as an alternatives (in conflict resolution) but within an already existing legal system, they enable individuals in conflict to resolve their disputes but do not attack the underlying structures that may contribute to the existing power inequalities or the conflict itself.'²⁰² And in not addressing structural causes of conflict, practice processes actually strengthen the structures that oppress individuals thereby retarding, decreasing or even negating the possibilities for systemic change.²⁰³ Galtung argues that 'there are settings within which individuals may do enormous amounts of harm to other human beings without ever intending to do so, just performing their regular duties as a job defined in the structure.'²⁰⁴

Mwagiru²⁰⁵ argues that structural violence and structural conflict are all about structures that generate or cause conflict in a society. These structures are economic, social and psychological. They also include religious and legal structures. The effect of these structures is to create inequalities in various sectors including health, education, life and employment. The essence of these structures in the context of structural violence and conflict is that they must be a result of relations between groups in society. Some donors tie funding to strict target of particular group(s) and recipients avoid spending resource beyond the targeted group(s) that may have a significant bearing on the success of the project for fear of losing the funding. To address the issue of refugees alone without

²⁰² Ibid; p 532

²⁰³ Ibid, pp531-532

²⁰⁴ Galtung, Johan; *Twenty five years of peace research*; Journal of Peace Research, Vol 22 No 2, 1985; p145

²⁰⁵ Makumi Mwagiru (2000); *Conflict Theory Processes and Institutions of Management*; Watermark Publications, Nairobi, Kenya, p32

consideration of member communities with whom they live may degenerate to resentment and conflict as can be demonstrated in Uganda²⁰⁶.

The Peace Research Paradigm takes a wholistic perspective on how elements are related. The conflict component of Peace Research is interested in the structures that give rise relations within the society which may lead to conflict. Conditionalities give power to the one dictating the conditions. This leads to a skewed relationship. If the conditionalities are therefore seen as inequitable, stunting development and undermining justice, it breeds structural violence conditions where the weaker party suffers even though not visibly.²⁰⁷

When viewed from the peace research paradigm as furthered by Galtung²⁰⁸, it can be argued that the structures that emerged after the SAP's regime devalued the conditions of human beings. This was as a result of the high unemployment rates, high inflation rates that followed the implementation of the SAP's which can be said to have stunted development and undermined justice and ultimately the actual somatic and mental realisations fell below the potential. Galtung defines structural violence as existing in those conditions in which human beings are unable to realise their full potential. He develops the concept of structural violence by considering violence to be the cause of the difference between the potential and the actual.

²⁰⁶ O. Otunnu, "Rwandese Refugees and Immigrants in Uganda" in H. Adelman & A. Suhrke Eds., *The Path of Genocide: The Rwanda Crisis From Uganda to Zaire*, (London: Transaction Publishers, 1999), pp. 3-29.

²⁰⁷ For more of this argument see Johan Galtung: Violence, Peace and Peace Research; *Journal of Peace Research*. Vol 6 No 3 (1969) pp 167-191

²⁰⁸ For more arguments on structural violence see Johan Galtung, 1969; *Violence, Peace and Peace Research*; *Journal of Peace Research*; Vol 6, No 3; pp167-191

Tying SAP's conditionalities with structural violence, Robbins²⁰⁹ argues that 'at first glance it may seem that the growth in development of export goods such as coffee, cotton, sugar, and lumber, would be beneficial to the exporting country, since it brings in revenue. In fact, it represents a type of exploitation called *unequal exchange*. A country that exports raw or unprocessed materials may gain currency for their sale, but they lose it if they import processed goods. The reason is that processed goods—goods that require additional labor—are more costly. Thus a country that exports lumber but does not have the capacity to process it must then re-import it in the form of finished lumber products, at a cost that is greater than the price it received for the raw product. The country that processes the materials gets the added revenue contributed by its laborers'. The laborers in the countries exporting raw products do not realize their full potential.

Adam Smith further argues that 'though the encouragement of exportation and the discouragement of importation are the two great engines by which the mercantile system proposes to enrich every country, yet with regard to some particular commodities it seems to follow an opposite plan: to discourage exportation and to encourage importation. Its ultimate object, however, it pretends, is always the same, to enrich the country by the advantageous balance of trade. It discourages the exportation of the materials of manufacture, and of the instruments of trade, in order to give our own workmen an advantage, and to enable them to undersell those of other nations in all foreign markets; and by restraining, in this manner, the exportation of a few commodities of no great price, it proposes to occasion a much greater and more valuable exportation of others. It encourages the importation of the materials of manufacture in order that our own people

²⁰⁹ Richard Robbins (1999), *Global Problems and the Culture of Capitalism*; Allyn and Bacon, p. 95

may be enabled to work them up more cheaply, and thereby prevent a greater and more valuable importation of the manufactured commodities.'²¹⁰

From the above arguments, it is evident that the conditionalities during the SAP regime caused structural violence²¹¹; the human beings in the affected countries did not realize their full potential. Therefore, the SAP conditionalities channeled resources away from constructive efforts to bring the actual closer to the potential. Although no actor directly harmed another, the violence was built in the system and was manifested by social injustice. Thus it can be concluded that the SAP conditionalities contributed to creating conflict situations.

To address the issue of refugees alone without consideration of member communities with whom they live may degenerate to resentment (structural violence) and conflict. Funding to strict target of particular group(s) may cause structural violence. On the employment conditionality of 50 percent women criterion, when applied to the all projects, the total project portfolio may include projects that benefit smaller numbers of women, but also projects that target women and in which the majority of beneficiaries are women. One may also hold that a 50 percent equal participation of women is a long-term, not an immediate, goal to strive for. The evaluation, therefore, will concentrate more on progress and trends than on the current state of affairs. The situation poses many profound dilemmas and much debate about the effectiveness of such conditionalities.

²¹⁰ Adam Smith, 1991 (6th edition): *Wealth of Nations*, Everyman's Library, p.577
²¹¹ See Johan Galtung, 1989, *Violence, Peace, and Peace Research*, Journal of Peace Research; Vol. 6, No 3, pp 167-191

The other issue raised is whether the work for several people should be made dependent on a very small percentage of modern women within a conflict community. Must the possibilities for work in the conflict areas be sacrificed on the basis of non compliance with the 50 percent equal participation? When the project targets 50 percent women, the peace NGO may avoid spending resource beyond the target group which may have a significant bearing on the success of the project. This is due to the fear of losing the funding if the peace NGO does not comply with the percentage conditionality.

CONDITIONALITIES, PEACE NGO'S AND HUMAN NEEDS THEORY

Funding conditionalities have been applied by donors on governments, warring factions, and humanitarian assistance agencies. There is need to review aid from the recipients perspective. A sense of ownership of any project by the local implementing agency is a crucial.²¹² The present multiplicity of donors, their diverse reporting requirements, and increasing complex conditionalities, threatens the capacity of recipient organizations to cope with aid itself and leaves little space for self initiated development policies. It is entirely legitimate for donors to impose conditionalities on aid disbursed but they need to be localized and responsive to communities' needs.

Burton argues that the struggle to satisfy basic human needs is a key motivating factor behind human needs behavior and social interaction. Poverty, economic inequality and social injustice can often be conceptualized in terms of obstacles to meeting basic needs and often give insurgents in different countries a basis to agitate for change

²¹² S. Rovaniemi, "NGOs Partnership and Funding: A case study of the Cooperation of a Finnish and an Indian NGO" in H. Katsui and R. G. Wamai (eds), *Civil Society Reconsidered: A Critical Look at NGOs in Development Practice*, op. cit., pp. 106-107.

sometimes by violent means. 'More generally, structural violence results from compliance processes, perceived injustices and deprivations such as an absence of job opportunities. There are also much more damaging instances such as starvation and deprivations experienced in civil wars. The origins of structural violence are therefore the policy administrative decisions that are made by some and which adversely affect others.²¹³. Burton further argues that 'unless the organization (NGO) is democratic in the widest participatory sense, these norms inevitably tend to accommodate institutional or organizational interests with insufficient knowledge or consideration of those affected giving rise to structural violence.'²¹⁴

However, funding conditionalities have acted to correct situations which could breed conflict at one point while at other points have contributed to management of conflicts through positively influencing the parties engagement in the peace process.²¹⁵ Recognizing that extended and expensive aid could protract conflict by enabling warring parties to evade their responsibility to civilians, it calls for an examination of the value of aid in initiating or exacerbating conflicts. Funding conditionalities are some of the measures that have been taken by the donor to ensure that aid does not contribute to conflict generation and escalation.

It is notable that funding conditionalities may create incentives or disincentives for peace or war, regardless of whether such effects are deliberate or not, before, during or

²¹³ J. Burton, *Violence explained*, Manchester, Manchester University Press, 1997; p32

²¹⁴ J. Burton, *Violence explained*, Manchester, Manchester University Press, 1997; p 33

²¹⁵ J. K. Boyce, "Aid Conditionalities as a Toll for Peacebuilding: Opportunities and Constraints" in *Development and Change*, Vol. 33, No. 5 (2002), pp1025-1048.

after a conflict. The issue that arises is how to manage conditionalities so as to promote conditions and dynamics propitious to non-violent peace processes. This approach to conflict dynamics makes parties and donors responsible for their actions or inactions on the dynamics of conflicts.²¹⁶

²¹⁶ G. Frerks, *The Use of Peace Conditionalities in Conflict and Post-Conflict Setting: A Conceptual Framework and a Checklist*, op. cit., p. 18.

CHAPTER FIVE

CONCLUSION

Introduction

NGOs play a variety of roles both positive and negative in conflict such as conflict resolution, conducting Track II diplomacy, development aid and humanitarian assistance, human rights advocacy, monitoring of election, disarmament and environment work. Conflict and war compel donors to recognize that aid inevitably has an effect on conflict. Aid can alter the power relations within and among opposing groups in recipient countries. Aid can exacerbate social cleavages or bridge them by fostering economic growth and inclusive political environment. This calls for an examination and attention of not only the quantity of aid but also its quality, that is, the type of aid, to whom it is provided and the conditions attached to it.

Tying aid to the actor's orientation to peace can make aid a more effective instrument for conflict management and peacebuilding. However, the presence of multiple suppliers of aid with diverse interests has incapacitated the capacity of funding conditionalities to orient recipients to peace. Funding conditionalities can also incapacitate the recipient's capacity to make necessary steps and reforms that can foster peace. Such a situation can aggravate the conditions that can lead to or protract conflicts. Therefore funding conditionalities if well utilized by the donors and recipients can deliver directly or indirectly in preventing or mitigating violent conflicts.

The first chapter in this study defined the statement of the problem which is the relationship between donors and peace NGO's. A definition of conditionalities, short history, a broad overview, and the effects of conditionalities were outlined. The relations between donors and NGOs were shown to be strained due to funding conditionalities. 'Donors have been unhappy with the conditionality relationship for some time and have been experimenting with innovations. The dilemma facing donors can be seen as a desire to move from the traditional conditionality relationship, where the donor tries to impose policy reform on an unwilling recipient, to a situation where the recipient owns the reforms itself.'²¹⁷

The literature in the second chapter gave a detailed account of funding conditionalities and their failure; as well as schools of thought that debate for conditionalities against the backdrop of structural violence, the school of thought against conditionalities with reference to peace research paradigm and the school of thought that seeks the rationale between the two extreme was viewed from the human needs theory.

Chapter three was a case study of the effects of funding conditionalities to peace NGO's in Kenya. Chapter four critically analysed the findings based on conflict management theories and schools of thought. Chapter five is a summary of the findings.

²¹⁷ Lockwood, Mathew (1999); Beyond Conditionality: Problems with Selectivity and Partnership; www.csa.ox.ac.uk/conferences/1999-cpa/sessionA/lockwood.html

Conditionalities to Peace NGO's

As observed from the study, the issue of conditionality poses both major ethical and normative problems, as well as operational ones. The operational problems are well revealed in the case studies. What should govern the NGOs is what works for the communities in conflict, not what the donors would like to see. The aid relationship on both donor and recipient should be opened up to a much wider public as well as the debate about use of aid. For this to work, donors have to be prepared to genuinely listen and understand recipient priorities and constraints because if they approach dialogue from a starting position that they are right about all policy advice, then there would be no point in dialogue.

The discussions in the previous chapters prove the hypothesis that increased fulfillment of conditionalities leads to increased funding because the donors have confidence that they will be able to report quick tangible results. This means that the more an NGO is accountable to the donor the more funds they are likely to receive. Consequently, this means that the NGOs direct their accountability towards donors. They may ignore the interest of the local population while putting effort into proving to the donors that they are relevant and efficient.

An important question relates to the goals of NGOs. Such NGOs engaged in humanitarian and conflict resolution activities must address the question of impartiality in the context of their objectives. But as with traditional forms of conflict management in complex and intractable conflicts, the asymmetry of the legal environment in which

conflict occurs means that even impartiality can be perceived as evidence of bias. Similarly, conditionalities can create an environment that is perceived as biased. For example if a legally constituted government still exists it will regard any assistance given to non state actors or rebels as evidence of bias.

One of the objectives of the study was to investigate and assess the appropriateness and effectiveness of such funding conditionalities to peace NGO's, there is need to review aid from the recipients perspective. A sense of ownership of any project by the local implementing agency is crucial. The present multiplicity of donors, their diverse reporting requirements, and increasing complex conditionalities, threatens the capacity of recipient organizations to cope with aid itself and leaves little space for self initiated development policies. It is entirely legitimate for donors to impose conditionalities on aid disbursed but they need to be localized and responsive to communities' needs. These conditionalities should not be universal .

Mwagiru²¹⁸ posits that 'every conflict contains both negotiable and non negotiable aspects. The negotiable aspects are the more formalized elements like post conflict structures such as constitutions, compositions of armies and cabinets. These issues are bargainable and indeed must be bargained. On the other hand there are those non negotiable aspects of conflict which are about values. These are clearly not susceptible to bargaining process and should be managed through approaches such as problem solving workshops.' Burton further argues that poverty, economic inequality and social injustice

²¹⁸ Makumi Mwagiru ; *Conflict, Theory, Processes and Institutions of Management*; Watermark Publications, Nairobi, Kenya, p139; 2000

can often be conceptualised in terms of obstacles to meeting basic needs and often give insurgents in different countries a basis to agitate for change sometimes by violent means.

The second objective of the study was to investigate and give indepth analysis of how funding conditionalities affect NGO's contribution to peacebuilding and how conditionalities may worsen conflict. Incentives for peace refer to all conditionalities that strengthen the dynamics that favour peace, by influencing actors' behaviours, by strengthening pro-peace actors' capacities, by changing the relations between conflicting actors (ethnic groups, the state and civil society), and by influencing the social and economic environment in which conflict and peace dynamics take place. Disincentive conditionalities do the opposite: they weaken and discourage the dynamics that favour violence.

Incentives and disincentives through conditionalities need to be balanced with the counter-dynamics they seek to address. For example, when seeking to promote the return of refugees, an important element of any strategy for peace, possible donor incentives, such as reconstruction of public facilities, or food-for-work programmes, need to be weighed against the disincentives for return, foremost refugees' fear for their life. When using threats of cutting aid against peace NGO's whose activities promote violent behaviour, one has to consider the incentives for continued violence, such as the profits to be made from war, or the risk of counter-attack. Incentives or disincentives are only likely to work if they are balanced with the opposing dynamics, or if they manage to create alternative dynamics.

It is notable that funding conditionalities create incentives or disincentives for peace or for war, regardless of whether such effects are deliberate or not, before, during or after a conflict. The issue that arises is how to manage conditionalities so as to promote conditions and dynamics propitious to non-violent peace processes. This approach to conflict dynamics makes parties and donors responsible for their actions or inactions on the dynamics of conflicts.²¹⁹

The way funding is secured and the conditions attached to the funding play a role in shaping the nature of peace work undertaken. Sustainable peace is not something that can be produced rapidly; it is not something that can be mastered technically, with a fixed formula; it is not even a clear state that can be achieved once and for all as much as a process. Donors, thus, need a long-term vision. Ideally, they can commit themselves for the long term; even if they cannot, their actions should reflect a concern for the long run. The use of peace conditionalities, which Boyce²²⁰ divides into three types; conditionality for conflict prevention; conditionality for conflict resolution and conditionality for post conflict peacebuilding; should be seen as a tool for building alliances and political coalitions with state and non state actors in the interests of peacebuilding. Therefore, they should not be unilateral imposition by a donor to a recipient.

It is in the context of conflict resolution approaches that a conceptual framework for peace NGOS can be found based on their emphasis for norms relating to human needs

²¹⁹ G. Frerks, *The Use of Peace Conditionalities in Conflict and Post-Conflict Setting: A Conceptual Framework and a Checklist*, op. cit., p. 18.

²²⁰ Boyce J K; 2005; Development Assistance, Conditionalities and War Economics; in Ballentin, K and Nitzschke, H (eds) *Profiting from Peace, Managing the Resource Dimensions of Civil War*; International Peace Academy, Lynne Rienner, New York; pp287-316

and human security derived from local and global civil societies. Their activities are taken seriously because of the general realization that conflict is multidimensional and therefore requires multidimensional responses. These responses have seen the development of peace-building approaches based on a hybrid of conflict management approaches. The first generation approaches include peacekeeping, mediation and negotiation. The second generation involves conflict resolution and includes bottom-up strategies to making peace, and the contributions that NGOs can make in parallel to state, international and regional organization based efforts.

Large inflows of unconditional aid may recreate the structural conditions that led to the outbreak of conflict. Aid has consequence in the recipient regions. Aid does not flow to places in abstract but rather to specific groups and individuals within the country. Taking an example of Rwanda prior to the 1994 genocide where aid inflow increased despite the regimes complicity in inciting violence by Hutu extremists against Tutsi Minority. In this way, aid helped in cementing the Hutu regime with its complicity to ethnic violence. Many donors have recognized human rights abuse and regimes that tolerate activities that result in conflicts but such donors do not take necessary steps to influence such regimes to take pro-peace initiatives. Despite the negative effects of aid to recipient countries many donors are reluctant to acknowledge the effect of their aid on conflict.

Funding conditionalities can be applied directly or indirectly to prevent and/or mitigate violent conflicts. Funding conditionalities have been utilized to initiate and promote political liberalization, democratization and respect for human rights. Funding

conditionalities have been applied to encourage negotiations and compromises.²²¹ Funding conditionalities can result in economic development hence mitigating conflicts by reducing instabilities caused by economic deterioration. In this perspective, funding conditionalities can be utilized to correct situations that could otherwise degenerate into conflict.

Conclusion

Conflict and war compel donors to recognize that aid inevitably has an effect on conflict. Aid can alter the power relations within and among opposing groups in recipient country. Aid can help in exacerbating social cleavages or bridge them by fostering economic growth and inclusive political environment. This calls for an examination and attention of not only the quantity of aid but also its quality, that is, the type of aid, to whom it is provided and the conditions attached to it. Tying aid to the actor's orientation to peace can make aid a more effective instrument for conflict management and peacebuilding. However, the presence of multiple suppliers of aid with diverse interests has incapacitated the capacity of funding conditionalities to orient recipients to peace. Funding conditionalities can also incapacitate the recipient's capacity to make necessary steps and reforms that can foster peace. Such a situation can aggravate the conditions that can lead to or protract conflicts.

Conditionality clearly works best, and is ethically most acceptable, when it builds on a strong domestic basis for the desired policy goal. This is most evidently the case where a peace agreement exists: donors can condition their aid to the implementation of

²²¹ J. K. Boyce, "Aid Conditionalities as a Toll for Peacebuilding: Opportunities and Constraints" in *Development and Change*, Vol. 33, No. 5 (2202), pp1025-1048.

the agreed-upon provisions. In addition, a more clear conditionality policy should be articulated as clearly and transparently as possible, so that there can be no misunderstanding about its nature, and so that its satisfaction, or failure thereof, is beyond debate, based on clear ethical principles, monitored and evaluated clearly, and preferably jointly.

Therefore funding conditionalities if well articulated, mutually agreed and utilized by the donors and recipients, can deliver directly or indirectly in preventing or mitigating conflicts. Funding conditionalities may conversely cause structural conditions that lead to conflicts.

Due to time limits and scope of the project, the response of NGO's to funding conditionalities was not adequately covered and it is hereby recommended that it be investigated in another study.

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Name of NGO	Postal Address	Physical Address	Teleph one	Fax	E-mail Adress	Objective	Areas of Operation	Year Regist ered
COOPERAZIONE PER LO SVILUPPO DEI PAESI EMERGENTI	PO BOX 1579 Serit centre Nrb	Serit Centre	+254 20 9991901	209991901	cospe@wana nchi.com	education towards sustainable growth, peace, inter relation and anti-racism	Ghana, India, Italy , Malawi, Namibia, Somalia Northern Region, Swaziland,	1998
AFRICA PEACE AND DEVELOPMENT AGENCY	P.O. Box 229, Wajir	Next to DC's Office Wajir Moyale Rd	254 046 421359	046 421359	nabat@bnbne t.co.ke	To Establish and Promote sustainable peace and development in the entire Region through non-violent conflict resolution by use of Traditional and modern institutions leading to improved social welfare and enabling community development programs undertaken	Ethiopia, Somalia Southern Region,	2000
GREAT PEOPLE FOR COMMUNITY DEVELOPMENT INTERNATIONAL	P.O.Box 16729-00100 Nairobi G.P.O	Amani Estate House No. 17	254-722- 722604	254-2- 622324	grafadeco@ yahoo.com	Social Economic, Cultural and Spiritual Development, Poverty Alleviation, Peace, Education, Health and food to needy.	Burundi, Djibouti, Ethiopia, Kenya, Rwanda, Somalia Northern	2004
AFRICA WELFARE PROGRAMME	P.O.Box 31700, Ngara, Nairobi	Asili Towers Room No.8, Ngara	254-2- 749496/740 174	254-2- 749496		To put in place institutions and procedures for conflict. Resolutions and work towards the attainment of peace and stability and ensure that the communities appreciate the need of peaceful environment.		2001
CONVERGENT INTERNATIONAL	PO BOX 61650 00200 Nrb	Mpaka road Nabui Jouse, Westlands	+254 20 6752918/72 24	206752918	info@gonza gaconsulta nts.com	Catalyzing public/private sector alliance and interfaces to enhance peace, poverty, research, technology and commerce.		2004
CHILDREN'S INTERNATIONAL SUMMER VILLAGES KENYA	PO BOX 2500- 00200 Nrb	Kenbanco huose room13, 2nd floor Nrb Haile	254 20 253542/722 304555	20229920	CISKenya@ ahoo.com	Promoting peace education and cross cultural friendship		2004

NORTHERN VISION FOR PEACE AND PASTORAL AID	P.O.Box 7251 Nairobi or P.O.Box 50, Mandera	Al-Mujtahid Building, 7th street Eastleigh/E762731/765 Lwak Trading Centre	254-2- 435			To strengthen and link the attempts to empower youth and women as agents for suitable and peaceful development this building a culture which is sensitive to Gender, rule of Law, Human rights and expose them to the full Extent of their responsibilities and d		2001
DEVELOPMENT POLICY MANAGEMENT FORUM	P.O. Box 1559-00606, Nairobi	Parklands Road, Opposite Holiday Inn	254 375	3754541	aceg@aceg. org	Policy Research on Conflict & Peace Building, Training Senior Policy makers & parliamentarians on governance, Conflict Resolution and Long Term Strategic Thinking.		2005
AFRICAN YOUTH FOUNDATION	P.O.Box 920, Kisumu	Ring Road Millimani Off Tom Mboya Labour	254-35- 22230 / 254-7			To harness through education and welfare the cumulative Energy of African Youth to build a peaceful and equitable Africa		2001
THE INTER-SUDANESE CONSULTATION ON PEACE AND JUSTICE	P.o box 20705 Nbi		+254 20 578126	578127		To urganise consultations on peace	Sudan,	2003
TRUTH RECONCILLIATION AND UNITY	Regional Office		254-72- 739467		trreun@yah oo.com /barremhy@ hotmail.co m	To play catalyst role and elaborate frame work between the international and local community in and to reach or keep the region in peace and stability. We also made research studies at the conflicts areas and issue in order to get the right approach to me		1996
NEIGHBOURS IN ACTION- KENYA	P.O.Box 3713, Eldoret	Reformed Church of East Africa Conference, Kisumu Road				To implement a variety of reconciliation, rehabilitation and development activities especially amongst communities living in areas of fragile peace which often follows conflicts.		201
INTERNATIONAL DEVELOPMENT AND PEACE ORGANISATION	PO BOX 6530- 00300 Nbi	Kanjata road, off waiyaki way	c/o 722 670729		idpogbalpe ace@yahoo. com	To nurture a culture of peace, through development and peace initiatives		2004

PEACE AND HUMAN SECURITY RESEARCH CENTER	PO BOX 15793-00100 Nbi		+254 722 357959		phusrec@ya hoo.com	Facilitating and implementing peace and human security research		2005
STANDARD ACTION	P.O. Box 67099 00200 City Square	M7 Bhavesh Centre, Ngara Rd off Fig	254 020		sycp20002h	To encourage civil population to achieve their empowerment and enjoy their human rights in order to participate in development programs Vision; is of realisation of	Australia, Canada, Ethiopia, Sudan, US	2001
LIAISON FOCUS	Nairobi	Tree Hotel	3754535		otmail.com	an equal, just and peaceful naton.	A, Uganda,	
SUDANESE WOMEN EMPOWERMENT FOR PEACE	P.O. Box 16187 00100	Pittway Flats Ralph	254	2730938		To help bring as many groups from both the Northern and Southern sectors of Sudan into the Peace initiative.	Sudan,	2005
INFORMATION CENTRE	GPO Nairobi	Bunch Rd	2730938					
MISSION FOR PEACE AND DEVELOPMENT AFRICA	P.O Box 12544-00400, Nairobi	Philadephia House 3rd Floor Room 11 on Tom Mhoya	254-2-316913	254-2-312154		To create awareness by educating members of various communities about non violence and peace.		2002
OSOTUA "PEACE" ADVANCEMENT PROGRAMME	P.O. Box 397, Ngong Hills		254 723 928645, 254		koimarish@ yahoo.com	Advancing peace to all and resolving various disputes as well as acitng as mediators in the noble goal of peace for all.		2004
SUDAN INITIATIVES FOR COMMUNITY DEVELOPMENTS	P.O. Box 63236 Nairobi	Lavington Green Isaac Gathanju Rd	254 722 390792		keerbol@yo hoo.com	For healthy peaceful new Sudan.	Sudan,	2005
THE EAST AFRICAN HUMAN RIGHTS INSTITUTE	PO BOX 11391-00100 Nbi	Milimani road ambassador court	+254 20 2730158	202730159	eajournal@ email.com	assisting to build strong, peaceful and prosperous societies in E.A Promoting and consolidating democracy, human rights and development	Tanzania, Uganda,	2004
WOMEN UNITED FOR PEACE INITIATIVE	P.O. Box 3659 GPO 00100 Nairobi	1st Flr, Consolata Bank Building, Koinange	254 020 211369	020 210138	wopnet_k@ ahoo.com	To build capacity for advocacy on conflict, peace building, social justice and women's rights issues.		2004
AFRICA INITIATIVE PROGRAMME	P O BOX 10302, 00100, NAIROBI.	MASABA HOSPITAL BUILDING, KIRICHWA RD.	254-20-566805			To improve the quality of rite of Kenyan through support for small and micro enterprises, water sanitation activities, and promotion of peace and security intitatives.		2002

WESTERN KENYA HUMAN RIGHTS WATCH	P.O.Box 1229, Bungoma	Bungoma	254 33 20813 /30044	254 337 30680		To work for the promotion of Human Dignity, Equity, Social, Economic, Justice and Cultural Advancement to promote peace, Democracy and Development		2000
COMMUNITY MITIGATION ON HEALTH AND ENVIRONMENT	P O BOX 866, NAROK.		254-305- 2421			To transform the to a peaceful, liberal and developed society.		2005
CONCERN WOMEN ACTION FOR PEACE	P.O.Box 1265, 00606, Nairobi	Sarit Centre	254-733 690975			To promote justice and peace; to assess knowledge of the community on girl child Education; to sensitize on HIV/AIDS.	Kenya, Sudan, Uganda,	2005
GENDER EMPOWERMENT FOR SUDAN ORGANIZATION	C/O P.O box 10251 00100 Nbi		+254 733 704812, 8600		gesoorgani satio@yahoo o.com	To empower sudanese to eliminate and eradicate gender biases by engendering HIV/AIDS, education and advocacy, reproduction health resolution and peace building	Sudan,	2003
RESOURCES CONFLICT INSTITUTE	P OBOX 7150, NAKURU	PRINTING HOUSE ROAD	254-37 44940			To promote the peaceful and sustainable management of natural		2005
AFRICA PEACE INITIATIVE	P OBOX 5343- 001-GPO	PURVI HOUSE, WING A 3RD FLOOR DOOR F WESTLANDS	254-722- 773635			to promote a culture of peace among young people		2000
INTERNATIONAL SOMALI PEACE DEVELOPMENT ACTION	P.O.Box 5329, Nairobi	Nyayo Stadium	254-722- 987911	254-2- 551678		To re-build basic infrastructure, peace, Reconciliation and stability in Somalia	Djibouti, Ethiopia , Kenya, Somalia Northern Region, Uganda,	2001
EAST AND CENTRAL AFRICA SOCCER JOURNALISTS ORGANISATION	P.O.Box 71567, Nairobi	Nyayo Highrise C2 12	254-2- 608503			Use sports and soccer in Particular to develop peace among the youth of the region		2005
PREVENTIVE DIPLOMACY INTERNATIONAL	P.O. Box 42575- 00100 NAIROBI.	1st Flr IPS Bldg	+254 -722 815346/726 222256	+254 -20- 245971	kenanos200 3@yahoo.co m	Creating peace through dialogue and Civil Education		1999

REGIONAL CULTURE OF	P O BOX	CITY HALL	254-20-		ero@cisp.c	Peace making in member countries in the region, networking with Governments, Un Bodies, International NGO's and Local NGO's in the REgion.	Somalia Northern Region, Somalia Southern Region, Sudan, Tanzania, Uganda,	1999
PEACE NETWORK	38752,	ANNEXE 13TH FLOOR	230090		om			
CENTRE FOR PEACE AND DEVELOPMENT	P O BOX	NATIONAL	254-20-			Toprovide conflict resolution and peace Education Services and Research in Africa		1998
	40658,	MUSEMS OF						
	NAIROBI	KENYA	742161/4					
						To undertake research on peace issues in the religion.		1998
	74621 Noi	road	573679					
ALFA FAMILY CARE	P.O BOX		-254			Achievement of development and prosperity through promotion of peace and reconciliation, rehabilitation of the bereeved and counselling of the youth supported sponsors.	Burundi, Congo, Democratic Republic of, Ghana, Rwanda, Somalia Northern Region, Somalia Southern Region, Sudan, Uganda, Zambia,	1998
INTERNATIONAL	13230 Nakuru		214036					
INTERNATIONAL	P.O.Box	Erms	254-2-	254-2-		To carry out Research in Peace	Burundi, Congo, Democratic Republic	2005
RESOURCE GROUP FOR THE HORN OF AFRICA	76621, NairoB	Building Menelik	573889 /				of, Eritria, Ethiopia, Rwanda, Somalia Northern	
AFRICA POPULATION CONTROL PROMOTION OF PEACE AND DEVELOPMENT	P O BOX	STATE HOUSE	254-20-	254-20-		issues in the Region		2005
	42004, NAIROB					to control population conserve environment to provide formal & informal education, advocate for peace.		
	I	ROAD	725175	725865				
FOUNDATION YITZHAK	P.O. Box	Magiwa 09B	254 711959	711959		Rehabilitate, restore and promote human dignity and global peace.		2005
	68017							
RABIN	Nairobi							
HOSANNA MISSION	P.O Box	Flats No.25	+254-20-			Based on christian spirit, to enage in relief work such as development, medical educations ervices, for underdeveloped countries, and to contribute to welfare of humanity and world peace.		1998
INTERNATIONAL	75664-00200,	Leeds Apartment,	3874123/72					
FOUNDATION IN KENYA	NAIROBI	Gitanga road	2-859361					

INITIATIVES	4777 00200	Nairobi	254 720		ringerambu@yahoo.com	To empower communities to overcome devastation of conflict and disease in order to attain a culture of peace in Kenya specifically and Africa in general.	USA,	2000
TOTOS INTERNATIONAL	P.O. Box	Maziwa Estate	547909,	733	254 723	info@totos.org	Is the realization of international human rights through empowering and educating young people of all backgrounds to become self-reliant peacemakers, community activists	2006
ADVOCATES FOR HUMAN RIGHTS	2296 00200	Nairobi	167/186	388179				
	7979 00200	Nairobi	467757					
	P.O. Box	Swirezi Plaza 1st Flr	254 020	020	6760120	tavisa.com	democracy.	
DEVELOPMENT ORGANISATION	16495 00010	Nairobi	6760120	6760120	m	af@yahoo.co	Governance, peace building and civil society, strenghtening	2005
LOCAL CAPACITIES FOR PEACE INTERNATIONAL	P.O. Box		254 722	020	870102/573	millieduc@o@yahoo.co	A world in which humanitarian and development assistance promote peaceful co-existance and positive change among communities.	Eritria, Ethiopia, Somalia Southern Region, Sudan,
	52221 00200	Nairobi	04	574577			Working with vulnerable members of the community to see they are economically sustainble and at peaceful atmosphere within there region.	2004
PASTORAL DEVELOPMENT ORGANISATION	288, Wajir	IR DISTRICT	421318	421318		ahoo.com	to promote peace and development through community based and driven projects and activities in Africa.	Sudan,
PEACE AND DEVELOPMENT NETWORK AFRICA	P.O. Box	M7 Bhavesh Centre	254 020				To encourage civil population to achieve their empowerment and enjoy their human rights in order to participate in development programs freely.	2006
STANDARD ACTION	67099 00200	Nairobi	3754535				vision: is of realisation of an	Australia, Canada, Ethiopia, Sudan, US
LIASION FOCUS AFRICAN INITIATIVE	CSQ Nairobi	No. 305	254 020	3866885		otmail.com	To improve the quality of life of Kenyans through support to small and micro enterprises, water sanitation activities, and promotion of peace and security initiative.	A, Uganda,
PROGRAMME	P.O. Box	Masaba Bldg	254 020	153/722	518620, 722	dlckivu@y		2002
	10302 00100	Nairobi	472016			cos.com		

Hellen Gichuhi

Funding Conditionalities to Peace NGOs

FAMILY FEDERATION FOR WORLD PEACE & UNIFICATION	P O BOX 46973, NAIROBI	CORNER HOUSE, 16TH FLOOR	254-20 250662	254-20 714982		To strengthen and empower families towards world peace.		2005
YOUTH FEDERATION FOR WORLD PEACE	P O BOX 46973, NAIROBI	CORNER HOUSE, 16TH FLOOR, MAMA NGINA STREET.	254-20- 337018	254-20- 244360		To create an International community of youth with a vision for World Peace and Prosperity		1996
EDUCATION PROGRAMS	00200 Nbi		253640/217 99		yahoo.com	long simmering ethnic and religious ideologies and mobilizing sustainable resources for peaceful human settlement.	Indian Ocean Territories, Canada, Ethiopia, German Democratic Republic, Sudan, Russia, So malia, Myanmar	
THE INTERNATIONAL CENTRE FOR PEACE AND CONFLICT RECONCILIATION INITIATIVE FOR AFRICA	P.O. Box 47288 Nbi	Victoria court, Opp.The Ambassador Hotel, door No. 4 2nd	254 20 334673 off.5			To promote peaceful co-existence through peace education, and to create and provide peaceful means for political conflict reconciliation.		2005
KENYA MUSLIMS CHARITABLE SOCIETY	P.O. Box 44050 00100 Nairobi		254 6766966	6766966	kenmuchari ty@hotmail .com	Enhance unity and peaceful co- existence among people of different faiths, holding educational seminars. Creating awareness about HIV/AIDS pandemic.		1994
THE GOVERNANCE FORUM	P.O.Box 50167,Nairob i	Riara Road	254-722- 718441 /20 3876794		waigovernan nce-f.org	1)To promote peaceful Existence in Society 2)To promote transparency and accountable Governance structures and systems. 3)To devlop and promote a free and		2003
COALITION FOR HUMAN RIGHTS, PEACE AND JUSTICE	P.O. Box 16189 00100 GPO Nairobi	Hse No. 2325 Greenfields Estate Phase 6, Nairobi	254 722 243025		churpef_ke nya@yahoo. com	Peace, justice and human rights- based building a culture of peace, justice and respect for human rights.		2005
CENTRE FOR DEVELOPMENT OF ARID REGIONS	P.O. Box 619 00100 Nairobi		254 020 575142		dorothymut honi@yahoo .com	To alleviate/reduce poverty, fight drought and initiate peace building within Kenya.		2005
GOOD GOVERNANCE FOR RURAL DEVELOPMENT AND PROTECTION OF THE MINORITY	P.O. Box 7454 00200 Nairobi		254 722 897424	020 240989	ndindakaga u@yahoo.co m	To acknowledge, promote and advocate for peaceful working and living environment among individuals groups and organization through modern techniques.		2000

CHILDREN'S INTERNATIONAL SUMMER VILLAGES, KENYA	P.O. Box 2500 00200 Nairobi	Kenbanco House, Haile Selassie av 2nd floor rm 11	+254 020 253542		CISVKenya@yahoo.com	Promoting peace Education and cross-cultural friendship	2004
WOMEN'S FEDERATION FOR WORLD PEACE - KENYA CHAPTER	P.O. Box 34040 00100 Nairobi	Chai Hse Haile Sellassie Avenue	254 20 310269/250 662		wfwpk@yahoo.com	To create an international community of women dedicated to a vision of world peace and prosperity by creating an enabling environment.	1993
MISSION FOR PEACE INITIATIVE INTERNATIONAL DEVELOPMENT AND PEACE ORGANIZATION	55647 00200 Nairobi P.O. Box 6710 00100 Nairobi		829554/733 839554 c/o 254 722 670729		pel@yahoo.com	of peace in Africa and especially in the great lake regions of Africa. To nurture a culture of peace through development and peace initiatives.	2004
TOUCH THE HEART CENTRE	P.O. Box 55321 00200 Nairobi		254 720 790516/720 149581		tthcentredhtomail.com	To ensure realisation of human rights, justice and peace to all.	2006
ADVISORY CENTRE	P.O. Box 54735 00200 Nairobi	Hse, 3rd Flr Rm 312 Tom Mboya Street				To enhance industrial productivity offering training, research and consultancy.	2006
WOMEN FEDERATION FOR WORLD PEACE - KENYA	P.O. Box 34040 00100 Nairobi	Chai Hse Haile Sellassie Avenue	254 20 310269/250 662		wfwpk@yahoo.com	To create an international community of women dedicated to a vision of World Peace and Prosperity.	1993
KOINONIA CHILDREN'S RETREAT CENTRE	P.O. Box 2246 Kakamega	Along Kakamega Webuye Rd Lurambi Mkt Kakamega	254 56 30752		bpoketch@hotmail.com	Bring hope to the hopeless, love to the lonely and peace to their hearts.	2005