

# Foreign donor assistance and environmental capacity building: evidence from Serbia and Bosnia–Herzegovina

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Early analyses of the impact of donor assistance for NGOs across post-socialist Eurasia documented the extent to which the ubiquitous new NGOs were disconnected from indigenous networks, lacked sustainable resources and capacity, and were accountable to donors rather than citizens and governments. Although this article does not entirely contest such conclusions, it examines the role of NGOs from a different normative perspective based on their role as conduits of change rather than as emblems of democratic participation or liberal representation. However, in its critique, the research does contend that there are three fundamental problems with the earlier, somewhat negative analysis: (i) too much was being expected of NGOs and donor assistance; (ii) scholars were attempting to judge the impact of the intervention far too quickly; and (iii) the focus on democracy and civil society obscured the critical ‘governance’ impact that certain NGOs were having in terms of transforming decision-making and state power ‘behind the scenes’. From the empirical perspective of environmental NGOs in post-conflict Bosnia and Serbia, the paper uses a triangulation of quantitative and qualitative methods in order to ascertain better the impact of external assistance in terms of particular development skills and strategies employed by recipients. The conclusion reached is that donor funding seems to be exerting a positive longer-term impact on the *transactional* capacities of a small core of environmental NGOs in both locations. Organizations with the most developed transactional capacities, and the few organizations now able to engage transnationally, have obtained a succession of grants over a number of years and have had their transactional activities have been funded specifically by international donors via block grants. Although this does not necessarily prove a positive relationship between donor funding and transactional capacity, it nevertheless challenges more negative assessments in the existing literature.

**Keywords:** environmental NGOs; transactional capacity; donor assistance; Bosnia–Herzegovina; Serbia

## Introduction: donor assistance for environmental NGOs

Early studies of the impact of foreign donor assistance for NGOs in post-socialist states based their research on qualitative studies, framed their analysis in terms of democratic consolidation, and tended to focus on the failure of recipient

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organizations to stimulate public participation and extend representation (McMahon, 2001; Cellarius and Staddon, 2002; Mandel, 2002; Fagan and Jehlicka, 2003). NGOs were viewed first and foremost as new institutional expressions of an emergent and exogenously generated civil society; they were widely criticized for not being linked with indigenous civil society networks, for their engagement in apolitical projects rather than lobbying, and for failing to encourage public participation and civic agency (Weinthal, 2002). The concern expressed by many was that the new NGOs, dependent almost entirely on foreign donor revenue, lacked legitimacy and were dislocated from both elites and society (Howard, 2003). Critics argued that if there was a longer-term impact of donor assistance on recipient NGOs, it was in terms of a rather superficial professionalism and the consolidation of *project management* capacity, rather than an augmented ability to engage policymakers and political elites (Fagan, 2008). For these dissenters, the evidence speaks for itself: despite nearly two decades of democracy and civil society promotion across post-socialist Eurasia and the commitment of significant resources on behalf of well-intentioned foreign donors, individual participation and involvement in civic associations are found to be low, and in some cases lower even than in post-authoritarian regimes (Petrova and Tarrow, 2007: 76). Yet, while trust and support for new post-socialist state and civic institutions has been found lacking (Rose, 2001), faith in personal networks and in acquaintances (as opposed to strangers and unknown institutions) is high (Gibson, 2001). Such evidence serves to reinforce the assertion that the real challenge for civil society promotion is to successfully connect informal and submerged personal networks with the new tier of donor-funded NGOs and to bridge the significant gap between the two (Howard, 2003; Fagan, 2005).

Although the extent of donor aid has at times been exaggerated and the number of NGOs overestimated, professional NGOs competing for externally funded donor projects have nevertheless become a ubiquitous and almost generic feature of post-socialism. The overall momentum is extensive and somewhat pervasive (Quigley, 2000; Wedel, 2001). To critics, professional NGOs simply masquerade as civil society in urban locations across the post-socialist world. Their reliance on donor revenue compromises their legitimacy and accountability, and the resources that they consume are seen as being wasted on duplicated projects and initiatives failing to engage communities and local campaign agendas. If there is a positive impact at all, it is short-term and not particularly sustainable (Quigley, 2000; Sampson, 2002).

Viewed from a different functional perspective, namely the extent to which new NGOs represent effective conduits for progressive change, including new forms of governance interaction, Europeanization and the reformulation of state power, the legacy of donor intervention and assistance is judged somewhat differently. Although still recognizing the importance of participation, recent studies of the post-accession states of Central and Eastern Europe (CEE) have examined the role and impact of donor-funded NGOs from the perspective of *governance*, placing

greater emphasis on the role that non-state actors can play in helping to stimulate new modes of governance interaction, triggering the transformation of state power, and building transactional or development advocacy (Petrova and Tarrow, 2007; Bruszt and Vedres, 2009). What is effectively being acknowledged is that donor-funded NGOs can in fact play a critical ‘behind the scenes’ role. Petrova and Tarrow (2007) define this aspect of NGO activity as ‘transactional activism’, which they define as ‘the ties – enduring and temporary – among organized non-state actors and between them and political parties, power holders, and other institutions’ (p. 79). Similarly, Bruszt and Vedres see the emergence of such activities as evidence of ‘local developmental agency’, defined as ‘the capacity of local actors to jointly define problems of development; generate programs that address these problems in a way that could accommodate a diversity of local interests, and jointly mobilize resources for implementation’ (2009: 9).

If donors have been less than successful at building civil society participation, is there any evidence to suggest that their assistance has helped foster the development of governance capacities by targeting transactional activities among recipient NGOs? Recent analyses of pre-accession assistance channelled by the European Commission through NGOs in post-socialist states have sought to explain why such intervention has had only limited success in stimulating interaction and sustainable partnerships between state and non-state actors. Numerous constraints have been identified: calls for proposals and the funding objectives issued by donors are often poorly articulated and not sufficiently aligned to aspects of conditionality and compliance; the Commission in Brussels and local delegations in the field both have insufficient capacity to monitor the allocation and impact of short-term projects and are therefore forced to rely on self-evaluation reports or local assessments; project management rationale becomes the dominant focus in selecting funded schemes over and above consideration of sustainable outcomes or local development agendas to the extent that whether an organization will be able to deliver on rather modest objectives becomes all important (Fagan, 2010). In the specific context of the Western Balkans, EU assistance channelled through NGOs predominantly takes the form of small (less than €100k) short-term project grants, which, despite the rhetoric of promoting regional co-operation and NGO network building, rarely extend beyond funding individual organizations with an established ‘track-record’.

A further and somewhat related criticism is that limited governance impact is also a consequence of the Commission having failed in its deployment of CARDS/ IPA/EIDHR<sup>1</sup> to fully recognize existing incapacities of state as well as non-state actors (Heritier and Lehmkuhl, 2008; Börzel, 2009; Börzel and Buzogány, 2010). It is argued that while significant amounts of assistance delivered to NGOs may

<sup>1</sup> These are various assistance programmes run by the EU: CARDS (community assistance for reconstruction, development, and stabilisation); IPA (instrument for pre-accession assistance); and EIDHR (European instrument for democracy and human rights).

well provide much needed social and public services, the investment has failed to stimulate far-reaching change in policy approaches and implementation (Fagan, 2008). Börzel (2009) contends that the emergence of new modes of environmental governance in post-authoritarian accession states has been dependent on non-state actors (NGOs) having sufficient capacity in the first place to be able to engage reformist elements of the state and to help shoulder the bureaucratic costs of policy change and implementation. Where non-state actors lack capacity, the assistance runs the risk of perpetuating state weakness and encouraging a ‘race to the bottom’ (Vogel and Kagan, 2004; Goetz, 2008; Börzel, 2009). What this critique suggests is that when assessing the impact of foreign donor revenue on NGOs, we need to consider the extent to which recipients are being empowered to fulfil their potential role as conduits for change; as transmission belts for community agendas and development strategies; and as facilitators of non-state capacity, rather than simply as aggregations of community or sectional interests.

This study seeks to test some of the assumptions and commentaries on the impact of donor assistance for post-communist states. The cases of Bosnia–Herzegovina (BiH) and Serbia provide a good basis for comparison, since they are similar insofar as both of these ‘potential candidate countries’ for EU accession are also post-conflict and post-communist contexts, and both are countries in which the international community has a significant presence and where local NGOs are recipients of substantial donor assistance. Crucially, however, they differ on the level of institutional centralization (i.e. Serbia is far less institutionally fragmented than BiH), and therefore the analysis will follow a ‘most similar systems design’. Despite their limited and slow progress and the difficulties associated with their Europeanization, both Serbia and BiH are nevertheless in the midst of significant political and economic reconstruction and engaged in state building as well as democratization.

Foreign donor assistance channelled through NGOs and non-state actors in Serbia and BiH, which initially took the form of emergency aid, began during the 1990s and the wars of Yugoslavia’s succession. Although certain donors engaged in the region still prioritize post-conflict related issues – de-mining, psychosocial therapy, reconciliation – many have shifted their emphasis to funding the sorts of issues supported elsewhere in the post-socialist region – environment, Roma rights, civil society development, and education.

Focusing specifically on NGO assistance targeting environmental protection and governance, and employing Petrova and Tarrow’s conceptualization of ‘transactional activism’, this paper sets out to provide both quantitative and qualitative measures of the extent to which foreign donor assistance for environmental NGOs in Serbia and BiH is augmenting key skills and capacities seen to be required for effective governance interaction and policy engagement.

Insofar as the core aim of the research is to provide a more systematic and nuanced examination of the types of activities – particularly those deemed to be more *transactional* – that foreign donor-funded NGOs routinely engage in, it was

judged appropriate to employ a combined methodological approach based on the triangulation of quantitative and qualitative data. In particular, the quantitative data suggest that NGOs in both locations are apparently engaged in a variety of activities that would imply, comparatively speaking, a reasonably impressive, albeit differentiated, level of governance interaction and transactional capacity among Bosnian and Serbian organizations. Such apparent realities and the quantitative findings in general are then tested further using qualitative semi-structured interviews with a sample of environmental NGOs who, according to the quantitative data, are engaged specifically in environmental impact assessment (EIA) processes.

### *Why environmental NGOs?*

In terms of empirical focus, the sector of environmental NGOs in both states represents a viable indicator of state and non-state interaction in the context of foreign donor assistance and intervention: several large multilateral as well as smaller bilateral donors have prioritized the environment as an issue for support and development; more pertinently, the EU has identified environmental governance and management as a key aspect of conditionality and has both specified in its reports and targeted assistance towards engaging environmental NGOs with the state in both countries as well as across the region as a whole. As sectors of NGO activity within both post-conflict BiH and post-Milosevic Serbia, environmental associations and semi-professional organizations represent areas of relatively developed activity and growth. Although the environment is not an overt political priority for the main political parties in either state, the implications of EBRD and EIB-funded major infrastructure development (roads, highways), significant foreign investment in hydroelectricity, and the political economy of European integration all raise significant environmental questions and place considerable obligations on the state, whether it be in terms of enacting and implementing internationally compliant regulations, or managing popular mobilization, and divergent community interests.

Using the 2006 Regional Environmental Center (REC) data on environmental NGOs, the paper focuses specifically on those capacities deemed to be 'transactional', or conducive to enabling NGOs to assume a greater governance function – community organizing and planning; legal advocacy; negotiation and dialogue facilitation; networking; lobbying; conferences; meetings; information dissemination; media/press; public meetings; environmental management; monitoring and measurement. Using  $\chi^2$  tests on cross-tabulations and a binary logistic regression analysis, the quantitative section of the paper explores whether there is a relationship between types and patterns of funding and the existence among recipients of key governance capacities. Such quantitative-based findings are then considered alongside data obtained from qualitative analyses of interviews with selected environmental NGOs in both locations. The approach adopted here is comparative throughout, contrasting the quantitative and qualitative findings in Serbia and Bosnia. What is concluded is that

while the quantitative analysis suggests that donor funding delivers only a modest dividend in terms of stimulating transactional capacity, more fine-grained qualitative analysis reveals that those organizations with the most developed capacities in Bosnia and Serbia, and the few organizations able to engage transnationally, have enjoyed a succession of grants over a number of years. Moreover, these now prominent organizations have had their transactional or governance activities funded specifically by international donors via block grants or core funding delivered annually over a period of time. Although this does not necessarily prove a direct relationship between donor funding and the development of particular capacities, it nevertheless challenges some of the more negative assessments of the impact of foreign donor funding found in the existing literature regarding the unsustainable and short-term impact of donor assistance by demonstrating a clear relationship between longer-term exposure to exogenous funding and organizational development. The data presented below also suggest that much depends on the *type* of assistance delivered by donors – block grants and core funding that provide NGOs with enough resources to function in the medium to long term encourage the development of transactional activities.

### **Quantitative analysis of environmental NGO transactional activities in BiH and Serbia**

The quantitative analysis in this section of the paper will be carried out using the data on environmental civil society organizations in South Eastern Europe collected by the REC in 2006.<sup>2</sup> The survey included questions on the annual budget, staffing, funding sources, and types of activities for the organizations. There were 70 respondents in BiH to the previous REC directory of NGOs collected in 2001. For the 2006 survey, the REC offices in BiH sent the questionnaires to approximately 200 organizations, and the number of responses increased to 88.<sup>3</sup> By contrast, the number of organizations that are included in the REC directory from Serbia decreased between 2001 and 2006. There were 160 NGOs from Serbia in the 2001 directory, while there are only 114 in the most recent directory.

The REC data provide some interesting information that is otherwise difficult to obtain, tabulate, and analyse from other sources. However, there are also some difficulties in using the REC directory as the basis for quantitative analysis of the NGO sector, particularly with regard to financial data. The main problem is that much of the information is organized into categories, so that there is information about the annual budget range (e.g. 500–1000 Euros), sources of funding and staffing, without exact budgets or the proportions of various funding sources necessary for a more fine-grained investigation. For example, there is no distinction

<sup>2</sup> An English-language version of the REC questionnaire can be found at [http://www.rec.org/REC/Databases/NGO\\_Directory\\_SEE/Questionnaire.html](http://www.rec.org/REC/Databases/NGO_Directory_SEE/Questionnaire.html)

<sup>3</sup> One of the respondents from Tuzla sent two entries for the directory, so the duplicate has been deleted from the BiH data set.

Table 1. Frequency table of annual budget in Euros

	Serbia	Bosnia
No budget	23 (20.4%)	14 (16.3%)
Up to €500	9 (8.0%)	7 (8.1%)
€501–1000	5 (4.4%)	11 (12.8%)
€1001–5000	34 (30.1%)	17 (19.8%)
€5001–10,000	10 (8.8%)	10 (11.6%)
€10,001–50,000	23 (20.4%)	15 (17.4%)
€50,001–1,00,000	5 (4.4%)	5 (5.8%)
Above €1,00,000	4 (3.5%)	7 (8.1%)
Total	113	86

Percentage of total in parentheses.

made between the different types of foreign donors, and therefore funding from the supra-national EU institutions would appear in an identical manner to funds from other non-domestic sources, whether they are small grants from other countries in the Western Balkans, bilateral grants from EU countries, or donors from other countries (e.g. United States or Russia).

Table 1 shows the annual budgets for the environmental NGOs from the 2006 REC questionnaire.<sup>4</sup> Approximately one-third of the organizations in Serbia (32.8%) and BiH (37.2%) had a budget of less than 1000 Euros or no annual budget at all. At the other end of the spectrum, there were only four organizations in Serbia with an annual budget of more than 1,00,000 Euros, while there were seven such organizations in BiH. Comparing the 2001 and 2006 questionnaire data, there are more organizations with larger budgets in BiH, but there is a widening budgetary gap among NGOs in the country (REC, 2006). By contrast, there has been limited change in Serbia. In 2001, there were two environmental NGOs in Serbia with annual budgets exceeding 1,00,000 Euros, and a similar number with low annual budgets (*Ibid.*, p. 167).

On the basis of the assumption that without access to financial resources it is not possible to pay for staff, equipment, rent for premises, or indeed mobilize resources to apply for more funding, the data are examined to detect possible patterns between annual budget, types of funding, and whether the ENGO is based in the national capital (i.e. Sarajevo or Belgrade).<sup>5</sup> In order to do this, the budget variable was recorded from eight categories to a dichotomous variable (i.e. whether organizations had an annual budget of more than 5000 Euros). The results of the binary logistic regression are displayed in Table 2.

<sup>4</sup> The one NGO in BiH and one NGO in Serbia who answered 'Don't know' for the annual budget were omitted.

<sup>5</sup> Location in Belgrade or Sarajevo is included in the analysis to examine whether NGOs with higher budgets tend to be concentrated in the national capitals, or whether no such pattern exists.

Table 2. Binary logistic regression – dependent variable budget above 10,000 Euros

	Serbia		Bosnia–Herzegovina	
	B	SE	B	SE
Domestic foundations	-0.470	0.721	<b>-2.222</b>	<b>0.774</b>
Foreign foundations	<b>1.438</b>	<b>0.727</b>	0.410	0.693
Domestic Government	0.300	0.702	0.618	0.806
Foreign Government	<b>2.797</b>	<b>0.680</b>	0.565	0.659
Individual contributions	-0.211	0.666	-0.316	0.671
Sales and rentals	-0.603	0.795	0.459	0.672
Direct action	0.412	0.655	0.749	0.683
Education	<b>1.703</b>	<b>0.777</b>	0.139	0.686
Policy promotion	0.126	0.648	<b>1.409</b>	<b>0.664</b>
Factor 2	1.587	1.156	20.185	12,903.659
Factor 4	-2.131	1.701	-1.710	26,308.405
ln (years registered)	<b>1.049</b>	<b>0.467</b>	0.825	0.482
Constant	-5.310	1.652	-21.732	22,926.573

Values in bold are significant at 5%.

The first thing to note is that there is a similar relationship in the two countries between the existence of foreign donor funding and budgetary level for NGOs. Unsurprisingly, organizations with an annual budget greater than 5000 Euros are more likely to have foreign funding, both in Serbia and in BiH. However, the analysis also showed evidence of differences between the two countries. In particular, there are relationships between budgetary level and location in the capital, and between annual budget and domestic government funding for Serbian NGOs, but not for Bosnian organizations. One explanation may be the differences in the political and institutional configurations in the two countries, as well as the level of existing governmental capacities. The Serbian state is weak compared to states in Western Europe and, indeed, states in Central and Eastern Europe. However, despite the post-authoritarian and post-conflict legacies of the past two decades, Serbia has remained a highly centralized state that has retained some state capacity inherited in large part from the Federal Republic of Yugoslavia. Therefore, it is possible for Serbian governmental authorities to provide some (albeit modest) assistance for NGOs, and Belgrade acts as a centre of gravity for interaction between state and non-state actors. By contrast, in BiH, the legacy of the wars in the 1990s has resulted in a fragmented political system in which there is a low level of capacity for environmental governance at the state, entity, canton, and municipal levels. Thus, unlike in Serbia, there are potentially several foci or access points for NGO activity in BiH through a constitutionally enshrined devolution of power. However, in reality, this does not necessarily prove to be empowering for non-state actors: aside from the weak political and bureaucratic capacities of the central state



Table 3. NGO activities included in the REC questionnaire for SE Europe and the corresponding factors, following Carmin (2008)

Factor no.	Factor name	Activities from questionnaire
1	Direct action	Campaigning/protest actions/direct action
2	Community and civil society support	Community organizing and planning (LA21, LEAP); legal advocacy; negotiation and dialogue facilitation; networking; public participation
3	Policy advocacy	Lobbying
4	Information dissemination	Conferences, meetings; information dissemination; media/press; public meetings; publishing
5	Environmental management	Advisory services; environmental management; fieldwork; monitoring/measurement (technical); policy implementation
6	Education	Education

level authorities, 'local' governmental institutions, whether at the entity, cantonal, or municipal levels, tend to be locales of centralization with low levels of capacity; ministry officials are usually too resource-constrained to provide assistance or opportunities for co-operation to NGOs, and typically fail to co-ordinate effectively with other state actors, let alone non-state actors.

Having completed an analysis of the basic relationships between funding, location, and budget, it is instructive to now turn to the main investigation: the relationship between foreign funding and transactional activities. The first step of the analysis is to identify core activities, which are activities that are unambiguously transactional, that is, those activities involving proactive interaction between the ENGO and other relevant state and non-state actors around environmental issues. Of the 25 activities listed in the REC survey, only four are core transactional activities: community organizing and planning (LA21, LEAP); conferences and meetings; negotiation and dialogue facilitation; and networking. Cross-tabulations were completed between whether ENGOS are involved in core transactional activities and whether these organizations have international donor funding. The findings are shown in Table 3.

Both in Serbia and in BiH, there is a significant relationship at the 5% level between donor assistance and involvement in core transactional activities. The number of ENGOS involved in core transactional activities that receive foreign donor money is significantly higher than the number of ENGOS involved in core transactional activities without foreign financial assistance. By contrast, there is no link between ENGOS receiving international donor funding and involvement in unambiguously participatory activities, i.e. direct action and clean-up actions, as shown in Table 4.

Although these findings provide evidence of a relationship between foreign donor support and involvement in core transactional activities, they do not capture the differences between the two countries. As already noted above, owing to

Table 4. Comparison of activities between BiH and CEE countries using REC questionnaire data (percentages)

Factor	BiH ( $n = 87$ ; %)	Serbia ( $n = 114$ ; %)	CEE ( $n = 783$ ; %)
Information dissemination	97	90	91
Education/training	72	66	78
Environmental management	99	95	77
Civil society support	87	81	67
Policy promotion	52	40	59
Direct action	51	46	42

BiH = Bosnia–Herzegovina; CEE = Central and Eastern Europe; REC = Regional Environmental Center.

the fragmented nature of the social, political, and institutional configuration in BiH, it is difficult to act transactionally at a national level. Dissemination activities through television, radio, and print media, and reports that link state and non-state actors will arguably have far less impact than in Serbia due to the various local ethnic majorities. However, the complex social and institutional composition in BiH also means that non-state actors are closer to their leaders, since sub-state levels of government are more pivotal to governance. Therefore, it could be expected that transactional activities relating to local advocacy and community coordination would deliver a more significant impact than in Serbia. Thus, if foreign donor funding patterns are synchronized with the constitutional and political differences between Serbia and BiH, it could be expected that international donors would be more likely to fund activities related to local governance in BiH, and transactional dissemination/media activities for national campaigns in Serbia.

The first step in such an analysis is to identify activities that are potentially transactional but can be classified as *information dissemination* (i.e. conferences, meetings; media/press; and information dissemination). The cross-tabulation of foreign funding and transactional information dissemination activity is displayed in Table 5.<sup>6</sup>

There is a significant relationship between information dissemination and foreign funding among ENGOs in Serbia. By contrast, there is no evidence of a significant relationship between ENGO involvement in transactional information dissemination and foreign funding in BiH.

The next step is to identify activities that are potentially transactional but can be classified as *community support* activities, namely, community organizing and planning (LA21, LEAP); lobbying; negotiation and dialogue facilitation; networking; and

<sup>6</sup> The column variable is whether the ENGO is involved in one or more transactional information activities (1 = Yes, 0 = No); the column variable is whether the ENGO has international donor funding (1 = Yes, 0 = No).

Table 5.  $\chi^2$  values (d.f. = 1) for cross-tabulations of transactional activities and foreign funding

	Bosnia-Herzegovina	Serbia
Education	0.127	<b>6.314</b>
Policy promotion	<b>5.675</b>	0.165
Community and civil society support	<b>4.803</b>	2.172
Information dissemination	3.073	<b>20.5</b>
Environmental management	3.756	2.123

Values in bold are significant at 5%.

legal advocacy. The cross-tabulation between transactional community support activity and foreign funding for both countries are shown in Table 5.<sup>7</sup>

Unlike the results from Table 5, there is no significant relationship between potentially transactional community support activities and international donor funding in Serbia. On the other hand, among Bosnian ENGOs with foreign funding, the number of those involved in transactional community support far exceeds those that do not.

Thus, there is evidence to support the hypothesized patterns between foreign funding proposed above. Overall, there are significant relationships between foreign funding and core ENGO transactional activities in both countries. However, in BiH, foreign-funded ENGOs tend to get involved in community support and planning activities, whereas in Serbia, ENGOs with foreign donor support are more likely to be involved in country-wide information dissemination.

### Qualitative analysis of the transactional capacities of environmental NGOs in BiH and Serbia

Although the quantitative data analysis in the previous section showed evidence that ENGOs with international donor funding tend to be involved in certain transactional activities, this is not tantamount to confirming that foreign donors actually fund transactional activity. In order to establish this link, a series of semi-structured interviews was undertaken in both locations with ENGOs that were identified either by the REC, the EU delegations, USAID, or other NGOs as 'significant' organizations with suitably developed capacities.<sup>8</sup>

Three overriding observations emerge from the interview data: (i) In line with the findings from the quantitative analysis, environmental NGOs that have higher

<sup>7</sup> The column variable is whether the ENGO is involved in one or more transactional community support activities (1 = Yes, 0 = No); the column variable is whether the ENGO has international donor funding (1 = Yes, 0 = No).

<sup>8</sup> Each NGO surveyed, and the local representatives of the international development agencies involved in supporting civil society and environmental NGOs in BiH and Serbia, were asked to name the leading organizations.

levels of capacity tend to be less involved in ‘participatory’ activities such as direct action and clean-up activities, and are becoming more involved in transactional activities such as building awareness for government–society links through media initiatives and co-ordinating interaction between NGO networks, local citizens, government, and donors. A few organizations in both locations are also beginning to work transnationally to develop linkages and co-operation at the regional level; (ii) these organizations all have quite long histories of obtaining foreign funding and have their ‘transactional’ activities funded by international donors; (iii) a small core of ENGOs that are able to combine effective transactional activism with participatory mobilization capacity has emerged in both countries; these organizations tend to have long-established relations with several donors and typically receive core funding or block grants.

Indeed, it is certainly not the case that organizations with higher financial capacity are entirely absent from participatory action. For example, as the Center for Environment (CZZS), formerly the Young Researchers of Banja Luka, has become increasingly active at both the national and regional levels, it continues to be involved in local social mobilization and direct action across Republika Srpska. The organization petitioned local citizens in Banja Luka in an attempt to stop hydroelectric projects along the Vrbas River.<sup>9</sup> CZZS also participated in the public hearing as part of the EIA process for the Banja Luka–Gradiska road project, which is part of the EBRD programme for Regional Road Development in BiH.<sup>10</sup> A representative of CZZS requested documents from the Roads Directorate and Ministry of Ecology in Republika Srpska, and since CZZS showed interest, it was invited to the public meeting and was actually the only NGO present.<sup>11</sup>

In fact, a small core of environmental NGOs in both locations, with the financial backing of large bilateral or multilateral donors, seem to combine transactional activities – organizing meetings, running public information campaigns and building cross-sectoral networks around particular issues – with more participatory activities. In Serbia, the Centre for Ecology and Sustainable Development (CEKOR), based in Subotica and supported financially by the SIDA (Swedish International Development Cooperation Agency), the REC, and the Global Greengrants Fund, carries out work for and is closely linked to the CEE Bankwatch Network. CEKOR’s activities are clearly transactional, but they also get involved in local mobilizations and participate in public hearings. For example, the organization participated in the public consultation regarding the

<sup>9</sup> Interview with CZZS, 12 May 2008, Banja Luka.

<sup>10</sup> The estimated cost of the project will be 235 million Euros, of which 70 million Euros will be an EBRD loan to the BiH government, with the rest provided by the EIB and the OPEC Fund. Further information about the project can be found at <http://www.ebrd.org/pages/project/psd/2003/31788/31788.shtml>

<sup>11</sup> Interview with CZZS, 17 February 2009, Banja Luka.

Corridor 10 highway, voicing concerns over the construction of the section through Vojvodina, while at the same time managing to arrange meetings with the developer for the project.<sup>12</sup> A similarly empowered Serbian organization is the Ecological Movement of Novi Sad, a long-established (1990) environmental NGO in Vojvodina with links to other green organizations across Europe and European-level environmental NGO networks. When a Bulgarian company planned to build a factory in the Vojvodina municipality of Indjija to melt used accumulators into lead, the Ecological Movement of Novi Sad became actively involved in the EIA public consultation process, providing an expert opinion to the Ministry on the potential impact on nearby drinking water sources, as well as helping to mobilize the local community. The construction of the factory did not go ahead.<sup>13</sup>

### *Harnessing the media in Serbia*

Although some international donors have financed the creation of international networks for non-state environmental organizations, funding for environmental NGOs in Serbia also targets the development of capacities to act as catalysts for creating linkages between various sectors of the state, society, and the economy, primarily through information dissemination. A key mechanism for NGOs to create such linkages in Serbia is through effective media campaigns. The best example of media-driven transactional activity is illustrated by the case of Ecotopia, a relatively new environmental NGO based in Belgrade, funded largely by the Rockefeller Brothers Fund, and now one of the most visible non-state environmental organizations in Serbia.<sup>14</sup> Like the other prominent ENGO, Environmental Ambassadors, Ecotopia is led by individuals formerly involved in elite-level politics and thus the NGO enjoys good contacts with the current Minister for Environment, Oliver Dulic. Ecotopia eschews project-driven assistance for local communities and involvement in community-based campaigns, and instead works closely with the national media outlet Beta to ensure that local environmental problems are broadcast to the widest possible audience (including the political and economic elites).<sup>15</sup>

### *Linking the state and local community in BiH*

The qualitative analysis of the interview data reveals a number of examples of donor-funded initiatives with a particular local educational output or objective that resulted in recipient NGOs playing a critical transactional role. For instance, CEETZ ran a six-year environmental education programme in Tuzla (2001–07), during which it organized seminars bringing together other NGOs, governmental

<sup>12</sup> Interview with Corridor 10 LLC, 4 November 2009, Belgrade.

<sup>13</sup> Interview with the Ecological Movement of Novi Sad, 2 December 2009, Novi Sad.

<sup>14</sup> Interview with Ecotopia, 5 February 2010, Belgrade.

<sup>15</sup> Interview with Ecotopia.

officials, schoolchildren, schoolteachers, and other local citizens to inform them about waste and water management; climate change; and energy usage.<sup>16</sup> With the help of its Swiss donors, CEETZ also implemented a pilot project to raise awareness about waste management in a part of Lukavac near Lake Modrac. The project involved co-operation with local government, and in particular, educating local citizens about organizing waste management in the local area and how to co-operate with the local environmental inspectors.<sup>17</sup> Another Tuzla-based environmental NGO, Eko Zeleni, also completed a project around Lake Modrac (funded by the EC). The main activity in the project was to bring together local government and citizens together to discuss how the latter could receive information about the environmental situation in 'plain language'.<sup>18</sup> Environmental NGOs have completed similar projects in other parts of BiH. Fondeko (Sarajevo) implemented an environmental project in 2005–06, funded by the EU and the Open Society Institute, which mainly focused on the inclusion of environmental awareness and information about sustainable development in schools.<sup>19</sup>

In conjunction with the Capljina-based organization, Mocvara, the environmental NGO Bura (located in nearby Mostar), predominantly funded by the EU and the WWF, established an environmental hotline named 'Green Phone' through which local citizens could raise the alarm if there was any pollution in their locality. The aim, and indeed the outcome, of this initiative is that local citizens, NGOs, and local government work together to solve problems.<sup>20</sup>

### *International donor-funded networking*

Although international donors targeted certain transactional activities in BiH and Serbia, there is a specific effort by many donors to assist in the core transactional activity of building networks to strengthen the role of non-state actors in multi-level environmental governance. The main objective of such initiatives is primarily to strengthen transactional capacities and to enable recipient environmental NGOs to develop networks and co-ordination skills.

The Young Researchers of Serbia (MIS), another well-established environmental organization based in Belgrade, has been active since before the democratic changes in Serbia in 2000. What is interesting about this environmental NGO is that it began as a network of young, quite radical activists, who then obtained donor funding and has now become a leading organization with significant transnational transactional capacity. MIS received its first EU project grant in 2001 to work on a 2-year project, co-funded by DG Environment, and the Regional Environmental Reconstruction Programme (REReP), which was the

<sup>16</sup> <http://www.ekologija.ba/index.php?w=c&cid=161>. Last accessed 19 February 2010.

<sup>17</sup> <http://www.ekologija.ba/index.php?w=c&cid=162>. Last accessed 19 February 2010.

<sup>18</sup> Interview with Eko Zeleni, 3 November 2008, Tuzla.

<sup>19</sup> <http://www.fondeko.ba/projekti.htm>. Last accessed 19 February 2010.

<sup>20</sup> Interview with Bura, 15 February 2008 (Mostar).

environmental part of the Stability Pact for SEE.<sup>21</sup> Along with CZZS (mentioned above), Green Action (Croatia), and the Ecologists' Movement of Macedonia, MIS worked to develop an SEE-wide environmental NGO network (SEEENN).<sup>22</sup> MIS also works with NGOs through the Environmental Forum (formerly the New NGO Forum), a consultative forum for environmental NGOs in the Western Balkans and Turkey, funded by EU CARDS money.<sup>23</sup> The Environmental Forum meets in Brussels, and members discuss environmental policy, priorities for funding, and other issues of common interest.<sup>24</sup>

The Dutch Embassy in Serbia funds the BELLS (Balkan Environmental Life Leadership Standard) movement, which is comprised of a coalition of non-state actors from Serbia, BiH, Macedonia, Montenegro, Albania, and Kosovo. The aim of the initiative is to support and build the capacity of NGOs to lobby their respective governments to implement EU environmental standards and to institutionalize governmental/non-governmental links. The funding and training received is not based on specific projects, but is designed to strengthen organizational capacity. The co-ordinator for BELLS is Environmental Ambassadors (mentioned above), a large environmental NGO in Serbia that has strong links to both the NGO and governmental sector.<sup>25</sup> The Bosnian national co-ordinator for BELLS is the Centre for Ecology and Energy of Tuzla (CEETZ), which is predominantly funded by a consortium of Swiss donors<sup>26</sup> and works in the areas of environmental protection and sustainable development.<sup>27</sup> Both organizations have annually renewed block grants from their various donors that enable them to recruit professional staff and invest in the development of transactional capacities.

The most significant multi-level environmental governance project in Serbia is the implementation of Natura 2000, a network of Europe-wide 'nature protected areas' that combines the Special Areas of Conservation designated by the EU Habitats Directive (1992) and the Special Protected Areas from the EU Birds Directive (1979). The Serbian organization MIS (Young Researchers of Serbia) received funds from DG Environment (EU) and the Mediterranean Office of

<sup>21</sup> The Stability Pact for SEE, signed in 1999, was a strategy initiated by the EU to prevent further conflict in SEE and to encourage Euro-Atlantic integration. The Stability Pact partners included not only SEE countries (including the independent Western Balkan countries at the time), EU member states, and the European Commission, but also international financial institutions (such as the World Bank), international organizations (e.g. UN), non-European states (e.g. United States), and regional bodies (such as the Black Sea Economic Co-operation).

<sup>22</sup> Interview with Young Researchers of Serbia, 5 November 2009 (Belgrade).

<sup>23</sup> The Environmental Forum website: <http://www.envforum.eu/>. Last accessed 22 February 2010.

<sup>24</sup> Interview with Young Researchers of Serbia, 5 November 2009 (Belgrade).

<sup>25</sup> Interview with Environmental Ambassadors, 4 November 2009, Belgrade. The President of Environmental Ambassadors, Anđelka Mihajlov, is a former Minister for Natural Resources and Environmental Protection (2002–04).

<sup>26</sup> The list of donors can be found here: <http://www.tuzla.ch/verein.php>. Last accessed 19 February 2010.

<sup>27</sup> <http://www.ekologija.ba/index.php?w=c&id=126>. Last accessed 19 February 2010.

the WWF to carry out the non-governmental component of the 'Capacity Building for NGOs and Governmental Institutions for Natura 2000' project. The initiative is a joint venture between IUCN (SE Europe office) and the WWF (Mediterranean office).<sup>28</sup> MIS co-ordinated a workshop to train NGO representatives about Natura 2000 and the EU in November 2009.<sup>29</sup> Since the implementation of Natura 2000 depends on the interlinking of various competencies, the workshop required a high degree of co-operation with national Ministries, the EC Delegation in Serbia, and the Serbian Institute for Natural Protection. Bringing together all of the relevant actors was a critical test of the transactional capacities of MIS, as well as the other Serbian NGOs assisting the project, including Eko Centar and Environmental Ambassadors.<sup>30</sup>

Some of the well-resourced environmental NGOs in BiH and Serbia referred above are part of larger transnational networks of civil society organizations, as well as the local and regional networks established with project grants (e.g. SEEENN). For example, the Ecological Movement of Novi Sad is a member organization of the European Environmental Bureau (EEB), one of the major 'Green 10' organizations that works at the European level. The Ecological Movement of Novi Sad uses EEB membership to link with other NGOs throughout Europe for its international Eco-Conference through which it creates co-operative relationships with other NGOs from Europe.<sup>31</sup> CEEweb is a regional network of NGOs in CEE and SEE that works on nature protection and biodiversity in the region. Of the Serbian organizations mentioned above, MIS, Eko Centar, and Ecolibri Bionet are CEEweb members.<sup>32</sup> Another regional network for sustainable development, the Northern Alliance for Sustainability (ANPED), brings together NGOs mainly from Eastern Europe and the Caucasus to address issues of sustainable development. ANPED members include MIS from Serbia and Ekotim from BiH. Although there is not necessarily any direct link between donor funding and membership of such networks, engaging effectively at this level requires environmental NGOs to have the sort of resources and capacity that can only be provided by foreign donors; block grants from SIDA, Rockefeller Brothers, or the German Marshall Fund, not tied to a specific short-term project but to a long-term set of objectives, undoubtedly enable organizations to operate within these networks and to acquire key transactional skills and capacities.

Perhaps the best example of how larger environmental NGOs in BiH and Serbia have begun to use regional transnational networks and transactional activities to effectively engage in processes related to environmental protection is the ongoing

<sup>28</sup> Interview with Young Researchers of Serbia, 5 November 2009 (Belgrade).

<sup>29</sup> Interview with Young Researchers of Serbia, 5 November 2009 (Belgrade).

<sup>30</sup> Interview with Eko Centar; interview with Environmental Ambassadors, 4 November 2009 (Belgrade).

<sup>31</sup> Interview with the Ecological Movement of Novi Sad, 2 December 2009 (Novi Sad).

<sup>32</sup> There are currently no CEEWeb members from BiH.



dispute surrounding the route of the section of the Corridor 5c highway in BiH between Blagaj and Pocitelj, where some of the citizens of Blagaj (BiH) are concerned that the current route would harm sites of historical and cultural significance.<sup>33</sup> Local communities raised the alarm about the situation, and it had been covered in mainstream media outlets, especially by one journalist based at the Bosnian daily newspaper *Oslobodjenje*. CEE Bankwatch is an NGO network that works at a Europe-wide level to monitor major investments by multilateral lenders such as the EBRD, EIB, and World Bank in the region. CEKOR works on CEE Bankwatch projects within the Western Balkans, and so a co-ordinator from CEKOR organized a meeting involving the local grassroots organizations, Ekotim, CZSS, and Green Action (Croatia), to form a coalition to engage with domestic governmental authorities and international investors.<sup>34</sup> The network of regional NGOs carried out a field visit to the area, organized public meetings, interviewed local citizens, representatives of NGOs, and interviewed Ministry and Roads Directorate officials in Sarajevo. The resulting report was presented to the EBRD.<sup>35</sup> Thus, as in some of the examples above, the larger NGOs did not have a direct participatory role, but rather assisted in linking and informing various stakeholders about the issue. Although some of the organizations have been involved in participatory actions, they predominantly focused on media exposure, awareness raising, education, and advocacy (i.e. transactional activities) on environmental issues that link together the different actors necessary for effective multi-level governance in BiH and Serbia.

The analysis of the qualitative interview data confirms several of the conclusions reached from the quantitative findings. A small core of prominent environmental NGOs are engaged in overtly transactional activities such as the building of networks of non-state actors; there is also significant evidence of community organization, agenda-setting activities, and interaction between state and non-state actors. International donors in all cases and in both countries fund such activities and initiatives. Moreover, what is confirmed from the qualitative data is how the contrasting sociopolitical and constitutional configurations of both countries generate slightly different strategies and responses on behalf of donors and recipient organizations for strengthening transactional capacities. In Serbia, where the centralized state structures allow for more efficient information dissemination through the media, the leading non-state actor, Ecotopia, works closely with national media to link local environmental problems to national policymakers. By contrast, the ethnically fragmented institutions in BiH make

<sup>33</sup> The proposed route of the road would pass near mediaeval Sufi buildings (called tekije). These buildings are part of architectural and natural sites around Blagaj, currently under consideration to become a UNESCO World Heritage site.

<sup>34</sup> Interview with Ekotim, 9 October 2009, Sarajevo.

<sup>35</sup> The report can be found at [http://bankwatch.org/documents/Vc\\_FFMreport\\_Sep09.pdf](http://bankwatch.org/documents/Vc_FFMreport_Sep09.pdf). Last accessed 19 February 2010.

organization on a national level difficult, and so the emphasis must be on ENGO facilitation in the forging of links between local government and local citizens through community support activities.

## Conclusion

Both the quantitative and qualitative research aspects on which this paper is based were undertaken in an attempt to challenge and scrutinize the conclusions of the early literature on donor assistance channelled through NGOs in post-socialist Eurasia (Mendelson and Glenn, 2002). This quite extensive body of work focused almost exclusively on the extent to which such intervention was failing to augment the quality of pluralist democracy and encouraging the emergence of robust civil societies able to both contest as well as complement state power. The transactional roles of NGOs in negotiating governance interaction were not recognized other than as evidence of creeping institutionalization and the lamentable decline of radicalism (Baker, 1999). The overall conclusion reached was that the proliferation of NGOs and their apparent willingness to work on any issue identified by donors did little to win them support among the public, scholars, or policymakers.

However, the lessons of the EU enlargement to CEE states in 2004 helped cast NGOs in a somewhat different light and has, to an extent, prompted a re-consideration of how donor assistance is judged and its impact measured (Obradovic and Pleines, 2007; Sissenich, 2007). In the run-up to accession, the Commission funded NGOs to play a critical 'behind the scenes' role in helping to transform policymaking processes and in the implementation of new acquis-compliant laws (Börzel, 2009). Although the participatory capacity of the region's NGOs remained apparently negligible, and their engagement with resurgent indigenous civil society networks minimal, the Europeanization literature recognized their covert and potential transactional agency (Börzel and Buzogány, 2010). From the perspective of donor-funded environmental NGOs and the construction of environmental governance in BiH and Serbia, such an analytical shift is particularly relevant. The specific contexts of weak post-conflict states, with minimal bureaucratic capacity and resources, faced with extensive EU conditionality and a costly reform agenda (Anastakis, 2008), make effective co-operation between state and non-state actors imperative.

The overriding conclusion to be drawn from the quantitative data is that donor funding provides environmental NGOs with more revenue than a reliance on state or other sources of funding; financial capacity, in turn, shifts NGOs away from direct action towards what are defined here as transactional activities. Although cross-tabulation of transactional activities and foreign funding showed a differentiated impact in each state, the overall conclusion to be drawn is that foreign donor funding seems to be encouraging various transactional activities, ranging from policy promotion and civil society support to education and information dissemination.

The qualitative data analysis confirmed this relationship and rendered several examples in both states of environmental NGOs with long histories of donor funding that were engaged in quite extensive transactional activities. In some cases, this extended to the formation of regional linkages and transnational co-operation. This was found to be particularly true where NGOs have had sustained access to block funding (an annual amount of money from a donor for the organization overall), or have been able to combine sources of funding, rather than just accessing a succession of short-term project grants. Comparing the two data sets, it seems that although the relationship between foreign donor assistance and transactional activities is only tentatively endorsed by the quantitative data on the sector as a whole, case-study interviews and analysis reveal that a core of NGOs has emerged in both locations with significant capacity to broker interaction between vested interests, to mobilize communities, and to disseminate information.

Those organizations that manage to access a series of block grants and obtain core funding from a number of donors, in addition to short-term project funding, are seemingly best placed to combine a presence at the community level with a critical facilitation or transactional role within emergent loci of environmental governance. However, if there is a concern to be expressed, it is that donor assistance and the additional transactional capacity it generates is not widely diffused or absorbed in either Bosnia or Serbia; the gap between the richest and poorest organizations is widening or at least remains significant and, despite the emphasis placed by donors on networking and partnership between organizations, the same narrow core of environmental organizations based in larger urban centres is seemingly harnessing the assistance.

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