

# Small Grants, Big Impacts



Thousands of grassroots groups and organisations are working worldwide to protect and improve the environment, human rights and the living conditions of local communities. Small grants funds set up locally can form the link between large donors and these grassroots organisations which have their origins in the communities and can support people effectively at local level.

While an increasing number of private donors acknowledge the role played by small grants funds, major international funds like the Green Climate Fund are still largely unaware of them. Bilateral and multilateral donors such as the EU, too, could reach local actors – e.g. indigenous communities, women's rights organisations, cooperatives, unions, fisher folk federations, plantation workers - more effectively if they were to make greater use of these kinds of funds.

## BACKGROUND

Trade, investment, large-scale agriculture, mining and climate change often have far-reaching consequences for local people in developing countries.

The inhabitants of threatened villages and communities are becoming increasingly vocal in their protests. They are being forced to organise themselves to call attention to problems such as land-grabbing, water extraction, pollution, drought and flooding. The environmental and human rights organisations that arise from these protests have their roots firmly in local realities. Together, they make up a worldwide movement that not only opposes destructive developments but also

seeks alternative and efficient ways to achieve sustainable development. They are a source of inspiration for a growing group of people who have not yet organised themselves but who increasingly find themselves under threat.

Experience shows us that for example climate adaptation, reforestation and sustainable production call for methods that can respond effectively to local realities. To take advantage of specific opportunities and tackle specific problems in the right way, local residents must be able to take the initiative and participate in decision-making. Unfortunately, the current system of financing is not designed to support these groups effectively.

Money from large-scale funds, donors, government and development banks such as the World Bank very rarely flows down to the capillaries of our global society. The 'big money' mainly goes to large – often international – investors and their corporate and governmental clients. Because of their small size, grassroots groups and organisations cannot meet the bureaucratic requirements set by major international funds, donors and financial institutions, or these groups are simply invisible. Moreover, some of them cannot operate openly for security reasons.

## SMALL GRANTS FUNDS: THE LINK BETWEEN BIG MONEY AND LOCAL PRACTICE

To ensure that big money reaches the people who need it, down on the ground, many small grants funds have been set up around the world. These funds, which are national or regional, and receive also funding from large donors, pass it on in smaller amounts – often not larger than a few thousand euros – to local organisations and groups.

*Small grants* are not to be confused with *micro credits*, as the latter are credits provided to individual people to be paid back with interest, while small grants are grants provided to local civil society organisations and groups to enable them to do their work. Small grants funds always operate demand-driven, based on the needs that a local group or community defines itself.

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Often, small grants funds have 'advisers' throughout the region: volunteers who keep close contact with people on the ground and provide the fund with valuable information about what is needed in this particular region. Many large international funders, such as the Adaptation Fund and the World Bank, may have a small grants *facility* but do not take their lead from such a well-informed, locally rooted, network of advisers and practical experts.

The amounts provided by small grants funds, can vary from \$1000 to \$150,000, depending on the local context and the nature of the project. And there is more: small grants funds not only provide financing, but also share information and knowledge, help build networks and conduct joint lobby activities. Recipient organisations always decide for themselves what they spend the money on.

Cooperation also shows these organisations and groups that they are not alone in their seemingly impossible fight against forces much stronger than themselves. In this way, small grants help increase awareness of crucial themes such as deforestation, water pollution, climate change and the rights of women. In addition, they help strengthen national and international sustainability agendas in the broadest sense. Small grants funds can also respond quickly and effectively to crises, for example where environmental and human rights defenders come under threat. With small amounts of money, these people can be brought to safety.

The objection that providing a large number of small donations is unfeasible for large funds like the Green Climate Fund no longer applies when such disbursements are delegated to small grants funds. Small grants funds can act as an efficient link between large donors and small local organisations and ensure that money and other support reaches those who need it most and will use

it most effectively. They help these funds to deliver on their commitment of offering pro-poor support in an inclusive and participatory manner.

Both ENDS is the co-founder of two small grants funds that focus on environmental and human rights defenders: Fundo CASA (Brazil and South America) and NTFP-EP (Asia). These small grants funds are part of the Global Alliance for Green Gender Action (GAGGA), a strategic partnership of Fondo Centroamericano de Mujeres (FCAM), Both ENDS and Mama Cash with the Netherlands Ministry of Foreign Affairs. GAGGA works with various women's and environmental small grants funds including Global Greengrants Fund (Global), South Asia Women's Fund, Urgent Action Fund (Global), Fondo Tierra Viva (Central America), Keystone Foundation (India) and MONES (Mongolia).

Since experience shows these funds are indispensable in getting money to the right place and generating maximum impact, Both ENDS has been promoting the power of small grants funds with international funds and donors during the past decade, and will continue to do so in the years to come.



## WHAT CAN BE DONE

A strong civil society relies on citizens who feel free and equipped to contribute to a sustainable society. Its role is vital to preserve natural resources and to uphold respect for human rights worldwide. Grassroots groups and organisations not only identify abuses, but are also the drivers of alternative, inclusive development paths. Financing – no matter how small – is indispensable to support these efforts.

It is therefore important to ensure that international finance finds its way to local actors on a much larger scale. Several opportunities are directly available:

- The United Nations Green Climate Fund (GCF) was set up to support climate-resilient development pathways and to reach people who are hardest hit by climate change. The Board of the GCF now seems to focus mostly on large-scale financing to spend money quickly. It needs to make a genuine choice for local involvement and local access to funds, amongst others by disbursing money through small grants funds.
- Governments can call on all international financial institutions through which multilateral finance streams flow – such as the World Bank and the EU – to also allocate money through the existing vast network of small grants funds.
- Bilateral funders can allocate part of their contributions to small grants funds.
- Philanthropic funds can use small grants funds to support local populations and causes in an effective way.

To ensure that development cooperation and philanthropic grant making does what it aims to do – that is achieve sustainable development for all – grassroots groups and organisations must be included and supported. Small grants funds are the vital link between these local organisations and large donors.

## THE FERTILE SAHEL



**Land degradation is one of the greatest threats for millions of people in the dry rural areas of the Sahel. Countries such as Niger, Burkina Faso and Senegal have suffered regularly from drought and food shortages for decades. This situation gets worse from year to year because more and more fertile land is being lost as a result of unsustainable land use, over-grazing and the results of climate change.**

Fortunately, some areas of lands in the Sahel are becoming greener and more fertile. In the 1980s, male and female farmers in the South of Niger started restoring the fertility of their land using a traditional method that had long been forgotten. It makes use of the dormant 'underground forest' of seeds, roots and tree stumps still present in the soil: the shoots that spontaneously spring up are protected against cattle and uncontrolled tree felling, and special pruning methods are used to

encourage the young trees to grow more quickly. Once they have matured, the trees offer protective buffers against sandstorms and erosion, and provide shade, fertilizer, cattle feed, tree products and wood for local people to use themselves or sell. The fertility of the soil also improves and water tables in wells, ponds and lakes rise, so that food crops can even be cultivated between the trees.

The methods the farmers used, known as Farmer Managed Natural Regeneration (FMNR), proves to be very effective, cheap and easy to apply. The most important way to enable farmers to share this method with their colleagues in other regions was to find transport so that they could tell their stories themselves. Such exchanges were kick-started with an initial small grant of 5,000 euros, organised through Both ENDS. More farmers started to use the method and, at the beginning of this century, the results were successful enough to persuade a bigger fund, the Turing

Foundation, to support the initiative further. As a result of that funding – which was mainly used again to provide transport enabling training to be given in a wide area – 80 villages in the district of Dogonkiria have adopted this traditional agro-forestry method and 11,000 hectares of land are currently regaining their fertility.

Research has shown that a greener landscape generates not only more biodiversity but also better harvests – and thus more income and food security. The results have been so promising that a larger fund is considering providing financial support for the coming years. This is a great boost to efforts to make the whole region greener. And it not only guarantees the continuity of existing *regreening* initiatives, but allows the method to be applied in many other places in the region. This shows how a successful small initiative can be the start of something big.

## HEALTHY BERRIES AND SOLAR ENERGY IN THE AMAZON

In the extreme northeast of Brazil, in the middle of a nature reserve where the Amazon divides into many different rivers before finally making its way to the Atlantic Ocean, lies the community of Gurupá. The local residents rely for their livelihoods mainly on the consumption and sale of the açai berries that grow all around them. They sell the nutritious berries to traders who come and go by boat. Because the berries cannot be kept for long in the warm, moist climate, there always used to be a surplus at harvest time. The price would then fall drastically and the local people saw their incomes fall along with it.



To solve this problem, the berry gatherers – who have organised themselves into a farmers' community known as ATRAEIB – wanted to build a micro-factory and storage area where they could grind the berries to pulp and store it safely. Pulp can be kept much longer than berries and is easier to sell. The system had to be driven by solar energy, as the village is too remote to be connected to the national electricity grid. The small grants

fund *Fundo Socioambiental CASA* donated a little over 7,500 euros for the building of the pulp factory and the storage facility, and it organised a number of training sessions.

Since then, the lives of villagers have improved considerably, and the açai are now traded at a much better price. The women in the village now earn their own income by making the pulp from the berries that men gather in the forest. The solar-powered cooling

system for storing the açai is also used for other perishable foods, so that the villagers have enough to eat throughout the year. The local school now offers the healthy traditional açai lunch, a favourite with the children, rather than food imported from the city. This practical example shows how, with a small amount of money, effective results can be achieved that can also be replicated in the wider region and beyond.



For more information on small grants funds and how they can be used effectively, please contact:

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