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Aid and Assistance framed as Sustainable Enterprise Development: Supporting Innovation in the Global South

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ABSTRACT

As an extension of foreign aid and assistance objectives, the notion of sustainability has emerged as a desirable component of the design of aid initiatives. In this way, foreign aid programmes are becoming increasingly framed with an emphasis upon the long-term benefits of removing barriers to opportunity coupled with enabling sustainable change. This article examines and evaluates opportunities for supporting business and foster sustainability, in particular strategies devised to use foreign aid and assistance to support local enterprise, encourage sustainable business and develop appropriate innovation practices in the Global South. This is a particularly pressing and timely issue as major economies, including the UK, France and Germany, are cutting foreign aid, while committed to an agenda focusing on global sustainable business as an international development strategy.

ملخص

برز مفهوم الاستدامة، بوصفه امتدادا لأهداف المعونات والمساعدات الخارجية، كعنصر مرغوب في تصميم مبادرات المساعدة. وبهذه الطريقة، أصبحت برامج المعونة الخارجية تُصاغ بصورة متزايدة مع التركيز على الفوائد طويلة الأجل المتمثلة في إزالة العوائق أمام الفرص، إلى جانب تمكين التغيير المستدام. تبحث هذه المقالة في فرص دعم الأعمال وتعزيز الاستدامة وتقيمها، ولا سيما الاستراتيجيات التي وُضعت لاستخدام المعونة والمساعدات الخارجية في دعم المؤسسات المحلية، وتشجيع الأعمال المستدامة، وتطوير ممارسات الابتكار الملائمة في بلدان جنوب الكرة الأرضية. وتعد هذه القضية من القضايا الملحة والراهنة بشكل خاص في وقت تخفض فيه اقتصادات كبرى، مثل المملكة المتحدة وفرنسا وألمانيا، مستوى مساعداتها الخارجية، مع استمرار التزامها بأجندة تركز على الأعمال المستدامة العالمية باعتبارها استراتيجية للتنمية الدولية.

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RÉSUMÉ

Dans le prolongement des objectifs de l'aide et de l'assistance internationales, la notion de durabilité s'est imposée comme un élément souhaitable dans la conception des initiatives d'aide. Ainsi, les programmes d'aide internationale sont de plus en plus conçus en mettant l'accent sur les avantages à long terme liés à la suppression des obstacles à l'accès aux opportunités, tout en favorisant un changement durable. Cet article examine et évalue les possibilités de soutenir les entreprises et de favoriser la durabilité, en particulier les stratégies conçues pour utiliser l'aide et l'assistance étrangères afin de soutenir les entreprises locales, d'encourager les pratiques commerciales durables et de développer des pratiques d'innovation appropriées dans les pays du Sud. Il s'agit d'une question particulièrement urgente et d'actualité, alors que des grandes puissances économiques, notamment le Royaume-Uni, la France et l'Allemagne, réduisent leur aide étrangère, tout en s'engageant dans un programme axé sur le commerce mondial durable en tant que stratégie de développement international.

Keywords: Foreign Aid, Green Climate Finance, Sourcing Sustainable Business, Managing Transformation.

JEL Classification: F3, H7, O2, O4.

1. Introduction

> *Countries across the OECD's Development Assistance Committee (DAC)—those who traditionally provide Official Development Assistance (ODA)—have slashed their aid budgets and signalled their priorities lie elsewhere. Cuts have already started, and will steepen into 2026 (Huckstep et al., 2025)*

With the possible exception of the USA's cuts to foreign aid under Trump, many of the largest economies are cutting aid while explicitly supporting the objective of green-led growth (Larrú et al., 2021). It is therefore timely to reexamine and reevaluate the opportunities for supporting business and foster sustainability through the use of foreign aid and assistance to support local enterprise. In particular, it is of growing importance to provide evidence in evaluating if – and how – foreign aid can effectively encourage sustainable business and develop appropriate 'green' innovation practices in countries otherwise lacking appropriate infrastructure.

The objectives of foreign aid are complex and have evolved considerably since the European Recovery Programme (the ERP or “Marshall Plan”) was conceived in the late 1940s. In the early post-war period, aid was generally conceived to be a way of providing financial assistance to support government planning in developing physical infrastructure and urban industrialisation. Since the 1980s there has been a tendency towards the privatisation of foreign aid, such as channelling aid through Non-Government Organisations (NGOs) and the private sector, a shift that has altered the way in which aid has been used and its effectiveness measured (see Adams, 2009: 86-114). As an extension to the already multiple objectives of foreign aid and assistance, the notion of sustainability has emerged as a desirable component of the design of aid initiatives (Adams, 2009: 26-27; Lenssen and Van Wassenhove, 2012: 406-407). In this way, foreign aid programmes are becoming increasingly framed with an emphasis upon the long-term benefits of removing barriers to opportunity coupled with enabling sustainable change.

Aid and assistance have thus become a means to support a broader range of objectives beyond poverty reduction and building physical infrastructure. Providing a better social environment to foster change-making organisations and supporting communities and organisations in managing resources in a sustainable way are now central aims for aid providers (Adams, 2009: 108-114), although solutions to achieve greater sustainability are still lacking, even with new and innovative approaches (Jones, 2012: 13). The emergence of global green climate finance frameworks has added a new impetus to the application of sustainability and climate change-relevant aid finance. This article will evaluate such opportunities for supporting business and sustainability in order to achieve the central aims of global green climate finance. The article will then build on literature that establishes the learning gap for decision makers and other key stakeholders (see Pourshahabi et al., 2018: 104-107; Chentoufi et al., 2022: 32-34) with the aim of demonstrating that there is a contradiction in cutting business-relevant aid and assistance programmes to the Global South while promoting business-led sustainable development as a solution to underdevelopment.

2. The Effects of Foreign Aid

Before examining policy frameworks and the impact of aid assisted business on growth and sustainable development in the Global South, several issues need to be addressed in order to evaluate the role of aid in more general terms. A number of difficulties arise due to the different assessment criteria, models, methodologies, theoretical frameworks and paradigms applied to the evaluation of the impact of aid, not least the challenge of verifying the impacts of governance and foreign capital inflows on economic growth (see Azam, 2016)

Within development economics, the capital scarcity or capital bottleneck theory has been an influential approach, arguing that a lack of economic growth is almost exclusively due to capital shortage, with aid providing the capital to fill the financing gap (see Meier and Stiglitz, 2001). Such an approach has been critiqued by Harms and Lutz (2004), claiming that it overemphasises the importance of investment in economic growth, with other key factors likely to increase productivity and add value to production, such as knowledge transfer, training, education and health provision, largely ignored. A related argument is that developing economies experience low growth and low productivity because there are other policy priorities, leading to a poverty gap. A sustained aid programme aimed at targeting and tackling multiple causes of poverty would be required to end such poverty traps (see Sachs, 2006) but in the absence of large amounts of finance, an estimated annual figure of 40-70 billion USD according to Clemens et al. (2007), small increases in aid would contribute little to local economic activity (Hansen and Tarp, 2000).

2.1 Contested Impact

Due to the multiple objectives of aid provision, evaluating the impact of aid is made more complex (see Azam 2016: 39-40). Much of the aid made available to the least developed countries is used to address crises, provide humanitarian assistance and supplement welfare service provision, as priority areas. Consequently it seems unrealistic to expect a direct correlation between aid and economic growth within this aid context. Recent research does, however, suggest that increasing aid provision has a long-term positive impact on growth (see Minoiu and Reddy, 2010; Jones, 2012) but the opposite claims are also made (for example, Easterly, 2003; 2006). The complexity of evaluating such interdependencies often means that different variables and different methods are used in making an assessment, meaning that empirical case studies often use incompatible variables and are thus difficult to compare. Even where considerable attention to detail has been made in evaluating case studies, the conclusions drawn from an evaluation of the research can often be contradictory. For example, Doucouliagos and Paldam (2008) produce an analysis of 68 studies examining the impact of aid on growth, concluding that the data shows no correlation between the two variables. Mekasha and Tarp (2011) examining exactly the same data, conclude that there is a (statistically) significant positive relationship between aid and economic growth. Without disaggregating the variety of variables it seems unlikely that a clear account the impact of aid can be determined and thus a consensus on the effects of aid on growth and economic activity unlikely to be reached.

As a consequence of the uncertainty of the link between aid and growth, a number of research projects have focused on more specific details of the context of aid provision. Research by Burnside and Dollar (2000) suggests that aid is effective only within an environment conductive to effective policy implementation. While this claim is contested (see, for example Easterly, 2003) it has been influential both to policy makers and researchers. Other factors identified in the literature have an impact on aid effectiveness that can be just as important. Examples include the agenda of aid providers and NGOs and a variety of unintended consequences including reducing local accountability of political leaders; providing opportunities for a wide variety of political corruption; and, potentially leading to reduced competitiveness of the private sector. While none of these issues is decisive, they collectively suggest that a cautious approach is taken when evaluating the potential of aid in transforming economies that lag behind the developed world in terms of institutions, infrastructure, capacity, good governance, human capital, stability, international influence and negotiating power.

3. Business & Sustainability in Emerging & Developing Economies

There are many different strands of research examining the role of business as an agent for social and economic development. In order to navigate this literature the analysis will focus on two key issues: developing appropriate frameworks to encourage relevant and sustainable business activity, and coupled with this, creating impact strategies with which to scale up appropriate practices or to transfer effective approaches to new development contexts. Once these issues have been evaluated, this article will conclude by synthesising the key findings in order to assess the potential for business to meet the multiple objectives of being an agent for (social and economic) development and sustainability.

3.1 Change Agents

Before examining these themes, the issue of business as an agent for change needs some additional clarification. Some strands of the literature emphasise the role of existing businesses, based in the developed world, as change agents. Motives for foreign companies to engage in change making activity differ. Possible motives include corporate social responsibility as activism or as a (social) movement (Utting 2005: 376-379); offsetting poor governance through global benchmarking of good behaviour (Cornelius 2005 17-18); responding to reputational issues (business as the problem), responding to threats to long term business prospects (business as the victim), responding to commercial incentives (business as solution; BOP opportunities) (Blowfield 2012: 417-421); the opportunity to capture future market share and potentially create entirely new (and lucrative) markets (Lenssen and Van Wassenhove 2012: 409-410). Other research implies the need for the creation of local businesses and related organisations based in, and operated from, the developing world. These organisations are then able to act as conduits for local development, either by being connected to larger value chains and international networks (WBCSD 2005), in response to sustainability incentives (WBCSD, 2012); through the offer of high rates of productivity and impact for low financial investment; because they are best placed to understanding the local needs and skills available in poor communities, particularly in the context of BOP opportunities (Prahalad, 2006); or conversely, because they understand the barriers to enterprise and the structural causes of subsistence, such as illiteracy and deprivation, that need to be addressed as part of business development in order for entrepreneurship to be viable. In this article, both types of business structure will be considered relevant strategies in support of poverty alleviation and sustainable development objectives, in particular for the diversity they provide. Indeed, where both local and foreign firms exist within the same markets, networks and aid contexts, opportunities for successful outcomes are likely to be enhanced (see Bob, 2008: 178-195). Business, as conceived of as a change agent or as a sustainability and/or development stakeholder, will be differentiated in this article primarily according to their strategy (BOP; microfinance-based; social entrepreneurship, etc.), although detail of their aims and motivations will determine how these strategies are implemented and resourced.

3.2 Taxonomy of sustainability-led strategies

An additional consideration to be addressed in reviewing the literature is that a number of different terms are used to encompass the joint objectives of environmental sustainability and business-led poverty reduction within developing counties. Sustainable production, sustainable development, market environmentalism, mainstream sustainable development (MSD), ecological modernisation, weak/strong sustainability, conservation with development, green development, environmental social movements, Bottom/Base of the Pyramid (BOP) or various forms of social entrepreneurship, international corporate accountability or corporate social responsibility in emerging economies, are among the terms used to describe (often overlapping) strategies aimed at addressing poverty through ethical and environmental business practices (see Adams, 2009). A variety of such approaches will be included in this analysis, guided by the meta-evaluation of aid and other external support structures to developing countries developed by Heiner Janus (2012). Janus' review is a useful guide with which to clarify different aid schemes and methods as it identifies a range of approaches in which aid is programmed and delivered. This offers a useful classification for categorising factors such as guiding principles, mechanisms and instruments in aid provision. Janus' classification for aid approaches includes the following categories: a) technical assistance; b) programme-based approaches, such as budget support and sector-wide approaches; c) poverty reduction strategy papers; d) results-based aid such as cash on delivery aid; and, e) other aid innovations such as innovative financing mechanisms, advance market commitments and blending. (Janus, 2012: 36-45). In examining these approaches, three key elements emerge: the effectiveness of the strategy as measured by its environmental impact, as measured by its social impact and as measured by financial metrics. While the concept of a "triple bottom line" (or even quadruple bottom line) has become a standard multi-metric, there remains, however, a clear tension between these three senses of effectiveness, and they in no way equate to a single bottom line of sustainability. This tension will also be explored in this article.

Before identifying examples of success and good practice it is important to note that the success of a project, policy or innovation will often be a matter of opinion, especially in the absence of consensus concerning appropriate criteria (see Burnside and Dollar, 2000). The literature does mention attempts to develop indicators of sustainable production and aid-related effectiveness but there remains no consensus on what constitutes success, indeed there is often a conflict of interest, as those responsible for evaluating projects are often those that have been involved in the implementation process or providing the funding (Bob, 2005).

Finally, while the topic of sustainability has been extensively debated this article will use the World Commission on Environment and Development or Brundtland terminology of sustainable development (see Brundtland Commission, 1987: 1), with its focus on intergenerational justice, implying resource conservation, deferred consumption, biodiversity preservation and developing structures to focus on the ethical and environmental impact of production and consumption when considering developmental options. While this conception of sustainability has its limitations, with various “weak” and “strong” interpretations of its use as a policy agenda (see Barbier, 2011; Adams, 2009: 144-147), and has been critiqued for presenting an ideological view of justice that ignores social equality and as offering little more than “a rather comfortable Keynesian reformism” (Adams 2009: 81), it nevertheless helps to draw attention to the tensions and trade-offs between economic efficiency, environmental protection and social justice, the three “bottom-lines” discussed above, as well as the need for key decision makers to combine these considerations in evaluating their options.

4. Methodology

The methodology employed in this article is a conceptual approach structured around two key themes: 1) poverty alleviation frameworks and 2) challenges to their effective implementation. These two themes are developed by identifying 1) the five key approaches to poverty alleviation most likely to benefit from an enhanced foreign aid and assistance programme to meet sustainable business-led development, and 2) identifying the most relevant barriers to be addressed if their implementation is to be effective. Each approach and barrier will be systematically addressed and critically evaluated with reference to key references in the established literature on the topic. The scope of the analysis will necessarily be selective, but will represent a broad-based and multidisciplinary approach to evaluating the interdependencies between effective aid and opportunities for sustainable business to contribute to green growth in the Global South. The next section will address the policy frameworks, which will be followed by a section that examines relevant implementation strategies and the challenges they imply.

5. Global Policy Frameworks

The literature on foreign aid and business sustainability explores a number of cases in which multiple “bottom-lines” are emphasised. Alvarez et. al. (2015) refer to the "Big Five" approaches to poverty alleviation: foreign aid, microfinance, social entrepreneurship, base of the pyramid (BOP) initiatives, and the property rights frameworks. These approaches are, though, further complicated by the interdependent nature of their aims and objectives. For example, aid and social entrepreneurship can be used to develop sources of microfinance, social entrepreneurship can be used to support BOP business models, and property rights are intertwined with aid and social entrepreneurship initiatives in many developing countries (see Nicholls and Opal, 2005). Examining these approaches in broader aid and trade initiatives with an emphasis on sustainability values will be more helpful in identifying the way multiple approaches can – indeed must – be linked in addressing poverty within a sustainable context. These types of frameworks can be divided into two approaches: policy frameworks designed to support sustainable business practices and initiatives related to the “Big Five” approaches that exemplify good practice within the key approaches to business and sustainability practice. This section will examine the main policy frameworks. This will be followed by a section evaluating the key initiatives able to exploit the opportunities provided by these frameworks.

The most relevant policy frameworks are those designed to coordinate action through international organisations with a global development scope. These can be further assessed according to their focus, for example the OECD, UNDESA and UNEP have identified similar areas such as support strategies, developing an enabling environment, industry-led initiatives, applying environmental technologies and more effective promotion of sustainable business practices as being of particular relevance to enable sustainable businesses to emerge and flourish within a development context (see for example OECD, 2005b), but address these challenges in different ways, as outlined below.

5.1 Key Frameworks

Examples of frameworks applied to creating sustainable development through business include the Special Climate Change Fund, the Least Developed Countries Fund, the Adaptation Fund and the Global Environmental Facility (GEF). The most relevant frameworks to the aims of this analysis are the Agenda 21 action plan, a multi-layered approach to financing sources, emerging from the Rio Summit, particularly section one and section four of the framework; and, the 2005 Paris Declaration, which emphasises the key role played by business, enterprise support bodies and local environmental groups among the varied stakeholders required to ensure aid has a high impact on social change, economic activity and sustainability. In addition, the 2008 Accra Agenda for Action and the 2011 Busan Declaration each supplements the Paris Declaration, aiming to modify the framework to improve its effectiveness, monitoring and delivery of aid, are of which is a key framework agreement in its own right (see OECD, 2012a).

The Paris Declaration on Aid Effectiveness consists of a series of commitments designed to improve the delivery and use of aid with the objective of increasing the impact of aid resources and coherence of programmes. The declaration emphasised five core principles for aid effectiveness: ownership, alignment, harmonisation, managing for development results and mutual accountability, supported by twelve monitoring criteria. As a framework it represents an international partnership for aid effectiveness with a large number – and wide variety – of participants including bilateral and multilateral donors, aid recipients, emerging providers of aid and assistance, civil society organisations, global programmes, as well as philanthropic and private sector organisations (OECD, 2012a; OECD, 2012b).

The OECD and UN have identified many cases that illustrate the importance of an effective policy infrastructure in each of its spheres of influence. While not all of the case studies they use to illustrate such policy frameworks are derived from foreign aid, there are many examples where such financial support has been applied within developing countries to meet sustainable development objectives (OECD, 2003). While such approaches may pose many challenges and have limitations; nevertheless, even critics of the use of foreign aid as a method for supporting economic development acknowledges the success of some examples of sustainability afforded by a combination of a coherent policy framework and an appropriate application of innovation financed with foreign aid, though not necessarily its cost (see Easterly, 2003: 36; Easterly, 2003: 40-41). A more detailed analysis of the frameworks discussed above is The OECD’s 2008 Survey monitoring the Paris Declaration (OECD, 2008), which indicates slow progress requiring new structures to support improved implementation, such as better coordination and a clearer understanding of the role of a wider variety of change agents. Evaluating these new structures and objectives four years later indicated that local action plans based on international frameworks were a good focus for coordination, but were proving to be very slow in leveraging the change required for development (see OECD, 2012a). Independent research on these efforts is also mixed, with praise for the monitoring and accountability of aid provision within the modified Paris Declaration framework (Chandy, 2011) coupled with critique on the same grounds. For example Addison and Scott suggesting that there remains a fragmentation of aid allocation and delivery, with the various frameworks presenting an overly bureaucratic and technocratic means of addressing problems unable to be solved by a one-size-fits-all solution (see Addison and Scott, 2011).

The most influential and widely debated framework able to be extended to emphasise sustainability within the context of business and development are the Millennium Development Goals (MDG) and Sustainable Development Goals (SDGs), which emerged from the OECD's Development Assistance Committee report Shaping the 21st Century: The Contribution of Development Co-operation (OECD 1996). Critics, claim that there is simply a lack of evidence that highly ambitious approaches to aid could ever act as a catalyst for economic growth of the world’s poor nations:

> *Aid agencies should set more modest objectives than expecting aid to “launch the takeoff into self-sustained growth.” Aid agencies have misspent much effort looking for the Next Big Idea that would enable aid to buy growth (Easterly, 2003: 39-40)*

The scope of the goals goes beyond this simple notion of “buying growth” or offering a sustainable development panacea. Instead, its scope is to make markets accessible to everyone, as producer and consumer; emphasizing poverty reduction in the context of long-term sustainable development. It also places an emphasis on clinical economics, which approaches aid mainly as mechanism to support infrastructure coupled with an emphasis on the removal of barriers to (local) business initiatives. This holistic approach to poverty eradication and opportunity creation thus fits very well with the objective of using aid to support a framework for sustainable business. Indeed, at the 2002 World Summit on Sustainable Development, the Poverty-Environment Partnership presented the report Linking Poverty Reduction and Environmental Management, arguing that effective sustainable resource management is a central feature of addressing both poverty and inequality in developing countries and can be coupled with the key objectives of these two sets of goals (see Adams, 2009: 108-115).

While many aspects of the 'goals' approach is contested, in particular cost (see Reddy and Heuty, 2008), expectations (Clemens et. al., 2007) and negative unintended consequences (Easterly 2006), it is however conceded by critics that key elements for stable long-term planning in business identified by this approach are still absent in much of the developing world, delaying sustainable production within these economies (OEDC, 2012a). Many of the arguments related to the opportunities offered by the large untapped potential of the less developed countries are coupled with the need to balance the optimism of the likely development of profitable, inclusive businesses with a realism concerning the difficulties of doing business in a context very different from places where private business flourishes most. By working in countries where there is a perceived improvement in long term infrastructure planning, businesses are able to contribute more to sustainability as there is a tendency to reflect more on their contribution to long term objectives. According to United Nations, World Bank and OECD reports, specific changes can be identified that contribute towards making a place more attractive to do business (see for example World Bank, 2005). The changes include: approving laws and policies supportive of local development that clarify rights and the standing of voluntary associations; formally recognising the role of communities in governance and service delivery; and, improving the legal, fiscal and governance framework for local government (see for example OECD, 2001a; UNCTAD, 2008).

5.2 Assessing Effective Approaches

Evaluating effectiveness in relation to their costs is complex, with no consensus on costs or evaluation methods emerging within the literature (see Reddy and Heuty, 2005). They have certainly stimulated an increase in commitments and obligations for aid and assistance, despite the pressures of the global financial crisis (OECD, 2012a). Additionally, such frameworks enable a more effective coordination of programme efforts and helped to harmonise stakeholder interests in meeting clear objectives. They also represent clear benchmarks useful in promoting and raising awareness of global development challenges, in particular among government agencies, NGOs and intergovernmental organisations, although the consequences might also be to raise unrealistic expectations of the likely effects from increasing aid provision, as suggested earlier (see Clemens et. al., 2007).

Other framework factors identified in the literature include fostering local civil society by measures able to legitimise social networks and local collective action (see, for example United Nations, 2011). Directing these measures towards strengthening civic institutions and supporting transparency and accountability, while, at the same time promoting societal values (participation, equity, accountability, and local responsibility etc.) provides a more attractive environment for communities and organisations. Enhancing local capacity through investment directed towards improving horizontal coordination is likely to increase knowledge and skills to enhance the technical, administrative and adaptive capacities of local actors. Providing resources for local development, including devolving local governance, increasing the coverage/quality of local infrastructure and services, technical assistance to local public sector and civil society organisations, will help to transfer expertise that is crucial for local development, but often lacking (see Helling et. al., 2005)

Finally, other strategies to create appropriate bridging links within networks could also be of great importance in ensuring that the concept of sustainability is embedded within local production processes, particularly by organisations coordinating between businesses and agencies. Features such as mainstreaming and championing through designated/dedicated roles within an organisational network could provide a strategic point of reference and source of monitoring that would enable desired outcomes to be scrutinised and made more transparent. In addition, programme-based approaches, in which successful development assistance practices become formalised plans for coordinating support for a locally owned programme of development, could help to enable cooperation and coordinated support for local systems of aid-financed project implementation.

6. Scaling-Up and Transferring Successful Practices

International agreements on aid, poverty alleviation and sustainable development have been in place since the 1970s and 80s, and have been updated on a regular basis throughout the last three decades (Adams 2009: 26-55). While many of the projects, programmes and best-practice case studies have shown the benefits of the agreements and the options for tackling poverty and environmental challenges, the continuation of the problems and challenges shows that these examples have failed to achieve the extensive and embedded change required on the appropriate scale or with the appropriate international coverage. Therefore, in addition to developing appropriate frameworks, other strategic decisions linking aid to practices that can be scaled up and transplanted appropriately to new development contexts are crucial in increasing the impact of business for growth and sustainability. These two objectives are separate but complementary features in determining the impact of aid provision on desired social, economic and environmental change, and will be the basis of this section.

6.1 Different Meaning of Scaling

The issue of scaling up successful practices in sustainable business has a multiple sense. In general it implies learning from successful small-scale projects as the basis for developing larger scale, or larger impact, projects. In the context of sustainable development, scaling could either refer to increasing the proportion of the population engaged in sustainable business and social entrepreneurship, or increasing the absolute number of businesses supporting more resource-efficient practices. Alternatively the issue of scale might relate to enabling businesses to grow rapidly in order to scale up the production of marketable goods, with greater social benefits to developing countries ensuing from increased output. To address these interdependent challenges it will be useful to consider a series of categories in order to clarify different aspects of scaling up, contributing to a clear strategic consensus on the topic.

Applying specific or combined scaling or transfer strategies will depend upon a mixture of conditions that the programme faces. Expansion strategies, for example, require managers, institutions and organisations to implement internal changes, often while confronted with a degree of risk and great uncertainty. This implies the need to meet additional resource requirements and to be committed to maintaining higher financial obligations. In contrast, transfer strategies can often be implemented quickly, particularly if governments or well-resourced organisations are incorporated into the strategy as change agents. Some transfer strategies, such as grafting, can offer benefits to both parties as they add value to existing services, while rolling out new services. In addition, collaborations can provide useful strategies and are particularly powerful where there are shared objectives and clear benefits of a division of responsibility. Such collaborations help to scale a business by developing expertise and thus provide new ways of creating or delivering services. The opportunities they provide for scaling and transfer are, however, organisation-dependent with relationships of different types providing different challenges. Partnerships are also more likely to be flexible than expansion or experience transfer, but they often represent approaches that lack access to resources. In this way networks are particularly good at delivering scaling of some programmes, particularly where commercial opportunities are available, but less so where extensive monitoring is required or under conditions where there are benefit from centralisation (see World Bank, 2003). The benefits of the clusters, networks, alliances in forging collaboration for new business in the Global South is that they can jointly benefit from the skills, networks and infrastructure that are often of vital importance, and benefit from the creativity and vibrancy provided by sharing an enterprise culture. The use of artificially enhancing collaboration and networks through business clustering strategy has shown promise when they use appropriate structures, as shown in their impact on development in India in places such as Bangalore, though such strategies are not though the panacea sometimes presented (see Sulaeman and Sukmana, 2023: 174-175). As a business support strategy it runs the risk of narrowing the focus of an economy making it vulnerable to fluctuations in global markets, while artificially created clusters, as in the case under discussion, are more likely to require considerable nurturing to ensure effective networks can evolve over time, requiring resources that are less likely to be forthcoming from a developing economy.

6.2 The Challenge of Uncertainty

While such frameworks help to focus on specific aspects of the scaling challenge posed by a project, they offer a rather generic approach to strategy. In the absence of specific details, these categories merely identify areas in which uncertainty could undermine the scaling process, rather than a guide to develop effective scaling strategies.

Within the literature there are additional approaches to scaling-up not projects or programmes, but innovation and enterprise, which could potentially benefit from an extension of aid or investment. The first strategy directed towards extending the range of businesses is by introducing or fostering a culture of entrepreneurship. This is generally a long-term strategy relying heavily on understanding existing values and attitudes to enable an education or training solution to make entrepreneurship an attractive option.

To focus more specifically on transfer challenges, introducing business models or supporting organisations that have been shown to be successful in one region does not guarantee success in another region, indeed neighbouring countries with similar economies, demographics and resource profiles, can respond in very different ways to the same framework. Explaining the reasons for such different outcomes is often very difficult, as Leach and Scoones illustrate very clearly with the seemingly simple application of appropriate technology (see Leach and Scoones, 2006). Evidence based approaches, such as Lenssen and Van Wassenhove (2012) identify a number of strategies such as: strengthening the governance structures, seeking stakeholder alliances, developing long-term entry strategy for developing countries with challenge-adapted business modelling, using knowledge transfer to shape social/environmental environment, and, networking with academics (Lenssen and Van Wassenhove, 2012: 411).

A sustainable development approach with more emphasis on development than sustainability is the process of expanded industrialisation, with key authors concluding that industrialization has had the largest impact on poverty reduction, as evidenced by the emergence of economies such as China, India, and Brazil (see Alvarez et. al. 2015). Alvarez et. al. conclude that policymakers and aid donors should follow the example of these emerging economies and encourage greater industrialisation to address poverty. Indeed, the impact of foreign aid on China in the 1980s and 1990s, which has a mixed review in terms of ethical and sustainability issues, is too complex and specific to act as a model for development strategy. Aid helped to create new organisations with different managerial structures, property rights arrangements and the allocation of domestic resources. It was also used in empowering globally oriented groups, enabling them to compete more effectively for existing resources and build transnational alliances to enroll further foreign funds. In addition, foreign aid and the transfer of foreign ideas also altered the approach taken by a range of decision makers within China during this period (see Dweig, 2000: 210). Nevertheless, Dweig concludes as follows:

> *By creating new organizations, foreign donors may leave what I call "institutional footprints" that persist long after the foreign advisors and funds depart. However, unless projects are closely integrated into the local political economy, their impact may disappear as so much dust in the wind (see Dweig, 2000: 226-228)*

Lessons to be drawn and transferred from this context are therefore the need to integrate new practices within existing structures that offer the most promising business and sustainability environments, i.e. shaping existing trends rather than imposing a framework alien to existing practices. However, the concentrations of urban populations, improved social provision such as health care and education coupled with relatively stable governance since the early 1990s mean that emerging economies, such as China, India and Brazil, offered a favourable environment with which to make good use of the opportunities afforded by aid, finance and other assistance measures. Such an environment is often lacking in the least developed countries and an industrial approach is nether feasible, nor likely to foster sustainability values. Indeed, without the emergence of indigenous businesses, such an approach is more likely to offer merely long-term dependency or a loss of autonomy as powers are surrendered to foreign, especially neo-colonial, interests, with little concern for long term economic or environmental sustainability.

6.3 Sustainable Outcomes or Sustainable Practice?

Other approaches to transferring good practice will depend upon resolving the problem of how to combine sustainable outcomes from sustainable activities. Gibb, and Adhikary for example, argue that developing entrepreneurial NGOs with a focus on dynamic stakeholder network development, entrepreneurial management, strategic business development, and strategic alliance building is more likely to enable a combination of sustainable outcomes and organisation than other types of organisational structure. Gibb and Adhikary conclude that sustainability criteria can be identified and that donor approaches can be reproduced internationally (see Gibb and Adhikary, 2000) but more research is required to see if such optimism can be identified in practice.

Drawing on Fankhauser et al., (2025) it can be seen that scaling often requires attention to specific details to facilitate clear flows of between agents, stakeholders and consumers. These require specific embedding strategies (see, for example, Chentoufi et al., 2022; Özek, 2020). Drawing these features together offers a useful checklist for improving internal and external challenges, which include facilitating public acceptance of the business; improving resilience to external shocks while addressing local growth benefits; accelerate the planning process, focusing on community benefits; financing constraints and enhance equitable access to resources; eliminate bottlenecks and institutional barriers; identify new value propositions; investigate efficient distribution and payment mechanisms; foresee risk barriers and their implication both internationally and locally (see Fankhauser et al., 2025: 940-944)

Finally, there are specific aspects of aid and support that are transferable because they address universal barriers to business in poorer communities in general, and long-term planning in particular. There are, for example, a variety of options for providing finance for new businesses of the type discussed in this article: multilateral financial institutions; bilateral development agencies; private foundations or related philanthropic organisations; social loan or similar venture funds; and, microfinance institutions. Evidence from organisations such as Ashoka present a large number of case studies illustrating that each of these finance types can be used successfully in different regions to support entrepreneurship, and in particular social entrepreneurship, thus enabling businesses to become a viable option across poor communities according to the specific circumstances and needs of local communities (see also Prahalad, 2006). A counterpoint to these claims is the research suggesting that social entrepreneurship is more successful in addressing specific social needs such as sanitation, or clean water provision, but rather less effective at addressing poverty, growth or environmental sustainability (Hubbard and

Duggan, 2009; Alvarez et. al., 2015; Barbier, 2011). The "big five" are perhaps ultimately big in terms of promise, but require appropriate scaling to meet that growing challenges of sustainable development. How emerging technologies, such as AI alter the conditions of the themes and strategies discussed in these sections is difficult to assess, but will be subject of further research (see Haynes, 2025: 55).

7. Conclusion

While there is a substantial and growing literature on all aspects of aid, green climate finance and sustainable business, there is considerable uncertainty and a lack of consensus on even basic assertions (see Janus, 2012: 51-53). Even amongst researchers expressing a generally positive view of the impact of aid on climate-relevant opportunities for sustainability practice, great caution is taken to avoid overstating their claims: As Minoiu and Reddy argue, despite a substantial aid-effectiveness literature, researchers, academics, practitioners and recipients still know little about what makes some types of aid more growth promoting than others (Minoiu and Reddy, 2010: 37).

Narratives of sustainable development are shown to be truly interdisciplinary, which presents its own challenges of focus, engagement and consensus-building among experts. There has been progress towards achieving the multiple goals of poverty alleviation, environmental production, 'green' development and a more equitable approach to resource distribution in the least developed countries has been slow, despite the efforts of powerful and well-resourced global organisations and a set of clear frameworks and networks to support practical efforts to achieve these goals. As Bill Adams argues:

> *Despite the enthusiastic rhetoric and the celebrated greening of development agencies, corporations and governments, there is no easy reformist solution to the dilemmas and tragedies of poverty and environmental degradation, whether at the local or global scale (Adams, 2009: 376)*

Part of the critique of business-based approaches to (sustainable) development is that it is inherently supportive of exactly the type of (capitalist) economic growth that created the ethical and environmental problems that it is being asked to solve. Sustainability, and the sustainable-prefix, has been challenged as little more than a (neo-liberal) ideology;

however, such critiques fail to recognise the variety of strategies and practices of resistance that sustainability implies, from anti-consumption and resistance to downshifting and voluntary simplicity among its many manifestations. Indeed, innovations in ecological economics, increased environmental awareness, the 'greening' of many key development and trade-related international organisations, the reduction of poverty and environmental awareness within the emerging economies, the emergence of global knowledge transfer platforms and infrastructure, shows that sustainable development need not be an oxymoron. This is an even more pressing factor when aid or assistance is the driving force of sustainable development and the challenges of implementing sustainable development practices are increasingly more complex rather than becoming more manageable. There is no formula for sustainable development, there is no planning fix, nor a conclusive entrepreneurial solution; however, sustainable development or developmental sustainability need not be conceived in terms of environmental management reflecting the interests of business. Instead it can be reconceptualised as a means to enable network and market presence designed to enable the world's poor, present and future, to have a more effective engagement with local and global resources. In this way it represents a "boundary object" or a "device" for engagement through which powerful but conflicting interests, perspectives, ideologies and agendas can use as the basis for communication and exchange. Such engagement is particularly important when considering that the problems requiring a sustainable solution to be addressed by green climate finance are not fixed, but are constantly changing, providing new – and global – challenges. Reframing the debate of aid and assistance as an opportunity for 'high emission' developed economies to support strategies of sustainable business in low emission economies is important, but developing the diversity of strategies necessary to make effective use of this support itself requires a long-term partnership and investment in a vision of mitigation responsibility. This article indicates that mitigation strategies exist and innovation is collectively available within local communities in the Global South, but Trump notwithstanding, leadership and commitment by governments and global institutions is urgently required to implement and support communities to adapt and adopt appropriate strategies.

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