

COMMUNITY DRIVEN DEVELOPMENT

Relevance, lessons, institutionalization and scale



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Introduction

- Approach to local development that assigns control over planning decisions and investment resources to community groups and local governments
- CDD as a key operational strategy to strengthen citizen participation and improve local governance, social accountability and critical service delivery
 - Growth but rising inequality
 - Endemic poverty in lagging regions
 - Natural disasters and other crises
 - Decentralization and weak local governance

CDD typology

Social Funds

Single
sector/Common
Property Resource
Management

Local Government
Support

Multi-
Sector/Integrated
Service Delivery

Livelihoods and
Micro-credit

Emergency, Post-
Conflict, and
Disaster Response

Efficiency

- matching resources to needs
- reducing corruption and misuse
- improved quality and maintenance
- lower costs and greater efficiency

Equity

- better targeting
- getting resources to the poor
- reaching excluded groups

Empowerment

- greater voice and choice
- enhanced accountability, transparency and participation
- participatory, accountable and responsive local institutions

Governance

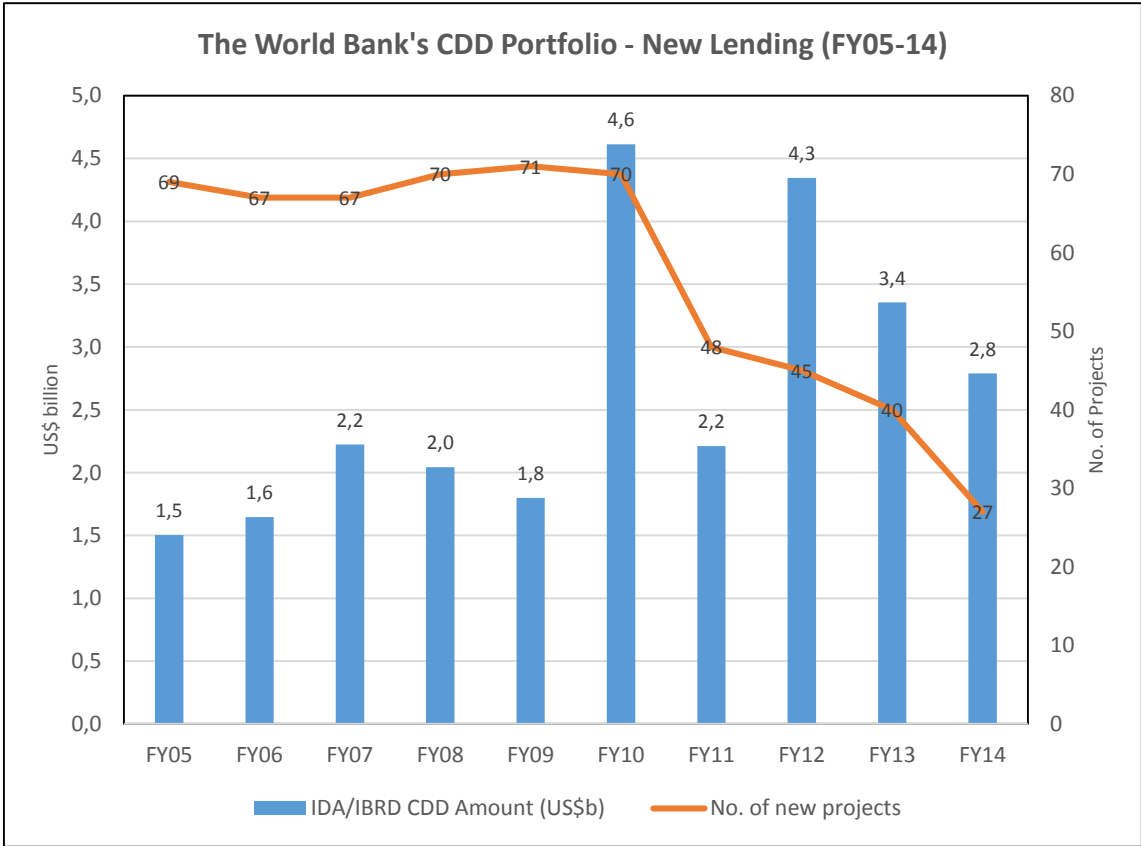
- increased transparency and access to information
- capacity building
- mobilizing demand for good governance

Enabling Environment	Community Control and Management of Investment Funds	Community Control without Direct Management of Investment Funds	Local Governments
Policy and institutional reforms oriented towards increased control of decisions and resources by communities.	Community groups make decisions on planning, implementation, O&M AND Manage investment funds	Community groups make decisions on planning, implementation, and O&M WITHOUT directly managing investment funds	Democratically elected local governments make decisions on planning, implementation, O&M in partnership with different community groups.

EXAMPLES

Bolivia fiscal decentralization reform and Popular Participation Law	El Salvador EDUCO Program (education) Northeast Brazil Rural Poverty Alleviation Program Kyrgyz Republic Village Investment Project -VIP	Moldova Social Investment Fund Azerbaijan Rural Investment Project (AZRIP)	Madhya Pradesh District Poverty Initiative Program Bolivia Participatory Rural Investment II Romania Rural Devt Project
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WB CDD Portfolio and Trends



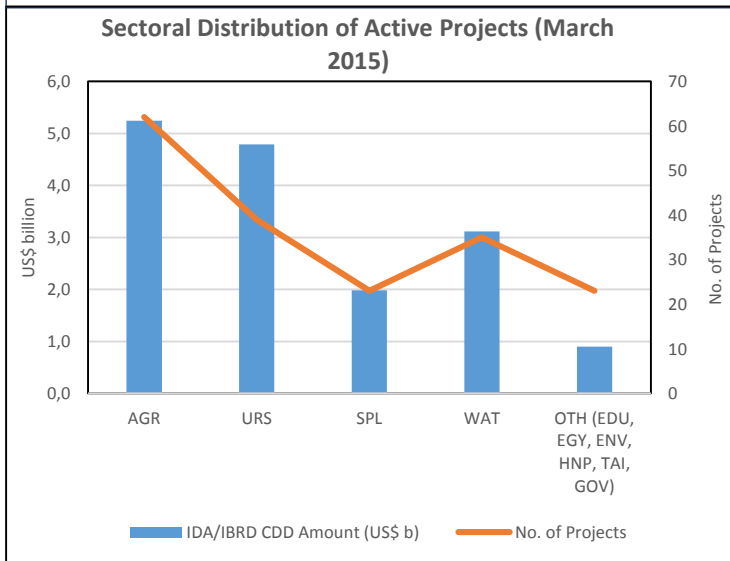
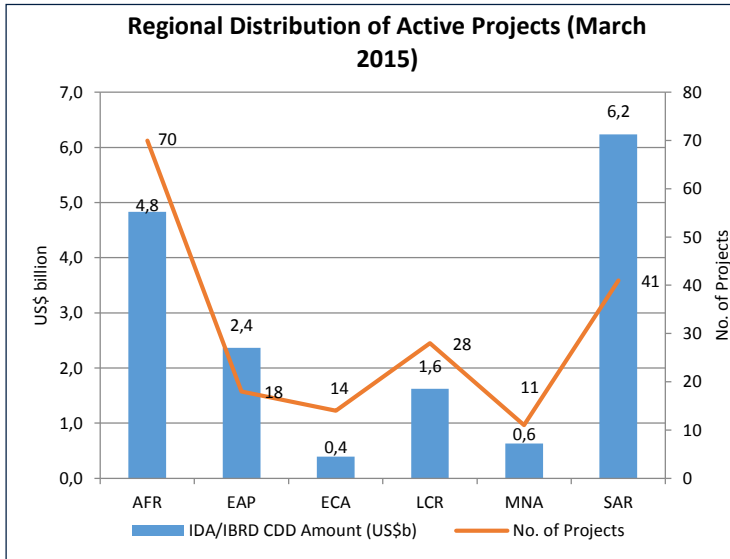
- 182 active projects
- 77 countries, 70% are IDA or IDA/Blend
- \$16 billion
- Average \$2.6 billion/year, 5-10% of overall Bank lending each year.



Azerbaijan Rural Investment Project

WB CDD Portfolio and Trends

- SAR & AFR have largest portfolios
- Agriculture has largest portfolio, followed by Social, Rural, Urban, Water & Social Protection



Benin National CDD Program

Active CDD investments around the world



CDD process

- **Social mobilization** - developing capacity at all levels
- Identifying and **prioritizing needs** and investment choices
- Preparing **community/local development plans**
- Setting up **fund flow and institutional support** arrangements, often block grant mechanisms with clear correspondence with inter-governmental fiscal transfer system
- Facilitating **participatory monitoring and evaluation**, sound governance arrangements, information access and innovations in accountability relationships, including grievance redress
- Progressive sequence – welfare and public goods -> productive investments
- Progressive federating and scaling up

Relevance of CDD approach

- targets poverty at the community level with basic services and small infrastructure provisioning
- addresses social exclusion in remote and marginal regions
- supports local development and local governance through voice, representation of local communities and social accountability
- promotes state building in fragile situations and rebuilding local communities in post-conflict situations
- serves as a quick response tool in emergency situations
- improves livelihoods

Opportunity space for CDD

CDD relevant in diverse environments:

- Middle Income Countries – “the last mile”, lagging regions, pockets of poverty, hard-to-reach marginalized communities e.g. IPs
- Lower income/FCS - government administrative capacity is low



Morocco INDH



Afghanistan NSP

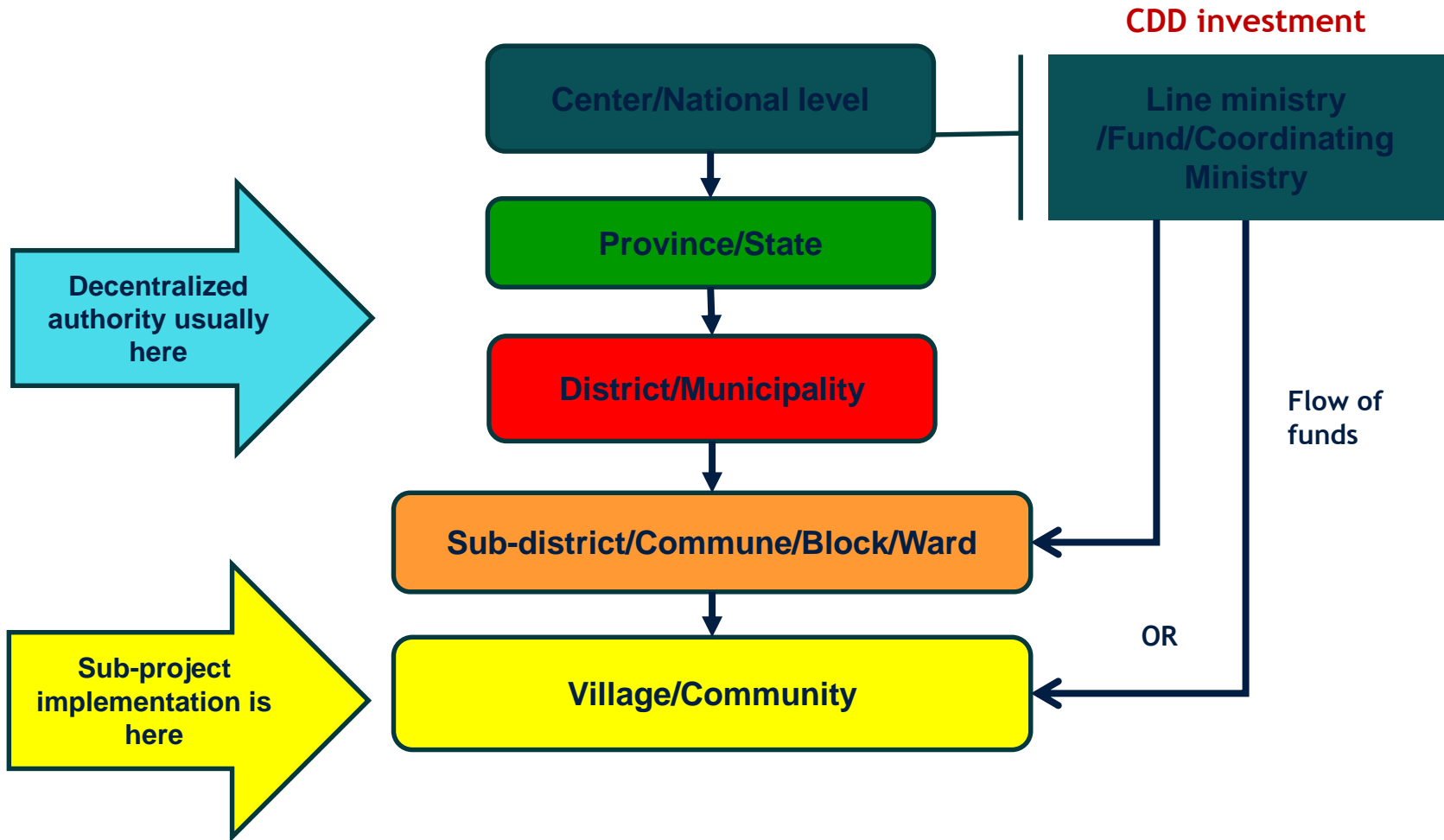
Institutionalization priorities

- establishing CDD platforms at national level with a common set of shared principles
- institutionalizing social accountability and demand side of governance
- developing strategies for mainstreaming CDD
- strengthening results framework through common set of impact indicators
- establishing community of practice to enhance knowledge sharing and impact

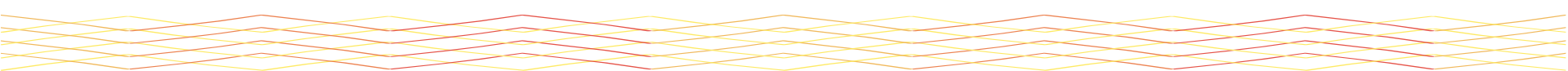
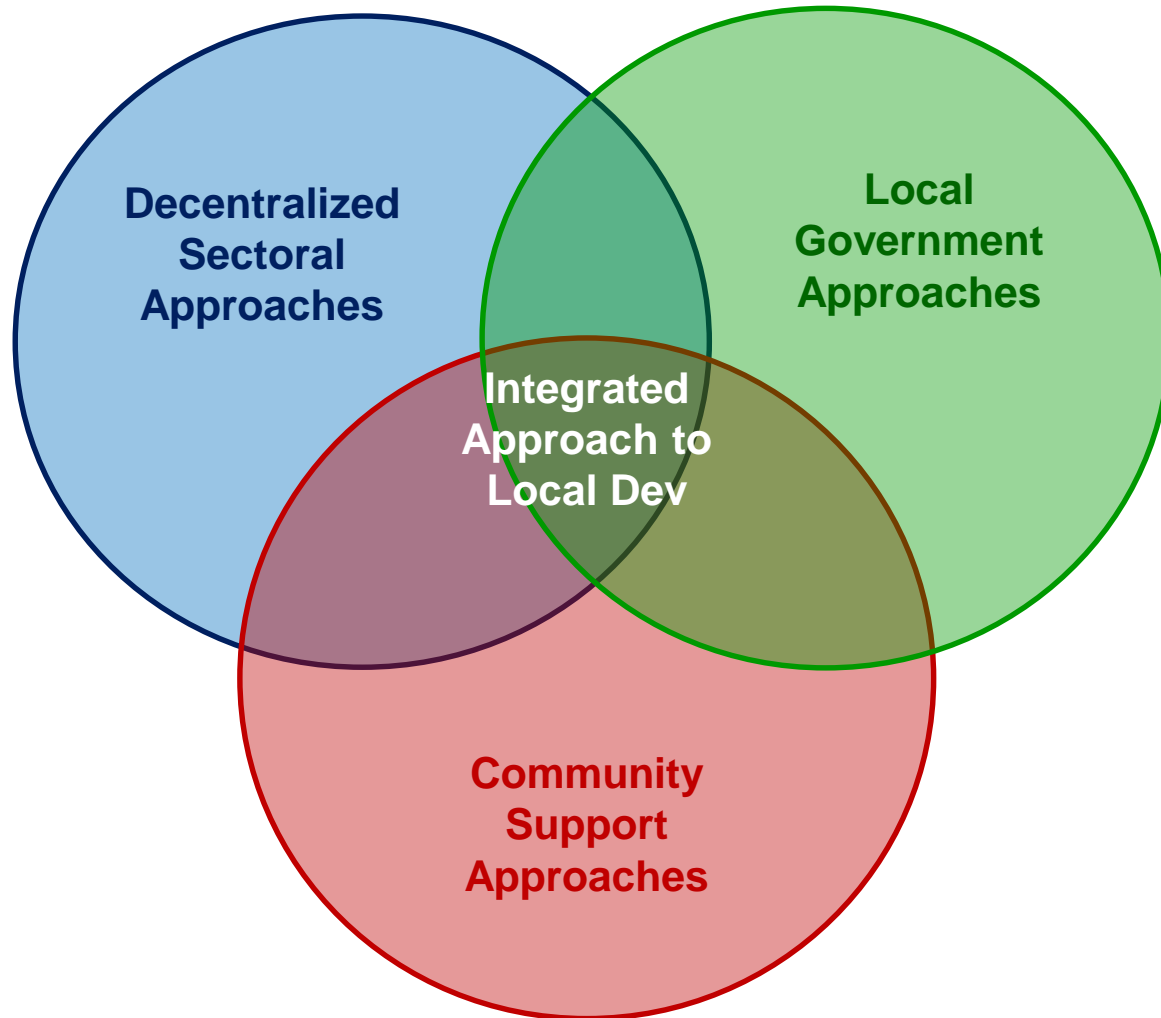
Convergence, not parallel institutional arrangements

- CDD projects operate at the lowest layer of sub-national organization – e.g. village, municipality, commune, sub-district, ward, etc...
- often below the lowest formal level of administrative decentralization
- incentive to adopt CDD often arises out of strong push to reach communities directly
- efforts to foster convergence with decentralization process and avoid creation of parallel structures

Convergence of CDD and decentralization

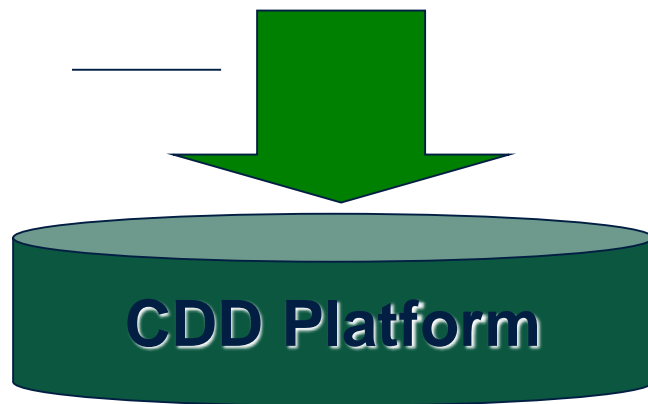


An integrated approach to local development



Linking the CDD platform across sectors

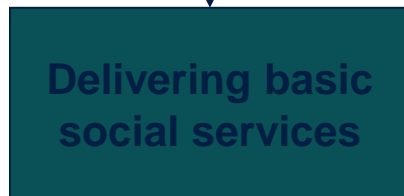
Decentralization Program



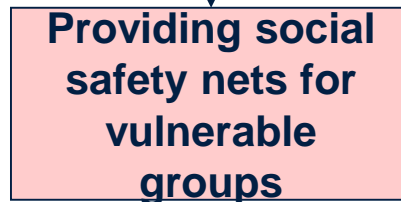
- means for providing basic social services
- strengthens local governance
- revitalizes communities



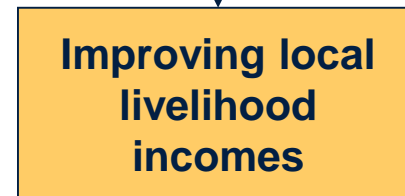
Link with Infrastructure
(transport, energy)



Link with Urban and HD
(health, education)

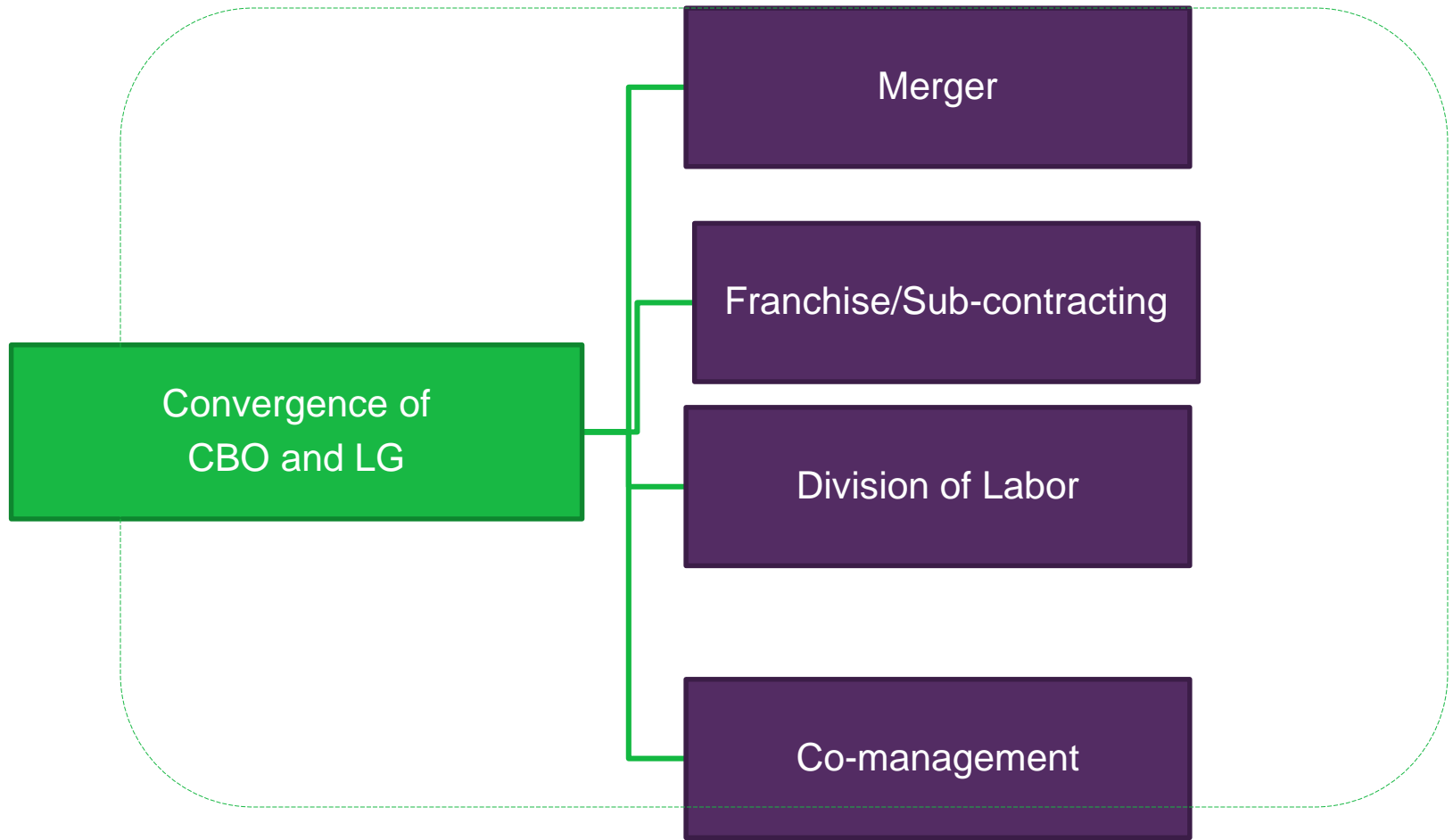


Link with HD
(social protection)

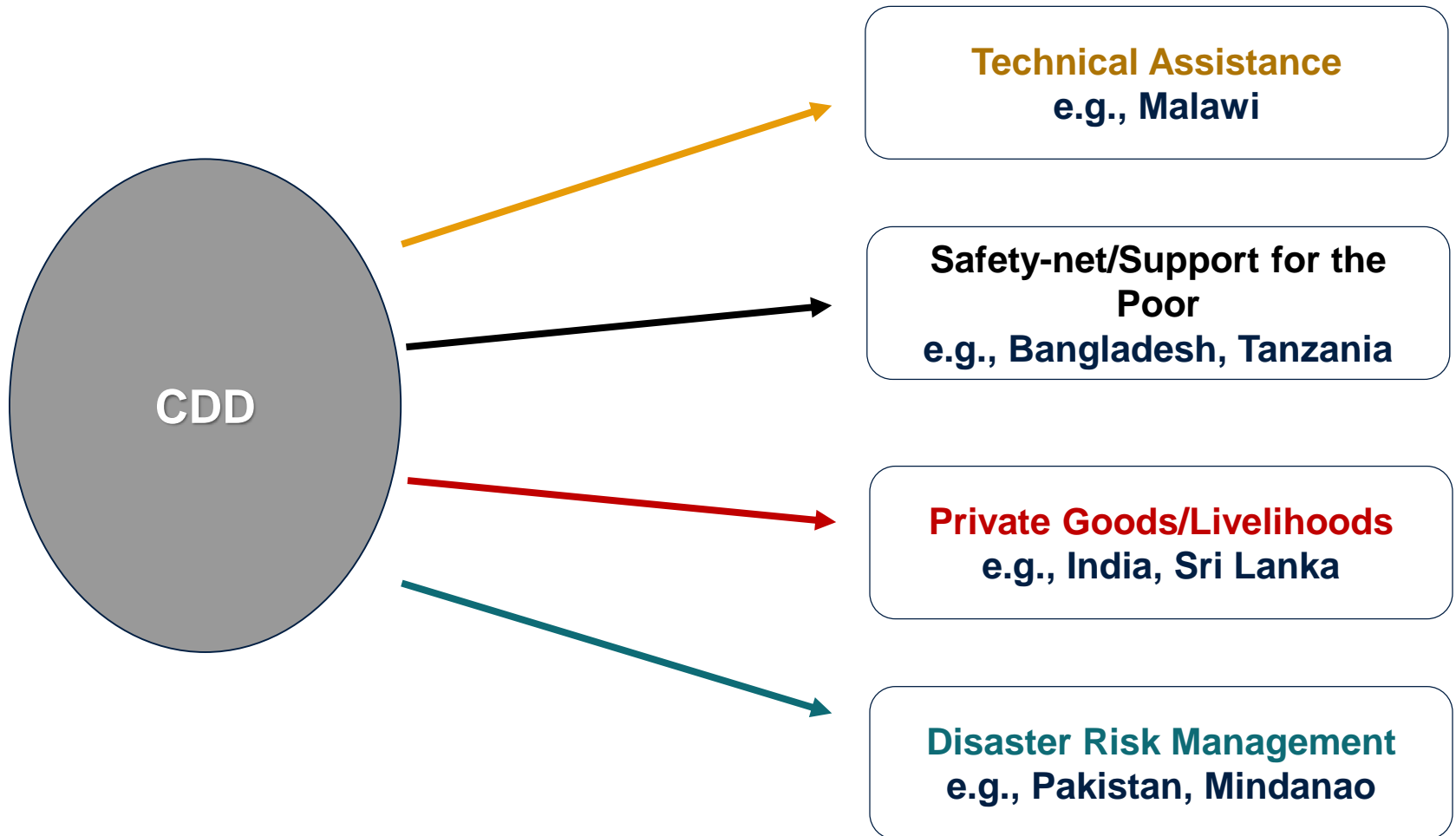


Link with Rural and Environment

Options for converging CDD and decentralized structures



CDD under advanced decentralization



Demonstrating social and economic impact – rigorous impact evaluation

Six key areas of interest:

- **poverty and socioeconomic welfare** impact of CDD programs
- **who benefits** from program interventions (poorest quintiles, women, ethnic groups)? do they reach poor areas and poor households?
- do the programs improve **access to and use of** basic services?
- do they improve **social capital** (trust, collective action, groups and networks)?
- do they improve **local governance**?

Impacts of Bank-financed CDD programs

- positive economic welfare outcomes
- significant improvements in a range of human development outcomes
- geographic targeting generally pro-poor
- participation improves civil works quality, maintenance and sustainability
- mixed evidence on impacts on social capital

Lessons learned over the past 15 Years

Lessons learned from CDD implementation experience:

- importance of pilots and project designs – targeting, matching supply and articulated demand
- CDD evolution - project vs. platforms
- supported by strong analytical and M&E program
- improved transparency and accountability - - social cohesion, strengthening of local institutions and building trust
- success takes time and continuous engagement

Cost savings in infrastructure provision efficiency gains

Project	Burkina Faso	Philippines	Indonesia
Roads and bridges		8-59%	32%
Literacy trg. centers	9-23%		
Teacher housing	43-51%		
Classrooms	60-66%	7%	
Health centers		44%	
Irrigation			20%

Typical operational lessons - lessons from Poland's Post Accession Rural Support Project (PARSP) implementation

Critical design successes

- autonomy of local municipalities in decision-making on use of funds
- simple implementation rules and procedures
- transparency a key to social inclusion
- facilitation critical - regional consultants, interns, coaching, workshops,
- high performing process → participatory planning, local strategy development, action
- knowledge sharing and dynamic learning between municipalities
- sustainability an enduring concern

India: CDD livelihood project impacts

- **13.5 million poor households** mobilized into 1.2 million community institutions in 90,000 villages
- **\$1 billion** of cumulative group savings
- **\$7.7 billion** of cumulative credit flow from banks
- **\$1 billion** of livelihoods turnover through collective marketing
- **20-30% higher prices** through value addition and collective marketing – change in terms of trade for the poor
- Improved access to social security and insurance entitlements
- **29.2 % to 17.6 % reduction in poverty** incidence in Andhra Pradesh and 65% net income increase per household in Madhya Pradesh

The way forward: new generation CDD - key operational topics

- scaling up and institutionalizing CDD
- front-line service delivery
- CDD and IPs/ethnic minorities
- strengthening economic growth dimensions and links with financial services sectors
- CDD and crises/FCS
- adapting CDD for urban contexts
- CDD and disaster risk management

The way forward: new generation CDD

- development of CDD platforms as primary anchor for institutionalization /enhancing participatory local development and social accountability
 - aligning participatory planning processes with budgets
 - moving beyond project framework to national programs
 - effective triangulation of responsibilities and partnerships between national government, local governments, citizens and private/NGO sector
- focus on measuring results and impacts
- enhancing sustainability