



Community-Driven Development: An Overview of Practice

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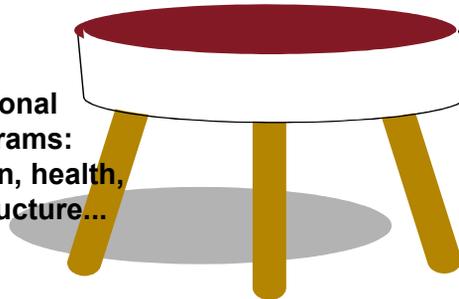
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1. The Approach – what, why, how
2. Design Principles and Institutional Arrangements
3. CDD examples from the global portfolio
4. Analytical Evidence: benefits, risks and implications

POVERTY REDUCTION REQUIRES:



National Programs:
education, health,
infrastructure...



A globally competitive economy

Immediate and lasting results at the grassroots:
COMMUNITY-DRIVEN DEVELOPMENT
Is often the missing link in strategies

CDD: WORKING WITH POOR PEOPLE AS PARTNERS



The Approach

- CDD gives decision-making & resource management responsibility to community groups
- It is a way of organizing for poverty reduction that leverages the capacity of communities, in partnership with a range of institutional actors



Government Support to CDD Usually Includes

Promoting an enabling environment through policy and institutional reform (decentralization, sector policies, etc.)

CDD

Strengthening capacity of community groups

Strengthened local governance relationships

WHAT'S NEW WITH CDD?



- Not reinventing the wheel
- Innovations in CDD:
 - Scale
 - Links to national poverty reduction strategies and to policy and institutional reform
 - Increased emphasis on community action
 - Partnerships, especially with local government

HISTORICAL PERSPECTIVE: GRADUAL EVOLUTION



Period	1970s-1980s Central Government Delivery	1980s-1990s Innovations in Participatory Development	2000s Community Driven Development
Examples	<ul style="list-style-type: none"> • Integrated rural development programs (multi-ministry coordination) • Sectoral programs (urban and rural) 	<ul style="list-style-type: none"> • NGO Programs • Social Funds • Participatory Urban and Rural Development • Piloting of demand-driven sector investment programs • Research on Participation and Decentralization • "Voices of the Poor" 	New generation of: <ul style="list-style-type: none"> • Social Funds • Rural development programs • Urban development and slum upgrading programs • Sector programs
Characteristics	Top down planning and accountability Sustainability issues faced in many projects	Numerous "islands" of success, but limited in scale, parallelism Improved efficiency and sustainability	Larger scale programs Greater community control and links with local governments Links to broader reform in the enabling environment

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WHEN IS CDD APPROPRIATE AND WHEN NOT?



Broad relevance



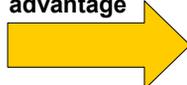
- Greater capacity than generally recognized -potential of community organizations exists across developing world
- Extensive global experience

But not a panacea



- Many services better provided by central public sector or by private sector
 - Public goods requiring large and complex systems (e.g., multi-kilometer bridge)
 - Private goods with local revenue-earning potential
- CDD may not be effective in all social contexts

CDD is appropriate when community groups have the comparative advantage



- Small scale goods/services that require local cooperation
 - Common pool goods (e.g., pasture management, surface irrigation)
 - Public goods (e.g., maintenance of community roads and other basic infrastructure)
- Subsidiarity principle: locate management at lowest appropriate level

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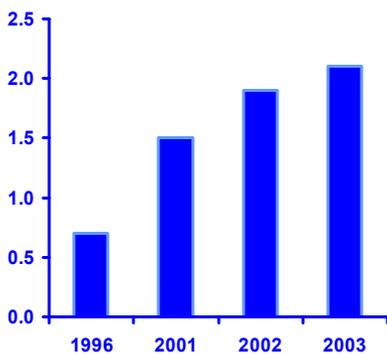
WORLD BANK PORTFOLIO CDD TYPOLOGIES



Type	Enabling Environment	Local Governments	Community Control	
Definition	Policy and institutional reforms oriented toward increased control of decisions and resources by community groups.	Democratically elected local governments make decisions on planning, implementation, O&M in partnership with different community groups	Community groups make decisions on planning, implementation, O&M AND directly manage investment funds	Community groups make decisions on planning, implementation, O&M BUT do not directly manage investment funds

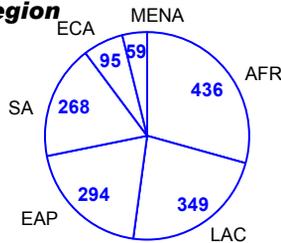
GROWING WORLD BANK CDD PORTFOLIO ACROSS REGIONS AND SECTORS

Estimate of CDD components of Bank financed projects
(\$ Billions)

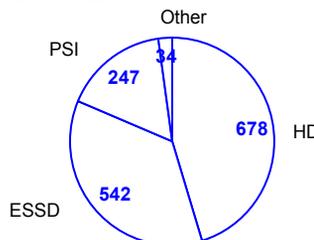


Estimate of CDD components (\$m)

By Region



By Network



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CDD DESIGN PRINCIPLES



1. Make investments responsible to informed demand
2. Build participatory mechanisms for community control and stakeholder involvement
3. Invest in capacity of Community-Based Organizations
4. Facilitate community access to information
5. Develop simple rules and strong incentives backed by M&E
6. Establish enabling institutional and policy frameworks
7. Maintain flexibility in design of arrangements and innovation
8. Ensure social and gender inclusion
9. Design for scaling up
10. Invest in an exit strategy

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CDD DESIGN PRINCIPLES



Make investments responsive to informed demand

- Decisions based on accurate information about costs and benefits of options
- Communities' own resources invested

Build participatory mechanisms for community control and stakeholder involvement

- Providing inclusive community groups with knowledge, control, and authority throughout all phases from program inception
- Programs designed with relevant stakeholders (government, local leaders, NGOs, civil society, the community) and dynamically over time

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CDD DESIGN PRINCIPLES



Invest in capacity building of CBOs

- Impact directly related to strength of CBOs driving process.
- Emphasis on training and capacity building through 'learning by doing'

Facilitate community access to information

- Flows of information as important as flows of funds (market opportunities, available resources, etc..)
- Growing use of information technology

Develop simple rules and strong incentives supported by monitoring and evaluation

- Simple rules easy to interpret and apply
- Clearly defined procedures, widely disseminated
- Rules monitored and transparently enforced
- Output-based rewards against pre-agreed indicators

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CDD DESIGN PRINCIPLES



Establish an enabling environment through institutional and policy reform

- Empowered elected local governments responsive to constituents
- Inter-governmental arrangements for fiscal decentralization including fiscal flows to local governments and CBOs
- Conducive legal and regulatory framework that supports community action
- Clear sector policies with well-defined financing rules and defined roles and responsibilities of key players in each sector

Maintain flexibility in design of arrangements

- Flexibility in design essential to allow systems to evolve
- Direct feedback from community on program performance (beneficiary assessments, etc..)

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CDD DESIGN PRINCIPLES



Ensure social and gender inclusion

- Communities not homogeneous thus design need to be socially inclusive – giving voice and decision making to women, elderly, youth, minorities, those with HIV/AIDS, disabled.
- Menu of techniques are available for this purpose

Design for scaling up

- Approval and disbursement processes as decentralized as possible

Invest in an exit strategy

- Recurrent services require permanent institutional and financing arrangements at locally affordable cost level
- Temporary services (e.g. initially intensive capacity-building) may not require sustainable financing or permanent institutional structures

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INSTITUTIONAL OPTIONS



A: Partnerships between CBOs and local governments



B: Partnerships between CBOs and private support organizations



C: Direct partnerships between CBOs and central government or central fund



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A combination of multi-sector and single-sector program instruments are required



Single Sector

- Greater opportunities to innovate in specific sectors and demonstrate value of new sector policies for sustainable operations
- Greater opportunities to foster sector agency institutional reform
- Instruments can be more focused with simpler objectives

Multi-Sector

- Greater choices for communities, emphasis on demand-responsiveness, local ownership
- Efficiency gains – sharing cost of outreach, social mobilization and capacity-building across sectors
- Poverty impact of bundled services – combined services can be worth more than sum of independent parts
- Potential to save internal processing costs (i.e. Cost of 2 separate projects > 1 project covering 2 sectors)

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EXAMPLES OF CDD IN ACTION



Single Sector CDD

El Salvador: EDUCO

- Expands quality, coverage and efficiency of basic education
- Parents and community members a key factor in sustainability

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Multi-Sector CDD

Zambia Social Investment Fund

- From SRP to ZAMSIF - traditional social fund with community participation to deconcentrated program for district investments
- Community and district investment windows



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REVIEW OF EVIDENCE - IMPACT ON EFFECTIVENESS OF PUBLIC SERVICE DELIVERY

	Projects Studied	Researchers	Key Findings
CDD can improve service delivery and welfare	Peru Social Fund	Paxson & Schady, 2000	Increased school attendance particularly for young children
	Community-based water services in India, Sri Lanka and Indonesia	Isham & Kahkonen, 1999	Improved access to water supply Improved health outcomes
	School decentralization in Nicaragua	King & Ozler, 2000	Greater decision power given to PTAs and teachers increased test scores in primary schools
	Jamaica Social Fund	Rao & Ibanez, 2001	80% satisfaction with chosen project

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REVIEW OF EVIDENCE - IMPACT ON POVERTY TARGETING

	Projects Studied	Researchers	Key Findings
CDD projects are generally well-targeted to the poor	Bangladesh Food for Education Programs	Galasso & Ravallion, 2001	Community identification of poor households was more effective than centrally-managed targeting
	Peru Social Fund	Schady, 2000	Poorer districts reached, and poorer households within these districts; however, allocations often political
	Argentina Workfare Program	Jalan & Ravallion, 2001 Ravallion, 2000	Greater voice of communities improved targeting and distribution of gains; more than 50% of gains in poorest decile; wide variation in ability of communities to target well

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REVIEW OF EVIDENCE – IMPACT ON SOCIAL CAPITAL AND SUSTAINABILITY



	Key Findings
Positive impact on social capital and sustainability	Positive impact on capacity for collective action but impact greatest for better networked members of the community
	Sustainability increases when communities make informed choices on different service options during design phase

Key hypothesis that need further research:

- Support to community-driven development may increase local capacity for collective action and may promote social harmony
- Community-driven approaches may lead to more sustainable outcomes than more centrally-driven approaches

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REVIEW OF EVIDENCE – RISKS AND FACTORS THAT AFFECT EFFECTIVENESS



	Findings	Evidence
Social factors can reduce effectiveness of CDD programs. These factors require careful analysis to guide context-specific design	Pre-existing social capital is a key factor determining program effectiveness. Communities with higher social capital achieve better results	<ul style="list-style-type: none"> •Isham and Kahkonen (1999) study of water projects in India, Sri Lanka, Indonesia •Ibanez and Rao study (2001) of the Jamaica Social Fund
	Local elites tend to dominate decision making. Sound project rules and facilitation support are key to minimize elite capture.	<ul style="list-style-type: none"> •Mansuri and Rao (2003) Evaluating Community-Based and Community-Driven Development:A Critical Review of the Evidence •Abraham and Platteau (2001) survey of CDD projects in Sub-Saharan Africa •Bardhan (2000) study of water projects in South India •Ibanez and Rao study (2001) of the Jamaica Social Fund

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IMPLICATIONS OF ANALYTICAL EVIDENCE



EVIDENCE OF BENEFITS

CDD can....

- Improve effectiveness and targeting of public service delivery
- Have positive impact on living standards of poor people
- Build social capital and sustainability

EVIDENCE OF RISKS

- Cultural and social contexts are key drivers of CDD program effectiveness
- CDD may not be the best choice in contexts where there is low pre-existing social capital or capacity for collective action



IMPLICATIONS

- Potential to intensify support to CDD for poverty reduction
- Risks call for careful combination of economic and social analysis to inform design
- Context is critical: design must be context-specific and CDD approaches may not be appropriate in all contexts. Careful and measured approach needs to be followed.

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MORE INFORMATION...



Website: www.worldbank.org/cdd

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