

**IDA AT WORK**

## Community Driven Development—Empowering People to Lead their Development

Community driven development (CDD)—an approach that gives control of development decisions and resources to community groups—has been a key operational strategy for delivery of International Development Association (IDA) programs over the past decade. IDA lending for CDD has averaged US\$1.3 billion per year with the number of active CDD operations gradually increasing since 2000. CDD operations have proven successful at reaching and empowering communities, delivering cost-effective infrastructure, enhancing livelihoods, and improving community dynamics.

### **Challenge**

By emphasizing empowerment and putting resources in the direct control of community groups, the CDD approach holds the promise of achieving inclusive and sustainable poverty reduction. The approach emerged originally in response to the local institutional challenges faced by several countries such as Indonesia, Rwanda and Sierra Leone emerging from financial or political crises in the late 90s. In such situations, a reliance only on a centralized, top-down, and pre-planned approach to development assistance that involved little participation of local people would not be effective. Over time, recognizing the vast differences in local contexts, the need to strengthen local institutions, and in an effort to foster greater ownership and support for development over 70 IDA member countries have undertaken projects with a CDD approach.

Despite this rapid expansion of CDD, the approach still faces challenges, several of which were highlighted in a 2005 evaluation by the World Bank's Independent Evaluation Group of both community-based and -driven development projects completed between 1989 and 2003. Firstly, several governments remain reluctant to devolve power, responsibilities, and resources to local levels. As a result, many CDD efforts, while being successful in the provision of social and economic infrastructure, have been constrained by the availability of corresponding service inputs from local facilities. Secondly, while evidence suggests that these projects are more effective at targeting the poor than the World Bank's portfolio overall, the very poorest within communities may not always have benefited from a community-based approach. Newer CDD projects have therefore increasingly focused on targeting the most vulnerable within communities while paying greater attention to local political economy analysis and the quality of facilitation so as to avoid capture of project resources by local elites.

Third, the sustainability of CDD programs and indeed their ability to foster social cohesion and institution building has been mixed. To a large extent this is a result of short project cycles and difficulties in evaluating and measuring institutional changes that normally occur over several years if not decades. IDA's more recent portfolio of CDD operations, therefore, shows greater emphasis on long-term engagement, with several adaptable lending instruments and repeat projects. A growing body of evidence from evaluations focused on CDD is also generating lessons on the critical factors that help achieve empowerment outcomes.

Finally, the transition from smaller-scale pilot projects to national level CDD programs has been an ongoing challenge for several IDA countries in terms of balancing the need for harmonizing systems and approaches, with the requirement to be responsive to differences in local conditions and needs. The need for inter-sectoral coordination and links to formal decentralization reforms is critical in this regard.

## Approach

Over the last decade, IDA has increasingly focused on lending to CDD programs in order to let communities lead their own development. IDA has used CDD approaches to support a wide range of local development and service delivery needs identified by communities themselves. This has included water supply and sewerage rehabilitation, school and health facilities construction, nutrition programs for mothers and infants, building of rural access roads, and support for livelihoods and microenterprise. CDD programs that operated as small stand-alone operations have gradually expanded to much larger (often national) coverage that have become part of formal decentralization strategies.

CDD has also proven useful in responses to natural disasters. Communities are usually the first responders in natural disasters and their active participation and engagement in project planning and implementation has been a key factor in the success of many World Bank-financed disaster management projects. After the 2005 tsunami, for instance, CDD approaches in Indonesia, India, and Sri Lanka provided a front line response to ensure that resources were used effectively and transpar-

ently, and that the affected communities were involved in assessing their needs and designing recovery programs. Most recently, in the aftermath of the 2010 Pakistan flood crisis, the Second Pakistan Poverty Alleviation Fund is being drawn in to provide rapid response to the tragedy and facilitate linkages between partner organizations for disaster response.

Increasingly, the CDD approach has also become a preferred operational strategy for economic reconstruction, fostering social cohesion, and bottom-up state building in post-conflict and fragile situations. Examples include operations in Angola, Nepal, Burundi, and Timor Leste.

## **Results Achieved with IDA Support**

Although CDD operations vary based on country priorities and capacity, there are some common elements in terms of what they seek to achieve and how they proceed to do it. CDD operations produce two primary types of results: more and better-distributed assets, and stronger, more responsive institutions. Through these results, they seek to improve service delivery, empower communities and local governments, and expand livelihood opportunities.

Given the demand-driven and dispersed nature of CDD operations, it is difficult to provide an aggregate summary of their overall results. Instead, summarized below is a snapshot of results achieved by select CDD projects funded by IDA across different regions over the past decade:

- **Kecamatan Development Program, Indonesia (US\$771 million over three projects):** Eighteen million people are benefiting

from better services, which include more than 37,000 kilometers of constructed or upgraded local roads, 8,500 built or rehabilitated bridges, 9,200 new water supply units, and 3,000 new or improved health posts. Evaluations show that per capita consumption gains among poor households were 11 percent higher, and the proportion of households moving out of poverty was 9.2 percent higher, in project areas than in matched control locations.

- **Andhra Pradesh Rural Poverty Reduction Project, India (US\$150 million plus US\$65 million additional financing):** As of May 2010, 10.7 million rural poor women were organized into community-based organizations that collectively save over US\$1.6 billion and leverage credit over US\$5.8 billion from commercial banks.
- **Social Investment Fund Project V, Honduras (US\$ 63.6 million):** Around 2.5 million people are benefiting from a total of 2,888 projects that have delivered 1,446 rehabilitated schools, about 700 new schools, 163 new health centers, 347 small water/sanitation systems, and 461 latrines. Additionally, all children in targeted areas are attending primary school. In project communities, there has been an increase in access to health care assistance, and more communities have access to running water.
- **Social Fund for Development, Yemen (US\$225 million over four phases):** 2,403 community-based projects are reaching almost 4.5 million poor, resulting in an increase in the number of girls' schools (from 502 to 554) and basic education enrollment rates (from 63 percent to 68 percent), improved access to rural roads, and reduced journey costs and travel times (by 40 percent). The third phase of this program included building and rehabilitat-

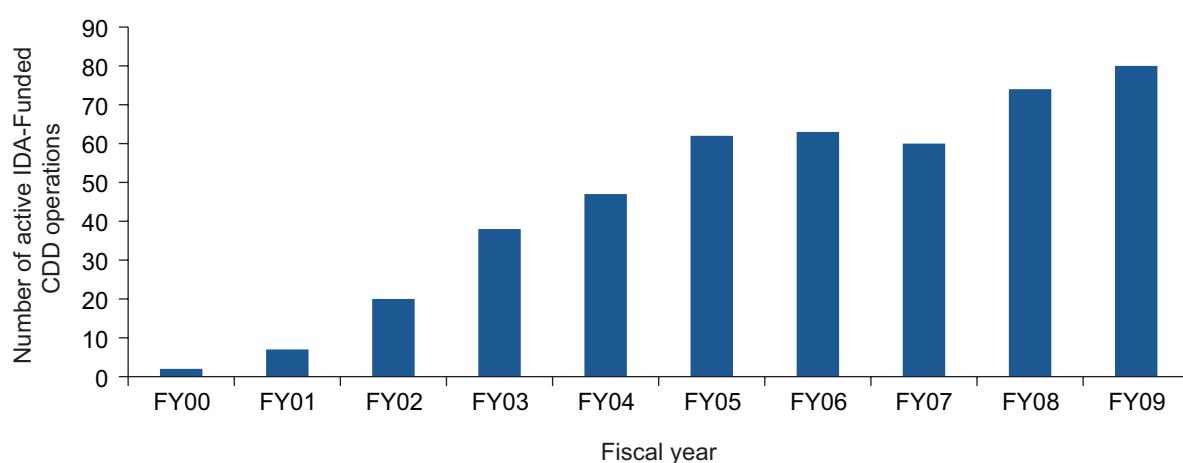
- ing 7,606 classrooms benefiting 684,046 children, training 220 health care institute cadres and 1,992 health care workers, building 187 water harvesting systems, carrying out 114 hygiene and environmental awareness campaigns, and building 92 feeder roads benefiting 531,810 people.
- **Rural Investment Project, Azerbaijan** (US\$ 15 million plus US\$15million additional financing): Travel time to school and markets has been reduced by 47 percent and 26 percent respectively where the project has rehabilitated rural roads. Moreover, 78 percent of farm products are now transported to markets by farmers themselves, a significant advantage compared to non-beneficiary villages in the same region where only 18 percent of farm produce is brought directly to market by farmers. Primary school enrollment has increased by 25 percent following rehabilitation of school buildings.
  - **National Community Driven Development Project, Benin** (US\$50 million plus US\$12 million additional financing): During 2004-2010, 750 communities and 32

communes have completed infrastructure sub-projects, resulting in the construction or rehabilitation of 1,629 classrooms, 84 health centers, and 37 water and sanitation systems. Some 81,450 students are enrolled in schools constructed or rehabilitated under the project. About 10,000 people have gained access to an improved water source, and another 10,000 people in 409 previously un-served communities have gained access to micro-finance services during the same period.

## IDA Financing and Other Support

Between fiscal years 2000 and 2009, IDA committed a total of 538 projects that adopted a CDD approach either as a whole or in specific components. The total lending on these projects was worth over US\$29.35 billion, of which US\$13.85 billion was directly managed and controlled by communities and local governments themselves. IDA lending for CDD has averaged US\$1.3 billion per year with the number of active CDD operations gradually increasing since 2000 (see figure 1).

**Figure 1. Number of Active IDA-Funded CDD Operations by Fiscal Year**



IDA's resources and policy discussions have allowed promising CDD approaches to operate on a larger scale and across more sectors than other donors interested in community development generally can. Today's linked local and community driven development requires an approach that combines multiple disciplines and sectors. Moreover, it involves improvements to the way public money is transferred by and within governments, allowing decentralization of resources to local authorities, as well as in governance and accountability systems. IDA has been well-placed to address such a complex challenge through its expertise in a wide range of sectors and country-level dialogue on decentralization issues. IDA has also provided support through regular development of knowledge products, research, and operational guidelines and standards for community procurement, investment, capacity building, gender inclusion, monitoring and evaluation, and information and communication systems that can be used to enhance the quality of CDD operations in IDA member countries.

## Partners

IDA has worked with several national, regional, and global partners in supporting its CDD programs. Many prominent CDD operations such as the Afghanistan National Solidarity Program and the Indonesia Kecamatan Development Program have received funding also from other bilateral and multilateral donors such as the Asian Development Bank. At the corporate level, several donor trust funds (such as the Norwegian and Finnish Trust Fund for Environmentally and Socially Sustainable Development and the Bank Netherlands Partnership Program) have provided resources for CDD tool development, capacity building and impact research. From 2003-08 a partnership with the International Fund for Agriculture

and Development focused on improving CDD programs specifically for the Africa region.

Increasingly, partnerships with the private sector, including with community foundations and faith-based organizations are being seen in support of CDD work across IDA countries. This has included work through the Oil, Gas and Mining Sustainable Community Development Fund managed by the International Finance Corporation that is working with extractive industries to help support CDD initiatives in the communities in which they operate.

## Moving Forward

As can be seen, IDA's volume of CDD lending has expanded over the years. However generalizing CDD approaches into institutions and fiscal systems, transferring real power, resources, and accountability to local levels, and developing the implementation capacities for such programs is still not well advanced in most IDA countries. Over the long-term, this agenda will require consistent leadership, and analytical and financial support from IDA.

While deepening its lending programs for local and community driven development, in the coming years, IDA will focus its analysis and program guidance in several areas:

- CDD in conflict, post-conflict, fragile and disaster management contexts;
- Women's empowerment and youth inclusion in CDD;
- Development of national CDD programs through local development platforms;
- Linking with the private sector for both productive livelihood projects and public welfare programs; and
- Impact evaluation and participatory monitoring.

CDD approaches are also increasingly engaged in the response to climate change challenges. Communities, particularly the poorest, are exposed to significant risks by the impacts of climate change—direct effects like adverse weather events and changes in water availability, as well as indirect effects such as population migration and rising social tension. CDD is an approach well-adapted to introducing awareness of and mitigation and adaptation actions in response to climate change. Hence, this too will be a key area of focus in the years to come.

Last updated September 2010.

<http://www.worldbank.org/ida>