

CDD: decision tools

Accra, March 2006

CDD is a way

(method, approach, organization culture, management behavior)

to design and implement rural development that:

- empowers the rural communities to undertake common initiatives that shape their own human, social, and economic development
- enables rural community organizations to play a role in the design and implementation of interventions to that effect financed with public funds
- enhances the impact of public expenditure on the local economy at community level
- Helps to diversify the sources of support for the rural communities beyond what governments are prepared to finance

Decisions on goal and general objectives

Rural poverty reduction, **through:**

- Making available to rural people more infrastructure more services and credit on a sustainable way?

or

- Empowering rural communities to solve their own problems in a sustainable way?

Empowerment needs capacity

Poverty reduction requires maximum project impact on the local (community) level economy

Which is more important? The trade-off determines the CDD content of a project

- Quantity, quality, and speed of deliveries is more important, or
- Involving communities in decision making and in the delivery process itself?

Community involvement is essential for capacity building
It is as important as the infrastructure or the service delivered

If community are only “beneficiaries”, receivers of services, the project should

- centralize design and procurement of sub-projects to get requested standards at the lowest possible cost to project administration
- In a decentralized administration, use the district as entry point
- Ask the minimum “beneficiary contribution” required to ensure stakeholders’ commitment
- Limit user groups formation and training to what is required for future O&M at community level
- Rely on the established political intermediaries for the communities to influence District Assemblies’ decisions in matters that concerns them

If communities are “subjects of change” in their own right, “partners in development” of the project

- Community organizations are associated to all levels of planning and implementation of measures designed to promote their human, social, and economic development
- The project entry point is the community
- The local contribution buys the community share in a partnership with the project with a complex set of rights and obligations: it is not a token amount
- Expenditure on community institutional development and training is at least as important as construction of infrastructure
- Building an enabling environment for the CBOs may require establishing a domain for the community level

When to apply and when not to apply CDD

For a CDD project the most important partners are the **rural communities**

Effective implementation of CDD requires **political space** for a policy dialogue concerned with ways to:

- promote the emergence of autonomous CBOs capable of fostering their own development
- associate organizations of the civil society (CSOs) to public efforts to reduce rural poverty
- encourage a governance system based on complementarity and competition between the district and the sub-district level of the local governance

If the required political space is not there,
CDD would hardly work

What should be the scope of CDD projects?

- If CDD is **a way to do things** it should be applicable to any component of rural development
- But there are **project-led** and **demand-driven** activities in each component of all rural development projects

Examples:

- **Project-led activities:** information on the *rules of the game*, communication, mobilization of community demand, activation of the participation of the poor and of women, capacity building, transfer of resources....
- **Demand driven activities:** community priorities on common action, effective demand for goods and services that meet the priorities, specific project intervention agendas, group formation and networking ...

Project-led activities can also have different CDD contents

Different CDD contents for the same physical target

A RD project finances village wells. 3 options:

1. Government technicians make a sector plan, the project finances the plan, communities receive the infrastructure: communities are (passive) **beneficiaries of the project**
 - The project has **zero** CDD content
2. Government technicians make the plan in consultation with the communities, adjust sector content (number of wells, villages...) to respond to their demand
 - **Moderate** CDD content
3. Project respond to demand for any sector (not only wells), CBOs share planning, cost, construction of infrastructure, learn design/procurement/contracting, manage the infrastructure: become **partners of the project**
 - **Maximum** CDD content

CDD content of rural finance projects

A rural finance project:

Extends credit through an agricultural bank to farmers that want to buy fertilizers to increase crop yields

- This project has **zero** CDD content

Finances a specialized commercial bank (public or private) that offers financial services to community members responding to their demand (micro-finance)

- The project has a **moderate** CDD content

Supports cooperative banks controlled by the members at community level that **collect local savings** and handle funds transferred by the project, offering a range of services demanded by the membership

- This project has a **high** CDD content

Two possibly complementary approaches to structure the implementation of CDD

1. Focus on decentralized public administration, strengthened local governments at district and sub-district level
2. Encourage civil society organizations to take responsibility for developing partnerships with pro-poor rural CBOs

Issues in partnerships with district governments

- Would the voice of the communities be heard by DAs?
- Would funds entrusted to DAs be used to satisfy priorities that belong to the district level, rather than the community level?
- Would the district help CBOs to become autonomous and to learn how to establish their own relationships with the private sector and with the CSOs?

Political intermediaries that operate at district level have a double allegiance:

- To the village where they are elected, and
- To the party that engineers their election

A separate “domain” for the community level?

To moderate the risk that district administrations
may become **centralized** local governments
and/or
deal almost exclusively with district level priorities:

- work to establish a **separate domain** of the community level,
and
- a **separate funding channel** specifically reserved for
financing micro-projects belonging to the domain of the
community

Implementing CDD through civil society organizations (CSO) of “public utility”

- A CSO is recognized “of public utility” if its objectives are coherent with the policy of the central government in a given field and if it can master a minimum critical mass of resources to contribute to implementing the government policy in that field
- A CSO “of public utility” entrusted to implement CDD activities in rural areas preferably includes local CBOs as members, such CBOs to acquire a controlling position in the course of time.

Implications for local governance

- Leaders of CSOs engaged in CDD have no other allegiance but to the CBOs member of the CSO: their success depend **exclusively** on the quality of the service received by the CBOs;
- CSOs of “public utility” multiply the centers of influence and decision, enhancing the **pluralistic** nature of local governance
- Local political intermediaries have to work to get the support of such CBOs: this enhances the chances that the voice of the communities is heard by the DAs

Implications for the implementation arrangements of CDD projects

4 critical questions:

Who identifies community sub-projects?

Who prioritizes the sub-projects?

Who approves the sub-projects?

Who implements the sub-projects?

The key partner is the community and its institutions But what is a community for CDD projects?

- The locus where all members of a group of people
- having some form of collective claim over a territory
 - and recognizing some form of collective governance
can be given the opportunity to influence decisions
in matters of public choice that affect their livelihood

i.e.: the locus where direct democracy is a practical option

Please discuss:

to which extent your project practices direct contact with the communities, and through which instrument/institution

The communities should identify and prioritize their micro-projects: questions for participants

- How are the communities structured to take such decisions in a participatory way?
- Do poor members, women, and other marginalized people, really influence decisions?
- Do dominant community members try to turn project interventions to their advantage in a way out of proportion to their contribution to implementing the project?
- If this happens, what can the poor, the women, and other marginalized people do to avoid elite capture?
- Do communities institutions, the project's "rules of the game", and project management practices, enable the poor to defend their share of benefits at community level?

How to interface community plans and District Master Plans? Examples

- **water supply:** piped water supplies that serve many communities belong to the district; open and tube wells are community projects: they serve only one community.
- **irrigation infrastructure:** medium size irrigation is a district project; micro and very small schemes serving one or very few neighboring villages belong to the community level.
- **roads:** secondary roads that link several villages to a trunk road or town are district projects; village access tracks connecting to the secondary roads are community projects.
- **health:** health centers are district projects, dispensaries are community affairs.

Who implements the community sub-projects?

Key issue is the participation
of the CBO responsible for O&M of the sub-project in:

- the design of the sub-project
- the selection of the contractor
- the negotiation of the contract
- the supervision of the delivery
- the clearance of the payments due to the contractor
- The actual handling of cash to pay for the deliveries

What about rural financial services?

The key issue is in the relationships between the community level financial institution and the specialized service provider of support

- The Loan Committee at community level (or at the level of an association of a small number of community level saving groups)
- The role of the members of the saving groups in setting the local institution's policy (interest rates, type of products, remuneration of the management committees, use of external auditors, ...)
- The approach of the specialized provider of support with regard to training and accounting assistance, product development , etc.

CDD projects exit arrangements

What do we want there when the project closes?

- Shall we be satisfied with better services for rural people?
- Or do we want CBOs capable of continue on their own?

More attention of appraisal reports to exit arrangements:

- would do no harm,
- would help in the preparation of Implementation Manuals,
- Would contribute to checking stakeholders' commitment at all levels

End of presentation

Outline of the DT paper

The **Introduction** defines CDD and its objectives

Part A addresses general aspects in 6 chapters:

- emphasis on CBOs,
- focus on local governance,
- poverty focus,
- contribution to resilience against crises,
- roles in local development,
- issues in implementation processes and procedures

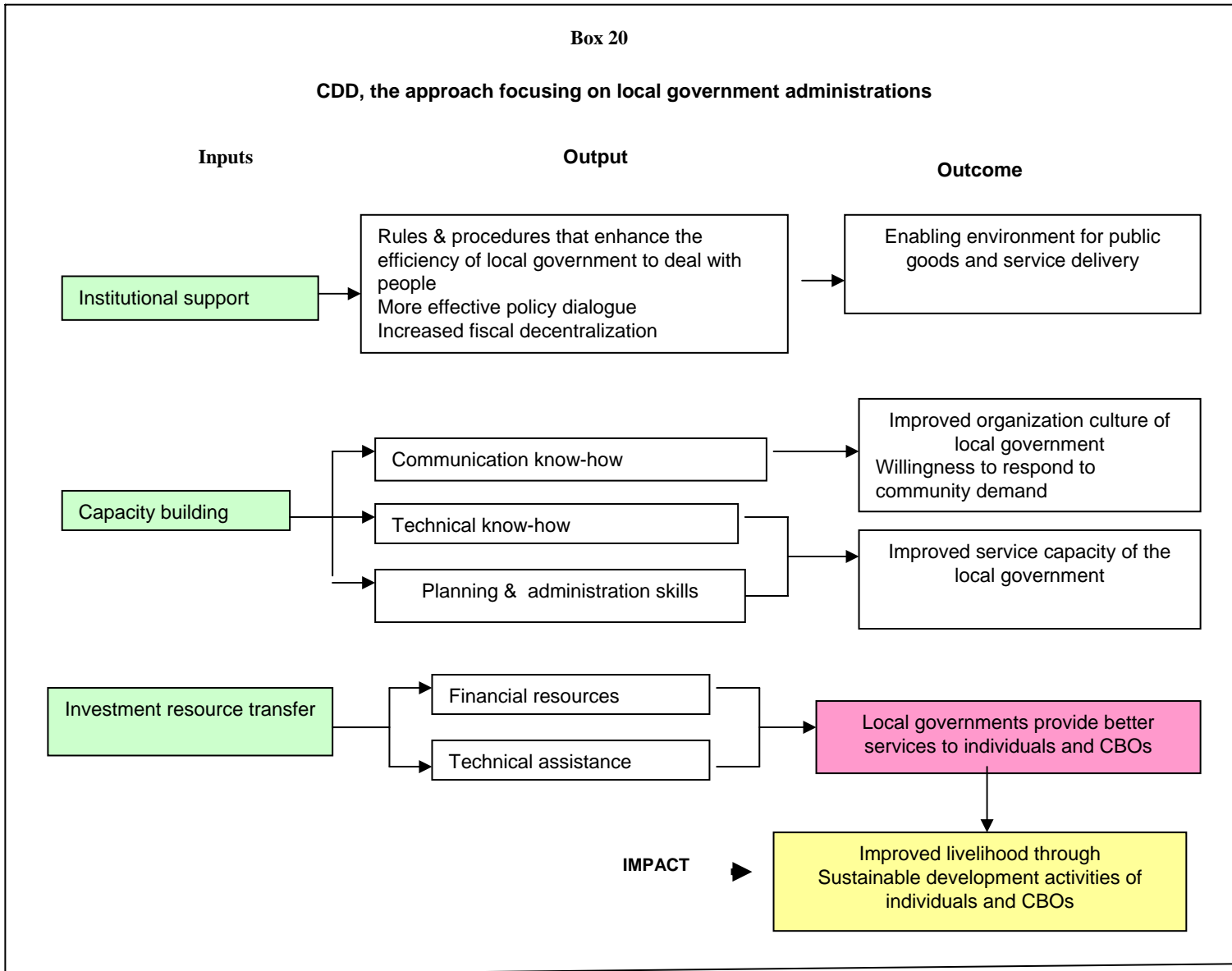
.....

Part B deals with CDD project design decisions in 5 chapters:

- what scope for CDD projects?,
- which partners of CDD projects?,
- does CDD require special implementation arrangements?
- which funding mechanisms of CDD activities would be sustainable?
- which incentives for CDD project managers?

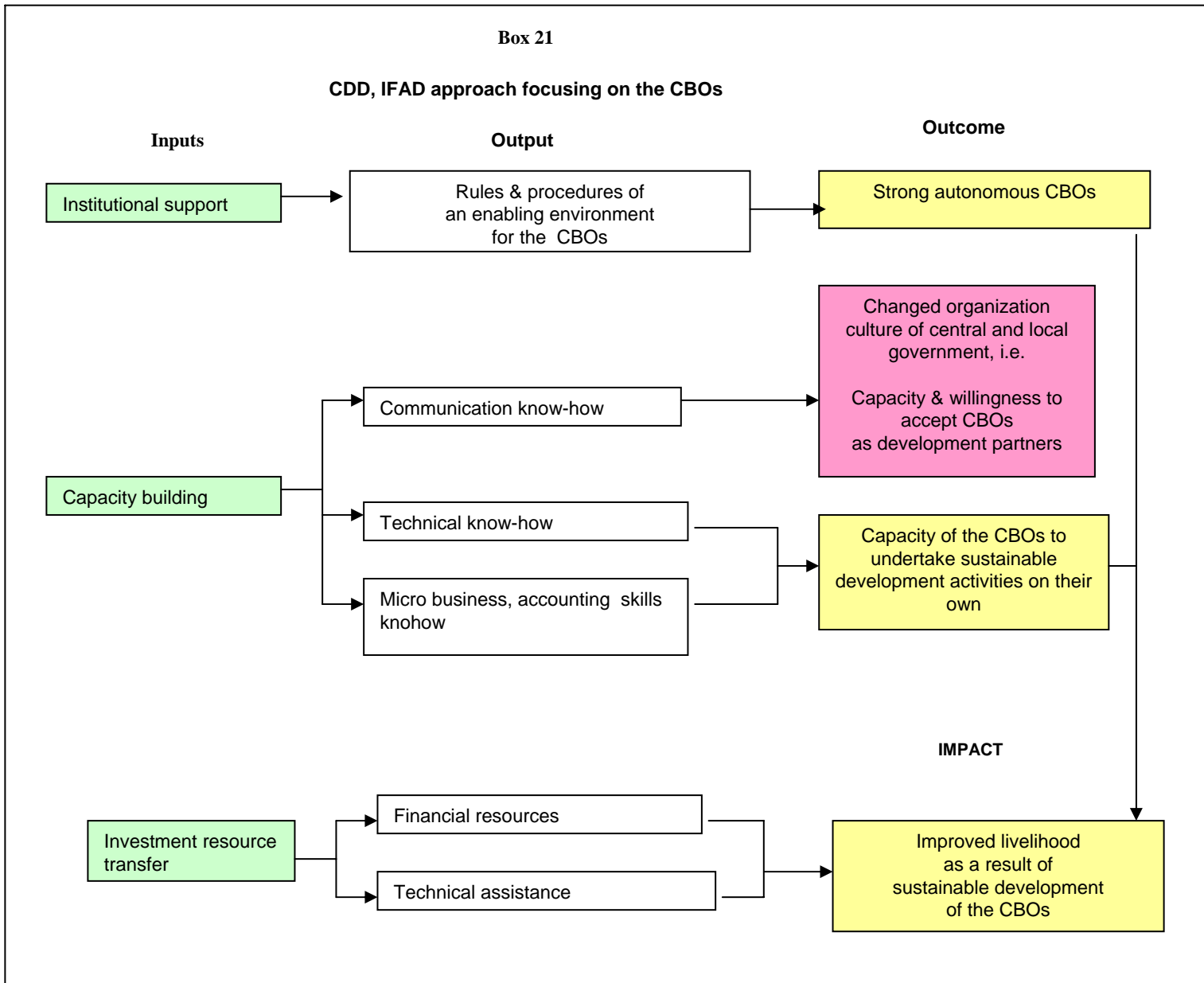
Box 20

CDD, the approach focusing on local government administrations



Box 21

CDD, IFAD approach focusing on the CBOs



Box 25

From eliciting community priorities to approving a sub-project for funding

