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Principles of successful community-driven development operations

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Principles of successful community-driven development operations

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1. Introduction

Community-driven development (CDD) is an approach to international development projects, under which community groups are given control over planning decisions and investment resources (Wong and Guggenheim, 2018). In contrast to more traditional, centrally-led programmes, where poor people tend to be viewed as targets of poverty reduction efforts, the CDD approach treats members of the community groups as partners in the development process, building on their institutions and resources (Dongier et al., 2003).

Although participatory approaches to executing development projects have been present in the field of international development since 1970s (Mansuri and Rao, 2004), over the last two decades CDD has become a key operational strategy in the development world. Initially, the CDD approach was adopted in small-scale operations (Cornwall, 2006). Presently, CDD principles are being incorporated into large-scale programmes. In 2012, the World Bank supported 400 CDD projects in 94 countries, valued at almost 30 billion dollars (Wong, 2012). Additionally, there has been a growing trend of scaling up CDD projects managed by national governments, in some cases leading to institutionalization of CDD principles into the regulatory frameworks and policies of decentralization (Wong and Guggenheim, 2018).

Although CDD has become more popular, it has yielded mixed results across different countries and localities. The aim of this report is to identify key principles of successful CDD operations. The report is divided into three sections. First section provides general overview of the CDD strategy. It describes main characteristics of CDD operations and presents theoretical arguments behind the CDD model. Second section discusses arguments cited in favour of the CDD approach and where possible, compares them with empirical findings. On the basis of this analysis, third section presents principles of successful CDD operations for agents working directly with the communities, with particular reference to Tanzanian context.

2. What is community-driven development?

2.1 Main characteristics of CDD operations

Based on the guidelines provided by one of the foundational studies on the topic, three key characteristics of CDD operations can be recognised (Dongier et al., 2003). Firstly, CDD operations are centred around community-based organizations (CBOs). This local focus means that, although CDD operations can easily be scaled up by implementing projects simultaneously in different communities, the basic managerial units under the CDD approach are the small-scale subprojects implemented locally. Secondly, with varying degree, project resources and control over them are transferred to community groups. Thirdly, CDD empowers communities

to manage all aspects of the subprojects. In the initial phase, CBOs are involved in planning and designing the projects in participatory manner. Further, they take part in the implementation of the project. Often participation of the community at this stage comes in the form of labour or funds, but the community may also contribute indirectly in the form of management of contractors or by engaging in operation and maintenance of the infrastructure. Then, communities perform monitoring and evaluation of the subprojects at the village level.

2.2 Institutional frameworks for CDD operations

CDD projects are implemented under three main institutional arrangements: 1) partnerships between CBOs and elected local or municipal governments, 2) partnerships between CBOs and private support organizations (nongovernmental organizations or private firms), and 3) direct partnerships between CBOs and central government or a central fund (Dongier et al., 2003). Under any of these arrangements, CDD operations can be facilitated by an external agent, such as non-governmental organizations or specialists under contract. The role of these facilitators is to support formation of CBOs, provide necessary expertise, clarify any project rules, and help handle reports and complaints to higher authorities. These agencies performing facilitating functions are considered to play a key role in addressing challenges of the CDD approach by field practitioners, as well as communities themselves (Yalegama et al., 2016).

Choosing the right institutional framework depends on the number of factors. As Dongier and others (2003) suggest, when a decentralization framework exists, the most preferred arrangement is the partnership between CBOs and elected local governments. Where central government is willing to support community empowerment, local governments are well placed to serve as a vehicle for CDD operations, as over time they develop required capacity and can provide a stable source of funding for functioning of the CBOs. In situations of polarized social and power structures at the local level, partnership between CBOs and private support organizations might prove to be more suitable. In such contexts, well-established private organizations might be better equipped to facilitate formation and operation of inclusive CBOs. The third institutional arrangement, direct partnership between CBOs and central governments or funds, might be preferred where the framework of local government is poorly developed and there is a strong social capital amongst community groups, signalling higher capacity for collective action (Dongier et. al, 2003).

The institutional arrangements can evolve in response to changes in circumstances. In the case of CDD interventions aimed at alleviating persistent levels of rural poverty in the northeast of Brazil, the institutional framework of direct partnership between CBOs and a central agency developed to include local government. The program delivered more than 44,000 community-managed subprojects, providing basic services to an estimated 2.5 million of beneficiaries. Implementing adjustments in the institutional framework has also increased social capital and led to a transformation of governance at the local level (Van Zyl et al., 2001).

2.3 Theoretical foundations of the CDD approach

Economic, political, and sociological theories have been used to discuss and examine the CDD strategy. Its conceptual analysis is often based on the writings of social scientists, who studied the role of social and cultural institutions in explaining patterns of cooperation and development

(Putnam 1994, 2000; Coleman, 1988). However, the adoption of CDD as an operational strategy in development projects has largely preceded articulation of its conceptual basis in relevant literature. Even after the idea of CDD was introduced into the academic debate, focus placed on developing or conceptualizing CDD as the strategy per se was relatively low (Bennet and D’Onforio, 2014). References to economic, sociological, and political theories were mostly used to provide an ex post justification for the growing popularity of the CDD strategy. Similar tendency characterizes more recent works (e.g. Wong and Guggenheim, 2018). In result, there is no complete theory articulating how different features of the CDD approach lead to achieving the desired outcomes. However, this does not mean that theoretically motivated discussions concerning CDD do not exist.

A comprehensive summary of theoretical reasoning behind arguments for adapting the CDD approach has recently been presented by Bennet and D’Onforio (2014). They grouped relevant arguments cited in the literature by three main types of outcomes that the CDD projects are aiming for: improved welfare, improved social relations and cohesion, and improved governance. Although this classification does not account for interactions between various features of the CDD approach, it provides a useful starting point for organizing the discussion about theoretical arguments behind the CDD approach. The welfare outcome refers to improvements in local public infrastructure and increases in private assets. The other two outcomes refer to higher-level effects of the intervention, identifying key long-term transformative affects attributed to CDD operations (OECD, 2019). These two outcomes are especially linked to what Sen (2001) called ‘expanding people’s real freedoms’. The social relations and cohesion outcome refers to building social capital and promoting social inclusion, whereas the governance outcome refers to improvements in modes of governance.

Table 1 (Bennet and D’Onforio, 2014)

Outcomes	Hypothesis	Rationale/Mechanisms
Improved Welfare: improved local public infrastructure and more private assets	CDD results in a better matching of project resources with local needs	Reduction of information asymmetries in allocation of project resources
	CDD reduces unit costs	Community control over resources incentivizes vigilance and accountability and increases efficiency
	CDD outputs are more likely to be maintained (than development outputs delivered through other approaches)	Greater perceived ownership which increases perceived value and willingness to preserve/protect the output
	CDD more effective than other approaches in areas of high violence	Local control and management, potential to reach remote areas

Improved Social Relations and Cohesion	CDD increases participation beyond the project leading to improvements in trust between different groups	Collective action across group boundaries
	CDD limits project-related conflict	Groups come to consensus over resource allocation, community-based targeting leads to greater acceptance of resource distributions
	CDD diffuses latent tensions	Provision of project-related conflict resolution mechanisms
Improved Governance: more effective and responsive institutions	CDD creates demand for more responsive institutions	Satisfaction with CDD processes as an alternative
	CDD increases trust in the state	Increased interaction, increased perceived legitimacy
	CDD improves coordination	Common platform for planning and resource allocation

3. Evaluation of arguments cited in favour of the CDD approach

The classification presented above will structure further analysis of theoretical arguments behind the CDD approach. Evidence provided in this report comes from impact evaluations of the CDD approach.

The most recent rigorous evaluation of the CDD approach as an operational strategy was done by Wong (2012). This review was focused on 17 World Bank CDD projects in South and East Asia, Africa, Latin America, and Central Asia. It was based on evaluations that had a large enough sample size to allow for the claim of some degree of internal validity, were well-constructed, and had a control group. To enhance quality control, every impact evaluation included in the meta-analysis underwent a peer review process. As such, this study forms basis for further analysis.

Other relevant studies were also taken into consideration. Some provided more recent data on CDD operations in general (e.g. Wong and Guggenheim, 2018), others concerned single CDD projects. All studies were based on long-term, cumulative programs. It must be noted, however, that some impact evaluations of CDD projects lacked rigorous application of different counterfactuals (Bennet and D’Onforio, 2014). This results in incompleteness of the final conclusions based on the quoted evidence, as it is not fully possible to distinguish effects attributable to CDD intervention from the general dynamics in which that CDD intervention takes place. Finally, relevant information from accompanying qualitative studies were also drawn upon to inform the discussion.

3.1 Improving welfare

The main argument under the welfare outcome is that the CDD approach allows for a better matching of project resources with local needs. In this regard, the CDD approach seems to have advantage over more traditional, centralized methods. Centrally-led projects often fail to serve

true local needs, as they operate without sufficient knowledge of the local context. These insufficiencies might result in ‘white elephant projects’, with money being poured into building unused dams or irrigation systems that inadvertently exclude some communities (Wong and Guggenheim, 2018). Community groups have more knowledge about local circumstances and are better placed to identify the main needs of the local communities than any external agents.

Evidence for efficiency of the CDD approach is convincing, especially with regards to access to and use of services involving health, education, and drinking water (Wong and Guggenheim, 2018). A recent study by Casey (2018), based on synthesized findings from randomized controlled trials, found that CDD effectively delivers public goods and modest economic returns at low cost in challenging environments. Padawangi (2010) has found that the CDD approach has delivered satisfactory results in extending water supply, drainage, and sanitation coverage to the poor rural communities in Pakistan.

CDD has also been effective in improving other indicators of successful poverty reduction efforts, such as income and consumption levels. In review of the second phase of the Kecamatan Development Program in Indonesia, Voss (2008) found that this particular CDD program had a positive impact on the real per capita consumption gain among poor households. A meta-analysis of CDD programs done by Wong (2012) found that seven out of nine projects had statistically significant positive impacts on household consumption and living standards. Furthermore, Nkonya and others (2012), in a study done on the CDD project in Nigeria, found that participation in the project increased the mean income of beneficiaries by about 40–60%.

However, there are limits to what policy objectives can be achieved by community-led actions. Since the CDD approach was first introduced, it has been seen as a strategy adequate only for provision of goods and services that are small in scale and that require local cooperation, such as common pool goods (e.g., management of common pasture and surface water irrigation systems), public goods (e.g., local road maintenance), and civil goods (e.g., public advocacy and social monitoring) (Dongier et al., 2003). Although the need for basic infrastructure is still extremely large in many developing countries, CDD cannot be seen as an all-fix tool. CDD can only serve as a supplementation to market-led strategies and centralized programs, which promote structural transformation that lies well beyond communities’ purview (Wong and Guggenheim, 2018).

That said, the success of many CDD operations can in part be attributed to the fact that secondary infrastructure, national or provincial government services already existed before CDD projects were implemented. CDD was merely providing an efficient way to completing “the last mile” of bringing access to the villages (Wong and Guggenheim, 2018). By contrast, in countries such as Afghanistan, where the CDD-built infrastructure could not be linked into a larger network of infrastructure, household welfare returns were relatively lower (Beath et al., 2013).

The second argument under the welfare outcome is that the CDD approach allows for reduction in unit costs, because community control over resources incentivizes vigilance and accountability. As community groups under the CDD approach are also the end-beneficiaries of the projects, they have greater incentives to monitor the projects and make sure that money

is spent well. Although communities in CDD operations are not entirely free from the ‘principal-agent problem’, where some are allowed to make decisions on behalf of others, they have more effective tools of addressing it than the central development agencies implementing project under more traditional models (e.g. direct social pressure). Reduction in costs can also come from factoring in community contribution of labour and materials and eliminating the costs of the middleman contractors (Wong and Guggenheim, 2018). This suggests that CDD operations are more effective in community settings than traditional, centrally-managed projects.

Empirical findings seem to confirm this hypothesis. Several studies have shown that under the CDD model, infrastructure and public works are built at comparatively lower costs than other forms of service delivery, without sacrificing technical quality (Wong and Guggenheim, 2018). Studies from the Philippines, Indonesia, Nepal, Burkina Faso, and Malawi have demonstrated 15 percent to 40 percent lower costs, depending on the type of investments (Wong, 2012). Similarly, since the Northeast Brazil Rural Poverty Alleviation Program has shifted its design from a centrally administered, integrated rural development program to a more participatory one, 53 percent more of resources actually reached communities (Dongier et al., 2003). Study in South Africa showed that when community groups are responsible for all aspects of the project (design, management, and monitoring), costs per beneficiary are less than half than when community groups are not decisionmakers (Adato et al., 2001). Moreover, studies of community-organized irrigation systems in Asia, have found that systems constructed and operated by the farmers themselves generate a higher level of agricultural productivity than more modern systems constructed by government agencies with substantial external assistance (Lam, 1998).

The third argument classified under the welfare outcome is that the project outputs produced under the CDD approach are more likely to be maintained, than the development outputs delivered through non-participatory approaches, due to the greater feeling of ownership amongst beneficiaries of the CDD projects. The greater feeling of ownership is supposed to increase the value of the outputs in the eyes of the members of the community groups and enhance their willingness to protect these outputs. Although the number of long-term evaluations for large-scale, government-funded projects is too small to make any generalizations, there are several studies regarding sustainability of the CDD operations. A water supply study of 1,875 households in rural communities in six countries (Benin, Bolivia, Honduras, Indonesia, Pakistan, and Uganda) suggests that water system sustainability is significantly higher when communities control key investment decisions (Sara and Katz, 1997).

The fourth argument under the welfare outcome is that the CDD approach is more effective than non-participatory approaches in the areas of conflict, where administrative institutions are not operating effectively, as CDD projects may be less dependent on their support. In a similar way, CDD may be viewed as a way of trying to fill institutional gaps in developing countries’ governmental structures. As Pritchett and others (Pritchett et al., 2010) have argued, most developing country governments do not yet benefit from strong, well-integrated, smoothly functioning administrative institutions. Tasking these fragile institutions with administratively complex tasks will most likely lead to complications in project execution. Transferring control

over resources and decisions to community groups can potentially reduce pressure put on central agencies. Furthermore, as the basic managerial units under the CDD approach are the small-scale subprojects implemented in local communities, CDD operations are less likely to be affected by any logistics breakdown or procurement delay, which can potentially freeze centrally-managed projects (Wong and Guggenheim, 2018).

3.2 Improving social relations and cohesion

Improving social relations and cohesion is one of the two higher-level impacts that are associated with the CDD approach. The category of higher-level impacts of poverty reduction efforts refers to social, environmental and economic effects of the intervention that are longer term or broader in scope than its immediate results (OECD, 2019). Under the social relations and cohesion outcome, two interconnected sub-outcomes can be recognized: building social capital and increasing gender equality and social inclusion (Dongier et al., 2003).

Social capital is broadly defined by the World Bank as ‘the norms and networks that enable collective action’ (Wong and Guggenheim, 2018). Rather surprisingly, CDD projects have not been found to have much impact on increasing social capital (e.g. Ahmad and Abu Talib 2015). One potential reason for this is that social trust amongst communities in developing countries is already very high. Study by Casey (2017) found that 95 percent of respondents in Sierra Leone, 93 percent in the DRC, and 85 percent in Afghanistan would entrust another community member with financial transactions.

The second sub-outcome, increasing gender equality and social inclusion, is claimed to be achieved by engaging women and members of the marginalized groups in functioning of the CBOs. Usually women’s participation in community-based organizations is mandated under the programme rules as a minimum percentage of membership in the local councils as well as attendance at meetings (Dongier et al., 2003). The quality of women’s participation varies widely, but in nearly all cases reviewed, the trend is broadly positive with women’s participation in CDD operations being higher than it is in traditional councils or in sectoral community-wide programs (Wong and Guggenheim, 2018). A key problem in this regard is that village organizations are very often dominated by the local elites. A recent study by White and others (2018) revealed that the participation in the decision-making is limited to a small number of community members.

3.3 Improving governance

This brings in the next higher-level outcome of CDD operations – improving governance. The World Development Report (2003) specified two routes by which a group of citizens can hold service providers accountable. The “long route” involves electoral accountability; citizens reward governments that are responsible for service provision by re-electing them or removing them from office by voting for their opponents. The “short route” decentralizes service provisions to communities, so that frontline providers are under the direct control and management of citizens, who exercise “client power” to hold them directly accountable (Mansuri and Rao, 2012). CDD approach was viewed as a way of realizing the ‘short route’ of accountability.

Moreover, under CDD project arrangements, villagers often democratically elect their own committees and councils to prepare plans, implement projects, and oversee operations and maintenance. It is believed these arrangements may contribute to improving governance in two main respects. Firstly, it is speculated that beneficiaries' satisfaction with the participatory nature of CDD projects might create demand for more responsive institutions. Secondly, arrangements under the CDD approach might lead to increased interaction between community members and administrative institutions and, provided that these interactions bring positive outcomes, it can potentially increase communities' trust in the state. In cases such as the Philippines and Sierra Leone, there is evidence of governance improvement effects in terms of: increases in attendance in village assemblies, more households who were aware of the finances of their village local government unit, or more local government leaders who were particularly active in the planning, construction, and oversight of local public goods, leading to increased citizen confidence in their local representatives (Casey et al., 2012). However, more recent study by White and others (2018) shows that CDD programmes have little or no impact on improving governance.

Nevertheless, it is worth observing that there is an inherent tension in transferring funds directly to communities on the one hand, and relying on local governments that have the mandate and responsibility to manage public development investments on the other. This questions sustainability of any changes in terms of improving governance. Whether communities and local governments can reach an accommodation, or whether they can continue as the extreme application of subsidiarity principles is a question waiting to be answered (Wong and Guggenheim, 2018).

4. Principles for agencies in direct partnership with community-based organizations in Tanzanian context

Principles of successful CDD operations can generally be divided into two categories, with respect to two operational levels of CDD programs. The first category of principles is concerned with the direct partnership between development agencies and CBOs. This set of principles refers to agents that cooperate with CBOs directly and are responsible for maintaining and developing that relationship. These are mostly agents that serve as a project's facilitators, but can also include central institutions working directly with the communities. This partnership is the centre point of any CDD project. The second category of principles is concerned with institutional arrangements that constitute a project's wider environment. They are directed at policy-makers who are responsible for developing and introducing decentralization policy at a national scale. The second category of principles refers to creating an enabling environment for CDD operations and coordinating their implementation. This category becomes more relevant, as there is a trend of national scaling-up of the CDD approach and governments are starting to contribute more resources to CDD operations (Wong and Guggenheim, 2018). This report is concerned with the first category of principles. People are at the centre of the CDD approach and community level engagement is the starting point for ensuring governance and

accountability. Based on the evaluation of theoretical arguments behind the CDD approach, three key principles were identified with particular reference to the Tanzanian context.

4.1 Recognizing CDD's relevance and operating within the decentralization framework

Evaluation of CDD reveals that it is important to recognize CDD limitations and the role it should play in relation to all possible strategies used in poverty reduction efforts. CDD itself is not an all-fix tool, but can effectively serve as a supplementation to market-led and state-led strategies. Of course, successful operation of CDD projects depends on a number of external factors that shape institutional environment in which the project is embedded. CDD operations are most likely to achieve their higher-level objectives of empowering local communities in a decentralized framework. It is very important, however, to recognize CDD's role among other strategies as an effective and efficient approach of delivering tertiary infrastructure and services to local communities. Evidence from evaluated programs is especially strong regarding access and use of services in the areas of sanitation and drinking water. In reviewing community proposals for sub-projects, agencies working directly with the communities should take that into account. Moreover, where CDD operations are embedded in a wider decentralization framework, rules set out by policymakers should be strictly followed to avoid duplication of efforts and to ensure that community projects can be integrated into higher-level infrastructural systems.

In recent decades, Tanzania has undergone enormous political, social and economic changes that are highly relevant in terms of designing CDD interventions. Tanzania has moved from being a centrally-planned, one-party socialist state to a modern, multi-party democracy with an open, liberal economy. From the 1990s, the Government embarked on an ambitious reform agenda intended to improve and strengthen governance in the country (Tidemand and Msami, 2008).

Reforms are primarily intended to improve local governance and service delivery, both of which are seen as critical to achieving Tanzania's poverty reduction targets. The country is divided into 30 regions, which are further divided into districts. Each district is governed by a council. In total, local authorities are composed of 118 rural councils and 42 urban councils. All councillors are democratically elected and council elections are held every five years (OECD, 2016). The evaluation of the reform has produced mixed results. Some studies indicate that citizens agree that local government reforms have helped to improve service delivery (Tidemand and Msami, 2008). Nevertheless, central appointees still have large powers at the local level. Centrally-funded mandates—such as constructing secondary schools—dominate local government plans. Central control over administrative functions has ensured that true administrative decentralization was not achieved (Yilmaz, 2010).

Following general trends, CDD projects in Tanzania are being institutionalised by the government and incorporated into the decentralization policy framework. CDD projects are facilitated via local government structures and technical support from the sectors. CDD programs usually involve local government management, while retaining community engagement in planning, oversight, and in some cases co-production. The main program

incorporating CDD principles run by the Tanzanian government is the Tanzanian Social Action Fund (TSAF). TSAF empowers communities to access opportunities so that they can request, implement, and monitor sub projects that contribute to improve livelihoods linked to targets in the Tanzania Poverty Reduction Strategy (PRS).

The first phase of the program, TSAF I (1999-2004), was characterized by direct partnership between central agencies and local community groups. Significant power over planning decisions and resources was delegated to CBOs. The second phase of the program, TSAF II (2005-2013), deepened and complemented efforts to consolidate decentralization, by developing relationship between community groups and local authorities. There was a clear division of labour between TSAF and the Local Government Support Project. TSAF supported interactions at the sub-district level and bottom-up relations with the district. Meanwhile, the Local Government Support Project supported central government's relations with the districts.

In 2102, the TSAF entered into its third phase. The objective of TSAF III is “to enable poor households to increase incomes and opportunities while improving consumption” (TSAF, 2020). TSAF III targets people living under the basic needs poverty line, currently constituting 33.6% of the population. TSAF III operates nationally, covering all local government authorities on the mainland as well as Unguja and Pemba islands in Zanzibar. There are several components of the program, but all operations under the TSAF III are demand-driven, follow a bottom up planning and decision-making approach, and finance beneficiaries and community-initiated projects directly (TSAF, 2020). Communities are expected to implement sub projects that are small in size and in specific sites chosen by them. Implementation of TSAF requires compliance with relevant guidelines imposed by the government. Involuntary resettlement, relocation issues, and other matters should be resolved before a sub project is approved. This can significantly limit the engagement of the poorest Tanzanian citizens who live in informal settlements and oftentimes do not meet these requirements.

Considering institutional environment, community-led development initiatives can potentially benefit from fitting into the already well-developed decentralization framework in Tanzania. Outside agents might be well placed to perform facilitating functions. However, under the current system, central government still holds power to overrule decisions made by local authorities, mainly by significantly limiting their fiscal autonomy.

4.2 Ensuring social and gender inclusion in CBOs

Evaluation of CDD's higher-level impacts revealed that CDD operations often fail to promote social inclusion and women's participation in CBOs. The evidences suggest that CBOs are very often captured by local elites. Fritzen (2007) found that the community boards in Indonesian CDD project were largely dominated by elite status individuals, and that the proportion of relatively poor residents within communities was very small. Only 5 percent of board members overall were classified as 'poor' or 'very poor'. Casey and others (2012), studying CDD projects

in Sierra Leona, found no long-term positive effects on involvement of marginalized groups. It is therefore highly important that this issue is addressed through project design.

Considering the experience of introducing CDD projects in Tanzania, Baird et al. (2009) examined the targeting issue for the TSAF II. As with other social fund programs, they found that the centralized funding allocation to districts was pro-poor. However, the within-district targeting was at best neutral, making overall targeting performance for the program unsatisfactory. The authors also found that districts with higher civic participation (in terms of voter registration and turnout) benefited much more from the projects. Furthermore, the internal process of application for funds within districts generated an initial pool of projects that was strongly regressive. While beneficiary households were slightly poorer than the average eligible household, they were also much more likely to be civically and politically active, as well as related to the village leaders. These results point to the importance of widespread access to program information. Especially those who are poorly educated are likely to have less program awareness and have a more difficult time navigating the application process.

Similar patterns of community engagement were observed by Cleaver and Toner (2006) after studying the Uchira Water User Association (UWUA). UWUA manages water supply in Uchira Village in Kilimanjaro, using a rehabilitated pipe system, an office financed by an outside donor, and the labour and contributions of the villagers. With time, UWUA has developed into a professional organization. Although the UWUA is described as a community-owned institution, professional staff run its day-to-day operations. Community ownership of the UWUA is formalized through membership of the association. Although certain quotas are put in place to ensure broad-based community ownership (e.g. a requirement of a 50:50 gender balance among representatives), to become a full member, a person has to pay a yearly membership fee of TZS 1000 (US\$1) for the first year and TZS 200 per year thereafter (Cleaver and Toner, 2006). Only full members are entitled to vote in the UWUA elections and to attend board meetings. This led to a clear pattern of community engagement, with relatively wealthier and already more politically-engaged villagers dominating UWUA structures. This contributed to the perception of UWUA as an institution dominated by the elites, with only a minority of water users actually joining the UWUA as members. In accordance with previous findings, this suggests that although community-driven approach to water management can be highly efficient, it might fail to promote social cohesion.

Although elite dominance of CBOs is still common, measures of democratic selection and project design parameters were found to help mitigate against it (Fritzen, 2007). General guideline for building social inclusion include: introducing levels of minimum percentage of membership in local councils as well as attendance at meetings for members of marginalized groups, running democratic elections of group leaders, and engaging more stakeholders in monitoring and evaluation. And although it is preferred for development agencies to work with already existing CBOs, social tensions in the community might make it more beneficial to form new CBOs to avoid social exclusion.

4.3 Investing in capacity building of CBOs

Project facilitators who assist formation of CBOs and provide community groups with needed technical support play a crucial role in CDD operations. Experience has shown that those CBOs with clear lines of responsibility, open decision-making processes, and direct accountability to the community improve service provision, make more effective use of resources, and are more sustainable (Ostrom et al., 1993). It is often the role of facilitators to promote these arrangements. Additionally, because CBOs rely on volunteer efforts, which can lack continuity, an important component of any capacity-building activity is to institutionalize the leadership function in CBOs (Wong and Guggenheim, 2018). Moreover, agencies working directly with CBOs should encourage flows of information among all groups in a community. The lack of information is often the most significant limitation on CBOs' capacity to play a part in the development enterprise (Krishna, 2000). Khang and Moe (2008) linked the need of knowledge transfer to the beneficiaries as a priority during each stage of the project. Furthermore, capacity building of CBOs through technical support, including teaching accounting and managerial skills required for decision-making and implementation of activities, might contribute to a project's long term sustainability. The support provided by projects' facilitators is also highly appreciated by community groups themselves. A study by Yalagama and others (2016) found that technical assistance from an external agent, as well as monitoring implementation and expenditure of CBOs was viewed by project beneficiaries as one of the main critical success factors (CSFs). This support offered to community groups by external agents is also crucial for creating exit opportunities and ensuring project's sustainability.

5. Conclusion

Evaluation of the CDD approach based on comparing empirical findings with theoretical arguments underlying reasoning of those supporting this approach yields mixed results. In terms of welfare outcomes, the evaluation confirms that CDD, as an operational strategy, is effective and efficient at delivering tertiary infrastructure and local-level services. It is important however, to recognize CDD's limitations in this regard and acknowledge the interlinkages between CDD and other types of strategies for poverty reduction efforts. As Wong and Guggenheim (2018) pointed out, the main insight from evaluations of the CDD projects is not that it should replace more traditional, centrally-managed projects, but that it can be effectively applied to supplement them. As for the higher-level impacts of CDD interventions, there is some positive evidence on the promotion of social inclusion, but capture of community groups by local elites still remains an issue. Development agencies working directly with communities should actively address the problem of elite capture through introducing relevant quotas, promoting democratic election of group leaders and supporting formalization of community groups' structure (Fritzen, 2007). These steps, combined with technical assistance to CBOs, should contribute to overall sustainability of the projects. As for governance outcomes, little evidence is available and due to potential inconsistencies of the CDD approach with the devolution framework, any progress in this area might not be sustainable. Lastly, given recent trends of institutionalization of CDD approaches and national scaling-up of participatory projects, issues related to creating an enabling institutional environment for CDD operations gain in significance.

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