

EVALUATION SYNTHESIS ON IFAD'S SUPPORT TO COMMUNITY-DRIVEN DEVELOPMENT EXECUTIVE SUMMARY



Independent Office of Evaluation

# INTRODUCTION

- Objectives and scope. The objectives of this evaluation synthesis report on community-driven development (CDD) are to: (i) consolidate the available evidence on achievements and challenges of CDD-related operations in the International Fund for Agricultural Development (IFAD); (ii) identify good practices and review their relevance for future IFAD operations; and (ii) draw general lessons that are relevant in the context of the Agenda 2030. The synthesis covers the period for which evaluations of CDD projects are available, which is from 1982 to 2018.
- Rationale. IFAD has a long history of CDD projects. The total investment in CDDrelated operations (those that include CDD components or CDD-related elements) was 20 per cent (US\$9.5 billion) of total approved amounts from 1978 until 2018. Investments in CDD rose consistently throughout the 1990s and declined after a peak in 2001.
- 3. CDD is an important pathway to empower the poor. Empowerment is recognized as having an intrinsic value, embedded in a goal of the Agenda 2030 (Sustainable Development Goal [SDG] 16) and included as a principle of engagement in IFAD's Strategic Framework (2016-2025). CDD also supports improved local governance, which is critical for agricultural growth (see World Development Report 2008). Finally, CDD is recognized as an efficient way of delivering public goods (see the World Development Report 2017), and the provision of public goods is still an integral part of IFAD's operations.
- 4. Learning from regional experiences. Within IFAD, the Asia and Pacific Division (APR) had the highest number of projects approved (279, equivalent to 28 per cent of APR projects) and the largest share of funding allocated to CDD projects (23 per cent of total APR funding). The Western and Central Africa Division (WCA)

had the second-largest number of CDD projects approved (236, equivalent to 23 per cent of WCA projects). The Latin America and the Caribbean Division (LAC) had the second-largest share of funding (21 per cent of total LAC funding) allocated to CDD projects.

- The regional divisions have played a key 5. role in the learning on CDD within IFAD. In the 2000s. WCA conducted various internal studies and debates and held three key events on CDD, drawing on the accumulated expertise of operational staff from across the region. The lessons drawn from these events and studies informed the preparation of the CDD decision tools in 2009. Studies of CDD were also conducted for Peru (2004) and India (2006). The commitment from regional directors and the attention given to divisional learning were important factors contributing to the consistently high performance of CDD projects in WCA. LAC and APR found by this synthesis.
- 6. Methodology. This synthesis looks at CDD as a form of community-based development in which communities also have direct control over key project decisions by managing community development funds (CDFs). It used a range of evaluation products to identify those projects where communities had been fully in control of the planning and implementation (termed

"full CDD projects"), including a CDF, and to analyse reasons for performance.

As a first step, the synthesis reviewed the 7. total number of projects approved since 1978 (1.098 projects) and identified 243 projects with CDD elements, such as having a CDF as a financing mechanism or a specific focus on community empowerment as a project objective. Within this group of 243 CDD-related projects, 132 projects had been evaluated by the Independent Office of Evaluation of IFAD (IOE) and therefore performance ratings were available for quantitative analysis. Out of these 132 projects, the synthesis selected a representative sample of 28 projects for in-depth review. Through qualitative review, the synthesis further identified 13 projects in which communities participated throughout the project cycle and were in control of a CDF. The synthesis identified 19 projects with unsatisfactory ratings on effectiveness and efficiency for the outlier analysis. In addition, the synthesis used country programme evaluations to cover countries with significant CDD initiatives, such as Bangladesh, India, Mali and Yemen.

## FINDINGS

- Effectiveness of CDD projects. Within the IOE evaluated portfolio (347 projects), the share of CDD-related projects with satisfactory ratings is 78 per cent, compared to 72 per cent for non-CDD projects. The difference in performance becomes even more obvious when looking at the regions. LAC and WCA performed significantly better in CDD projects than non-CDD projects (85 per cent satisfactory in CDD versus 64 per cent in non-CDD in LAC; 74 per cent versus 49 per cent in WCA).
- 9. The review of 19 outlier projects with unsatisfactory ratings for effectiveness shows as common problems the insufficient capacity-building or empowerment of community organizations. This includes insufficient training on participatory approaches and attention to institutional sustainability, insufficient links with local government, or allocations to community development funds that were too small to have a major impact. In some cases, the

implementing government partners showed little commitment.

- 10. **CDD results.** The qualitative review of the results in the sample of 28 CDD-related projects evaluated shows that overall, the CDD-related projects contributed more to social, physical and human capital. In addition the relative importance of these assets depends on the level of participation.
- 11. The extent to which social capital was built into CDD projects depended on the extent to which the participatory approach was applied across objectives and components. Participatory community development planning and capacity-building strengthened the interaction between communities and local governments, and enabled the poor to participate in making decisions about their own development. Capacity-building of social mobilizers was important but generally less effective, because of the limited time and budget and the often voluntary nature of their role.

- 12. The social infrastructure and services provided by CDD projects – such as health facilities, schools and drinking water supply systems – contributed to improving health and school enrolment rates, and reducing drudgery. Functional literacy for adults strengthened individual skills and self-esteem. The training and capacitybuilding efforts improved rural people's technical skills for agricultural production, income-generating activities and business development.
- 13. A wide range of social and productive infrastructure investments contributed to physical capital effectively. The effectiveness of investments in sanitation facilities, demonstration units, kitchen gardening and small livestock distribution was generally underreported in evaluations.
- 14. Studies on CDD projects unanimously confirm that the main poverty benefits are derived from the larger quantities of basic development infrastructure built at lesser cost and at greater speed than would occur using more traditional routes. The projects have increased the access of remote communities to basic infrastructure and services, such as schools and health centres. IOE evaluations of CDD projects have reached similar findings, although with evidence of varying quality.

15. CDD in countries with fragile situations.

The review of IOE performance ratings shows that CDD-related projects have performed better that non-CDD projects in fragile countries. Satisfactory ratings on effectiveness were 63 per cent for CDD projects, compared to 46 per cent for non-CDD projects. On sustainability, CDD-related projects achieved 55 per cent satisfactory ratings, while non-CDD projects achieved 40 per cent.

- 16. Fragile situations are often characterized by lack of trust between communities, low implementation capacity, and weak governance structures. CDD is believed to be well suited to building social capital and empowering communities in these contexts. For example, the Sudan Country Programme Evaluations (2008) considered the Western Sudan Resources Management Programme as part of a conflict resolution strategy in the country. It included the full involvement of the nomadic tribes and agropastoral communities in demarcating and managing the major stock routes.
- 17. **Efficiency of CDD projects.** IOE performance ratings on efficiency (for 347 projects) show that the 132 CDD-related projects performed on par with the 215 non-CDD projects. CDD projects have on average longer durations and a higher number of supervision and implementation support missions, but a lower effectiveness lag than non-CDD projects.

- 18. CDD projects usually take longer to implement because they involve extensive capacity-building and consultation. An important lesson from CDD implementation is that longer project durations (or follow-on phases) are needed to learn from mistakes, adjust operational processes and improve performance.
- 19. A particular challenge for CDD projects was setting up processes for decentralized project management and implementation, which often resulted in disbursement delays. Lengthy approval processes from governments, delays in the withdrawal of cofinanciers' funds, timedemanding processes for applications, inadequate monitoring and evaluation systems and weak financial management contributed to delays. In many cases, however, disbursements picked up after internal processes were adjusted during implementation.
- 20. Lengthy approval processes on the side of governments were cited as the main factors causing delays in a number of projects, often due to the novelty of the decentralized management modality. In a similar vein, the provision of sufficient numbers of qualified staff to manage projects at local levels, and retaining staff in remote locations, was a particular challenge for CDD. The costs for implementing activities over longer

periods and in remote locations were often high compared to non-CDD projects. Furthermore, the demand-led nature of CDD projects made it challenging to adhere to the allocated budget lines.

- 21. Efficiency of infrastructure. The costeffectiveness of infrastructure built in CDD projects has been broadly confirmed, although only in a very few cases do IOE project evaluations provide data to confirm this finding. In the Ethiopia Pastoral Community Development Project, construction costs compared favourably with those of similar NGO-led initiatives because communities participated in procurement and supervision. More generally, CDD projects usually involved the use of community labour, local materials and direct contracting of local artisans. The India Country Programme Evaluations (2010) found that community-led construction projects showed similar quality and timeliness, but at a much lower cost than those carried out by formal service providers and contractors.
- 22. **Community contributions**, especially in the form of labour and local construction materials, were the main reason for the higher efficiency of social and community infrastructure in CDD projects. While the requirement for community contributions is useful to develop a sense of ownership,

it needs to be limited to a level that all community members can attain; otherwise, the more disadvantaged groups might not be able to participate. A high financial contribution, typically between 20 and 30 per cent, reportedly restricted access by the poorest in several cases.

- 23. Targeting. Overall, CDD projects adequately targeted regions, districts and communities with high numbers or proportions of rural poor people, on par with most IFAD-supported projects. Only in a few cases, the evaluations found that the project had not been sufficiently focused on the poorer communities. Evaluations found that sometimes the projects covered too wide an area to allow for an effective implementation of the CDD approach. This minimized the extent of investment in any one community, stretched project staff and diluted the impact and sustainability of benefits. The expansion of target areas during implementation was shown to improve financial execution rates, but this came at the cost of consolidating CDD investments in initial areas, as well as of the quality of support for CDD in new areas. Furthermore, remoteness and spread-out project areas were sometimes noted as an additional challenge for project staff, who had to provide significant amounts of support and facilitation.
- 24. A common assumption in the early CDD projects was that communities would be capable of establishing inclusive decisionmaking processes that would be able to identify and target the poorer and more disadvantaged groups within the community. However, "unfettered" CDD leaves the bottom-up planning process to whatever systems are already in place, without trying to alter them. Elite capture, on the other hand, is generally flagged as a risk in CDD projects, but was somewhat underreported in the IOE evaluations. The majority of the CDD projects reviewed by this synthesis successfully targeted the rural poor through the principal activities of participatory planning, skills training, group formation and strengthening, public competitions, and social and productive infrastructure investments. However, where investments focused on one sector or a restricted menu of options only, even socially inclusive participatory planning did not guarantee that poorer community members would benefit.

### 25. Engagement with indigenous peoples.

IFAD's Policy on Engagement with Indigenous Peoples (2009) refers to CDD as a fundamental principle of this engagement. The evaluations broadly confirm that CDD projects have valued indigenous culture and knowledge as engines of change and development. In Peru, the CDD project introduced local innovations, ranging from the methodological approach to administration and management. In the Philippines, the CDD programme complemented the Department of Education's curriculum and integrated cultural customs and practices into basic teaching by calling on traditional elders to teach. Twenty schools of indigenous knowledge, arts and traditions were established in indigenous peoples' areas.

- 26. Evaluations highlight the capacity of implementers to interact with indigenous peoples as a crucial factor. The series of IFAD-supported projects in tribal areas in India built the capacity of initially scarce and weak NGOs, which went on to become important implementers of the CDD projects. In Peru, having financial facilitators, area managers and technical assistance professionals who spoke Quechua or Aymara enabled the economic and productive empowerment of women from predominantly indigenous peoples' communities.
- 27. Gender equality and women's empowerment. IOE performance ratings (for 347 projects) show that CDD projects performed better than non-CDD projects in promoting gender equality and women's empowerment.

- 28. Evaluations found that the CDD projects reviewed primarily contributed to women's economic empowerment. Through improved access to rural financial services and business support services, the women were able to generate income from individual activities or group enterprises and demonstrate their capacity to contribute financially to the family and the community.
- 29. CDD projects that strengthened community institutions and specifically promoted women's leadership increased women's voice and influence in decision-making. There is widespread evidence of many women participating as members in savings and credit groups, self-help groups and group business ventures, as well as in community-level decision-making bodies. Importantly, there is also reasonable evidence of the strength of their voice and influence in these rural institutions through the increased leadership positions that women held.
- 30. Evaluations indicate that overall, women have greater influence in decision-making. In northern Nigeria, women participated in high numbers in the creation of the ground-breaking Community Development Association, where they were participants in development activities for the first time. However, their decision-making opportunities were restricted to women's

associations. The evaluation concludes that debating and assigning community needs can still relegate women to passive participants if the CDD approach does not reverse the traditional gender roles in such contexts.

- 31. **Food security.** In principle, CDD supports food sovereignty because it empowers communities to decide what to produce and consume. Evaluations show that most CDD projects had a positive impact on food security. This often resulted from demanddriven investments in irrigation systems and other infrastructure to improve livestock and fisheries production, coupled with technical skills training for farmers. The demanddriven nature of CDD projects meant that investments were often multisectoral, contributing in turn to improved food security and nutrition.
- 32. Improved access to social and productive infrastructure and services also reduced the time and effort women spent on laborious tasks. This matters because reduced physical exertion means that women's nutrient requirements were not increased through unnecessary labour. This is particularly beneficial for maternal nutrition in poor rural areas, where pregnant and breastfeeding women already struggle to meet the higher nutrient requirements that their condition demands.

33. Natural resources management (NRM).

IOE performance ratings do not indicate any difference between CDD-related and non-CDD-related operations. The main reason seems to be that while CDD is effective in resolving intra-community issues related to NRM, it needs to be integrated into a wider (inter-community) approach to effectively address conflicts on natural resource use and set up broader governance structure, e.g. at the level of watersheds.

- 34. A risk of relying on demand-responsive CDFs to finance NRM activities is that the communities may prioritize other types of investments. Although the protection and improved management of natural resources provides long-term and collective benefits, communities may prefer shorter-term economic benefits.
- 35. Evaluations show that the impact of CDD projects on NRM was most positive at farm level and, to a lesser extent, at community level. While these impacts were important, they were not always sufficient to facilitate sustainable NRM. Indeed, another limitation of NRM investments through CDD projects is that larger-scale investments beyond community boundaries can be restricted. Unless CDFs are structured and designed to facilitate NRM investments at the more encompassing territorial or watershed level, they can limit investments to those

at the farm or community level. This can happen, for example, when: budget ceilings are rigidly enforced; funds are restricted to use within communities; proposals and expenditure must fit into annual planning cycles; and there is a lack of involvement from key partners such as the local government.

- 36. Impact on governance. Decentralized governance contexts often created demand for CDD, but the link between the two approaches was neither obvious nor straightforward. CDD projects contributed to governments' decentralization efforts where they were embedded in established and sustainable local government structures. CDD projects operating outside of government structures had little to no direct impact on local governance.
- 37. In a number of cases, CDD projects contributed to policy dialogue, leading to meaningful outcomes at the national or local level. In Peru, the multi-stakeholder committees that facilitated the allocation of resources among families and businesses were incorporated into government policy. In 2016, the Ministry of Agriculture and Irrigation officially institutionalized the committee in the Law for the Promotion and Development of Family Farming. In Viet Nam, the CDD project directly contributed to the formulation of guidelines

for a Government programme to support socio-economic development of the most vulnerable communes in ethnic minorities and mountainous areas in Viet Nam.

- 38. In other cases, the successful implementation of CDD projects led to the scaling up of the approach at local, national or regional level by the public sector, civil society or other development agencies. In Brazil, the CDD project reportedly became a reference and example for other interventions in the Northeast reagion. Moreover, the project strategy was used as a reference for the design of the territorial development policy in 2003. In Nigeria, the successful results of the project led to an increasing flow of government resources into the programme and the adoption of the CDD approach in target local government areas, as well as more widely across the states.
- 39. Sustainability of CDD projects. The IOE performance ratings (for 347 evaluated projects) on sustainability show that CDD projects achieved more satisfactory ratings than non-CDD projects (62 per cent versus 55 per cent). LAC has the highest percentage of positive ratings for CDD projects (70 per cent).
- Community ownership helped to ensure the sustainability of natural resources and the physical assets built, but the long-term

sustainability also depended on government support. Adequate local government funding and strong linkages with local government decision-making processes strengthened community efforts to sustain infrastructure investments. Insufficient government budget allocations to pay for equipment, utility services and staff housing sometimes reduced the sustainability of schools and health centres.

 Evaluations show that the sustainability of the rural institutions created and/ or strengthened in CDD projects was highly mixed. The sustainability of multistakeholder committees and apex organizations was uncertain in all projects reviewed. Arguably, there is insufficient time to develop these types of institutions within a project's life cycle. The sustainability of community-based organizations was highly mixed, as was the sustainability of community relationships and linkages with the governments or other partners. The results therefore suggest that, despite evidence of the building of social capital, CDD on its own does not necessarily create favourable conditions that improve the sustainability of rural institutions and community-government relationships.

# CONCLUSIONS

42. CDFs as a key mechanism to empower communities worked well in the context of IFAD's operations, for a number of reasons. Reasons for successful CDD operations included: high investments in capacity building; favourable social, cultural and political contexts; and awareness of and commitment to CDD among implementing partners. In addition, the synthesis has identified five key factors on IFAD's side that made CDD operations perform well. The first factor was whether they were "full" CDD operations, meaning that the CDD approach was integrated into all parts of the projects and included a CDF. Within the qualitative sample reviewed, the full CDD projects performed better across all criteria, but in particular with regard to social capital. The second factor was how the creation and management of a CDF were adapted to the social and political context. CDFs that were fully decentralized to communities performed well where there were strong community structures in

place. CDFs that were insufficiently linked with local government structures often encountered sustainability issues at later stages. Institutional set-ups that involved apexes or other stakeholder structures had a mixed performance, in particular where capacities were weak and follow-up funding from the government was not forthcoming. The third factor was that in remote and marginalized areas, which are those typically targeted by IFAD, local governments have weak capacities to provide public services; therefore, community-based initiatives were often more effective. The fourth factor was the depth of engagement. All IOE evaluations reviewed unanimously pointed out the importance of **having sufficient** time, and resources, for meaningful engagement at local levels. Results were better for projects that followed a programmatic approach or had longer durations planned from the beginning. The fifth factor was IFAD's commitment to and level of involvement in CDD. The

commitment of individual IFAD staff who truly believed in CDD and did their utmost to promote it seems to have made a difference (for example, in the loan portfolio of Peru).

43. The roll-out of CDD throughout IFAD was too hasty and insufficiently supported by evidence and learning. The synthesis distinguished between three main phases in the roll-out of CDD. During the early "pioneering" phase. IFAD took a more experimental approach, introducing CDD in marginalized and underserved areas. After some encouraging results. CDD was rolled out throughout the portfolio after 1998 and soon became the "signature approach" for IFAD. However the massive roll-out was plagued by two major problems which resulted in a very mixed performance of CDD-related projects. First, there was insufficient learning on what works, where and why, meaning that CDD was often applied as a standard approach regardless of the social, cultural and political context in many countries. Some regional divisions in particular WCA, LAC (more specifically. Peru) and APR (especifically India) - made attempts to study the performance of CDD and draw operational lessons, mainly to address problems of low efficiency and social exclusion. The second major issue was the limited clarity on and overuse of the CDF instrument, already pointed out by some earlier IFAD studies (see Perrett,

2003). The synthesis confirmed that grant and credit funds were often used simultaneously and without a clear purpose or considerations of sustainability in place.

- 44. Although CDD performance improved over time, IFAD has lost focus on its comparative advantage in CDD. After IFAD's corporate priorities pivoted to focus more on agricultural productivity and value chains (since 2007), there was a remarkable reduction in the number of CDD projects. CDD continued to thrive in some contexts where there was demand from governments. Furthermore, CDD has shown to be an effective approach in fragile situations. However, at corporate level. although CDD found its way into some strategies and policies (e.g. on indigenous peoples, targeting), there was insufficient clarity on how IFAD would pursue its comparative advantage in CDD. The discourse moved along various directions. blurring the principles (and strengths) of the CDD approach.
- 45. **CDD remains a relevant approach for IFAD**. The synthesis concludes that CDD remains relevant for IFAD for a number of reasons. CDD as a form of people-centred and locally owned development has the potential to address mainstreaming issues that are at the core of IFAD's mandate, in particular farmers' group formation and

strengthening, gender equality and women's empowerment, food security and nutrition, and Natural Resources Management and adaptation to climate change. Furthermore, the CDD principle of local ownership is critical for improving IFAD's performance on sustainability, particularly in fragile situations. Finally, CDD can make a major contribution to developing effective, accountable and transparent institutions and can ensure responsive, inclusive and participatory decision-making at all levels (as envisaged by SDG 16). This, however, would require IFAD to be more systematic in integrating governance-related issues beyond the community level in its operations.

### India

Meghalaya, Livelihoods Improvement Project in the Himalayas, 2007

Participatory Rural Appraisal in South Garo Hills.

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## RECOMMENDATIONS

- 46. The overall recommendation is that IFAD should continue to support CDD. However, it should also address some of its shortcomings, through the following specific recommendations:
- 47. Recommendation 1. IFAD needs to build on its comparative advantage and retake corporate ownership of CDD by making it visible throughout its strategies and institutional functions.

There are good reasons for IFAD to continue supporting CDD, which has proven to perform well in many situations and is highly relevant in the context of the SDGs and for IFAD's mainstreaming themes. The role of CDD as a distinct approach should be clearly recognized within IFAD's corporate strategies and as part of a broader approach to mainstreaming citizens' engagement in IFAD's operations. At the same time, the distinct set of knowledge and skills required to support CDD should be recognized and integrated institutionally, be it through focal points, help desks or communities of practice. CDD requires ongoing learning from practice, and this has to be done at all levels of the Fund.

48. Recommendation 2. The expectations on CDD results must be matched with appropriate levels of resources at

design. CDD is expected to deliver a broad range of benefits and impacts under often very difficult circumstances. While CDD has been shown to deliver short-term benefits such as improved access to infrastructure and services even in fragile situations, longer-term results such as sustainable institutions and enhanced governance mechanisms require substantial levels of engagement over time. There are tradeoffs between the strengths of CDD with regard to effectiveness and sustainability and its weaknesses in terms of the time and costs required (efficiency); these trade-offs need to be taken into consideration at the point of design. Where IFAD aims to build

sustainable capacities and ownership at community level, it needs to engage with a longer-term perspective. The programmatic approach lends itself to this type of engagement.

49. Recommendation 3. Integrate CDDfriendly funding instruments, such as flexible funding mechanisms and CDFs, into IFAD's range of financial instruments under IFAD 2.0. The broader financial instruments envisaged under IFAD 2.0 provide opportunities to adopt appropriate decentralized and flexible funding instruments that are supportive of the CDD approach. The lessons learned from the flexible funding mechanism and CDFs, which are summarized in this report, should inform the development of these instruments. For CDFs, there needs to be a clear distinction between funds that support agricultural productivity and business development, and funds that provide basic infrastructure and services. In the first case, the funds would be provided through credit or matching grants which need to be part of a wider strategy to develop inclusive financial services. In the second case, funds would be operated by communities, but linked with local government to ensure follow-up maintenance and funding. The design and (sustainable) use of CDFs should be clearly described within the IFAD 2.0.

### Abbreviations and acronyms

CDD	community based development
CDF	community development fund
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean Division (IFAD)
WCA	West and Central Africa Division (IFAD)

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Cover photo Women in Gaiwa, Katsina State, Nigeria (Community-based Agricultural and Rural Development Project)

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