Module 1.3: Implementation Arrangements

Topic 1. Appraisal, Selection, and Implementation of Sub-projects

Once communities identify and prioritize community needs, develop a sub-project proposal, and select it for funding, the project design should have an internal and external system for checking the sub-project proposal’s compliance with the agreed rules, norms and objectives of the overall project.

Community Management

Community management is a process whereby services, local development activities, or natural resources are managed by communities, who are represented through community-based organizations (CBOs, e.g. associations, cooperatives, user management committees, etc.), comprised primarily of community members.

Community management is used to:

- Allow communities to have a direct stake in a local project as they are actively involved in the processes of planning, decision making, and managing development activities
- Improve operations, the maintenance of assets, and sustainable development activities
- Empower communities by promoting greater participation and a sense of ownership by local people

Community management can take several forms. These include, but are not limited to:

- **Public Goods:** For local public goods (e.g. health clinics, schools, water supply, electricity), communities are involved in their initiation, implementation, and management with assistance from—or in partnership with—outside agents (e.g. funding agencies, local governments or NGOs).
- **Community-Owned Goods or Services:** In some cases, such as in local development projects that support income generation or livelihood activities, communities own goods or services through the formation of self-help or cooperative groups. This allows them to achieve economies of scale and to reach markets in order to get better prices.
- **Natural Resource Management:** In this context, communities are responsible for managing natural resources (e.g. water, forests, land, biodiversity) within a designated area. Communities (often assisted and monitored by outside technical specialists), utilize and
protect natural resources within established guidelines or according to a detailed, mutually agreed plan.

In addition, the advantages of community management include, but are not limited to the opportunities to:

- Build local capacity, ensuring greater participation and ownership by local communities and individuals.
- Improve decision-making skills of community members involved in project management.
- Be applied widely in both rural and in urban contexts (e.g. farmers associations, education cooperatives, water user associations, natural resource management projects).
- Empower citizens’ involvement in the management of local public goods such as water supply, sanitation, forests, roads, schools, and health clinics.

However, there are also notable challenges. These include but are not limited to:

- Risk of elite capture by special interest groups
- Risk of exclusion from community-based organizations of the poorest and other marginalized sub-populations
- Conflict over natural resources, since natural resources can be the basis of production and wealth

Devolving control to community groups can lead to conflicts between local or traditional authorities and communities as roles and responsibilities change. Without adequate traditional or formal mechanisms for conflict prevention, management, and resolution, conflicts among different interest groups can often result in inequitable sharing of economic benefits and unsustainable practices in the use of natural resources.

**BOX 1**
Snapshot on Planning for Community-Level Management

**Step 1:** Assess and understand the community structure, power relations, and priorities for development using available sources, or commissioning additional research as needed.

**Step 2:** Mobilize the community. Identify and nominate core leaders in the community and discuss with community the need for cooperative or community-based organization.

**Step 3:** Develop an organizational structure for the community-based organization in consultation with stakeholders and government, and a corresponding action plan. Provide training to community members to equip them with the range of functional, entrepreneurial, administrative, technical and social skills needed to manage their groups and investments, develop their products, participate in planning, monitoring and decision-making forums, etc.

**Step 4** Implement the project using the procedures in the community developed handbook.
**CASE STUDY 1**  
**Sri Lanka—Community Led Implementation in the Second Community Development and Livelihood Improvement Project**

| What | In Sri Lanka’s [Second Community Development and Livelihood Improvement Project](#), the systematic and step-by-step implementation of small and medium-sized intra-village infrastructure sub-projects are led by communities through transparent processes. |
| Why | The goal is to empower communities to plan and implement projects, be involved in the procurement process, and maintain the quality of the work. |
| How | Community-led infrastructure development is considered a sub-project of the overall project.  
**Step 1: Participatory problem identification and prioritization.** The community uses a transparent set of criteria to prioritize and allocate resources to sub-projects for ownership. The community also agrees on costs, community contributions, fund management, and record-keeping arrangements.  
**Step 2: Committee Creation.** The community creates a sub-project committee primarily responsible for planning and overseeing implementation, including maintenance, with complete transparency. In collaboration with the procurement committee of the village organization, all materials, services, and machinery required for implementation are procured by the sub-project committee.  
**Step 3: Payment and Recordkeeping.** As the sub-project progresses, and with the help of the finance commission of the village organization, the sub-project committee receives funds and makes all payments. Books of accounts and all other records are responsibly maintained by the sub-project committee. The sub-project committee oversees project implementation, and is converted to an operational maintenance committee once implementation is complete.  
**Step 4: Communication and Accountability.** Complete information about the sub-project, including financials and procurement details, are displayed and updated in the village. A social audit committee also audits each stage of project implementation, as well as the project completion reports. |
| Who and When | The core project team provides institutional and technical facilitation support. Though responsibility for the identification of sub-projects and the allocation of funds rests with the Board of Directors of the village organization, responsibility for implementation rests with sub-project committee. A social audit committee is responsible for the social audit. The project’s appraisal and monitoring team conducts the participatory appraisal and checking of project milestones. The process of community-led implementation is kicked off through the village level planning process. |

*(Continued next page)*
### Advantages and Impacts

Cost effectiveness and substantial improvements in the quality of construction compared to other Government projects are the most striking features of community-led implementation of infrastructure development in this project.

**Transparency:** In all of the communities, the total project outlay, cost of completion, procurement details, etc. are fully known to the entire village.

There has been increased mobilization of local resources, including over 30% of the costs contributed by the community.

In all completed infrastructure sub-projects, the upkeep and maintenance are undertaken by the community.

The accountability of the sub-project committee members has been well recognized as many of them became community professionals helping new communities to plan and implement sub-projects.

**Reach:** The inclusion of the extreme poor and poor in the sub-project committee has been notable, as well as the benefits from sub-projects flowing to everyone in the village irrespective of economic status.

Over 150 experienced sub-project committee members have obtained certification from technical colleges in recognition of their experience and commitment.

About 4,500 sub-projects have been initiated in about 1500 villages during the project’s first phase, and over 1000 sub-projects initiated in nearly 1000 villages in the second phase. As of April 2011, 3,500 sub-projects have been completed and maintained by communities.

### Challenges

Initially, the availability of experienced technical facilitators was a major hurdle especially for the design and estimation of sub-projects. Cartels of contractors and corrupt officers initially created issues by spreading rumors, blocking the availability of materials, etc.

Building the capacity of sub-project committee members on construction accounting was a problem in the beginning.

### Costs

Five percent of the sub-project investment cost was earmarked for implementation expenses. The cost savings from overall implementation was over 15%.

Source: Second Community Development and Livelihood Improvement Project
Annex 1: More on the Appraisal of Village Fund Proposals, Examples from the Bangladesh Empowerment and Livelihood “Nuton Jibon” Project

What
For an appraisal, a multi-functional team of project staff and some experienced community members from outside of the village conducts a visit to a village and interacts with office bearers, committee members, and general body members in order to understand the extent to which the village has fulfilled its obligations to complete project milestones. The appraisal is carried out when a project village submits a proposal for accessing sub-funds of the village fund. Appraisals are also carried out each time the village organization submits an application for a subsequent installment of funds.

Why
The project design allows for the direct funding of village communities in installments upon demonstration of their readiness to receive funds, as evidenced by the achievement of project milestones. Project field teams have a tendency to bypass implementation steps and push for the release of funds to village communities to report better progress. Hence it is important that a team (independent from the project’s operations) evaluates the village’s readiness and recommends the release of funds based on agreed milestones. The greatest risk in directly funding village organizations arises from a lack of community capacity to plan and judiciously use funds in accordance with guidelines. The appraisal will help the project to ascertain the readiness of villages to receive funds.

Who and When
The project established regional appraisal teams consisting of Social Mobilization and Institution Specialists, Community Finance Specialists and Engineering Technical Specialists. The appraisal teams trained a cadre of Community Professionals (CPs) who joined the appraisal team on an on-call basis. The appraisal reports are directly sent to the Managing Director who orders the release of funds to the villages.

As there are three sub-funds that are released in 2-3 installments, each village undergoes an appraisal at least 8 times during the project implementation period in the village (known as the Village Development Cycle). In addition there is more than one sub-project for implementing local infrastructure and services, and the first and last installments are released after a successful appraisal. The appraisal tool has been implemented from 2008 onwards.

Scale
All the 1,000 villages in phase 1 and about 500 villages in phase II have undergone appraisals.
Advantages/Impact

Misappropriation and misuse of funds have been significantly reduced. Participatory discussions at the village level have brought about greater transparency and better understanding of guidelines not only among office bearers but also within the community. During the appraisal process, if the appraisal team finds major deficiencies and the non-attainment of key milestones, the request for funds is rejected. The rejection rate is a clear indicator of the implementation effectiveness and quality of field teams. The rejection of proposals by the appraisal team badly affects the reputation of office bearers and committee members before the target community. Hence, they work hard to achieve the milestones, which in turn improves the quality of project implementation and compliance with rules. As the appraisal teams move among all villages and look at the quality of implementation of all village funds they have become a knowledge bank covering all project functional areas.

The appraisal team members attend monthly review meetings on implementation at District and Regional levels and share their findings from the field. This has helped project management to build up field teams focusing on areas of deficiencies and to organize need-based capacity building programs. As the key deficiencies and areas for improvement are recorded in the village log book, others visiting the village are able to follow up with the village community to improve performance.

Challenges

- The operations team may influence the appraisal team, which then recommends the release of funds to ineligible villages
- The appraisers need to be well versed in project design, principles, processes and guidelines. This takes time and training.
- As there are several appraisals to be carried out in a village, this may delay the release of funds and extend the village development cycle.

Sustainability

So long as the project management is committed to the project principles and rules, the appraisal process will continue.

Costs

The main costs are for the salaries of the appraisal team, fees and allowances for the Community Professionals, and transportation. When done effectively, the process can add substantial value to the quality of implementation for a minimal cost relative to the overall project expenses.
SAMPLE APPRAISAL FLOW CHART (Bangladesh “Nuton Jibon” Project)

- Submitting the VDF proposal to Cluster Team.
- Pre-verification of the proposals
- Receiving proposal and registration putting a date and signature.
- Checking the information in the VDF proposal in line with the checklist.
- Field Verification of information of 25% villages on sample basis.
- Sending the proposal to the AMT.
- In case of major anomalies, the VDF proposals will be sent back to GS for necessary correction.
- Receive application and register by the AMT.
- Perform Desk Appraisal
- Preparation of Appraisal Schedule and inform GS regarding the date and time of field appraisal 5 days ahead through DT
- Conducting field appraisal using the checklist.
- Recommending disbursement of VDF if the total score is 75 and minimum 7 is received for each item.
- Recommending disbursement of Initiation Fund if the score is at least 60.
- Returning the proposal with suggestions for re-submission or re-appraisal after rectifying to GS through district team/ CFT.
- Submission of AMT report to MD
- Approval of Initiation Fund and Installment of VDF as recommended by AMT.
- Preparation of agreement and sending the approval letter to the GS.
- Signing the financing agreement.
- Disbursement of VDF/Initiation Fund
- Received Fund

Source: Bangladesh Empowerment and Livelihood “Nuton Jibon” Project.