STRIKING A BALANCE: Integrating Community Priorities and Natural Resource Management in CDD Operations

Introduction
As environmental issues have been thrust to the forefront of the development agenda in recent years, Community Driven Development (CDD) operations potentially represent an attractive option for advancing Natural Resource Management (NRM) objectives. There is a growing consensus that governance matters in NRM at multiple levels, including the local level. By utilizing strategies that allow communities to guide the development process, CDD may enhance the effectiveness and long-term sustainability of NRM interventions by providing communities with participation, voice and ownership over these projects.

However, in order to achieve these objectives, task teams must not only ensure that NRM goals are consistent with communities’ priorities, but also that they have established incentives that encourage the selection of NRM activities. This “how to note” builds upon a PAD analysis of twenty-two CDD projects and interviews with the task team leaders (TTLs) of nine CDD projects with an NRM component conducted in 2005 (Ribot and Mearns 2005), and acts as a companion piece to “For the People, By the People: Community Participation, Voice and Representation in CDD/NRM Operations” (2009). The purpose of the note is to provide task teams with an overview of the challenges associated with implementing NRM activities in CDD operations and to present a variety of strategies which they can adopt to overcome these hurdles.

Understanding the Barriers to Implementing NRM Activities in CDD Operations

Though NRM activities may, in many instances, be public investments that should be done by higher-level government agencies, these interventions must be consistent with peoples’ needs and priorities in order to be successful at the local level. Clients and task teams should neither assume that communities have NRM problems without getting communities’ perspectives on the issue, nor mandate that they undertake specific NRM activities. Instead, implementing teams should involve communities in the planning process and put incentives in place that increase the likelihood that communities will voluntarily undertake NRM interventions.

In order to understand how to incentivize communities to adopt NRM activities, it is important to recognize the reasons why

Did You Know?

If implemented correctly, CDD represents an attractive option for helping communities adapt to climate change. In addition to environmental consequences, climate change will also result in a number of adverse social consequences including urban migration, loss of livelihoods and the undermining of communities’ adaptive capacities. CDD operations with an NRM component can play an important role in helping communities overcome these challenges. For example, the Sustainable Livelihoods Project in Mongolia sought to enable poor pastoralists and other poor households to adopt more secure and sustainable livelihood strategies by building human, social, financial, physical and natural capital. This was to be achieved through three inter-related components: improving pastoral risk management, increasing the outreach of sustainable micro-finance services, and improving basic infrastructure through community-driven approaches. The overall approach was to protect and strengthen the asset base of poor rural households through attention to both private (livelihood diversification through access to sustainable micro-credit) and public goods (pastoral risk management, public infrastructure and social service provision), while investing in local institutions to empower pastoralists and increase their voice and representation in public affairs.
communities are hesitant to undertake these interventions in the first place. The fact is that community members often do not prioritize NRM when they are given a wide range of investment options in CDD projects. The reasons given for the low priority placed on NRM were:

- Communities were focused on immediate productive needs;
- People were unaware of the possibility of requesting funding for investments at a rangeland or watershed scale;
- People felt that the scale of nrm projects was too large to have a clear impact on their lives;
- People did not give priority to environmental issues;
- If nrm were chosen, perceptible benefits would take too long to accrue, or might accrue in an unequal or exclusive fashion;
- High transaction costs can also make encouraging collective action over public resources difficult;
- The project expected beneficiaries and/or residents to volunteer their labor for nrm investments, but people would not work until or unless they were paid;
- Some investments were rejected because they reduced the area of land people could farm; and
- Communities may not choose nrm projects because they know that other donors will fund or are funding them.

As the reasons listed above highlight, there are challenges associated with integrating NRM into CDD operations. This is partially a function of the fact that while the protection or collective management of natural resources has diffuse, long-term and often collective benefits, community members are often far more focused on short-term economic returns. Furthermore, environmental management is often called for by outsiders who expect local people to work for free. CDD participants’ experience with, and doubts about, ‘environmental’ projects work against CDD investments in a range, water or forest management.

**Communities’ role in driving CDD projects with an NRM component**

At the same time that challenges exist, it is important to note that while people do not prioritize NRM in CDD projects, this does not mean they are not engaged in NRM. Indeed, they may be engaged daily in their own multiple NRM activities or in other donor- or government-supported NRM projects or NRM measures may already be mainstreamed into existing projects. As such, task teams should be aware of the NRM activities that are occurring within communities during the design phase so that they can complement and build on communities’ ongoing efforts.

CDD operations with an NRM focus (and similarly, NRM projects using a CDD strategy) allow communities to drive decision making much more than in stand-alone NRM projects. As such, designing strategies aimed at providing communities with incentives to adopt NRM activities requires an understanding of communities’ role, or lack thereof, in various stages of the project cycle.

- **In the design phase** the local target-population participates only in the needs assessments. The appraisal team may incorporate the knowledge that the target group provides into the Project Appraisal Document (PAD).
- The development of the positive and negative lists which shape how the project proceeds, however, is driven at times largely by experiences that Bank staff and consultants have acquired through previous interventions in the area. Indeed, a variety of factors including national history, national priorities, previous projects, the influence of donors, the beliefs of different actors involved, team composition and the success of previous projects impact the formulation of positive and negative lists.
As the long list of influencing factors presented above highlights, the process of list formation is not a straightforward endeavor and is influenced by a wide range of factors. Given that in some instances communities may be only peripherally involved in the process of generating the actual lists, task teams must recognize these influences in the design phase and take measures to ensure that the list/menu contains NRM options which are consistent with peoples’ needs and priorities. Otherwise, the CDD operation will not be able to fulfill its participatory mandate.

Incorporating Communities’ Priorities into List Formation in China

Most projects begin with some form of needs assessment based on interviews or PRA. Needs assessment and interview results can, and should, play a big role in shaping sub-project menus. For example, in the Qinba Mountains Poverty Reduction Project (QBPRP) in China the effort to assess local needs was extensive. The TTL went to a sample county with his team, and “fanned out to villages to ask people what they needed.” Indirect community influence on list making was also exerted when the project team asked practitioners and program personnel who had worked or were working on poverty reduction projects what they had learned from their experiences. The principal lesson was that “if farmers don’t want it, it will not work.” Their findings informed the project design.

- When completed, the PAD presents a list/menu of potential projects from which target populations can ultimately choose.
  - Positive lists tend to be very general. For example, in Mali the proposed positive list included: all legal prerogatives of the commune (elected local government), social investments, cultural investments and natural resource investments.
  - In contrast, negative lists are much more specific. For example, the QBPRP in China forbade resettlement activities due to concerns about their environmental impacts. It is important to note that negative lists can have environmental implications in two ways. First, they may be constructed to avoid projects with negative environmental consequences. Second, they can free up monies that communities may choose to invest in environmental management endeavors.

- At the stage of sub-project selection target populations engage in systematic participation by prioritizing potential investments, costing them out and making a final choice of sub-projects the community will pursue. It is important to note that sub-project prioritization, which is shaped by the content of the lists or menus presented to the community, is the key point where communities can drive decision making. Therefore, what is on the lists, and why, is very important.

- At the implementation stage the form of participation changes drastically. Here, many projects contract implementation out to third parties (project implementation units) Local authorities and communities may or may not be represented in, or have control over this portion of the project lifecycle, though they may be involved in monitoring and evaluation or other activities.

In summary, for CDD projects to be truly driven by communities—however defined—people need to be involved in or oversee every stage of project development. Sub-project lists drive community choices. They therefore diminish the degree to which communities drive their development decisions. Some projects have gotten around this problem by providing block grants and working with communities to develop detailed investment plans—including determining who should do the implementing.
and how that implementation is overseen. Whatever strategies task teams adopt, it is important to involve communities in all stages of the operation.

**Providing Incentives for Communities to Adopt NRM components**

Though there are a number of challenges associated with promoting NRM in CDD operations, task teams have developed a variety of successful strategies for providing communities with incentives to adopt NRM activities.

It is important to note that while a mix of these mechanisms can be used to encourage environmental investments, caution must be taken not to create overwhelming incentives that override community priorities. This may often require separating higher-scale public priorities of donors and governments (such as biodiversity management or road development) from priorities that are of immediate concern to local communities (such as health, sanitation, market infrastructure, etc). Possible incentivizing strategies include:

- **Earmarking funds that must be used for public goods or long-term projects can steer funds toward NRM investments. For example, the communities in the Matruh Resource Management Project in Egypt agreed to earmark a portion of the overall funds for projects that address women’s needs. In theory, it would be possible to use a similar mechanism for environmental purposes. However, it is important to note that the earmarking strategy could (and often does) violate the principles of CDD unless communities have decided that the earmarks are a good idea.**

**Advancing NRM Objectives in Niger**

Through the adoption of a CDD approach, the overarching goals of Niger’s National Natural Resources Management Program (NNRMP) were to secure sustainable agricultural production and growth, alleviate poverty, and improve rural livelihoods through a reversal of land and natural resources degradation. In order to advance NRM objectives, the project provided communities with an incentive to undertake NRM activities by lowering the amount of the required community contribution. The economic justification for doing so is that natural resources are public goods. In this manner, the CDD principle of choice was maintained as communities could exercise full choice over whether or not to select NRM activities.

The project’s ICR states that co-financing (which it also called “sweat equity”) was not a barrier to participation and that it had a strengthening effect on community “ownership” of sub-projects.

- Initiating environmental education campaigns on the benefits of NRM and its links to the improvement/reinvigoration of other sectors. TTLs can conduct education campaigns prior to list making or sub-project choice.
- Choosing project sites where communities are more likely to invest in natural resource management. TTLs can select environmentally sensitive areas or “hot spots” or choose to locate project activities where previously successful NRM programs have been implemented.
- Paying community members for environmental labor. TTLs can treat environmental work as labor so that people see an immediate return for the environmental management investments they make. TTLs should not expect community members to work for free.
• Lowering co-payments for NRM. TTLs can lower community contributions to NRM sub-projects relative to other sectors, to make NRM more immediately attractive.

• Pairing NRM with non-NRM projects. TTLs can require pairing of NRM investments with non-NRM investments that may be more popular.

• Piloting successful NRM projects to show surrounding communities that they can provide tangible benefits. If this occurs, communities may request to participate in the program.

Incentivizing NRM in Morocco

In the early 1990s, Morocco piloted a national watershed plan in the Oued Lakhdar watershed. CDD approaches were used because previous attempts at top-down watershed management had not been effective. From the outset, the project worked with community representatives to identify a local agenda comprising investments such as irrigation, social investments, and conservation measures. To advance these NRM aims, the project combined “matching” with “pairing” to assure the inclusion of NRM sub-projects. First, lower matching funds were required for NRM projects and, second, the NRM projects were paired with other projects that communities chose. If, for example, the community wanted to work on lowland projects they would also be required to include “upstream” highland management in their activities.

At first, even when upstream investments were required along with the downstream investment, people did not want to work upstream. The labor was voluntary. Later the project introduced cost sharing to encourage more upstream activities. The project team leader also explained that if the investment is skewed among the investment areas—between downstream and upstream, agriculture, women, infrastructure—the operation should attempt to achieve a balance. Though communities still tended to select productive activities first, the guidelines were successfully used as an inducement to get investments upstream.

Conclusion

If properly incentivized, NRM can be an important component of CDD projects. However, forcing communities to choose NRM activities is counter to the principles of CDD. While structuring incentives to reflect real costs and benefits is important, it is important to ensure that communities are not being corralled into activities that they would not want themselves. Indeed, the larger public values reflected in the incentives a project constructs should include values held by local populations and should compliment community members’ self-identified needs and priorities.

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This note was adapted from Community Driven Development? A Desk Study of NRM Choices, Ribot and Mearns (2005). The note was compiled and authored by David Post.