Community-Driven Development in China: Helping Poor Communities to Help Themselves

WHAT IS THE POTENTIAL FOR CDD IN CHINA?

The CDD pilot program primarily promotes experimentation and learning. It directly benefits only a very small number of poor communities. But if CDD is shown to be an effective and efficient means to improve poverty alleviation programming, the pilot program could be enormously influential. LGOPA intends to review program results for potential applicability in its ongoing Village Development Planning program, which is expected to reach 148,000 officially designated poor villages. Other central or provincial government agencies also have expressed an interest in utilizing CDD-based approaches in both rural and urban settings.

WHAT IS CDD?

CDD is a concept incorporating widely varying practices, reflecting its adaptation in several countries in Asia and elsewhere. As with other participatory development initiatives over the past two decades, CDD intends to broaden the scope of local people’s involvement in development activities. CDD typically goes beyond other participatory development initiatives by vesting local communities with elements of direct control. Local communities collectively decide what needs to be done to improve local living conditions. Local communities themselves manage program development funds, and manage implementation of development activities, to ensure that local needs are met. While CDD establishes opportunities for local communities to engage in planning and decision-making, local government agencies play a vital role in successful CDD operations as service providers. Local government agencies help the program through screening proposals for technical and financial feasibility, through timely and coordinated provision of services as chosen by participating communities, and through various forms of formal program supervision.

ABOUT OUR PARTNERS

The CDD pilot program benefits greatly from support provided by external partners:

- A USD 2 million grant from the Government of Japan helps defray program costs and provides a strong incentive for local governments to provide matching funds.
- Three international NGOs with rich experience in promoting participatory development in China will assist the program through training village facilitators and monitoring program processes. They are: ActionAid, Plan International and World Vision.
- Oxfam Hong Kong provided valuable support during the program’s design phase and will support independent project monitoring and evaluation.

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INTRODUCTION

China earns accolades around the world for its remarkable success in reducing poverty. Nonetheless, significant pockets of poverty persist in many areas. The poor disproportionately inhabit remote rural regions beyond the effective reach of many government programs. Their substandard living conditions are constrained by lack of access to markets and services, and often by unsustainable use of natural resources or poor environmental conditions. Meanwhile, their limited education and experience generally seems to promote passivity; poor communities show little capacity to organize themselves effectively for local development.

Official development planning pronouncements in China now emphasize people-centered development. Achieving the 11th Five-Year Plan goal of constructing a New Socialist Countryside requires measures to energize the rural poor, to make them capable and enthusiastic participants in their own development.

With this goal in mind, the State Council Leading Group on Poverty Alleviation and Development (LGOPA), in collaboration with the World Bank, is initiating a pilot program to test whether an approach known internationally as “community-driven development” (CDD) can move China another step toward creation of a “well-off and harmonious society” ( xiaokang shehui ).
Going beyond standard program monitoring by county governments and project alleviation programs in China, it is important that appropriate methods are employed to maximize the effectiveness of local partnerships between local people and local governments.

**Effective program targeting:** Because local communities decide development priorities and manage funds and implementation processes, poverty alleviation funds are more likely to meet real development priorities and manage funds and implementation effectively. This reduces government program costs, with the remainder coming from central government poverty alleviation funds. This window provides a grant with which participating natural villages can initiate the project cycle, which includes the following steps:

**Step One: Identification of priorities** The program operation cycle typically begins with participation of villages to collectively address resource degradation or other environmental issues. Throughout the world, there is little experience mapping CDD approaches to environmental issues, so it is most difficult to predict what kind of funding proposals villages might prepare. Again, villages are free to propose any activities not specifically proscribed. Likely possibilities include:

- Measures to reduce fuelwood consumption through promotion of alternative fuel sources (e.g., biogas) or through increased use of high-efficiency stoves.
- Support for local reforestation or erosion control.
- Improvements in solid waste disposal.

**The Community Development Fund** Window **provides** a grant with which participating natural villages collectively establish and manage a revolving fund making investment loans to households. This window gives households an opportunity to obtain small loans with which to pursue income-generating activities, while simultaneously building local capacity for financial management. The community decides on fund rules and procedures, makes loan decisions, and collects repayments and maintains financial accounts. Program principles require that participating natural villages give priority to poor households and formally-identified households.

The CDD pilot program provides participating communities with access to three types of support, collectively attacking the major constraints to improved living conditions in many poor areas.

**Step Two: Preparation of Proposals** The PMC revises the proposals within 30 days following village meetings to outline local priorities and decides on specific activities to propose for program funding.

**Step Three: Preliminary Selection** Funds are made available under the Community Development Fund, but the program rules are flexible, with the remainder coming from central government poverty alleviation funds. In this phase, community facilitators are selected and trained, participating communities learn about the program and its objectives, and the new PMC membership selects representatives to join rural Decision-Making Groups (PDMG) at the village level. Following completion of community preparation, participating communities can initiate the project cycle, which includes the following steps:

**Step Four: Screening and Review** County government oversight agencies for co-ordination, technical feasibility, and acceptability under program rules.

**Step Five: Proposal Finalization** The PMC revises the proposals within 30 days following village meetings to outline local priorities and decides on specific activities to propose for program funding.

**Step Six: Disbursement of Funds** To a joint account managed by PMC members. This step begins the implementation process.

**Step Seven: Monitoring** is conducted by a county project management office, by community facilitators, and through a participatory village monitoring arrangement.

**Step Eight: Interim Review** of financial management and technical implementation. Participating communities will be in compliance with program rules will be eligible for the next phase of the cycle. The Small-Scale Infrastructure and Service Improvement category will have three cycles under the pilot program. The Natural Resource Management and Environmental Improvement category will have two cycles. Participating villages who wish to extend the program cycle may do so with approval of the PMC and the new PMC membership selects representatives to join rural Decision-Making Groups (PDMG) at the village level. Following completion of community preparation, participating communities can initiate the project cycle, which includes the following steps:

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