

SCALING UP CDD IN ECA: PROSPECTS AND CHALLENGES

Brown Bag Luncheon Notes, February 20, 2001
1:00 - 2:30 PM

The ECSSD Social Development Unit initiated a series of learning events (i.e., Brown Bag Lunches) on Community Driven Development (CDD) in ECA. The objective of these Brown Bag Lunches is to share experiences in our region and discuss the scope for scaling up and ways to do it. The series was launched on February 20 with a panel discussion on “Scaling Up CDD in ECA: Prospects and Challenges” chaired by Shigeo Katsu (ECA Director for Operations). Presentations were made by Philippe Dongier (Lead Specialist on CDD in SDV) and Andrew Vorkink (Country Director: Bulgaria, Croatia, Romania).

Philippe Dongier presented the CDD approach in the institutional bank-wide context. Issues such as CDD’s compatibility with our institutional comparative advantage, appropriateness of the CDD approach in projects, and the importance of CDD for development outcomes were addressed . Philippe defined CDD as the exercise of community control over decisions and resources directed at poverty reduction and development. He emphasized that this is not a new *initiative*, but should rather be seen as *a way of doing business*. For further details please see the attached PowerPoint presentation.

Andrew Vorkink then addressed CDD in the framework of the country-based experience. It was noted that CDD can take a variety of forms in different cultural, political and institutional settings. For instance, Romania is a CDF country and also a pilot country for CDD. This has affected country dialogue and promoted discussions in parts of the Romanian public. For Croatia, different means and ways have been used, like a post-conflict grant that will be used for re-integration of excluded ethnic groups. In Romania and Bulgaria the WBI carried out workshops on social capital, how to increase social capital, and what are the ways to do it. Similar workshops are planned to be carried out in Croatia. It is also important to integrate CDD into projects and currently there are several examples in Romania and Bulgaria. For instance, a Forestry and Biodiversity project in Romania, Cultural Heritage project in Romania, Social Development Funds in Romania and Bulgaria. The most visible way has probably been the Social Development Funds. Andrew concluded his presentation by outlining three major challenges: (1) Change in attitudes both in client countries’ governments and the Bank, (2) Coordination, inasmuch as the CDD agenda runs across different parts of government, society and the Bank, and (3) Capacity building and sustainability in terms of creating sustainable formal and informal structures to support CDD activities and designing mechanisms for replicating successful experiences.

The presentations were followed by discussion. In the discussion a number of issues were brought up and addressed. At the same time many questions are open and are waiting to be answered.

- A set of questions related to definitions and typology. How to define community, is there a typological framework of ‘community’, how to understand the notion of ‘scaling-up’? It was emphasized that one should not opt for a too narrow definition of community inasmuch as in the development context, community is most appropriately defined by local circumstances and environment. Also, communities can encompass both geographical as well as professional or other interest-based gatherings of people. As for the typology, the PRSP Sourcebook’s chapter on CDD is a first attempt to provide a typological framework for understanding different types of communities. Scaling-up CDD may be understood as reproducing the dynamic, successful processes of community involvement in development.
- Another set of questions was about the role of the central and local government in CDD and top-down versus bottom-up approach. It was pointed out that CDD can not always be sustainable unless complemented by appropriate government programs. For instance, local level community efforts to improve school buildings are questionable if on the national level decisions are made to consolidate schools. Top-down and bottom-up are complementary approaches and have to run together in order for community level activities to work best. It is important to have a client who is interested in CDD and can take actions to provide a more enabling environment for CDD. Local government should be actively involved were local cooperation is required. At the same time, it has to be realized that there are situations where the local government might be too distant and not closely involved with communities. Another related matter is that while in general ECA countries have decentralized, i.e. instituted subnational administration, yet many central governments hold a very tight control over budgets, and local governments have little say about local fiscal matters.
- Questions were related to fiduciary, procurement and budgetary matters. One central concern is how to effectively deal with CDD in an environment where budgets are tighter and the outside funding is diminishing. What has been concretely done to adjust procurement and other procedures for this type of activity? To address fiduciary aspects, ECA OCS is organizing a March ECA regional workshop on fiduciary aspects of community-level projects.
- One central task is to convince the countries that have no or limited experience with CDD to engage in this new type of thinking. The Bank can promote and facilitate wider participation that will enhance local initiative to complement the new evolving roles of government. Quick wins from CDD should be emphasized and publicity about these activities can be used to increase awareness.
- It was noted that CDD is not a panacea, but it can be a tremendously powerful approach to enhance development effectiveness. For instance, the communities that participate in the Social Development Fund’s sub-projects, have witnessed a positive change in governing practices, local communities have become more entrepreneurial and less dependent on transfers from the central government. However, it was noted that the CDD activities are typically time-consuming and presuppose a good understanding of local level institutions and practices. A concern was voiced that working on the local level is not a comparative advantage for the Bank inasmuch as typically there are neither sufficient skills or experience

to work efficiently at the local level. As such, more cooperation should be sought with NGOs and other organizations that possess the skills and experience for this type of work.

Shigeo Katsu closed the session by summarizing a few key points:

- He asked whether ECA staff would like to see the Region set aside funds from the regional budget to be redistributed to country teams to support CDD activities (similarly to the Africa region). He asked participants to send him e-mail to comment on this proposal.
- He concluded that the sense of the meeting was that the way to deal with promoting CDD under difficult circumstances (e.g., low interest in country, limited budgets within the Bank) lies in a phased approach, spread over time, realizing “easy-wins” first through relatively simple operations and progressively moving towards complex, multisectoral operations.
- He also found that, with respect to the question of how to define communities, there was an agreement that the definition should be broad and defined with input from stakeholders in the country concerned.

Approximately 50 people attended the BBL. The series will continue with presentations and discussions on variety of sectors and cross-sectoral areas.