

## **DRAFT**

# **SCALING UP COMMUNITY DRIVEN DEVELOPMENT IN ARMENIA: A STRATEGY NOTE**

## **PART I: BACKGROUND**

### **OBJECTIVES OF CDD**

Community-driven development (CDD) is defined in the Bank as the process by which communities assume control and authority over decisions and resources in development projects. A CDD approach implies a devolution of control and accountability from central authorities to communities, which can then take a greater role in initiating, planning, implementing, operating, maintaining and evaluating development projects, with agencies playing a supportive role. CDD does *not* imply the exclusion of government from the development process; rather, CDD should be seen as complementing decentralization, improving the effectiveness and responsiveness of local governments, and strengthening partnerships between local governments, community organizations, and citizens. A strong CDD emphasis has been shown to lead to greater development effectiveness, sustainable institutional change, greater citizen involvement, and greater accountability and transparency of local governments. There is general consensus among Bank staff working in Armenia that greater involvement of communities in development could enhance development outcomes.

The importance of community participation in project work is not new. It is now receiving additional attention, however, because of its recognized potential to aid poverty alleviation and improve governance. In the ECA region, however, it can play an important role by supporting the decentralization measures the GOA is initiating across sectors, by strengthening the capacity of communities to carry out their new responsibilities. In response to this recognition, four ECA countries have been identified in ECA to serve as pilot countries for scaling up CDD. Armenia is one of them. The purpose of this Note is to outline an approach for scaling up the involvement of Armenian communities, broadly defined, in all aspects of development. The framework for action suggested below is based on discussions with TTLs and TMs from different sectors working in Armenia, and a review of relevant project and project-related documents. It is suggested that scaling-up CDD should be based on:

- A cross-sectoral, country-wide approach
- More systematic coordination with donors on community capacity building efforts
- Establishment of mechanisms to increase transparency and accountability
- More integral involvement NGOs in community facilitation and mobilization
- Participatory monitoring of CDD outcomes
- Multi-sectoral approaches, such as condominium associations that bring together housing, heating, water, and other sectors

## WHAT IS A “COMMUNITY” IN ARMENIA?

### **The post-socialist “community”**

*A discussion of CDD requires some consensus on the meaning of “community.”* In the ECA region, the concept of “community” is ambiguous, even misleading. Decades of central planning, top-down, authoritarian political rule, and the atomization of society weakened broader solidarities. At the same time, endemic shortages of goods and services encouraged an “economy of favors” within strong social networks of relatives, colleagues, neighbors, and friends. Beyond their loyalty to these networks, people demonstrated relatively little concern to the welfare of “society” in the abstract. With the gradual emergence of a civil society and greater latitude for citizens to take initiative, real communities are starting to emerge.

*For the purpose of this discussion, “community” will be defined as a potential or actual collectivity of people with shared interests and concerns.* The most obvious “community,” at least at first glance, tends to be one that is geographically defined, where people live in close proximity and have long-standing ties with one another. In terms of CDD, however, a community can just as easily refer to a “school community,” which consists of the staff, students, and parents, possibly working together through a parent-teacher association, or farmers linked through their use of a common irrigation system. In urban contexts, the inhabitants of a high-rise apartments, increasingly forced to resolve shared problems of heat, energy, water, and capital repairs, also constitute potential or actual communities.

*There are important differences between urban and rural communities in Armenia.* The CAS notes that poverty is found mainly among the urban or rural landless populations (although the current drought may also worsen the situation of rural landowners). Rural communities, where people are linked through a multiplicity of ties as relatives, neighbors, and former colleagues in local enterprises, still preserve a “face-to-face” character. In some cases, a large proportion of a single village may consist of a single extended family network, within which strong pressures for reciprocity exist. Relationships between local officials and community members tend to be less hierarchical and more informal than similar relationships in urban areas. Although people in rural communities do come together on their own initiative when collective action is essential, such mobilization tends to occur when collective action is essential and no alternatives exist. Women in rural areas experience significantly more constraints, due to more “traditional” and rigid gender roles, as well as very heavy workloads, to active participation in community affairs than do their urban counterparts.

*In urban areas, greater social and economic stratification and more complex and heterogeneous populations make “communities” harder to identify,* particularly since strong social networks don’t necessarily coincide with neighborhood boundaries. Relations with local government remain more distant, formal, and distrustful than in rural areas. During the Soviet period, the “work collective” provided the basis for both formal and extensive informal relationships of friendship and reciprocity; this tradition continues, although in an attenuated form due to the contraction of state enterprises.

*Both rural and urban communities have been altered and destabilized by the flood of refugees who enter the country in 1988 and after from Azerbaijan, as well as by intensive migration out of the country.* Refugee villages, for example, tend to be poorer, and lack the historical ties and traditions of cooperation possessed by more stable communities. Migration from urban areas, likewise, has complicated mobilization of residential communities (such as condominium associations), since many apartments have been vacated by their owners or (presumably) rented out. The other aspect of migration, however, is the large (and growing) Armenian diaspora, whose recent members, especially, preserve strong ties to their home regions. Policies that encourage a more business-friendly environment and greater transparency could provide incentives for this diaspora to – part of a potential “virtual community” to invest in Armenia.

*Finally, processes of income and social stratification have introduced new rifts into Armenian society.* In many cases, Armenians are making laudable efforts to prevent the exclusion of newly poor households unable to contribute their “share” to ongoing projects. In communities such as schools, however, polarization among newly rich and newly poor pupils and their parents has resulted in conflict between children and tension among parents and teachers. Also, some school administrations explicitly prefer involving only those parents able to materially help the school.

*The level of community participation varies considerably, limited in many cases by the reluctance of individuals to encroach on what they consider to be the prerogatives of officials.* Analysis of community participation in SIF I, for example, found that community members rarely took initiative in raising specific issues or in formulating solutions. In part, this reluctance results from enforced citizen passivity during the Soviet period, and from a continuing expectation that authorities and/or donors should be responsible for community welfare. While NGOs have proliferated in Yerevan, and to a lesser extent, in other large towns, most rural settlements lack meaningful community organizations (with the exception of some water users associations (WUAs) and parent-teacher councils).

### **What does CDD offer to Armenians?**

There are a number of specific benefits CDD can bring to Armenia. For one thing, poverty and inequality in Armenia is very high (55 percent of the population is below the poverty line, 24 per cent below the extreme poverty line; the Gini coefficient is 0.62). The government is unable to adequately fund social services. By default, citizens have undertaken responsibilities to fix, repair, maintain and support services and infrastructure previously the responsibility of government. CDD can assist citizens and local governments to carry out these responsibilities more effectively and on the basis of more long-term planning.

Not only is Armenia very poor, it is very unequal. Social and economic polarization have proceeded rapidly since independence, and there is increased danger that poverty will become entrenched in some regions or among particularly disadvantaged groups. By placing more responsibility in local communities, by emphasizing good governance and accountability to citizens at the community level, CDD can play a role in empowering

poorer communities and helping them take a more active role in seeking opportunities to improve local living standards.

Armenia is a fledgling democracy that still bears some authoritarian traits. By actively supporting and enabling communities to exercise more control of their own affairs, to demand better governance and accountability at local as well as regional and national levels, CDD can act as a counterweight to these authoritarian tendencies.

Finally, although serious difficulties in the education sector threaten this achievement, Armenia still has an educated and literate population. Despite widespread cynicism and disaffection regarding their authorities, Armenians have the skills to interpret information, and, with further training in responsible civic engagement, to could potentially use it to press their government to be more accountable.

## **CDD IN ARMENIA TO DATE**

### **Community involvement in projects in implementation or supervision**

At present, many Bank projects involve communities, albeit to different extents. The following section highlights participatory elements in ongoing projects in Armenia, and raises issues identified by Task Teams as constraints or bottlenecks to further participation (see Annex I for more detailed project descriptions).

*The Social Investment Fund (ASIF II)* includes components for institutional strengthening of local governments (including city and village councils and mayors) and community organizations. The projects builds on extensive stakeholder consultation, including beneficiary assessments, public meetings, and community-based implementing agencies (IAs) that will include representatives of local government and community associations (such as users associations [WUAs] and school councils), and community members. In the past, while some IAs evolved into viable initiative-taking community groups, others ceased to exist soon after completion of the microprojects. A new Institutional Support Department has been designed to address this issue. A 10% contribution of labor or materials is required to increase community ownership and commitment to maintenance. To increase accountability and transparency, microproject information is to be displayed publicly, and contractors are required to maintain on-site logbooks accessible to the community. To deepen participation beyond microproject identification and contribution collection, it is intended that SIF staff will organize training programs to help communities to develop their capacity to address their own development needs and to carry out O & M.

*The Education Financing & Management Reform Project* addresses serious issues of chronic under-funding, inefficiency, weak management capacity, shortage of teaching materials, and deterioration of infrastructure. CDD components include provision of training for school staff and parents in managing school-based revolving funds, and supporting GOA policy of granting schools legal and financial autonomy by helping improve resource mobilization and school performance. A new education law delineated the roles and responsibilities between central, regional and local levels, and

established decentralized school governance arrangements, including School Councils. Although 50 schools have already been placed under local government authority, there has been significant conflict between local governments and school administration, in part because local government officials have not respected school autonomy, but rather attempted to use the schools in local patronage systems by placing political appointees on school administration positions. A further problem has been that although 154 schools out of approximately 1,400 have moved to school-based management, which school councils ostensibly in charge of budgets, with ability to collect and spend additional revenues, the lump-sum financing from the Ministry of Finance has not materialized; the Ministry has disbursed only money for salaries. A final component of the project, the Pilot School Improvement Program, allows schools to submit proposals for up to US\$ 10,000 for school improvement, or information dissemination and training activities. There are now 150 such microprojects underway, and there has been active participation in them.

*The Children's De-Institutionalization Initiative* was designed to help the GOA prepare a strategy for moving children out of residential institutions back into their communities, by developing community reintegration programs and policies. A beneficiary assessment found that most children are institutionalized as a result of family poverty and/or dysfunction, and that institutionalization stigmatizes children and puts them at risk of social and economic exclusion. Three small pilots testing cost-effective community-based alternatives have been initiated; so far, people in the pilot communities have actively responded by seeking information on alternatives

Now under preparation, the *Natural Resources Management & Poverty Reduction Project* aims to improve natural resource management in poor rural communities to enhance sustainable economic growth. The task team is looking for innovative approaches to involve communities in project design, as well as later project stages. A social assessment now in progress has raised issues about the lack of voice for communities relative to forest management. The task team recognizes that public awareness and participation are essential to find solutions to conflicting interests of people living in the protected areas, with the goal of resource protection.

The goals of the *Cultural Heritage Initiative* are to provide advice on an institutional and legal framework for cultural heritage preservation and management, build capacity of cultural institutions, establish a Cultural Rehabilitation Fund that can attract diaspora and private sector funds, and pilot a community-based approach to cultural tourism. A pilot has been initiated at an important cultural site 400 km. south of Yerevan. The pilot will begin by raising community awareness, and involving it as an active participant. Thus far, the mayor has played the leading role in initiating suggestions. At the first community meeting, serious discussion however, resulted in ratifying his suggestion to convert the unused part of a local kindergarten into tourist lodgings, applying the revenue generated to operate the kindergarten. This initiative is working in close cooperation *with Trans-Caucasus Tourism Initiative* and *Armenia Natural Resources Management and Poverty Alleviation Project*, because their shared focus on CDD, creating revenue-generating opportunities for poor communities, and improving the management of cultural and natural assets should allow for the pooling and more efficient use of resources.

***The Municipal Water Development Project*** covers emergency short term improvements in the Yerevan water supply system, in delivery of water and wastewater services in Yerevan service area, and in laying the groundwork for involving the private sector in overall management of these services. To improve performance of the Yerevan Water and Sewerage Enterprise, (a joint stock company responsible for services in Yerevan, a private management contract was awarded to an Italian operator, which has launched a public information media campaign to explain to consumers reasons for poor water and wastewater service and convince them that higher tariffs and capacity to disconnect consumers for non-payment are essential for improving services. The Operator has opened a hot-line to be more responsive to consumer needs. A key technical obstacle to improving revenue collection is that apartments are not individually metered. Well-functioning renter or condominium associations (CAs) could help improve revenue collection, but most current CAs have proven rather ineffective. The project, however, lacks the resources to allocate to build capacity of CAs. A planned ***Municipal Water and Sanitation Sector Credit*** will extend the role of private Operators into other cities of Armenia, which makes development of more effective CAs imperative.

***The Municipal Heating Project***, is now under preparation, with the objective of identifying affordable, clean, safe, and fiscally sustainable household heating technologies and to prepare an urban heating strategy. Condominium Associations that can buy services from a distributor, agree on a billing system and collect fees will be essential to an effective heating solution. As part of preparation, a social assessment of consumer heating practices and preferences has been planned.

***The Transport Project*** was designed to improve the main road and rail network, as well as urban transport services, and institutionally strengthen the Ministry of Transport and Communications, to improve the enabling environment for private sector development. The most participatory component is the road safety program, which will address traffic control, safety education, and institutional strengthening of the Armenia Roads Directorate. Actions were identified and designed in cooperation with the traffic police, and representatives of municipalities, schools and road user associations. Considerable effort has been devoted to public awareness media campaigns and instruction on traffic safety in schools.

***The Irrigation Rehabilitation Project*** addresses serious deterioration of the irrigation infrastructure, which constrains the development and profitability of agriculture, and contributes to rural poverty. The most participatory aspect of the project, which supports rehabilitation of irrigation schemes, consists of pilot Water User Associations responsible for operating and maintaining irrigation schemes and collecting fees. 154 WUAs were initially piloted by the Project and IFAD, the GOA then formed an additional 322. WUAs, particularly those formed by the GOA, remain institutionally weak. A follow-up irrigation project, now on standby, would focus on strengthening WUA capacity.

The objectives of the ***Dam Safety Project*** are protecting the lives and property of people living downstream from dams at high risk of failure. The project, nearing implementation, will support rehabilitation of primary irrigation dams, preparation and operation of dam safety plans and emergency preparedness. The most participatory component will increase public awareness and train communities to assess and respond to

dam safety issues. The aim is to get communities well organized to indications or warnings relating to dam safety issues. The main benefit of such activities is to avoid the loss of human life and destruction of property. *Another project component dealing with emergency drought assistance* involves a working group of representatives from ministries and regions (marzes), who, in cooperation with village council heads, are responsible to prepare beneficiary lists for emergency assistance.

## **PART II: PROPOSAL FOR A STRATEGIC FRAMEWORK FOR SCALING-UP**

### **Constraints to scaling-up CDD in Armenia**

Task teams working in Armenia have identified a number of specific constraints to scaling up CDD. These include the lack of a comprehensive and consistent decentralization policy; blurring and confusion of roles and responsibilities among local, municipal, regional and national level government; limited local government capacity and resources; lack of viable and legitimate community organizations and institutions.

*Lack of a comprehensive decentralization policy*, and clear delineation of the rights and responsibilities of cities and communities, limits empowerment of communities and hinders local initiatives. Particularly in smaller communities, local government officials as well as citizens are often unaware of new laws and government decrees that affect their scope of authority. While the GOA has initiated partial decentralization of the water distribution system, with local urban and municipal administrations in charge of fee collection and maintenance, results are minimized because local governments lack the rights to disconnect and therefore have little leverage over consumers. Partial decentralization of schools in the education sector has left questions of ownership unresolved. While local governments operate and maintain schools, the State owns them. This means local authorities cannot sell or demolish premises. The ministry of education also remains skeptical about local capacities to operate and maintain facilities.

*Extremely restricted budgets limit the autonomy and scope of action* for many communities, despite on-paper decentralization of many responsibilities. The main source of local budget revenues are land and property taxes. In villages, the local tax base is almost non-existent, which makes it difficult for mayors to plan or budget. The situation is somewhat better in cities, because of the higher tax collection rate and more skills among government officials in financial planning.

*Very few rural communities have functioning local associations*. Those that do exist -- farmers associations or WUAs, have varying legitimacy. Although piloted WUAs met with some success, actions by the GOA to replicate them nationwide resulted in poorly functioning WUAs. The government can set fees on equity rather than economic considerations, which means fees do not cover maintenance. In addition, failure to work out dispute resolution mechanisms and the unclear delineation of local and regional government responsibilities produced a backlash against these organizations.

*Given recent changes and redefinition of government roles and ideologies, local governments lack the capacity to mobilize and engage with citizens*, just as citizens lack an understanding of their rights to demand accountability and transparency. For example,

the SIF assessment found that within school communities, administrators defined accountability in regard only to providers of funding, but felt no obligation to share financial statements with teachers.

*The level of community involvement depends on the personality of the local leaders.* In ASIF, for example, more prosperous communities were often those which were more cohesive and had active leadership. Poorer communities (which were often refugee communities) exhibited less community solidarity and activism. Traditional hierarchical relations may dampen initiative. In school communities, for example, a study of SIF found that although parents were willing to articulate ideas, they felt they had neither the right -- nor the responsibility -- to propose practical solutions. Teachers took initiatives in their own classes, but agreed with parents that school directors were the key decision makers.

*The elite often exert disproportionate control in community level associations* such as WUAs or credit unions. Likewise, although some TMs had been interested to establish partnerships with local NGOs, they found that in some cases, the NGOs were simply "fronts" for individuals interested in pursuing personal agendas. This observation bears out OED's finding that powerful members of the community often dominate participatory processes, and effective participation of women, the poor, and other excluded groups proved elusive.<sup>1</sup> Exclusion is a real issue for certain minorities (such as Yezidis), rural women, refugees, and residents of the earthquake zone.

*Constraints also exist at the level of the Bank.* Working with different stakeholders at community level -- local governments, associations, and citizens -- to build partnerships among them, and with other actors, requires considerable time and resources. According to OED findings on participation, Task Managers felt the greatest obstacles came from the Bank itself, in the form of inadequate resources compounded by the rigid lending cycle and the pressure on quick disbursements.

## **A STRATEGIC FRAMEWORK FOR SCALING UP CDD**

### **Apply a cross-sectoral, country-wide approach**

If communities are to take on more responsibility for their own social and economic development through partnerships with local government and the private and/or NGO sectors, then enhanced capacity must become an important development goal for the Bank. The recent OED draft evaluation of participation in Bank work calls for a shift "from the current focus on facilitating participation to support Bank instruments... to more of a capacity-building approach to participation." Contributing to the capacity of communities to initiate and carry out collective actions that will benefit inhabitants should be considered an important social development objective in its own right. Yet as many of the interviewed TTLs have observed, real capacity building is resource intensive and often beyond the scope of a single project. Moreover, Bank

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<sup>1</sup> *Participation Process Review*. OED. October 27 2000 (draft).

incentives work against intensive and long-term work that doesn't result in timely disbursements, or other tangible and easily measurable results.

- A cross-sectoral, country-level approach, however, could address some of these constraints, because projects could share the cost of outreach, social mobilization and capacity-building (in the form of training, study tours, intensive mentoring, and so forth) to support communities. One approach would be to work with communities to establish a elected “village development committees.” Development experience in Armenia and elsewhere, however, reveals the importance of establishing some “diversity quotas” to ensure formal participation by an adequate numbers of women, as well as by the poor. Such committees would work closely with both local government as well as the general public. Capacity building efforts, shared by different sectors and projects, could be more intensive and continue over a longer period of time; at the same time, they would not be abstract but could focus on working with the village committees on specific activities in different sectors. To support this effort, however, it would be useful if resources are made available to staff to prepare a proposal for grant funding, for a sustained program of community capacity building across sectors. In addition, Bank staff would need some extra resources to design an effective cross-sector collaboration.
- Greater use of institutional analysis could more explicitly identify the barriers that reduce access to a range of services. This understanding could contribute to designing more effective and targeted CDD components, whether in the direction of increasing community delivery and/or monitoring of services, to strengthening community-level mechanisms of accountability. A better understanding of local power structures, patterns of leadership, indigenous conflict-resolution mechanisms, and rules of participation and information sharing, could contribute to more effective working relationships with communities (whether these are condominium associations that must organize repairs and negotiate with service providers, or WUAs, that must settle upstream-downstream disputes over water use) and better targeted capacity building exercises.

### **Coordinate more systematically with donors on community capacity building efforts**

Many donors, bilaterals, and NGOs (UN agencies, USAID, CIDA, Soros, Eurasia, diaspora-funded organizations, and others) have CDD elements, including capacity building for local governments and community organizations. Systematic collaboration is important to ensure that different actors are not working at cross purposes, conveying conflicting messages, duplicating efforts, or, as often happens, ignoring valuable lessons learned.

- Collaboration could be made more systematic through a variety of modalities. For example, given donor commitment to share information, a single full-time staff person based at the RM, supported through a co-financing arrangement, could maintain an Internet-accessible database of program activities, and disseminate a monthly newsletter to the donor and NGO community updating them on donor activities in the country.
- This information, given the current impetus to coordinate support for the PRSP, would allow donors to focus on identifying several priority activities over the next few years for contributing to community capacity.

- A country-level approach could further be supported by concerted efforts from Bank and other donors to increase active GOA commitment to improving the enabling environment for CDD, through a more systematic approach to the policy and regulatory framework for decentralization and public sector reforms, as well as more openness to public disclosure of information.

### **Establish mechanisms for greater transparency and accountability**

Scaling up CDD can usefully complement decentralization by focusing on factors such as transparency and accountability that are key to the success of decentralization. The GOA is moving toward the decentralization of many services and responsibilities from national to regional and local-level governments. Social assessments as well as the recent CAS consultations reveal that Armenians consider corruption, theft of public resources, and mismanagement to be major reason for the troubling decline in public services. During consultations, people repeatedly expressed the desire for greater local control over funding, so they could hold local officials accountable for their behavior. In developed democratic states, government institutions are subject to accountability imposed by citizens “from below” (vertical accountability), and subject themselves to accountability imposed by public institutions (horizontal accountability).<sup>2</sup> The first prerequisite for holding governments accountable for their actions is *adequate, accurate and timely information about government activities* (the second and third stages consist of the ability of the institution of accountability to act, and the extent to which the government feels compelled to respond). While transparency does not necessarily equal accountability, dissemination of budget information enables citizens to pressure their government institutions for better service. In Uganda, for example, careful comparison of central government allocations, through district government, to beneficiaries, revealed considerable leakage due to misuse and inefficient use of funds. Following public dissemination of the findings, government was pressured to improve its performance and commit to increasing availability of information.<sup>3</sup>

- Bank and donor interventions can contribute to accountability by ***ensuring full disclosure and active dissemination of project-related information*** within communities. For social sector projects, for example, this would include full information on local government budgets – allocations and expenditures, as well as procurement procedures and records.
- ***Public expenditure tracking*** in key social services in Armenia could usefully contribute to sector reforms, to the PRSP process, as well as to the anti-corruption efforts in which the GOA has expressed interest. In addition to measuring performance and accountability, tracking expenditures from central, through region and local government to the level of the community (for example, a school) or individual beneficiary (social assistance recipient), and then widely disseminating findings, would empower citizens to press for less corrupt, and more accountable and efficient social services.

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<sup>2</sup> This model comes from Mark Schacter, “When Accountability Fails: A framework for diagnosis and action.” Policy Brief No. 9, May 2000. Institute on Governance, Ottawa.

<sup>3</sup> Emmanuel Ablo and Ritva Reinikka, “Do budgets really matter? Evidence from public spending on education and health in Uganda.” The World Bank.

- The tracking exercise should ideally be accompanied *by promotion of greater transparency, through public disclosure of budgets*. For example, at local levels, this would mean that school administrations carefully record and make public the source and amount of contributions from parents, private sponsors, NGOs and international donors, as well as from government.

### **Involve NGOs more integrally in facilitation and mobilization**

In recent years, the number of NGOs in Armenia has proliferated. Many NGOs have received training from a diaspora-funded NGO training center, as well as from other international actors. Several have impressive track records of work on environmental, human rights, refugee and conflict issues, dating back many years. Consultations on the CAS and I-PRSP involved NGOs, and the participation on the PRSP should offer further opportunities to reinforce and expand the dialogue already underway between GOA and NGOs in Armenia, as well as many years of project experience (particularly with social assessments and service delivery).

- This experience could be stepped up through project components that train NGOs in skills of facilitation and community mobilization (as used effectively in CDD projects in Indonesia).
- Some of this work with NGOs could be organized in conjunction with PRSP activities. For example, training components (already part of several projects listed above, including ASIF and Education), could be further developed to equip NGOs to work specifically with communities in rural and/or isolated areas, that are least likely to participate in broad national-level policy discussions.

### **Develop community-driven, participatory monitoring of CDD**

Especially for stakeholders who remains skeptical about the positive potential of CDD to help communities take greater initiative and responsibility for their own development, it is important to carefully evaluate how CDD affects development outcomes. How does it impact poverty alleviation? What role do women, ethnic minorities in mixed communities, refugees, and other social groups at risk of economic and social exclusion play in communities? Meaningful feedback on project impact on community capacity, however, should be long-term. It should outlast the life of the project, in order to determine whether the project has increased community ability to act collectively in a sustained manner, to further their own interests.

To develop a guide to participatory monitoring of CDD impacts that can be adapted and used across sectors, we suggest an:

- *In-depth stocktaking of the CDD components* of projects now in preparation or implementation in Armenia, with reference to the following:
  - How are “communities” defined relevant to the given project? Whom do they include? How inclusive are they? Who are key stakeholders within the community, and what are the project-relevant social and political relationships that influence how the community functions?
  - What are explicit and implicit project CDD outcomes for the given project?
  - How are CDD outcomes now monitored in the project?

- *Formulation of sector specific CDD outcomes* (for example, what would an effective, well-functioning School Board or WUA look like; how inclusive or exclusive they are), with clearly operationalized *and measurable indicators*.
- *A commitment to involvement of members of a given community in developing appropriate and meaningful outcome indicators.*

### **Multi-sectoral approaches**

Where possible, the Bank should exploit the benefits of multi-sectoral efforts, in so that building capacity among communities has implications across sectors. Efforts in this direction are already being made in Armenia: the *ASIF* works closely with *Education* and *Irrigation Projects* in building capacity of community groups such as School Councils and WUAs, the *Cultural Heritage Project*, *Trans-Caucasus Tourism Initiative* and *Armenia Natural Resources Management and Poverty Alleviation Project* are likewise actively exploring ways to combine resources to help communities take greater charge of their own economic development through local management of cultural and natural assets. One such approach could involve working with members of condominium associations to deal collectively with shared problems of housing, water, and heating.