

Up-Scaling CDD

Strategy for Central Asia

Background

Based on the recognition that projects that promote Community Driven Development often demonstrate higher levels of development effectiveness, compared to standard projects, the Bank has embarked on a three-year institutional program to up-scale Community Driven Development. Each Region has selected a few pilot countries in which CDD approaches will be expanded and strengthened. In ECA, four countries in Central Asia were selected as a sub-regional pilot, rather than a specific country. This paper presents a three-year strategy to expand our experience in CDD in Central Asia and to deepen the knowledge we need to proceed efficiently and effectively in up-scaling CDD.

The five countries of Central Asia—Kazakhstan, Kyrgyz Republic, Uzbekistan, Tajikistan and Turkmenistan—each present unique challenges to the Bank in terms of their natural endowments, human resources, institutional structures and social composition. They also present similar challenges to the extent that they share a common history of external domination, arbitrary boundaries with little historical or social rationale and a drive for statehood that encompasses residues of old traditions, new idealizations of old traditions, new ethnic identities in an often uneasy multi-ethnic setting and new autonomous institutions on a bed of well-entrenched soviet economic and social structures. Compared to other regions of the world, and indeed within the ECA Region, Bank experience is new and limited both in the depth of our understanding of the area and its peoples and in our ability to deal with what is essentially a moving target. Much of our lending to the countries has been policy based, with relatively few real project interventions; thus our ability to learn from implementation experience has also been limited.

While we have given much attention to policy and institutional changes, the standard of living in most parts of Central Asia has plummeted, rural poverty has increased alarmingly without abatement and both the private and public sectors flounder. Governments are changing their attitude toward Bank support, however. Some countries (Kazakhstan, Turkmenistan and Uzbekistan) are not very receptive to policy advice; one (Kyrgyz Republic) has adopted our policy recommendations but found they are inadequate; and one (Tajikistan) has yet to emerge fully from internal conflicts and external threats. Recently, our Vice President visited the area and concluded that we should de-emphasize policy lending and pay more attention to project lending in the region. Moreover, he advocated CDD approaches to reach greater numbers of people and increase the likelihood of sustainability.

Thus we are on the threshold of a new approach to Bank assistance to the Central Asia countries, one that offers new opportunities and challenges. Several projects already promote the creation of local organizations, especially in Kyrgyz Republic, or promote locally based service delivery, but virtually no projects have a real community-based

approach. Consequently we have a lot to learn as we proceed. The strategy is designed to be a pragmatic, practical program that contributes directly to programs and operations, starting from concrete experience. Field studies will be conducted from the perspective of development practitioners, giving principal emphasis to practical poverty reduction implications for project and program design and implementation.

The next section describes the rationale for this approach and the concept of community that we are using. Subsequent sections review Bank experience on the community level in Central Asia; focus on what we need to know to work on the community level; and then proposes how we should move forward to upscale CDD in Central Asia.

Community—The Context

Experience has shown repeatedly that development investments which specifically target local communities can have far-reaching benefits. Moreover, the benefits are generally more equitable and more sustainable than less focused, untargeted initiatives. This is especially the case if the beneficiaries are brought into the design and implementation process as real partners, and their priorities and needs shape the investments. If beneficiaries are required to use their own resources on some sort of matching basis, the prospects for ownership increase substantially and overall costs are generally lower than top-down initiatives.

Despite their great potential, however, community-based and community-driven development initiatives are not easy to design or implement. Their success depends on a number of factors:

- the political and institutional commitment of governments to transfer resources and decision-making authority to lower levels;
- considerable flexibility and transparency to evolve through experience without arousing suspicion or creating a backlash;
- the participation of a range of stakeholders, some of whom may be hard to coordinate or motivate;
- a solid understanding of local institutions, populations and social dynamics to tailor them to local conditions; and
- specific skills available when and where they are needed.

In short, CDD efforts require new ways of doing business, and therefore institutional change.

Institutional changes are never easy, however, because they involve realignments of vested interests, power arrangements and routines and overcoming simple inertia. When the context itself is changing, when institutions are already in flux, the realignment may not necessarily be more difficult than in a stable context. Nevertheless, working in a situation in flux requires attention to additional factors, many of which have to do with

learning about the nature of changes underway and the status of different players, especially new ones.

Central Asia is such a changing environment. It has a mixture of new and old traditions, new and old alliances, new and old institutions and new and old influences, both internal and external. There are innumerable instances of continuities and discontinuities, of old patterns and new opportunities colliding, adjusting and merging, creating a complex and often contradictory web of realities. The states in Central Asia are new and the Bank is even newer to the area. Together with our counterparts, we have tried to influence changes, drawing on our experience and understanding of institutional dynamics in other parts of the world, as well as local knowledge.

Unfortunately, our knowledge about the region and the depth of our understanding have been less than adequate. Moreover, except in macro economic analysis, there is little continuity; studies commissioned for project preparation are too often narrowly focused and rarely updated or broadened afterwards. Our collective knowledge is thus neither as comprehensive nor as current as it should be, and the gaps are particularly evident with reference to areas outside of immediate project sites and national and regional capitals. Consequently, before embarking on an exercise to upscale CDD in Central Asia, we need to clarify what we mean and what we need to know to move forward.

One useful starting point is the concept of community because the term is used in many ways, few of which necessarily apply to Central Asia or much of the former Soviet Union. The concept of community, the subject of many studies (see Annex 1 for a brief overview), is loaded with analytical baggage, both descriptive and prescriptive. In most cases, a community is a specific place; generally, it is located in a rural area, but not necessarily. A community can be a whole social unit—a town or city, or a sub-unit—a neighborhood or enclave. The community may be purely residential or a physical and economic microcosm of the broader society. Most communities have an obvious physical boundary, but the real test of a community is a social boundary. That is, members of the community identify themselves as somehow distinct from those outside of it. Conversely, the boundary can be set by people outside of the community to separate themselves socially from those within.

Beyond the physical demarcation, a community is a group of people who share a set of social bonds. The bonds can be based on proximity—neighbors—or common characteristics—ethnicity, occupation, religion, or others. In practice, of course, the social bonds between members of a community are multi-dimensional and change over time, as do the boundaries themselves. A community thus is actually an aggregation of people in a place who have some common bonds to the place and the community, as such, even though individual members have exceedingly complex and varied relationships with each other. Some communities are created deliberately, usually as an expression of a particular ideology, but most are not. Rather, they evolve over time, growing, shrinking, dividing and consolidating, for example, depending on both internal and external influences.

We are interested in communities because they constitute the first major level of structured social organization beyond the family. As such, they are also idealized, based on prescriptive concepts of community. In the prescriptive sense, the community is the locus of most of the life events, relationships, resources, exchanges, skill development and social control of its members. It is the principal social organization through which people express and meet collective needs. The community is the primary vehicle through which people aggregate interests, mobilize resources and manifest concrete examples of loyalty, charity, support and competition. Of course, the extent to which all of these characteristics and dynamics are present in a community vary considerably. Moreover, hindsight tends to simplify visions of community life and romanticize the results, emphasizing collective action, solidarity, mutual assistance and socializing, particularly in rural communities, rather than recognizing the internal conflicts, differences and tensions that inevitably exist. And the prescriptive concept of community prompts development theorists and practitioners alike to want to revive old patterns and bonds.

The community is a legitimate focus for development interventions, especially those which promote empowerment and ownership, both of which are necessary for sustainable social and economic development. Within the community, we are particularly interested in the creation of social capital, the social networks and formal and informal social organization through which individual interests and resources are transformed into community resources.

When we attempt to go beyond the generalities and romantic notions of communities to practical application of our commitments and insights, however, our visions become blurred, especially in Central Asia. We have little experience and little information about contemporary life in Central Asian communities to know how to formulate community development programs for maximum impact. It is not clear if:

- we should be guided by the idealized notion of communities as being relatively autonomous, cohesive, self-defined and evolving, which just need some catalytic influence to release the constructive energy of their members; or
- we should emphasize the importance of the soviet past, in which communities were simple settlements, extensions of state enterprises, rather than self-defined, cohesive social structures, which suggests a CDD approach designed to promote solidarity and autonomy.

It is important to understand which of the two approaches is most relevant, as the answer to this question has major implications for our strategy. In the first case, the focus of a CDD approach would be to shape and re-direct social capital; in the second case, CDD would give first priority to creating social capital. The two approaches are not mutually exclusive, but each has a distinct set of priority actions and requires a different set of skills to implement effectively.

Three factors differentiate Central Asian communities from those described in most community studies:

- Many communities in Central Asia were totally artificial creations, especially in the rural areas, thus physical and social boundaries may not coincide;
- New state institutions have only partially replaced collapsed soviet institutions, especially on the local level, thus legitimacy is potentially a major issue; and
- Migration and other demographic changes have disrupted social bonds and networks, complicated resource allocations and confused roles, thus destroying the basis for community self-identification.

Consequently, it is not necessarily obvious what constitutes a community, as such, in Central Asia in either spatial or social terms. Is it a settlement, a governmental unit, a traditional construct or something else? In other words, how will we know one if we see one? Similarly, what is the amount and nature of social capital found in Central Asian communities and how can it be promoted and directed toward community development?

For simplicity, the strategy uses the concept of community in an empirical, heuristic fashion, as a place with physical boundaries which may or may not coincide with social boundaries. In this way, we can drop most of the analytical baggage and common assumptions and focus instead on answering questions related to the presence or absence of social community, as such, and the types and amount of social capital in the community. Over time, we intend to develop a better understanding of the character of social boundaries of community by addressing questions related to the social and economic structure of rural settlements; the nature and strengths of social bonds and networks; and social dynamics within particular settlements and between these settlements and the outside world. That is, we select place as the defining characteristic, within which we aim to understand the social boundaries of community and the values people ascribe to community. This understanding will be based on empirical observation of social patterns and the subjective understanding members of communities have of the opportunities and constraints they face; the perceived strengths and weaknesses of their communities; and leverage points to empower their communities to increase social capital, to promote social cohesion and to mobilize resources for their own development.

The next section discusses the Bank's relevant community level initiatives to date or under consideration.

Experience with Local Level Initiatives and Future Directions

The Bank has few operations in Central Asia that promote local level interventions, and very few use local governments or communities as active partners in implementation, such as social funds. Nonetheless, a number of initiatives are on the horizon. Current operations with a community impact attempt to deliver resources or services to the local level through national or oblast-level institutions. In some cases, the resources or services are just made available locally; in others, beneficiary groups are organized to receive the services and/or manage the resources that are distributed. Some beneficiary groups are given an active role in deciding on the allocation of resources or the nature of services to be delivered, but this is the exception. In most cases, communities or groups may be consulted, but not empowered. Few of the groups are linked to local

administrations; rather, they are ad hoc functional groups, generally without official status. Thus, while the groups are community based, they are not community groups, as such.

Not surprisingly, the countries that have undergone the least extensive institutional changes have very few community based operations. Kyrgyzstan, the country that has been most open to reform over the last decade, has the widest range of Bank-funded activities on the local level; in contrast, Uzbekistan, the least reformed, has one project in the current portfolio that involves a community-based operation. Kazakhstan and Tajikistan are somewhere in the middle. In each country, however, new initiatives are under consideration or development that will constitute a qualitative increase in the range and depth of CDD activities in the sub-Region. The Country Director has requested the strategy to include the four countries mentioned above, but not Turkmenistan.

Given the limited number of Bank initiatives in Central Asia that have a community focus, and given the fact that none of them represent even a medium point along a theoretical CDD continuum that ranges from no community involvement to the empowerment of communities allocate and manage funds, there is obviously great scope for up-scaling CDD in the sub-region along a number of dimensions. Most importantly, the timing is right for doing so, as indicated above. Experience is already showing that if implementing agencies are committed and mobilize adequate and appropriate technical and organizational support to community based groups, the local response is very positive. There is little evidence so far, however, to understand the extent to which initial interest and enthusiasm can be sustained and whether or not the activities of the groups have broader impacts in the community. The range of existing and planned operations are described briefly by country.

Kyrgyz Republic. Five projects in Kyrgyz Republic have community-level activities:

- the Sheep and Wool Improvement Project (FY 1996) works through community-level Sheep Farmers Associations; enough groups have been formed, with varying degrees of commitment and effectiveness, to warrant assessment for lessons learned;
- the Agricultural Support Services Project (FY 1998) is developing farmers groups to interact with extension people; this element is still in an exploratory stage, not yet mainstreamed in the project;
- the Rural Finance Project I (FY 1997) has a small-scale group credit facility, based on Agricultural Consumers Cooperatives; the second phase (FY 1999) will expand the facility, lending to groups based on “social collateral”;
- the Agricultural Support Services Project (FY 1998) has a group credit scheme funded by IFAD with UNDP technical assistance, that has also gained valuable experience that needs to be assessed;
- the new On-Farm Irrigation Project (FY 2000) rehabilitates irrigation systems in which Water User Associations (WUAs) are created and request financial assistance for rehabilitation; WUA development and support are integral elements of the project, drawing on experience gained in a small pilot phase.

Some communities have two or more types of groups functioning independently, with no coordination on the part of the Government or the Bank, and thus little opportunity to learn from the experience.

The proposed Rural Water Supply Project (FY 2001) will be demand driven, responding to community groups who request support to build or rehabilitate rural water systems that they agree to operate and maintain. The proposed Community Based Livelihoods Project (FY 2003) being considered for inclusion in the new CAS, would be the first real CDD initiative in the country portfolio.

Kazakhstan. One project in Kazakhstan has a community focus, the Irrigation and Drainage Improvement Project (FY 1996). It establishes WUAs on restructured former state and collective farms that are involved in the project. The WUAs decide on rehabilitation works and assume responsibility for operation and maintenance of the on-farm system, as well as partial capital cost recovery. Initially, the process of establishing WUAs was stymied by the lack of appropriate WUA legislation, which is currently under consideration.

Two new projects may adopt community-based approaches:

- The fisheries component of the Syr Darya Project (FY 2001), to be designed in detail during implementation, will use a CDD approach to integrate anticipated investments in infrastructure with community level activities to strengthen fishing communities.
- Similarly, the Agricultural Support Services Project (FY 2002) can reach more people more effectively if it employs a community-centered approach.

Uzbekistan. The Water Supply, Sanitation, and Health Project (FY 1998) has two components that involve community participation for which implementation arrangements are under preparation: under the rural sanitation component, community members will help select appropriate technology communal sanitation facilities in schools and hospitals and build them; under the health promotion and hygiene education component, community-based groups will implement health education activities in the schools, and train and supervise community health workers. In addition, under an Institutional Development Fund, a grant for Improving Environmental Management Capacity (FY 2001) will obtain local perceptions will be obtained effective measures to raise public environmental awareness and empower the public to participate in decisions related to environmental protection and local NGOs and community groups will be involved in preparing and disseminating appropriate materials

Two projects under preparation or discussion will have community-based elements:

- the proposed Karshi Cascades Rehabilitation Project (FY 2002) will create Water User Associations (WUAs) to rehabilitate, operate and maintain on-farm works;
- the proposed Small Investment and Micro-Credit Fund (FY TBD) will support local institution building and loans for micro-lending.

Tajikistan. The new Irrigation Rehabilitation Project (FY 2001) also works through WUAs, drawing on the limited experience gained during preparation. So far, the experience has shown that traditional joint action activities are still prevalent in Tajikistan and that rural people are willing to set up user associations to improve local infrastructure.

A new social investment fund (SIF) project (FY 2002) is also under development. Based on second-generation SIF principles, the project will attempt to create long-term development partnerships in communities, and invest in a series of initiatives that empower the partnership, rather than focus on discrete, short-term investments that have little long-term impact.

Up-Scaling CDD—The Strategy

The overall objectives of the three-year strategy to up-scale CDD in Central Asia are to increase the number of community development initiatives and to move beyond existing community based approaches, which mobilize community members for different purposes, to real community driven development, which empowers communities to direct the development process. That is, we want to move from seeing the community as a target for development to enabling the community to be the engine for development. We will accomplish this through a set of four distinct, but complementary actions, each of which is discussed below:

- *demonstrate value* by assessing and improving existing operations;
- *lay the groundwork* for new approaches and operations;
- *disseminate* results and findings to build constituencies; and
- *advocate* to create new opportunities and mobilize resources.

While these objectives are clear, we must keep expectations modest. Due to prevailing political and social conditions, it may not be possible within the next three years to achieve the objective of empowering communities to direct the development process in all of the four Central Asian countries.

By carrying out the four actions discussed below, however, it will be possible to gain a greater understanding of community in the Central Asian context; how well existing community-based approaches have functioned; and how they can be improved. We will then be able to identify the most appropriate steps for laying the ground work for real community-driven development in the future.

Demonstrate value. Ongoing activities will be assessed both to learn from them and to help improve their effectiveness. Investment operations never follow a fixed blueprint; even the best-designed projects are based on limited experience and understanding, thus they need to be revised and refined during implementation. This is especially true when a project introduces new ways of doing things to people who may not even recognize the need for change. Projects are always important learning opportunities, but they are particularly valuable in new circumstances where there is little

experience with the target population and limited understanding of local dynamics. Such is the case with community based activities; even the best formulas must be adapted to specific circumstances that are themselves changing. Our current programs cover a spectrum of different activities. All of the projects that promote beneficiary groups have different approaches for organizing and supporting the groups, as well as serving them. All have experienced both successes and frustrations. Some have stuck to their original programs; others have changed course. Together, they constitute a wealth of experience that has not been assessed or reflected upon. Consequently, it is difficult to determine their relative effectiveness or to advise on how to improve them. Moreover, other donors and NGOs sponsor projects and programs that are also gaining valuable experience from which we and our clients can learn.

To demonstrate the value of the CDD approach, we must be able to document and understand it. Therefore, the first element of the up-scaling strategy is to conduct rapid assessments of ongoing projects funded by the Bank and others to understand the relative value of community based initiatives and to identify ways to make them more effective and more efficient. This work will look at beneficiary groups themselves—their composition, functioning, strengths, weaknesses, and so on—as well as their impact on their communities. That is, we will look at what the groups have accomplished as well as the extent to which they have precipitated other changes in the community through positive modeling or in reaction to them.

The assessment will be based on an analysis of how community based groups meet a set of criteria that are normally associated with properly functioning WUAs. Experience has shown that in order for WUAs to function effectively and be sustained, they must be:

- Autonomous—independent institutionally and financially
- Legitimate—recognized and trusted
- Authoritative—able to impose discipline and make contracts
- Equitable—in structure in operation
- Competent—technically and managerially
- Responsive—to members and their needs
- Transparent—in decision-making and managing resources.

The analysis will determine whether or not successful beneficiary groups share the same characteristics or others and whether or not the group formation process is designed to foster these characteristics.

This assessment will also compare different approaches to organizing and supporting groups to see what has worked and what has not worked. Despite countless attempts to organize community groups in different settings, there is little consensus regarding the intensity of support needed to establish effective, sustainable groups, or the extent to which initial steps should focus on group issues, such as group dynamics, cohesion, and so on, rather than on the substantive, practical objectives of the group, such as distributing irrigation water or managing group loans. To some degree, the lack of consensus indicates the lack of systematic attention given to evaluating different approaches and outcomes. It is clear that the level of input would vary according to the

task of the group and the prior experience of its members, thus there will never be a simple answer to the question. Nonetheless, we hope to generate data that will serve to establish a better sense of the range of inputs needed for group formation and support in Central Asia, as well as the sequencing of different types of inputs, which can be applied directly to current and new projects.

Lay groundwork. Promoting local beneficiary groups is an important, but limited manifestation of CDD. Groups form in response to an external stimulus if the purpose meets a felt need of members. The outcome can be significant for group members, but the benefits may not spread beyond the group or address highest priorities. Indeed, induced organizations can conflict with or undermine other beneficial forms of social organization, ultimately weakening the community. The objective of CDD is community empowerment, thus it must go beyond simply organizing individuals to stimulate broader participation, building on existing strengths. To up-scale CDD in Central Asia, we need to understand much more about communities and how they function in order to identify important leverage points and pitfalls, opportunities and threats. What we learn from group formation experiences is useful, but it constitutes an inadequate knowledge base for more far-reaching CDD.

To move forward, we need a much greater understanding of the status of communities in Central Asia, particularly local organizations and social capital. We need to know how communities are organized; how they function internally and interact with external organizations. What are the roles of principal stakeholders—villagers, managers, civil society, local administrations and traditional leaders and structures (sicj as mahalla committees in Uzbekistan and Tajikistan)? What is the nature of social networks and how are they used for social inclusion or social exclusion? What is the nature and extent of social capital among different age, education, income and ethnic groups? What are the needs of different stakeholders, how are they articulated and how are they realized? What patterns of rent seeking, resource capture or resource redistribution exist in communities? How do people organize themselves for everyday tasks and for emergencies? What are common patterns of mutual support, self-help and celebration? How do communications flow to and within communities? How are common social dynamics manifest and managed in communities, such as conflict, competition, violence, cohesion, affinity and solidarity? These and other aspects of community life need to be understood in order to design CDD initiatives that build on the strengths of communities and benefit the most people, especially the poor and vulnerable.

A regional ESW on Local Level Institutions and Social Capital will set the benchmark for future work. It will assess experience, document the current situation and identify areas for further inquiry. The regional study will compare and contrast community structures and dynamics in the four countries, as well as various efforts to promote community-level organizations, in order to identify common patterns as well as national and regional differences.

Disseminate. The findings of project assessments and community studies will be shared with communities, clients, NGOs, other development agencies and colleagues in the Bank. More general studies will be reported in regional, national and oblast-level seminars and workshops; specific project assessments will be reported in project

seminars and workshops and, to the extent feasible, findings will be incorporated in project operations manuals. Finally, periodic brown-bag seminars will be held in the Bank. The dissemination component of the strategy has two objectives: first, to share findings and understand implications for designing and implementing operations; and second, to identify new issues to be addressed, new perspectives and new cases to pursue. One major benefit of having a three-year program is the opportunity it affords to engage key colleagues—government, academics, practitioners, NGOs and others—in an active, ongoing dialogue which should result in better studies and better results on the ground.

Advocate. The purpose of the up-scaling strategy is to increase the incidence and the quality of CDD initiatives in Central Asia. This will be a team effort involving social scientists on the Kazakh, Kyrgyz, Uzbek and Tajik Country Teams. Their counterparts will be other members of the Country Teams, Task Teams, colleagues in Resident Missions, local social scientists and project staff. In addition to the dissemination mechanisms described above, the team will focus on three targets: CAS, PRSP and operations. In addition, attention will be given to other lending instruments, as appropriate. The team will work with Task Teams and counterparts to improve the quality and results of current operations and demonstrate their value; carry out ESW to deepen our understanding of communities, identify new opportunities for CDD initiatives and refine CDD approaches; and develop proposals for pilot activities, studies or capacity building exercises to move forward the CDD agenda.

Up-Scaling—The Program

Year I: Taking Stock. The first year will be devoted primarily to assessing current experience and developing a solid understanding of communities in the four countries. The principal activity will be a Regional ESW on Local Level Organizations and Social Capital in Central Asia. Field inquiries will include both communities in which beneficiary groups have been established and those without such interventions. The results will be discussed in a Regional CDD Seminar; four national workshops; and as many project seminars as appropriate. The team will also contribute to the design of the Tajikistan SIF project and the final design and implementation of NPRS programs, as well as identify country-specific or regional ESW or pilot activities that would be executed in the second year.

Year II: Moving Forward. The second year will focus on helping Task Team Leaders apply the results of the previous year's studies in specific projects, undertaking the new ESW or pilot activities identified in the previous year and contributing to the design of the two new CDD initiatives that are expected to be under preparation. New ESW or pilot activities to be undertaken will be screened to ensure that they answer key questions of regional importance and/or have clear implications for project or program design. Both regional and country specific ESW and pilots will be discussed with the respective country team and cleared by them. The results of ESW and support for operations will be reported in a Regional CDD Seminar; four national workshops and project workshops.

Year III: Getting Results. The third year will cover a spectrum of activities ranging from new ESW (possibly a pilot activity) to project support, design and implementation. Results of different activities will be reported in one Regional CDD Seminar, four national workshops and several project workshops.

Estimated Budget

		<u>Norwegian TF</u>	<u>BB</u>	<u>Other</u>
Year 1	ESW	60,000		\$35,000
	Workshops	15,000		
	Staff weeks (6)		30,000	
	Trips (3)		30,000	
Year 2	ESW Regional	50,000		25,000
	ESW Country (2)	30,000		
	Workshops	15,000		
	Staff Weeks (6)		30,000	
	Trips (3)		30,000	
Year 3	Pilots (2)	100,000		50,000
	ESW Country (2)	30,000		
	Workshops	15,000		
	Staff Weeks (9)		45,000	
	Trips (3)		<u>30,000</u>	
		<u>315,000</u>	<u>195,000</u>	<u>110,000</u>