



Community-Driven Development Country Profile

INDIA

Disclaimer: The views and assessments contained herein do not necessarily reflect the views of Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data and accepts no responsibility for any consequence of their use. Terminology used may not necessarily be consistent with ADB official terms.

A REVIEW OF COMMUNITY-BASED URBAN DEVELOPMENT PROGRAMS IN INDIA

A. INTRODUCTION

This paper reviews community-based development (CBD) initiatives in four projects of the Urban Development Division of the South Asia Department (SAUD) in India (Kerala, Kolkata, Madhya Pradesh, and Rajasthan). It focuses on participatory, demand-responsive approaches, and highlights community-driven development (CDD) features of CBD components. The purpose is to identify how CBD and CDD approaches have been applied in such projects and to evaluate such efforts, wherever possible. This paper draws from a combination of desk review¹ and conversations with relevant project officers, including the Asian Development Bank's (ADB) India Resident Mission Urban Group. Section B provides a brief overview of CBD and CDD. Section C provides the India country context highlighting the institutional and policy environment. Section D examines four SAUD projects and Section E highlights lessons learned and the prospects for increased community approaches in urban development projects in India.

B. COMMUNITY-BASED AND COMMUNITY-DRIVEN DEVELOPMENT BACKGROUND

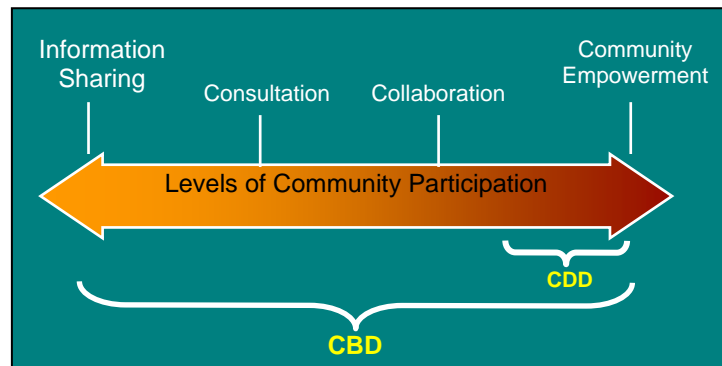
CBD is an umbrella term encompassing a wide range of projects that actively include beneficiaries in their design, management, and implementation. The level of this community participation can vary from simple information sharing to consultation in design; collaboration in implementation and management; and social, economic, and political empowerment of community groups by giving them direct control and responsibility of development projects.² ADB's initial poverty and social analysis report form requires distinguishing the level of participation envisaged for project design into four categories—information sharing, consultation, collaborative decision making, and empowerment. In this continuum of community participation covered by CBD, new-generation CDD projects are on the extreme right of the axis as shown in the figure. The World Bank uses a budgetary criterion to distinguish between the two by deeming as a CDD project any project allocating more than 85% of project costs on (i) community resource or decision control, (ii) creating an enabling environment for collective action, and (iii) community capacity enhancement. According to the World Bank criteria, none of the projects examined in this paper qualify as stand-alone CDD projects,³ but each contains features that clearly exhibit CDD characteristics.

¹ Project documents reviewed include reports and recommendations of the President; quarterly reports; benefit, monitoring, and evaluation reports; and other project-related memos and publications provided by project officers.

² ADB. 2006. September. *A Review of CDD and its Application to ADB*. www.adb.org/Documents/Participation/Review-CDD-Application-ADB.pdf

³ According to the Poverty Reduction, Gender, and Social Development Division of the Regional and Sustainable Development Department, there are only a small number of stand-alone CDD projects within ADB, mostly in Southeast Asia.

Distinguishing CBD and CDD in Terms of Community Participation



CBD = community-based development, CDD = community-driven development.

Source: ADB. 2006. *A Review of Community-Driven Development and Its Application to the Asian Development Bank*. Manila.

There are five possible defining characteristics of CDD projects:

- (i) **Community focus.** The defining characteristic of a CDD operation is that its target beneficiary is some form of a community-based organization (CBO) or representative local government of a community. Given this, the operation essentially consists of numerous small-scale subprojects at the community level in whatever sector(s) the project is targeting.
- (ii) **Participatory planning and design.** The design of the community-level subprojects is done through participatory planning by the community or CBO itself; only then can it be termed community driven. Therefore, the range of goods and services that can be selected by a CBO for a subproject investment is often very large, usually coming from an open menu with a small list of activities that cannot be undertaken.
- (iii) **Community control of resources.** There should be at least some form of resource transfer to the community or CBO, although the level of control by the community may vary.⁴
- (iv) **Community involvement in implementation.** This involvement often takes the form of direct supply of inputs, labor or funds (as part of “community contributions” to the subprojects), or indirect inputs through management and supervision of contractors, or operation and maintenance (O&M) functions.
- (v) **Community-based monitoring and evaluation.** This is not so much a “necessary” condition as an increasingly common element of CDD project design. Social accountability tools, such as participatory monitoring, community scorecards, or grievance redress systems that ensure downward accountability to the community, form part of this characteristic.

⁴ The more strict definition of CDD would require direct transfer and control of funds to communities, but a more liberal definition would accept numerous indirect fund transfer arrangements, including to local governments, nongovernment organizations (NGOs), or other agencies on behalf of communities.

C. INDIA COUNTRY CONTEXT

Urban development and improving the condition of the urban poor is a high priority for the Government of India as exemplified by their passage of Jawaharlal Nehru National Urban Renewal Mission in 2005. One of the mandatory reforms at the state level is the enactment of the Community Participation Law to institutionalize citizens' participation.⁵ CBD and CDD present opportunities to support this government initiative.

CBD, particularly that which is community driven, is greatly facilitated in a decentralized country context. In India, decentralization started as early as 1957 with the attempt to implement the *panchayat*⁶ structure at district and block (*samithi*) levels. Since then, the worsening of urban areas in the country prompted the national government to carefully evaluate alternative approaches to relieving the difficult living conditions of the urban poor. It was recognized that the only affordable approach was to empower and support cities to undertake reforms and improve urban governance. In response, the national government passed the 74th Constitutional Amendment Act (CAA) in 1992, devolving urban civic responsibilities from states to locally elected officials to improve municipal governance.

Under the 74th CAA, urban local bodies are responsible for the direct supervision of certain activities such as urban planning; planning for economic and social development; water supply; public health, sanitation, and solid waste management; and slum improvement and urban poverty reduction.⁷ An inadequate institutional framework and limited local capacities for urban management are the major causes of poor urban infrastructure and services. The four projects examined in this paper, contain policy and institutional support measures to facilitate the respective state government's efforts at implementing reforms consistent with the 74th CAA.

D. SAUD CBD/CDD PROJECT EXPERIENCE IN INDIA

This section reviews CBD and CDD in four SAUD projects in Kerala, Kolkata, Rajasthan, and Madhya Pradesh.

1. KERALA SUSTAINABLE URBAN DEVELOPMENT PROJECT (KSUDP)⁸

Project Description

KSUDP is a \$316 million–project loan, \$221 million of which is financed by ADB, \$60 million by the Kerala government, and \$35 million by municipal corporations. The project involves the improvement, upgrading, and expansion of existing urban infrastructure facilities and basic urban environmental services (water supply, sewerage and sanitation, urban drainage, solid waste management, and urban roads and transport) in five municipal corporations and 53 urban municipalities of the State of Kerala. The project also involves

Salient CDD Features

- Projects are identified, designed, implemented, and in some cases, operated and maintained by community groups. Technical assistance is provided by the project.
- Capacity-building programs exist for community-based organizations.
- Civil society organizations (CSOs) are part of city-level steering committee, which approves project proposals.
- CSOs oversee selection, implementation, and monitoring of poverty reduction programs.

⁵ Government of India. 2006. Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Overview. Ministry of Urban Development.

⁶ Panchayat is an institution of self-government for the rural areas.

⁷ Source: Natural Resource Data Management System, Department of Science of Technology, Ministry of Science and Technology, Government of India. http://nrdms.nic.in/74th_ammendment.asp

⁸ The project loan was Board approved on 20 December 2005.

institutional strengthening and capacity building of state and municipal agencies in urban management and urban services provision, as well as poverty reduction initiatives developed through stakeholder participation. Under the Urban Community Upgrading component, the project will target slum communities by financing community-based infrastructure, slum improvement, and other livelihood programs. Community programs are implemented in close partnership with civil society organizations.

Community Components⁹

The **urban community upgrading** component aims to (i) improve community planning processes for city development, (ii) improve infrastructure in targeted poor slum communities and basic facilities for vulnerable groups, and (iii) improve livelihoods and employment opportunities for the urban poor. The budget for the community upgrading component (\$22.5 million) is 7.1% of the total project cost. Toward this, the project supports the following two programs:

- **Community infrastructure and services.** Funds are available to poor communities in five municipal corporations for improvements to basic infrastructure including water supply, sanitation, local drainage, narrow road paving, street lighting, and services for women and children slum dwellers including community halls, day care centers, physical infrastructure for primary health care and education, and scaling up of innovative government social programs.

Eligible projects are identified, planned, and implemented by community groups¹⁰ on the basis of community investment plans and needs assessments, part of an overall city-level Poverty Alleviation Investment Plan, also organized under the project. Assistance in proposal development is provided by the social and community development officer at the city's project implementation unit (PIU).¹¹ The PIU provides guidance and assistance in appropriate design standards. On submission of project proposals by community groups, civil society organizations (CSOs)¹² assist the city-level steering committee grant final approval.

The fund flow is coordinated by the project management unit, which makes payments to the PIU for works based on the statement of expenditures. But the secretary of the municipal corporation is also authorized to make payments on behalf of the PIU and municipal corporation. Work progress is monitored by the PIU social and community development officer along with municipal corporations, a representative of Kudumbashree,¹³ and a community group member. The CSO will be informed of all physical and financial matters related to poverty reduction works. Monitoring of achievements and benefits will be undertaken with the assistance of all concerned groups, with CSOs playing a key role in monitoring poverty reduction programs.

⁹ ADB. 2005. *Report and Recommendation of the President to the Board of Directors on Proposed Loan to the Government of India for Kerala Sustainable Urban Development Project*. Manila.

¹⁰ Community groups include community development societies, area development societies, and neighborhood groups.

¹¹ PIU staff are sourced from state-line departments or other offices.

¹² CSO members comprise of representatives from the municipal corporations, Kudumbashree (Kerala State Poverty Eradication Mission), community development society, NGOs, private–public sector undertakings, research and academic institutions, media, and any other relevant groups involved in poverty alleviation initiatives.

¹³ In Kerala, Kudumbashree has undertaken the role of the State Urban Development Agency (SUDA) or State Poverty Eradication Mission (SPEM) as found in other Indian states, to implement centrally sponsored poverty reduction schemes.

The community is to demonstrate adequate capacity to execute or supervise the scheme; if not, acceptable arrangements are made to appoint a qualified service provider. Where recurring costs (e.g., O&M) form a substantial component of investment sustainability, details of responsibility for cost recovery and a mechanism to ensure sustainability are to be specified as part of proposal.

So far under KSUDP, a number of works are being carried out in 38 identified slums in the five municipal corporations. Small-scale works include footpaths, drains, water supply, and street lights. Some physical works are complete while others are in varying stages of progress.

- **Livelihood promotion. Funds are available to finance programs for income generation, for confederations of self-help groups, and for microenterprise development.**

The Income Generation Program includes capacity-building programs for CBOs and CSOs. Other training programs carried out through identified training institutes include (i) planning and identification of community infrastructure needs; (ii) operational and maintenance issues relating to infrastructure provision; (iii) awareness regarding women empowerment, health and diseases, and education; (iv) conceptual clarity for scaling-up livelihood initiatives through livelihood development strategies; (v) facilitating confederation of self-help groups to graduate into microfinance institutions; and (vi) focus on business development initiatives for microenterprises.

KSUDP includes a policy and institutional action plan to ensure that policies are in place to enable municipal corporations assume responsibility for urban planning and to ensure greater citizen participation in infrastructure planning.

2. MADHYA PRADESH URBAN WATER SUPPLY AND ENVIRONMENTAL IMPROVEMENT (MPUWSEIP)

Project Description

MPUWSEIP is a \$383 million project, of which \$252 million is financed by an ADB loan,¹⁴ \$0.5 million by the United Nations Human Settlements Programme (UN-HABITAT), and \$130.5 million by the Madhya Pradesh government and municipal corporations. The project addresses citywide deficiencies in basic urban services in four project cities (Bhopal, Indore, Gwalior, and Jabalpur) in Madhya Pradesh. The project will assist the participating cities to undertake participatory planning exercises that meet the needs of the urban poor. Based on successful experience in other states in India, two community-level funds will be provided to support the integrated upgrading of poor settlements for improved water supply, sanitation, drains, and social services.

Salient CDD Features

- Demand-responsive slum upgrading program for water supply, sanitation, and drains
- Participatory planning with civil society organizations
- Poverty mapping to identify most vulnerable slums for water and sanitation intervention
- In some cases, direct transfer of funds from municipal corporations to registered community user group bank accounts. These projects allow registered community groups to plan design, implement, do operation and maintenance, and manage facilities.

¹⁴ The original ADB project loan from ordinary capital resources (\$181 million) was Board approved on 12 December 2003. The total original project cost was \$275 million. An ADB supplementary project loan (\$71 million) was Board approved on 13 October 2008 for a total supplementary loan amount of \$108 million. Implementation of the project is now in full swing.

Community Components¹⁵

The project's Public Participation and Awareness Program is shaped by two key programs: the Municipal Action Planning for Poverty Reduction (MAPP) and the Water for Asian Cities (WAC), a joint collaboration and cofinancing arrangement between ADB and UN-HABITAT. The budget for the Public Participation and Awareness Program (\$12.2 million)¹⁶ is 3.1% of the total project cost. These activities are designed to strengthen the capacities of the project cities to plan and manage urban development in a more effective, transparent, and sustainable manner.

MAPP is a participatory planning approach for identifying community needs and generating project proposals in the most service-deficient slums. It is developed by the municipal corporation in partnership with CSOs. To ensure that the most vulnerable slums are targeted, a poverty mapping process was designed by UN-HABITAT and includes the demarcation of slum boundaries coupled with detailed surveys. This information provides accurate data on community needs and facilitates the scheme development and prioritization process. The result of the MAPP process is a demand-responsive proposal that sets out a detailed analysis of a proposed scheme, including project design, implementation, and O&M arrangements.

Project proposals generated from the MAPP process are eligible for two funds provided under the project. The Area Improvement Fund (AIF) finances physical water supply, sanitation, drainage, roads, and street lighting projects on an annual basis. Subsequent allocations are performance-based and allow for bonuses to the corporations that perform well in implementation and operation. The Community Initiatives Fund (CIF)¹⁷ finances social sector and nonphysical initiatives such as education, health, and income-generating schemes.

The project has identified one AIF scheme in each of the four project cities which includes 10 community toilets in the poorest slums of the four city corporations. The toilets are to be constructed, rehabilitated, or upgraded with active involvement of the local community. Registered community user groups of local women will oversee operation and maintenance of these toilets based on user charges. Field visits indicate that all the women members of registered groups are keen to be associated with the project. The engineering designs are being developed with assistance of the respective PIUs and works would be executed by contractors under supervision of the local women resident committees. The CIF is for social sector pro-poor initiatives and gender-related interventions, providing support for community facilities, education and income generation activities. The CIF is being made available to communities within the selected slums to finance social sector and nonphysical initiatives, which through a community planning process, will be identified to meet priority needs of a particular community. Self-help

¹⁵ ADB. 2003. *Report and Recommendation of the President to the Board of Directors on Proposed Loan to the Government of India for Urban Water Supply and Environmental Improvement in Madhya Pradesh Project*. Manila; ADB. 2008. *Report and Recommendation of the President to the Board of Directors on Proposed Supplementary Loan to the Government of India for Urban Water Supply and Environmental Improvement in Madhya Pradesh Project*. Manila; Back-to-Office Report (BTOR) Mid-term Loan Review Mission (March 2008) for *Urban Water Supply and Environmental Improvement in Madhya Pradesh Project*; Project Management Unit Quarterly Report (January 2008); UN-Habitat, ADB, and Asia-Pacific Water Forum. 2007. *Local Actions for Sustainable Development*. UN-Habitat, Nairobi, Kenya.

¹⁶ Includes \$0.5 million from UN-HABITAT support under parallel financing arrangement.

¹⁷ The executing agency initially deferred activities of the AIF and the CIF as similar work was to be undertaken by the Madhya Pradesh Urban Services Program, funded by the Department for International Development (DFID) of the United Kingdom. In April 2007, however, the executive agency decided to reinstate and implement both funds using the methodology established by the Water for Asian Cities program. Activities under these funds are taken up under the supplementary loan financing.

groups will be provided with hygiene education to enhance quality of life and make women aware of the importance of proper hygiene at home. CIF initiatives will generally be implemented where communities have been satisfactorily mobilized by the AIF activities.

The Water for Asian Cities (WAC) Program implemented the Community Managed Water Supply Scheme (CMWSS), a separate initiative from the MAPP, but also dependent on poverty mapping for prioritization. Projects under CMWSS were implemented in partnership with UN-HABITAT, the municipal corporation, and the community represented by the Community Water and Sanitation Committees (CWASC). CWASC is a legal entity with registered bank accounts that carry out the responsibilities of planning, design, implementation, O&M, and management of CMWSS projects. In other words, CWASC is intended to be fully empowered to deliver needed water services for their respective community. The municipal corporation and district urban development agency (DUDA) entered a memorandum of understanding with CWASC to institutionalize arrangements. A revolving fund managed by the municipal corporations and the DUDA provides a loan directly to CWASC to meet infrastructure development costs and is paid back by the community in installments. Necessary training activities on record keeping, procurement, contracting procedures, and O&M are conducted for CWASC.

CMWSS demonstrates a workable partnership between the local government and community, setting the ground for scaling up and providing for other civic facilities. It represents a community-driven approach which allows even the poor to pay and take ownership of needed service delivery.

3. KOLKATA ENVIRONMENTAL IMPROVEMENT PROJECT (KEIP)

Project Description

KEIP is a \$401 million project, of which \$258 million is financed by ADB loan,¹⁸ \$258 million of which is financed by ADB, \$74 million by the West Bengal government, and \$70 million by Kolkata Municipal Corporation. A capacity-building program was grant funded by the Department for International Development of the United Kingdom (DFID) (\$42 million) under a parallel financing arrangement, and administered by ADB, and aimed at enhancing Kolkata Municipal Corporation's capacity for urban planning and management.

The project will improve the well-being of the people of Calcutta, especially the poor, through an improved urban environment, equitable access to municipal services, and more effective municipal management. It is designed to support the government's move to devolve responsibility for urban management from the states to the municipal administrations. Under the project, a policy and institutional framework is established to sustain the investments in sewerage and drainage, solid waste management, slum

Salient CDD Features

- Demand-responsive physical investments for slum improvements (e.g., water supply, toilets, sewerage connections) based on consultations and community development plan.
- Nongovernment organizations (NGOs) help plan, manage, implement, and maintain the slum improvement loan facility and associated civil works. NGOs will work closely with community-based organizations and other civil society organizations throughout.
- User groups are formed for the operation and maintenance of assets in 14 slums.

¹⁸ The original ADB project loan from ordinary capital resources (\$177.8 million) was Board approved on 19 December 2000. The total original project cost was \$360 million, however, portions of loan were subsequently reduced by the national government. An ADB supplementary project loan (\$80.0 million) was Board approved on 14 December 2006 for a total supplementary loan amount of \$113.6. Implementation of the project is now in full swing.

improvements, and canal rehabilitation. A stakeholder consultative process, woven into every aspect of the project, will ensure the design is responsive to the community and addresses basic human needs. Assistance will be provided to implement the project, together with capacity building to support municipal services.

Community Components¹⁹

The **stakeholder consultation process (SCP)**, is a demand-led, participatory approach for all project investments, particularly for slum improvements. The budget for the SCP (\$0.25 million) with associated slum improvements (\$10.7 million) represents 2.7% of the total project cost. ADB funds were mainly used for the civil component of the slum work, as social development components were mostly funded by DFID financing. As a cross-cutting component, the SCP underpins the promotion of affordable access by the poor to basic urban services in low-income areas and facilitates community empowerment through the development and adoption of demand-led, participatory approaches. A social development unit (SDU), established under the project and consisting of officials from Kolkata Municipal Corporation and experienced consultants, oversees the SCP and engages NGOs on fixed contracts, usually on 6-month terms. The SDU with support from NGOs provide effective and clear lines of communication between the target groups, Kolkata Municipal Corporation, and the project management teams. Using inputs from extensive consultations, the project has moved forward with a number of schemes with NGOs playing a key implementation role. Under the Capacity-Building Program (under cofinancing from DFID), skills are developed in the Kolkata Municipal Corporation, in NGOs, and in CBOs to ensure effective program delivery, and systems will be institutionalized under the project. DFID cofinancing also covered hiring of consultants, formation of self-help groups, mobilization, and payment of consultants and staff working in the SDU. The project team views the DFID partnership as an excellent example of coordination between two donor agencies and the executing agency.

NGOs play a key role in SCP implementation (as well as in other components of the project such as implementing the large-scale resettlement and rehabilitation program, considered a success by the government and ADB). NGOs work closely with CBOs and other CSOs in consultation, community mobilization, participation in prioritizing community requirements, planning and scheduling of civil works, management of the small-scale loan facility, and maintenance.

A key activity of NGOs has been creating numerous self-help groups (known as *sangha*) for livelihood training and physical planning. Socioeconomic activities include vocational training (tailoring, beauty care, etc.), insurance schemes, and health and hygiene awareness programs, and have resulted in a number of outcomes, for example, a total of 631 people successfully completed training in 2006–2008, 31 self-help groups consisting of 295 women and 40 men were formed in 11 wards, 22 self-help group bank accounts opened, and 12 field-level committees were formed (KEIP brochure, 2008). The project is coordinating with several state agencies to ensure that these schemes dovetail with theirs.

¹⁹ ADB. 2000. *Report and Recommendation of the President to the Board of Directors on Proposed Loan to the Government of India for Kolkata Environmental Improvement Project*. Manila; ADB. 2007. *Report and Recommendation of the President to the Board of Directors on Proposed Supplementary Loan to the Government of India for Kolkata Environmental Improvement Project*. Manila; ADB. 2008. *From the Ground Up: Case Studies in Community Empowerment*. Manila; Kolkata Environmental Improvement Project (KEIP) Caring for our City brochure, 2008; Benefit and Monitoring Evaluation PHASE-I OF KEIP, August 2006.

In terms of physical planning, self-help groups identified inadequate toilets as a major concern in their communities. The project has financed the rehabilitation of thousands of community toilets—with the provision that user groups pay and assume responsibility for their maintenance. Slum communities have responded positively to this scheme. Typically, five households share one toilet, with each family contributing Rs5–Rs10 a month and an elected woman heading the users group will use the proceeds to buy cleaning materials and pay for a sweeper to clean the toilet regularly. Users are also given advice on hygiene. This same scheme is proposed for water supply where under the project, there are plans to install 100,000 water meters in selected communities including slums, citywide from 2008. Other examples of good community practices include developing community development plans and linking to government schemes, promoting house connections to sewer lines through door-to-door campaigns, holding frequent public meetings, distributing information leaflets to citizens, establishing ward-level coordination committees, and setting up information centers in project areas and public complaints registers at the contractors' site offices. These measures are helping to generate wide public support for the project.

Slum improvements are also overseen by the social development unit, which therefore address the immediate needs for water supply and sanitation in slum settlements. Proposed civil works in 100 slums (1 slum each from 100 wards) include (i) provision of water piped water supply, (ii) construction and/or renovation of community latrines (6,690 units); (iii) construction of washing and bathing platforms (840 units); (iv) widening of drains (35 km); and (v) improvement of public 200,000 m² of public space.

As part of the slum improvement component, a small-scale loan facility of \$60,000 was established to finance a loan facility for resettlement colonies. The loan facility will be used as seed money for operation and maintenance of flats and common facilities constructed for resettlement of families living in slums on canal banks.

Slum improvements are nearing completion and almost all the physical work has been completed. Field-level committees have been formed in all slums and meet at least once every month. Moreover, 450 user groups have already been formed for the operation and maintenance of assets in 14 slums. The benefit monitoring and evaluation (BME) report (2006) suggests that a better selection process for choosing slums should include those with the least levels of services. It was also noted that in terms of NGO involvement, the original number of implementing NGOs was reduced from 10 to 6, and NGOs are retained on 6-month contracts, making long-term planning difficult (ADB. 2008. *From the Ground Up*. Manila.).

4. RAJASTHAN URBAN INFRASTRUCTURE DEVELOPMENT PROJECT (RUIDP)

Project Description

RUIDP is a \$362 million project, of which \$250 million is financed by an ADB loan,²⁰ \$80 million by the Rajasthan government, and \$32 million by local governments. A subsequent multitranche financing facility Rajasthan Urban Sector Development Investment Program (RUSDIP) (Rajasthan Phase II) was Board approved on 8 November 2007 for \$273 million. The first tranche was approved on 8

Salient CDD Features

- Demand-responsive participatory approach for physical planning
- Community-based and nongovernment organization representation on city-level committees, who select investments and slums
- Community-level monitoring of subproject implementation

²⁰ The original RUIDP project loan was Board approved on 3 December 1998.

November 2007 (\$60 million) and the second tranche on 19 January 2009 (\$150 million). Under RUIDP, there are 6 towns targeted, and under RUSDIP, 15 towns. The project will support national government's priority investment in the urban sector, based on an urban sector development strategy that focuses on improving the welfare of the urban poor and the devolution of municipal management responsibility from states to cities. This integrated urban development project, under which assistance will be given to the state of Rajasthan, will help meet basic human needs by developing urban services for water supply and sanitation, solid waste and wastewater management, and slum and environmental improvements. The project will also support street improvement and traffic management, and strengthen other civic services required to improve the quality and safety of urban life. The project will provide assistance toward capacity building and community participation at the state and local levels to support the effective devolution of urban management, taking into account the importance of good governance. In addition, assistance for project implementation will be provided.

Community Components²¹

The project encourages a demand-responsive approach to investments through its Community Awareness and Participation Program (CAPP). The \$4 million budget for the CAPP is 1.1% of the total project cost. Slum improvements, also supported by the CAPP, amount to \$96 million or 26% of total project cost. The CAPP is designed to promote and sustain long-term benefits of the project investments within each of the urban local bodies through intensive community involvement and participation for all components of the RUSDIP. Through the program, it is expected that the communities will become more aware of and have greater involvement in the project.

Given the intimate knowledge of local conditions, community decision-making structures, and local organizations, NGOs are responsible for the design, implementation, and administration of the CAPP. In RUIDP, a state-level NGO fulfils this role and is supported, as necessary, by contracting for additional services from local NGOs. NGOs are tasked with building community awareness, participation, and education with respect to the implementation and management of the project facilities. Using existing networks, the communities are encouraged to become involved in design, implementation, O&M, and monitoring. Equipment, materials, and staff resources are provided to manage the program. Detailed planning of slum improvements (e.g., water, sanitation, solid waste, and adequate pathways) are also supported by the CAPP. In total, 130 out of 403 notified slums in the three project cities have received the benefit of RUIDP (2009 BME report).

City-level committees (CLCs)²² set up in each town, consist of a community liaison officer whose primary function is to coordinate between the PIU activities and the communities, particularly on subprojects. Community subproject monitors are selected to work at the community level to ensure that the subprojects are implemented in accordance with agreed mitigation measures regarding possible negative social impacts. In addition, the monitors will

²¹ ADB. 1998. *Report and Recommendation of the President to the Board of Directors on Proposed Loan to the Government of India for Rajasthan Urban Infrastructure Development Project*. Manila; ADB. 2007. *Report and Recommendation of the President to the Board of Directors on Proposed Loan to the Government of India for Rajasthan Urban Sector Development Investment Program*. Manila; Benefit Monitoring and Evaluation Report, 2009; Memo from Project Director dated 19 February 2009.

²² CLCs are set up to monitor project implementation in each town. Chaired by the district collector, CLCs will have following members: representatives of urban local bodies, state government agencies, the Investment Program Implementation Unit, CBOs, and NGOs.

assist local people in dealing with some of the environmental disruptions of the construction phases by providing a feedback link to the community liaison officer and the PIU.

CAPP assessment. All packages of physical works in slum areas have emerged as a result of the participatory area-wide approach adopted by RUIDP. CLCs were constituted in November 2001 with regular monthly meetings held. Each CLC, it was observed, had well-rounded representation from elected public officials, NGOs, and CBOs. PIUs and design supervision consultants also held community meetings with beneficiaries, including CBOs, CLCs, and city councils to identify target slums and suitable works. Special community meetings were also organized on a campaign basis in March and April 2002 in all the project towns. The first works contract was awarded in early 2002 and 12 work contracts amounting to less than \$1.5 million were awarded between then and June 2002. Overall, works under the project have been undertaken in a participatory, community-based demand-responsive manner.

Although the CAPP is not mentioned explicitly in the BME report, it notes that the role of CLCs, with representation from local CBOs and NGOs and established under the project, were significant in the selection and planning of services in targeted slums. The report indicates the improved infrastructure at community level has positively impacted the living standards of slum dwellers. For example, compared to the pre-project situation, about 70% more households have sanitation facilities within the house premises and a lower percentage are accessing community sanitation facilities. Also, the average monthly income of males increased by 95% and for females 80% (aggregate for all three project cities) from pre-project to post-project situation.

E. LESSONS AND PROSPECTS FOR CBD AND CDD IN INDIA'S URBAN DEVELOPMENT

The four projects demonstrate a clear role of CBD and CDD in urban development projects and indicate the critical role of communities toward the sustainability of small-scale infrastructure investments and poverty reduction programs. A number of trends and key lessons are summarized below.

Clear role of CBD and CDD in slum upgrading. Demand-led, participatory approaches were key features of slum-upgrading components in each of the four projects. The use of poverty mapping in Madhya Pradesh ensured a pro-poor approach by targeting the most vulnerable slums. This tool could be applied in other projects, where the selection process for choosing slums is subject to political pressure, as the BME report for Kolkata suggested. In general, project supervision of community-based components should occur biannually rather than once a year to refine project design, further adapt different approaches, or further support positive outcomes.

Levels of participation vary. All projects engaged communities in varying degrees. The Madhya Pradesh project exhibited the most CDD features as it granted ownership of the facilities to the user groups by directly transferring funds to registered community bank accounts for planning, design, implementation, O&M, and management activities.

CBD and CDD support for decentralization process. Each CBD component in the four projects were part of broader policy and institutional support measures to facilitate the respective state government's efforts at implementing reforms and capacity building consistent with the 74th CAA and Jawarharlal Nehru National Urban Renewal Mission. Strengthening local government provides the necessary enabling environment for CBD and CDD, creating opportunities for scaling-up.

Clear role of NGOs. Community components were contracted out to NGOs in each project. NGO activities ranged from facilitating social and participatory programs including community consulting, self-help group organization, and awareness building to physical planning activities including designing, planning, and implementing infrastructure components. In Kolkata, it was suggested that NGO contracts be designed appropriately to facilitate longer-term planning as local government had limited capacity to manage these components.

Cost sharing. Although the idea of cost sharing between government and community groups was not part of any project designs (note: Madhya Pradesh used a revolving loan rather than sharing the costs with the government), potential for this approach, as used in other CDD projects throughout South Asia, requires building capacity of user groups and generating support from government to undertake such schemes.

CBD and CDD as a response to economic downturns. CBD and CDD can play an important role as a response to combined failures of both markets and governments where top-down, state-led, “big development” strategies may not be effective to combat urban poverty. Community-based participatory programs such as livelihood promotion through self-help groups can enhance the success and sustainability of project investments in urban areas.