



# *Enabling East Asian Communities to Drive Local Development: Draft World Bank EAP CDD Flagship*

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# *Presentation Outline*

- East Asia CDD Flagship Background & Objectives
- Institutional and Results Frameworks
- Key Hypotheses and Evidence
- Operational Implications & Next Steps



# *World Bank CDD Approach & Scope of Involvement*

- Approach to operations that seeks to increase community groups control over local development resources
  - Diversity of institutional and implementation arrangements
- World Bank: CDD approaches ~10% of portfolio
  - East Asia & Pacific: ~15%
- Demand from clients
  - CDD highlighted at Shanghai Conference: e.g., Indonesia KDP, Philippines KALAHYAN-CIDSS

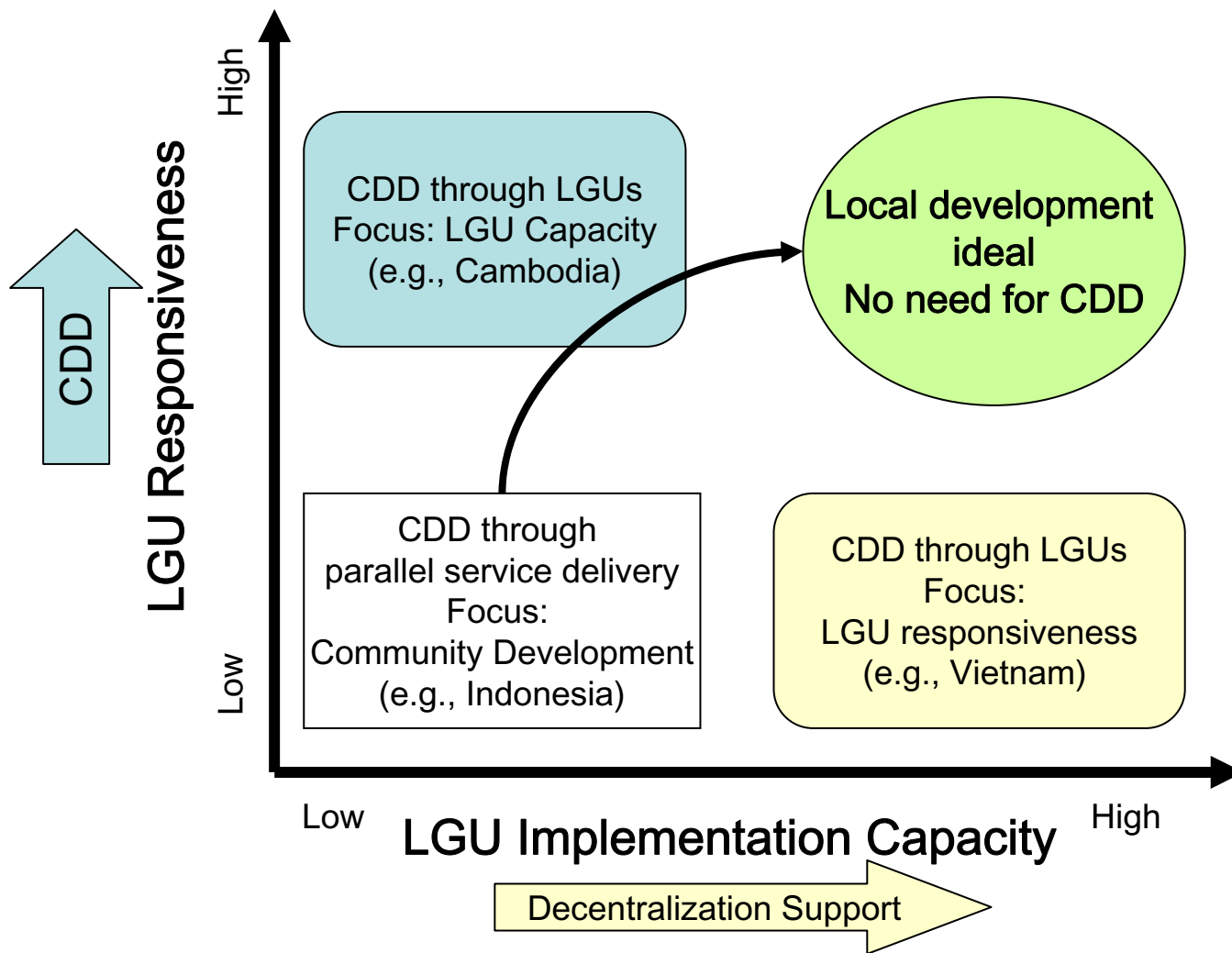


## *EAP CDD Flagship Objectives*

1. Summarize available evidence: CDD Flagship Report
2. Strengthen impact evaluation efforts
3. Develop process for sharing insights about what works in which contexts

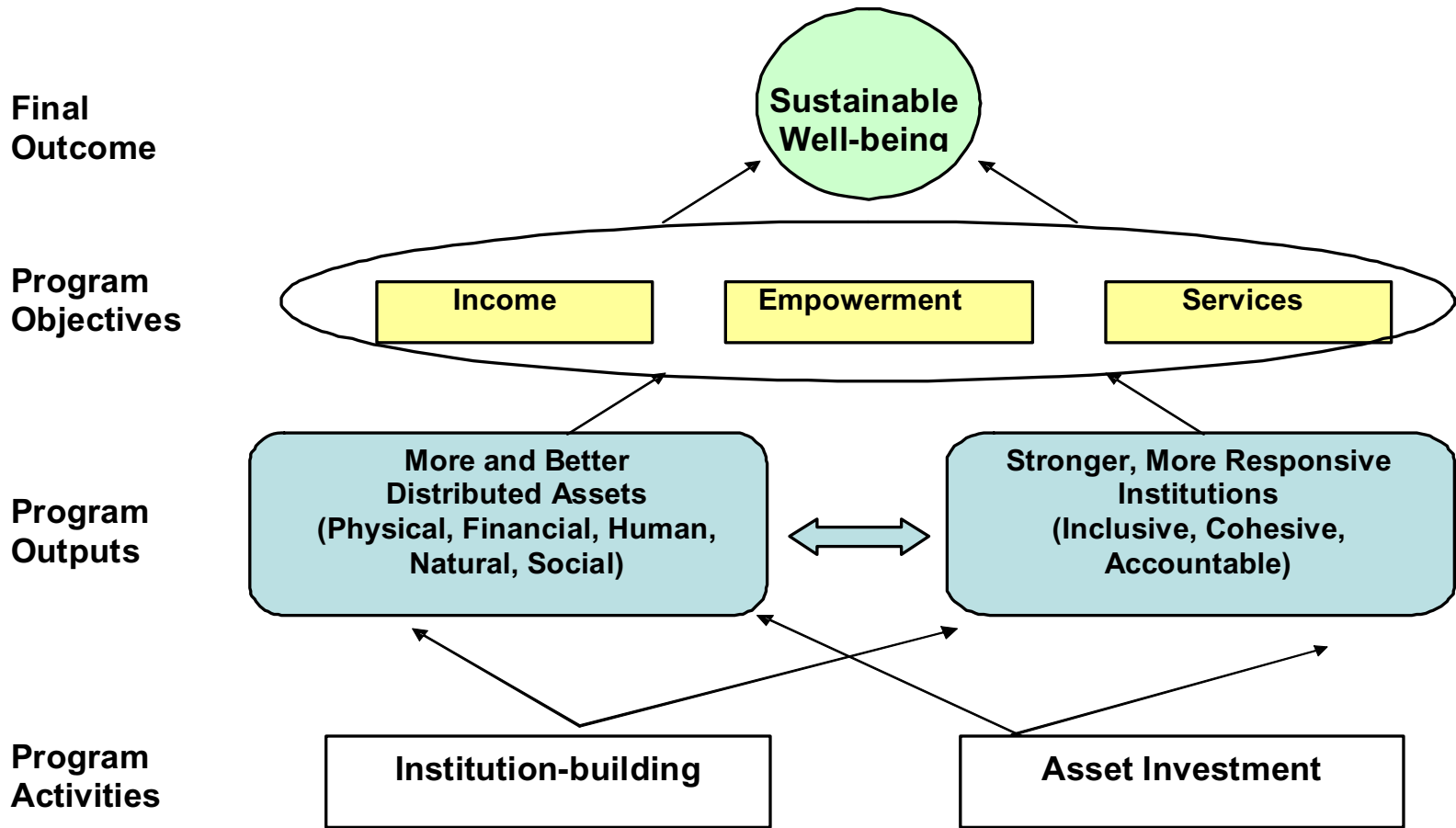


# *CDD Local Institutional Framework*





# *CDD Results Framework*





# *Key Hypotheses on CDD Results*

- **Hypotheses with available EAP data**

- **Activities**

1. Reach poor communities
2. Involve communities in decision-making and implementation

- **Program Outputs**

3. Deliver infrastructure in a cost-effective, quality manner
4. Promote systems for O&M that lead to sustainable service delivery

- **Program Outcomes**

5. Increase incomes of participant communities
6. Improve the dynamics of how communities interact with local government



## *1. CDD reaches poor communities*

- Many operations have poverty targeting objectives
- Poverty mapping technology identifies poor local areas
- As technology improves and is applied to CDD, targeting is quite successful
  - Eg., Philippines KALAHI-CIDSS, Indonesia KDP



## *2. Involve communities in decision-making and implementation*

- High percentage of community members participated in, e.g., village planning meetings
  - Cambodia SEILA: 49% of commune involved
- Disadvantaged groups participate more
  - Indonesia KDP: 36.5 percent of planning meeting participants were women, as opposed to less than 1% in non-KDP meetings
  - Difficult to promote increases in ethnic minority participation
- Community facilitators crucial
  - Mongolia: 8 Local Infrastructure Fund provinces had higher participation than 13 Local Development Fund provinces



### *3. Deliver infrastructure in cost-effective, quality manner*

- Savings as compared to cost norms
  - Local materials, labor and oversight
  - Philippines KALAHI: Road rehabilitation saves 59 – 90%
  - Indonesia KDP: Roads/bridges save 36%
- Acceptable quality by technical evaluators
  - Cambodia SEILA/RILG: 77.5% “design appropriateness”, 95.8% “conform with design”
  - Indonesia KDP: 70.7% rated satisfactory
- Lack of appropriate comparators



## *4. Promote O&M Systems that lead to sustainable service delivery*

- Nexus of physical & institutional outputs
- Inadequate community plans & budgets
  - Indonesia KDP: 38% active maintenance groups
  - Philippines KALAHI: 54% satisfactory maintenance
- Better links to local government improves O&M
  - Philippines MRDP & ARCDP: LGU held accountable for maintenance
  - Cambodia SEILA: 75% sustainable maintenance plan, but 37% of projects needed maintenance



## *5. Increase incomes of participant communities*

- High Economic Internal Rate of Return
  - Philippines MRDP: 12% roads, 47% water supply
  - Indonesia KDP: 53% average
- Difference-in-difference evidence: KDP
  - Higher increases in income compared to matched kecamatans
  - Dosage effect: larger increases with longer involvement



## *6. Improve how communities interact with local government*

- Contextual institutional objectives
- Measured combining qualitative and quantitative
- Philippines ARCDP: Increases in people's organizations organizational maturity ratings
- Thailand SIF: Increased information transparency, alternative leadership opportunities
- Indonesia KDP: Olken (2005) showed value of audits & threat of audit for accountability



## *Operational Implications*

- Adapt CDD design to LGU characteristics
- Greater care to define & measure results
- Target local areas through poverty maps
- Facilitation encourages broader participation
- CDD effective local infrastructure delivery mechanism
- Greater effort on operations & maintenance
- Impressive income returns
- Increased transparency, capacity of local associations, and citizen's influence



## *Next Steps*

- Regional review of draft report
- Broaden and deepen evidence base
  - Need comparison data from “Traditional approaches”
  - High-quality CDD impact evaluations underway
- Develop operational “rules of thumb”
  - Catalog local level governance & anti-corruption innovations
  - Interactions with local government for participation
  - GDLN learning among community of practice
- Opportunities to collaborate with ADB