

Targeting in community-driven development projects

I. DEFINITION OF THE COMMUNITY-DRIVEN DEVELOPMENT APPROACH

1. IFAD has a long history of supporting community-driven development (CDD) projects. Despite a decline in the number of CDD projects following a peak in 2001, CDD projects remain highly important and relevant as a pathway towards empowering the poor and marginalized. IFAD defines the CDD approach as a way of designing and implementing development projects that facilitates access to social, human and physical capital assets for the rural poor by creating the conditions for:

- Transforming rural development agents from top-down planners into client-oriented service providers;
- Empowering rural communities to take the initiative for their own socio-economic development (i.e. building on community assets);
- Enabling community-level organizations – especially those of the rural poor – to play a role in designing and implementing policies and programmes that affect their livelihoods;
- Enhancing the impact of public expenditure on the local economy at the community level.

Source: IFAD, Community-driven development decision tools for rural development programmes (2009).

2. The term “community-driven development” refers to community-based development projects in which local beneficiaries are actively involved in project decision-making processes and management of investment funds.¹ These projects include social funds, participatory projects, community management of natural resources and many other initiatives. The main goal of these types of interventions is “to reverse power relations in a manner that creates agency and voice for poor people.”²
3. Hence the key feature of CDD is the shift towards conceptualizing poor rural communities as change agents and development partners in their own right, rather than as passive receivers of public funds. This means that CDD refers primarily to **the way** in which a project is designed and implemented, rather than to its specific components. The CDD approach can be adapted to the delivery of a broad range of services and components, although the traditional focus and starting point are interventions aimed at building public goods that benefit all community members.

Box 1

Evolution of the approach to CDD in Peru

The Management of Natural Resources in the Southern Highlands Project (MARENASS) was the first project in Peru to introduce the use of the *concursum* methodology in the country. This is a demand-driven mechanism that involves the organization of public calls for proposals in which communities and groups present their proposals and compete for funding. The Development of the Puno-Cusco Corridor Project (CORREDOR) inherited the *concursum* methodology from MARENASS. However, while MARENASS focused primarily on funding community-based natural resource management activities, CORREDOR started funding the business plans of private producers' groups. CORREDOR therefore leveraged the CDD approach piloted under MARENASS to broaden its focus to encompass support for simple, small-scale business proposals developed by poor rural producers.

4. It is also important to point out that the term “community” does not necessarily refer to an administrative entity. This is rather the *locus where a group of people having some form of collective claim and governance over a territory can be given the opportunity to influence decisions that affect their livelihood.*³

¹ G. Mansuri and V. Rao, “Community-Based and -Driven Development: A Critical Review,” *World Bank Research Observer*, vol. 19, No. 1 (2004).

² *Ibid.*

³ IFAD, “Community-driven development decision tools for rural development programmes” (2009).

5. The country programme evaluation for Nigeria (2017) found that CDD approaches to rural development have paid off in terms of having a sustainable, long-term impact on the poor while at the same time promoting effectiveness and efficiency. This is because, when properly managed, the transfer of resources and decision-making power to the poor generates a sense of ownership, empowerment and responsibility.

II. OVERVIEW OF TARGETING MEASURES UNDER CDD

6. A recent review of targeting in IFAD-supported projects⁴ shows that demand-driven, community-based projects can be very effective in ensuring the provision of benefits to and participation by the poorest segments of the population, including women, marginalized ethnic groups and other vulnerable segments. However, since communities are not homogeneous entities, the success of targeting depends on a combination of complementary and mutually reinforcing measures. Key targeting measures under CDD include the following:⁵

(i) Geographic targeting

7. Geographic targeting is generally used to select the poorest communities, especially in those countries where poverty is geographically concentrated in more marginal and remote areas, which are often characterized by more fragile ecosystems such as mountains, forests or arid areas. In some countries, these communities are generally made up of indigenous and ethnic minorities and marginalized groups such as pastoralists. The selection of the poorest communities is often based on existing poverty data and in consultation with key local stakeholders.⁶

Box 2

Geographic targeting in Morocco

IFAD-supported projects in Morocco target the high-mountain areas, where poverty and extreme poverty are concentrated. At the community level, projects employ an approach that consists of targeting an entire *douar*, the country's smallest territorial unit. The availability of basic social infrastructure is a prime consideration in the selection of the neediest *douars*.

(ii) Participatory poverty and livelihoods analysis

8. Participatory social mapping and wealth ranking using PRA/PLA tools during design and in the early stage of implementation are essential in order to:
 - (i) Disaggregate the community along the poverty axis and the social axis while also considering local perceptions of these factors;
 - (ii) Identify benchmarks against which to assess differential impacts and inclusion in project activities;
 - (iii) Define the menu of goods and services on offer in line with the targeted population's interests and livelihoods;
 - (iv) Formulate or refine eligibility criteria by considering local perceptions of deprivation and other criteria.
9. The menu of activities and eligibility conditions should always have the endorsement of the community.

⁴ IFAD, "Inception report: Revision of IFAD operational guidelines for targeting".

⁵ For further information on targeting under CDD, see: IFAD, "Innovative approaches to targeting in demand-driven projects: Main report" (2004).

⁶ In special situations, such as in the case of conflict-affected or post-conflict countries, the selection of communities may be driven by other considerations, such as security issues.

(iii) Community-based targeting

10. In line with the bottom-up approach of CDD, community-based targeting is a modality in which the community as a whole is involved in identifying the more vulnerable categories and in working out how to ensure that they will also benefit to a significant degree. Community-based targeting is adopted when community groups are directly responsible for one or more of the following activities:
 - (i) **Identifying** recipients of project services, grants and other benefits;
 - (ii) **Monitoring** the delivery of those benefits;
 - (iii) **Engaging** in some part of the delivery process.
11. Involving community groups in the targeting process may have several advantages:
 - (i) **Reducing information problems and improving targeting performance.** This is because community groups invariably have better information about local needs. Under this approach, households may also have less of an incentive to provide false information about their assets and income. Better information and more in-depth knowledge of local communities result in fewer targeting errors, thus improving targeting performance, monitoring and accountability. This is why IFAD-supported projects can also help to rectify errors and omissions in government social registries.
 - (ii) **Incorporating the community's own perceptions of poverty and vulnerability into the targeting process.** Local definitions of deprivation play an important role in complementing standard poverty measures, which do not capture personal experiences or poverty dynamics. This can be particularly important in the case of indigenous peoples, who generally have culture-specific definitions of poverty and well-being. In addition, externally driven eligibility criteria alone may be more difficult to implement.
 - (iii) **Reducing the social and financial costs of exclusionary measures.** Better information may reduce administration costs by permitting better cost-sharing and, in turn, expanding the pool of resources available for the poor. It can also mitigate some of the social costs of direct targeting measures (i.e. social stigma, invasive investigations, social tensions).
 - (iv) **Strengthening social cohesion and traditional governance systems.** Community participation can help to strengthen social cohesion, intra-community dialogue and ownership of the intervention. This can lead to improved governance and accountability on the part of community-based institutions.

(iv) Empowerment and capacity-building measures

12. These measures are critical in order to enhance the participation and bargaining power of the poorest and most vulnerable in planning and decision-making processes. Problems of marginalization and exclusion are often rooted in the way communities regulate access to resources and power. In order to challenge these structures, disadvantaged groups need to be mobilized.
13. **Social mobilization activities** are key in this regard, as they lay the groundwork for the effective participation of people who have traditionally been excluded. This is an important pre-investment process, requiring adequate time and resources. Additional capacity development measures include: pro-poor organizational development, leadership skills training and literacy training.

Box 3

Social mobilization activities in Brazil

IFAD-funded projects in Brazil are investing considerable time and resources in social mobilization in order to foster the meaningful participation of different groups and communities, especially the most vulnerable ones, such as Quilombolas, youth and women. Under the intervention focusing on the productive transformation of the Zona da Mata and Agreste territories in the north-eastern state of Pernambuco, once the target communities have been selected, the social mobilization teams will work to encourage the widespread participation of poor households and to promote the strengthening of existing organizations. Assistance will be provided in preparing a participatory rapid diagnosis that will identify existing problems, potentials and priorities from a social, production and environmental standpoint. This process leads to the preparation of a production investment plan, which sets out the activities and investments to be undertaken in order to promote the changes desired by the community.

(v) Definition of processes and procedures for decision-making

14. Processes and procedures concerning the selection of recipients should be clearly defined in order to ensure transparency and to support participatory democratic processes. Public meetings and discussions should be organized as part of the selection process. Clarity and transparency in procedures for decision-making and the contracting of service providers can encourage confidence and participation on the part of groups that are normally bypassed by more powerful groups and individuals. In addition, the formats to be used in presenting business proposals and subprojects should be easy to understand and use.

Box 4

Transparent decision-making under the *concurso* methodology in Peru

The application of the *concurso* methodology in Peru entails the implementation of clear and transparent "rules of the game", which include the formation of a decision-making committee composed of independent members and experts. This ensures social control, instils confidence in vulnerable and excluded groups and motivates them to participate. Through this mechanism, public funding is transferred directly to local stakeholders, who can then use these resources to contract technical assistance.

(vi) Fostering an enabling environment for poverty targeting

15. This line of action focuses on ensuring that local staff, as well as partner institutions, are accountable for a project's poverty targeting performance. The creation of such an environment calls for the following:
 - (i) Local staff need to be recruited based on their skills and capacity to engage with poor rural people, to be trained in the use of participatory methodologies and to embrace the kinds of attitudes that are conducive to bottom-up processes.
 - (ii) The PMU needs to be located close to the target group so as to support citizen engagement.
 - (iii) Local institutions to be considered for community-based targeting need to be selected carefully on the basis of an assessment of their management capacity, knowledge of the relevant communities and extent of closeness to the poor segments of the population.

(vii) Mitigating the risk of elite capture

16. Even when projects are properly implemented, the capture of benefits by more powerful communities and people continues to be a risk. A good initial understanding of poverty processes and the target group, along with the development of a comprehensive targeting strategy, can significantly reduce the risk of excessive elite capture. Self-targeting measures (e.g. defining the menu of activities with poor people in mind) are also key to making the project less attractive to the better-off. Measures for mitigating the risk of elite capture should be clearly defined in the design document and PIM.

Box 5

Mitigating the risk of elite capture in Indonesia

Under the Rural Empowerment and Agricultural Development Programme Scaling-up Initiative (READ-SI), the risk of elite capture is addressed by:

- (i) Providing suitable leadership training to the designated leaders and setting up a complaints mechanism;
- (ii) Sensitizing implementing agencies;
- (iii) Selecting crops/activities targeted at women and small farmers;
- (iv) Making information on subproject selection and financing widely available;
- (v) Requesting the Ministry of Agriculture to provide an anti-corruption plan for the programme for approval by the anti-corruption agency;
- (vi) Creating a community mechanism for the resolution of grievances;
- (vii) Deferring “big ticket” investments, such as expenditures on infrastructure and machinery, to the third year of village interventions and restricting the eligibility for those investments to the group members who have completed all programme activities during the previous two years.