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**Community-Driven Reconstruction
as an Instrument
in War-to-Peace Transitions**

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Acronyms and Abbreviations

| | |
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| CDC | Community Development Committee |
| CDD | Community-driven Development |
| CDR | Community-driven Reconstruction |
| CEP | Community Empowerment Project (Timor-Leste) |
| CNRT | National Council for the Timorese Resistance |
| CRDP | Community Reintegration and Development Project (Rwanda) |
| FRETILIN | Revolutionary Front for an Independent East Timor |
| IGA | Income Generating Activities |
| IMF | International Monetary Fund |
| NGO | Non-governmental Organization |
| PNAS | National Social Action Program (Rwanda) |
| RDRP | Rwanda Demobilization and Reintegration Program |
| RWSSP | Rural Water Supply and Sanitation Project (Rwanda) |
| UN | United Nations |
| UNHCR | United Nations High Commissioner for Refugees |

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Foreword

As the Bank has expanded its involvement in conflict-affected countries, it has increasingly focused on promoting local-level involvement and participation in post-conflict reconstruction across a wide range of countries and regions. This approach mirrors the Bank's increased emphasis on community-driven development more broadly, but recognizing that in the aftermath of conflict and to make peace sustainable, countries face even stronger imperatives to rebuild social capital, empower and provide voice to communities, and generally rebuild the social fabric torn apart by violent conflict.

While there is a growing recognition of the potential of community-driven approaches in post-conflict settings, what has been lacking is a more systematic evaluation, assessment of and guidance on the trade-offs involved, an organizing conceptual framework to evaluate adaptations in different settings and cost-effectiveness considerations.

This working paper, published jointly by the Conflict Prevention and Reconstruction Unit and the Community Driven Development Thematic Group in the Social Development Department, is part of a broader and longer-term effort to begin addressing some of these questions. The paper was written by Sarah Cliffe (OPCOS), Scott Guggenheim (EASES) and Markus Kostner (AFTRS). Although the paper focuses on Timor-Leste and Rwanda, where the Bank launched some of its first community-driven reconstruction programs in the early 1990s, it also draws from the authors' first-hand experience in post-conflict situations in several countries and different regions.

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COMMUNITY-DRIVEN RECONSTRUCTION AS AN INSTRUMENT IN WAR-TO-PEACE TRANSITIONS

Context

The impact of violent conflict on a country's economy and society is profound and multiple. It can be as highly visible as smashed buildings, maimed civilians, and burst water mains. But the impact can also be invisible, such as happens with the collapse of state institutions, the spread of mistrust in government, and pervasive fear. In both cases, needs are immense and urgent. However, only if both types of effects are addressed adequately and simultaneously can post-conflict reconstruction lay the foundation for a return to normalcy.

The invisible effects of violent conflict have often been neglected during reconstruction efforts with the argument that (re-)building responsive institutions and building confidence through participatory processes take time, which is not affordable when needs are critical. Post-conflict programs, therefore, have typically been divided into an initial "humanitarian" or "crisis" phase, and a "transitional" or "developmental" phase.

In the crisis phase, speed of response is paramount. Reconstruction programs, often with heavy international involvement, typically bring in self-contained, pre-packaged crash programs for food and water supply, infrastructure repair, and short-term employment. Most such programs are off-the-shelf activities involving little local consultation or participation in ways other than as direct beneficiaries. The developmental phase, by contrast, focuses on restoring administrative and economic systems. Government agencies and line ministries take over the provision of public goods such as health and education, produce poverty assessments and sectoral strategies, while planning ministries build national and provincial development plans.

In the past, much of the World Bank's post-conflict work has filled the space between the two phases, stepping in as the crisis phase ends but before the regular developmental phase has started. Growing numbers of operational staff and national counterparts, however, are unhappy with this model. While in theory the crisis phase is supposed to be short, in practice it creates its own set of institutional incentives to prolong crisis procedures and practices which are not always conducive to sound and longer-term development practice.

With greater post-conflict experience, the Bank's general model has changed. In a number of countries, the Bank has adopted a two-pronged approach. One prong has focused on working closely with post-conflict governments to develop a national budget. Government ownership of the budgeting process as early as possible is essential for national decision-making and for sustainable programs. Bringing all reconstruction costs into a unified budget, including international contributions, is a sharp departure from the post-conflict work of the past, and yet it is essential for the success of economic management by post-conflict governments.

The second prong of the Bank's model has focused on its work on participatory planning to promote a series of projects intended to support local-level involvement in post-conflict reconstruction and development. In some senses this new thrust is nothing more than the application of the difficult lessons on local involvement in development more generally to the particular case of post-conflict environments. But in another sense there are a number of unique features about post-conflict countries which provide a special imperative for broad-based involvement in reconstruction planning. These factors include the breakdown of the institutions normally used to prevent localized conflicts from re-igniting, the need for armed populations to see an immediate return from peace, and the opportunity to re-define the social and institutional relationships that led to the conflict in the first place.

This paper discusses one aspect of this strategy—the role that community-driven reconstruction (CDR) projects can play in promoting local involvement. It presents this approach as an instrument of choice for post-conflict reconstruction, and it offers guidance to practitioners charged with designing and implementing community-based reconstruction activities. The paper builds on the authors’ first-hand experience in post-conflict situations in several countries and different regions. A special focus is on Timor-Leste and Rwanda where the Bank launched some of its first CDR projects in the late 1990s and where results are readily available to learn from.

What Is Community-driven Reconstruction?

Community-driven reconstruction has two principal objectives: (i) speedy and cost-effective delivery of reconstruction assistance on the ground; and (ii) building a governance structure that stresses local choice and accountability.

Community-driven reconstruction applies the methodology of community-driven development (CDD) to a post-conflict setting. Local populations and local institutions are the key players in project planning, execution and monitoring. CDR approaches thereby provide one key foundation for sustainable development in the longer-term. CDR differs from CDD not in methodology but in the environment to which it has to adapt. CDD typically tries to improve a low, stable equilibrium of service provision and community economic infrastructure, while CDR generally has to rebuild from zero, in a situation of great flux in the economy and institutional structures.

The basic premise for demand-led approaches such as CDR is that local communities are in a better position to identify their needs and corresponding actions than higher administrative echelons, higher societal structures or outside partners. But CDR goes one step further. It also supposes that for a large number of short-term reconstruction needs, local communities possess the core skills, incentives, and unity to implement a large range of projects provided they are given the resources and a management support system.

Community-driven reconstruction thus essentially erases the divide between “crisis” and “development”. Empowering communities to identify their needs, decide on projects to address these needs, manage resources and contracts, monitor implementation, and evaluate outcomes from the outset is a more robust model for sustainable growth than one that leaves local decision-making for an undefined “later”.

Community-driven reconstruction involves two policy choices: decentralization, i.e., the transfer of decision-making and fiscal authority to lower level institutions; and participation, which aims to build a partnership between the population and the administration around local planning and project implementation. CDR projects have two key design elements: (i) they support the democratic selection of local community councils, including measures on the representation of women, youth or other disadvantaged groups; and (ii) they provide resources in the form of block grants directly to community councils such that they can plan and manage their own reconstruction priorities.

How Does a Community-driven Reconstruction Approach Add Value?

The transition from war to peace is not a smooth or uniform process across a country. At any point in time, there are communities lying on various points of the crisis-development spectrum. In some, the entire population may have fled the fighting, whereas others may have never been exposed to violence or an influx of internally displaced populations. A centralized approach cannot do justice to the specific requirements of each individual community. In the CDR approach, therefore, communities drive the local reconstruction process, in this way ensuring that actual needs are met and realizing the benefits of peace most immediately.

A CDR approach explicitly recognizes that the process of decision-making is as important as the decisions and subsequent material outputs. It is through joint shared visioning and decision-making—identifying needs and prioritizing interventions—that the population and the local administration can overcome mistrust emanating from the conflict period (and possibly, from the pre-conflict period) and move closer together around local recovery and sustainability.

Resources for post-conflict reconstruction are scarce and generally do not suffice to address all local reconstruction needs. A prioritization of projects is therefore essential. If undertaken transparently and jointly, this process can greatly enhance ownership of the process and output by the community. Ownership in turn has proven to be an important protective measure against destruction in case of a resumption of violent conflict.

Transparency of the process and accountability for the use of funds are built-in features of a CDR approach that gain special significance in a post-conflict context. A CDR approach can set transparent rules that increase the local administrations' horizontal accountability (to the public) and vertical accountability (to the center).

If community members are aware that the funds are essentially theirs, they have a stake in the project to make sure that the funds are spent well and according to the community's expressed needs. Those managing funds will then be under the direct scrutiny of beneficiaries. The proper accounting of project funds helps create trust in the process and enhances project effectiveness. Confidence increases even further in cases where appropriate corrective action is taken following misuse of funds. The more the local administration is involved in this process and the more it follows a transparent set of procedures, the more quickly vertical social capital (between the population and government) can be rebuilt after war.

The CDR approach has a stronger positive long-term impact on local governance if the right preconditions exist. In situations where a new state is being built, such as in Afghanistan and Timor-Leste, it can be used to design a new local governance structure that is decentralized and participatory from the outset. In cases where some form of government survived the war, as in Burundi and Rwanda for instance, the CDR approach needs to work with and through these institutions at the central and local levels and the implementation of a more community-oriented governance structure may require more time.

Irrespective of the specific contexts, community-driven reconstruction is designed around the principle of partnership between the population and local government. This partnership has an added advantage in the sharing of responsibilities between those governing and those governed. Post-conflict interventions are by their nature risky and anticipated results may often not materialize despite the best of efforts on the part of those involved. If the population is actively involved throughout the project cycle, it will be in a better position to assess progress, including taking responsibility for actions it may or may not have taken and that have impacted on the results. Decentralization and participation thus also protect government from undue criticism.

While other types of interventions may have a good track-record of producing quick results when bypassing government structures, community-driven reconstruction acknowledges the role of local and central government. As a result, a CDR approach helps to improve the institutional capacity of the state in the short-term which in turn is essential for longer-term sustainability of development interventions. In particular, a successful CDR approach may help bolster the credibility of a new democratic post-conflict state.

Frequently, much of the time and energy of a new post-conflict government is focused on appeasing or accommodating previously warring factions or meeting the demands of international organizations and donors. CDR provides a channel to demonstrate tangibly the new government's ability to address the

citizens' needs. It is thus superior to efforts that—for the sake of speed and efficiency—create structures parallel to government that are not sustainable in the longer-term financially, socially and politically.

Although a CDR approach by definition fans out reconstruction assistance to the lowest possible level, it is also a powerful mechanism to provide a coherent framework for engagement. Especially in immediate post-conflict situations it has proven difficult to effectively coordinate activities sponsored and/or implemented by government, donors, UN agencies and international and local NGOs. By transferring the decision-making to the community level, duplication of efforts can be minimized. The CDR approach enables a community to identify priority needs and projects and summarizes these in its community reconstruction plan. The more financiers support this plan, the more projects can be financed and the more needs can be met. Ideally also, these projects would be implemented and monitored in the same community-based way.

Preliminary evidence also suggests that the CDR approach leads to lower unit costs per work completed. In post-conflict situations, urgent reconstruction assistance by donors has generally been implemented by international NGOs with high overhead costs. Through the CDR approach where communities manage their own funds, they have a strong incentive to economize on available resources by increasing their contributions through community labor, using locally available materials, contracting local expertise, and applying appropriate technology (see box 1).

Box 1: A Comparison of Unit Costs

For instance, in Indonesia, the Kecamatan Development Project, though not, strictly speaking a CDR project, nevertheless operates in several provinces with widespread and highly destructive conflict. Economic evaluations found that unit costs were substantially less than public agency costs, despite the disruptions caused by conflict. Farm-to-market roads, for example, cost an average of \$4,000 per kilometer when built through CDR techniques, but \$11,000 when built by the public road agency, even controlling for the technology that was used. School repairs showed a similar cost difference, with CDR methods costing \$2,000 versus \$5,600 to make the same repairs using local contractors.

There are however limitations on the scope of reconstruction needs which a community driven approach can effectively address. A large part of the reconstruction program may comprise rehabilitation of secondary infrastructure such as trunk roads or hospitals. This infrastructure generally spans a geographical area too large to be addressed through a community planning approach. Less obviously, there are some important aspects of societal recovery which community decision-making may not identify or prioritize, either because the communities do not have relevant information or because they do not prioritize activities where the benefit is primarily external to the community. Examples include environmental and health issues, which typically require more external information and advocacy than a pure CDR approach is able to provide.

What Are Pre-conditions for Community-driven Reconstruction?

A community-driven approach will not always be an appropriate instrument for post-conflict reconstruction. Even where the environment can support a community-driven approach, it may not be in all cases the best instrument for the initial phase of a post-conflict operation. A set of basic pre-conditions need to be in place to provide CDR activities with a reasonable chance of success.

Security, institutions and capacities

The existence of a basic level of security is critical. This does not imply that security must be completely restored—indeed few developing countries have conditions of perfect security in all of their territory. The CDR approach also has some advantage in situations of imperfect security. It can contribute to creating a

sense of stabilization after a conflict by demonstrating tangible benefits of a peace process even to remote communities. There is potential for CDR to play a part in the reintegration of refugees, displaced persons and ex-combatants, by providing a collective benefit from reintegration to receiving communities. Local implementation arrangements for the organization of works may also be more resilient to periodic bouts of insecurity than larger scale contractor arrangements run by international staff, who often require greater security guarantees.

However, some minimal security conditions are necessary. The approach will not be successful where armed groups make the transfer of funds to communities impossible, or where security conditions prevent the holding of community meetings. In addition, where armed groupings control local governance structures, even where these have a historically close relationship to the population, there may be a risk of funds indirectly fuelling further conflict. CDR projects typically require some technical assistance for project design and implementation. Where security conditions are so bad that no NGOs, local administrative branches or private sector operators are present in part of the territory, it may not be possible to effectively complete CDR projects.

In this respect, a key responsibility of central government is the provision of an enabling environment, which is critical for decentralization and participation to be effective. An enabling environment allows, *inter alia*, for the free movement of people and goods and for freedom of expression, both special challenges in a post-conflict context as their achievement does not always depend on government action alone. People may be constrained in their movement because of continued insecurity or they may be afraid to express their opinion (a basic condition for participation to be real) because rebels may perceive participation in a CDR project as a sign of collaboration with government. Evidence suggests, however, that despite these risks, people value the opportunity to determine their own future and actively engage in the process.

CDR also requires a basic level of capacity in local institutions, including the presence of a geographical unit which corresponds to a sense of community identity and some space for local leaders to be democratically selected, and to act in the interest of the local population. Where in recent history all forms of local leadership in the country (including government-sponsored, rebels, traditional structures, community-based economic or social groups) have been abusive, it is unlikely to be possible to mount rapid improvements to this culture in the near term. In many post-conflict countries, however, some forms of local institutions have provided representation and protection for the local population during the conflict, perhaps confined to economic, social or religious spheres. These institutions may provide a relatively positive experience from which to build a wider governance initiative.

Logistical issues such as the availability of provincial payments systems may also affect the speed with which a CDR approach can be launched. Where all banking systems have been destroyed it may easily take up to a year to establish appropriate payments mechanisms at the provincial level. If the country is too large to organize and monitor the distribution of funds in cash to all communities directly from the capital, interim solutions, such as the use of a UN agency or international NGO with field presence, may be called for.

Furthermore, the rapid launch of a CDR project across a large area of territory requires a cadre of project workers who speak local languages, understand the local social and political dynamics, and can be quickly mobilized to play a facilitating role in establishing project structures and drawing up community reconstruction plans. Many post-conflict countries have nationals with appropriate experience from working in NGOs or other development projects—but where they do not, the time necessary to train facilitators may preclude the use of CDR in the first phase of reconstruction.

Exclusion from the decision-making process about scarce resources is often a cause of conflict in the first place. Decentralization and participation are, thus, frequently new concepts in post-conflict situations when

people are still used to top-down development. People, therefore, need to know what their roles are and how participation works. In order to achieve its objectives, a CDR approach needs to sensitize the population at large about its purpose and process.

In order for the population to be informed about the process of decentralized decision-making under a CDR project, local level institutions also have to be sufficiently strong to disseminate information rapidly to a large population. Most CDR projects have relied on existing local structures to disseminate information at the beginning of the project, even where the committees formed under the CDR project are partially or completely outside existing structures.

Governance

Governance characteristics will affect the speed with which a CDR approach can successfully be developed. Two important variables here are the presence of a strong and influential sponsor for the decentralized, participatory CDR approach within the regime emerging after a conflict; and the political influence and capacity retained by local administrative structures.

A strong sponsor within the national leadership for the CDR approach is an important condition for large-scale and rapid implementation. The CDR project is likely to constitute “a new way of doing things” for much of the leadership and population—and while this can be appealing for a population who has suffered under a previous regime, there is often also a tendency to return to the security of the old approach. The allocation of funds to CDR activities may also be perceived as contrary to the interests of new ministers who support a more top-down sectoral approach, or local leadership who wish to retain greater control over the flow of funds and decision-making processes. A respected national figure who acts as a sponsor can make an important difference in strengthening the CDR approach, by explaining how this fits into the new national vision, its relation to sectoral reconstruction programs, and the role and responsibilities of communities in leading their own reconstruction.

Where no strong sponsor exists, or even where the emerging regime has a history of opposition to a participatory or decentralized approach to decision-making, it may still be possible to rapidly pilot a CDR approach for more limited functions or geographical areas. Most national leaderships are highly conscious of the pressure to deliver tangible reconstruction benefits rapidly to the population, and may be prepared to endorse some CDR activities for their ability to deliver rehabilitation and job creation even where they remain unconvinced of the governance principles inherent in the approach.

CDR—and in later periods, CDD—can provide an effective opening for incremental governance reform in authoritarian societies, by building local capacity and opening new channels for voice. Lack of support from government may therefore constrain the ability of the approach to deliver rapid and large-scale reconstruction, but it should not exclude consideration of CDR as an entry point for a longer-term reform strategy in a post-conflict society.

Strong local administrations which have retained both capacity and political influence after a conflict present both an opportunity and a constraint for the rapid use of CDR. Where these are strongly influenced by national support of CDR or themselves support a decentralized, participatory approach to reconstruction they may be extremely valuable in explaining the approach to local level leadership and supporting project activities.

It is worth noting at the outset, however, that a situation where the local administration is influential and is not initially supportive of a CDR approach (either because of lack of support at the national level or for local reasons) is unlikely to provide a sufficiently enabling environment for large-scale use of CDR early in the reconstruction process. It may nevertheless still be possible to pilot the approach or to engage in discussions with local leadership which allow time to reach a consensus.

In summary, the specific characteristics of the post-conflict society will determine whether a CDR approach can be effectively used, and whether it can form a basis for rapid rehabilitation activities or should be seen primarily as a medium-term tool for community empowerment and local governance reform. These characteristics will also affect the design of a CDR project.

Design Considerations for Community-driven Reconstruction

The design of community-driven activities needs to be adapted to a post-conflict reconstruction environment. There are four key elements: (i) adapting governance structures; (ii) addressing technical and implementation issues; (iii) allowing for more emphasis on speed in the early stages; and (iv) coordinating with sectoral reconstruction initiatives. If these elements cannot be fully addressed, alternative approaches may be called for.

Adapting design to governance issues

Community councils

Good governance needs to be sought within the community. Community councils, the centerpiece of any CDR approach, need to be as representative as possible of all groups within a community. This is particularly important in post-conflict situations where levels of trust are low and means of resolving conflict have not been peaceful. The selection of council members is the most critical step. Genuine elections may be possible in countries where the authorities have moved quickly to more democratic forms of governance and are capable of both ensuring security and sending a strong message on non-interference to local elites (see box 2).

Where this is not possible but other reasonably independent structures exist in the communities, better representation may be achieved by specifying stakeholder groups (farmers', youth and women's associations, etc.) to select representatives from among themselves. In this case, it is important not to neglect groups which have been particularly disadvantaged by the conflict, such as widows, orphans and the disabled. The two models may also be combined, with some members directly elected to the council and some nominated by stakeholder groups.

Council members may not have anticipated the workload expected from them and may not be able to attend to their regular business in a context of depressed economic activity. Membership on the community council is a service to the community and should generally not be remunerated. Instead, the work of council members could be counted toward the community's beneficiary contribution, which also sensitizes the population regarding the important contribution of council members to local reconstruction.

One governance objective of the CDR model should be to strengthen reconciliation within communities by focusing energies on constructive reconstruction initiatives and collective problem-solving over concrete issues. In Rwanda, the project's community councils, which include members from all of society's strata, have been functioning without friction. In the one case where a council president and community development agent started to discriminate along ethnic lines, the remaining council members (from mixed ethnic backgrounds) unanimously voted to replace them. In Timor-Leste, the Truth, Reconciliation and Reintegration Commission is experimenting with a model which requires perpetrators of relatively minor crimes to participate in reconstruction in cooperation with the Community Empowerment Project, but this is at an early stage.

Box 2: Community Council Selection Procedures

In the Timor-Leste Community Empowerment Project (CEP), elections start at hamlet level. Facilitators are responsible for informing the population about the purpose of the community councils and the election procedures (through posters, community meetings, and via church and community group events). Hamlets elect two representatives, one man and one woman, to the village council. This may be done at a mass meeting or by secret ballot. Village councils elect two representatives—again, a man and a woman—to represent them at the sub-district council, which is responsible for prioritizing proposals with funds available. Traditional leaders, ex-Indonesian village heads and the head of resistance structures cannot be candidates in elections, although consultation with all three is encouraged under the project. This was done to avoid domination of the councils by one leader or their identification with one political force. As political conditions have stabilized and the new government has made it clear that it will not re-institute party-appointed civil servants at village level, the project is considering allowing village heads to stand for council election. Most of the resistance leadership now form part of local party structures, and cannot run for the councils under a party banner (although members of different parties may run in their individual capacities).

At the beginning of the preparation for the Community Reintegration and Development Project (CRDP) in Rwanda, it had been envisaged that community members elect two representatives per sector (of which at least one woman) to the Community Development Committee (CDC) at the commune level. Government decided later to carry out CDC elections all over the country from the cell level upwards and establish specific functional responsibilities for all members. In addition, a women's representative and a youth representative would be included in each CDC. Any Rwandan who fulfilled certain requirements (e.g., age, educational background) could stand for election. Elections were organized such that villagers lined up behind the preferred candidate. The population generally appreciated the first-ever opportunity to vote and did not object to the process (which in the absence of a culture of elections and with a high illiteracy rate in rural areas was too complex to organize otherwise). It is noteworthy that in as patrimonial a society as Rwanda's, after the first round of elections, one out of six elected CDC members in project communes was female.

The rationale behind community council structures differs markedly between the CEP and the CRDP. In Timor-Leste, the local government system rendered dysfunctional after the vote of independence needed to be replaced quickly while at the central level, an interim administration by the United Nations performed as caretaker government. Project designers were challenged to identify an endogenous local structure that would be representative of the population and represent the population vis-à-vis the exogenous central government, and do so quickly. In Rwanda, the pre-war local structures were considered acceptable for the immediate post-war phase. These structures were not representative, a shortcoming that did not go unnoticed by the population and outside observers. However, in the turmoil of the early post-war years with millions of people on the run out of, then back into the country, a thorough revamping of the local structure was deemed impossible.

The decisions taken in the immediate aftermath of conflict led to different experiences later on. In Timor-Leste, the immediate establishment of community councils gave the population a sense of ownership in an environment otherwise dominated by outside forces. These councils require fine tuning after several years to fit them into the post-independence state. In Rwanda, working with pre-war structures after the war required a more concerted effort to overcome long-established mistrust in unrepresentative local authorities. At the same time, it gave the government more time to thoroughly prepare for a new form of governance, and get it right from the outset.

The treatment of local leaders and structures linked to different sides during the conflict is of particular importance in post-conflict situations. Rebel or resistance groups may command strong local allegiances on a voluntary basis or may command loyalty by force; traditional leadership may have maintained local authority but be linked to one side or other of the conflict and the new emerging regime; and government patronage links in local communities may be strong.

There is no one right answer on how to deal with this: party political elections for the councils may work in some situations but in many will risk fuelling local conflict; attempting to exclude local political leadership may result in attempts to undermine the authority of the councils from outside (see box 3). Compromises may be needed: building into project design consultation with traditional or party leadership, or providing

for limited representation of party, traditional or government structures on the councils, but diluting this with other interest groups.

Box 3: Problems with Councils in Timor-Leste

The local development councils established under the Timor-Leste project faced some difficult choices, none of which have been definitively resolved. Democratically elected, gender-balanced participation from each village meshed well with the objectives and ideals of the new Timorese government, but it presented challenges to traditional governance and administration. What role should there be for the elders? Some—but far from all—groups in this highly varied country respected hereditary “kings”. An even bigger challenge was to find a proper role for the resistance army’s underground administration, the network of village heads and covert CNRT and FRETILIN administrators who had made resistance possible and now represented the party at the village level.

The Timorese leadership proposed that boundary lines be kept sharp: village heads linked to CNRT or FRETILIN would not be allowed to serve on the councils unless they stepped down. Similarly, the councils would not share power with the elders, though in this case the argument was less one of blurred boundaries than the fact that elders played a different role. Because the councils were formed under a transitional administration, the Timorese government could then assess whether these were the right decisions to make after the councils had had a chance to prove themselves. The long transitional period, however, had a damaging effect. The councils were perceived as weak because they did not include local political leadership and, because decisions on local administrative reform were delayed and no comparable funds passed through the local administration, tensions were created between political leadership and the project structures.

A second class of problems referred to the weak capacity of the council members. Few had more than three years of primary education and virtually none had any previous experience governing. Higher levels of government had vanished entirely, so there were few opportunities for higher level mentoring or training, nor were there any training institutes or specialists available to impart basic skills quickly. “Learning-by-doing” may have been the only feasible alternative, but it has not been an especially efficient or effective process, and any follow-on support project must make the strengthening of the councils a primary focus of its activities.

The CEP generated much enthusiasm from communities, and was generally perceived by the Timorese leadership to have been an effective vehicle to reach communities in the transitional period. With the stabilization of the new government after independence in May 2002, however, the authorities have decided to review the project for the new situation, with a view to giving a stronger role to local administrations.

The role of government

The role of central and local government may be more or less extensive. In general, one of the benefits of the CDR approach is that it transfers funds and decision-making directly to communities, thus minimizing the number of patronage and corruption opportunities occasioned by the large flow of reconstruction funds from the center to isolated areas. In situations where a new, developmentally-oriented regime is trying to reestablish state legitimacy, however, this needs careful balance to ensure that CDR helps legitimize rather than undermine fragile new government structures. The CDR approach is fairly flexible in this regard, and the design should be adapted to circumstances. Table 1 presents highly simplified choices over administrative arrangements—in reality choices may be affected by other factors, and countries may see a mixture of these conditions in different regions or over time.

In cases where the authorities are actively trying to pursue good governance objectives, project design can include much closer engagement. At the central level, where capacity exists this may involve direct government management of a central fund. This gives a new, developmentally-oriented regime emerging after a conflict the chance to demonstrate its will and ability to translate the benefits of peace into tangible benefits for the population—it can therefore have an important legitimizing effect.

Even where central government lacks capacity—and an NGO or private sector partnership with communities is thus the only viable alternative in the short-term—care should be taken to provide where

appropriate for a transition to more central government involvement. This can bolster the legitimacy of the emerging administration and will avoid creating tensions over the management of CDR funds as a legitimate new administration forms and starts to flex its muscles.

Table 1: Options for Institutional Design

| | Central Government has Legitimacy and Capacity | Central Government has Legitimacy but Lacks Capacity | Central Government has Capacity but Lacks Legitimacy |
|--|--|--|--|
| Local Administration has Legitimacy and Capacity | Direct partnership between central government fund and communities or partnership between local administration and communities. | Partnership between local administration and communities, with strong visible role for central government. | Limited partnership between local administration and communities. Should be adjusted with progress in peace and reconciliation talks or democratization. |
| Local Administration has Capacity but Not Legitimacy | Direct partnership between central government fund and communities. Sufficient role to prevent opposition must be found for local administration. Must adapt with later discussions on reform of local administration. | Partnership between NGOs or private sector and communities. Should quickly move to direct central government-community partnership as capacity develops. Sufficient role to prevent opposition must be found for local administration. Must adapt with later discussions on reform of local administration. | Limited partnership between NGOs or private sector and communities. Sufficient role to prevent opposition must be found for local administration. Should be adjusted with progress in peace and reconciliation talks or democratization. |
| Local Administration has Collapsed but Trusted Local Political Structures Exist | Direct partnership between central government fund and communities. Appropriate involvement of local political structures. Must adapt with later discussions on formation of local government. | Initial partnership between NGOs or private sector and communities. Should quickly move to direct central government-community partnership as capacity develops. Appropriate involvement of local political structures. Must adapt with later discussions on formation of local government. | Limited partnership between NGOs or private sector and communities. Appropriate involvement of local political structures. Should be adjusted with progress in peace and reconciliation talks or democratization. |

Where local administrations have retained more capacity than central government after the conflict and have the trust of the local population, the project may be designed around a partnership between the local administration and communities. This may involve representation of local administrations on council structures, or active involvement of government in information campaigns in such a way that allows them to take credit for having empowered communities rather than being marginalized from the process.

At the same time, the technical strengthening of the local administration in support of council members should be considered. This could be achieved through targeted technical assistance. Even where local administrations have collapsed, local political structures (for example, resistance or clandestine structures) with the trust of the population may exist. It is important to negotiate an appropriate role for these structures, since their support can make the project more effective and they can often block project developments if they are not involved.

The partnership between the population and the local administration is a critical factor for success. This partnership cannot be decreed. In situations where a large part of the population is unwilling to actively engage with government at either central or local levels and there has been little improvement in national governance systems, the project implementation apparatus can easily be isolated from district and local governance structures.

In these cases the objective would be to make the project a relative island of integrity which could act as a model later on for other core government functions. As noted above, even under these circumstances governments may be prepared to endorse some CDR activities simply to achieve job creation and rehabilitation goals, although these partnerships are likely to be more limited than in more favorable governance environments.

Where local administrations have survived the conflict in terms of capacity but lack legitimacy or are not pursuing good governance objectives, it is important that a role be found which prevents them from blocking project activities. Typically this may involve the establishment of a local administration advisory committee which provides honoraria to attendees or the channeling of small amounts of funds for technical assistance to the local administration.

Another critical factor for success is the partnership between the population and the local administration. This partnership cannot be decreed. People have to be willing to engage with the local administration, and *vice versa*. In countries where the local administration was actively engaged in the war effort, such as in Rwanda, achieving a partnership can be a formidable challenge. But, irrespective of whether local governance structures are new or adapted from the pre-conflict period, any suspicion can only be overcome through following agreed-upon procedures and honoring commitments.

A matter of trust and accountability

Whatever model is chosen, it is important that councils are accountable downwards within the community. Mandating open meetings and the display of council decisions, budgets and expenditure on public notice boards are two basic ways to encourage this. The legacy of conflict, however, often means that the population fears reprisals if it criticizes local leaders. Intensive supervision from outside the community and rapid action on complaints of corruption are therefore vital to build trust in the mechanism.

More than in cases when participation is managed from outside the community, when decisions are taken locally, there is a risk that interests conflict with each other. At the same time, there is a greater risk in post-conflict situations that such conflicts, even if local, follow—and reinforce—the pattern of social and political fragmentation before and/or during the war. An effective local conflict resolution mechanism is a prerequisite for the success of any CDR project. Such a mechanism may be based on tradition, religion or modern forms of justice but should engage negotiation and consensus-building to avoid winner-takes-all situations.

Community-driven reconstruction approaches also provide a good opportunity to build horizontal social capital between communities, by exchanging experiences and pairing weaker councils and communities with those which have achieved stronger participation and accountability. This should be part of an energetic program of capacity building for council members.

Experience suggests that especially in a context of weakened social capital, members selected to serve on community councils are those who are trustworthy and can represent the community or group. These individuals, however, are not necessarily the most competent to fulfill the technical functions of a council member. It is therefore advisable to carry out a capacity assessment immediately after constituting the councils, and to initiate a training program quickly. At the same time, community members need the skills to monitor and hold councils accountable

Box 4: The Role of Local Government in the Community Reintegration and Development Project

The pre-war government in Rwanda had established commune committees with the aim of involving the local level more in decision making. However, these committees were dominated by the burgomasters, who were nominated by the president, and did not represent the interests of the local population. In designing the concept of Community Development Committees, the post-war government had to overcome not only the mistrust and fear between population groups but also the legacy of this entrenched, top-down form of decision-making.

The government initially planned the creation of CDCs as a structure parallel to local authorities in order to minimize the risk of real or perceived government interference. During the design process, however, government recognized as even greater risk the potential for obstruction of the decision-making process if local authorities were not involved. Government then initiated a two-step approach. The first CDC elections (in fact, the first ever elections since independence) were held in March 1999. These elections established the Community Development Committees and Politico-Administrative Committees at the cell, sector and commune level. The two committees together formed the Executive Committee, which was headed by the burgomaster (who at the time was still nominated by the president) and also included local representatives of line ministries. The functioning of these committees depended in good part on the burgomaster's attitude. The best results regarding CRDP implementation have been achieved in communes where the burgomaster has been actively engaged as adviser to the elected CDC members, giving them ample room to grow in their role of agents of grassroots development.

In a second step, a new round of local elections was held in March 2001, this time also including the election of the burgomasters. The population took advantage of electing new burgomasters and committee members where the incumbents were non-performing. The major local decision-making bodies are now made up of elected members. Only line ministry representatives continue to perform in their technical role as adviser to the committees. As a result, the set-up of the local administration has undergone a complete shift from being entirely appointed by central government to being entirely elected by the population. In a sense, thus, the community committee and the local administration are one.

In all the cases above, it is particularly crucial that a CDR project adapt to changing governance conditions over time (see box 4). Even a project which is successful in the eyes of communities and donors will not be sustainable if it fails to adapt to changing political realities. Particularly important here is the incorporation in the project design of components which address decentralization, local governance reform and links with the local administration.

Even if local administrations have collapsed immediately after the conflict, it is certain that there will be a move to reconstitute local government, either the old structures or in new form. The CDR project must provide a mechanisms to participate in this debate, and to link with and support new structures once formed. Equally, lack of capacity in national government may lead national leaders to endorse NGO or private sector project management immediately after a crisis. But this will not necessarily persist—as the political process progresses and national government increases its capacity, there is likely to be pressure for more involvement in project management.

Addressing technical and implementation issues

Institutional and implementation arrangements of CDR projects need to be simple and understandable to people who are not used to this way of doing business, even more so as education levels in post-conflict rural contexts are generally low. The contents and presentation of processes and procedures need to be adapted to local circumstances, including the use of local language(s) and media.

Financial management responsibility is crucial for true ownership. The CDR approach is, therefore, based on direct disbursement to the community council rather than to intermediaries or contractors/suppliers. Otherwise, decentralization and empowerment would be seriously compromised. For practical purposes, disbursements should be made in regular tranches as part of annual block grants against the community

reconstruction plan rather than on a sub-project basis. This arrangement gives communities greater flexibility in allocating funds to where immediate needs are but also requires anticipating cash flow requirements to avoid financial bottlenecks and therefore delays in implementation.

Extensive capacity building is critical for those who represent the community and implement its decisions, even more so as the capacity pool in post-conflict countries is often depleted. As CDR projects delegate expenditure authority to the community, capacity building is especially important in the areas of financial management and procurement. Training of a community financial management unit is important to maintain effective accounts and guard against corruption. Typically, since project records are designed to be simple, such training can be done in a few weeks provided that there is effective follow-up from the project facilitation and supervisory staff. Experience shows that an initial investment in capacity building has a high pay-off and enables community councils to implement projects with greater speed and efficacy.

The provision of sound technical assistance to communities is an important part of efforts to ensure adequate project quality under the CDR approach. In the decentralized spirit of the CDR approach, the need for technical assistance should be identified at the local level. Technical assistance may be provided by government staff at the local or provincial level where these exist, or may be provided by NGOs or the private sector. While in general it is desirable that technical assistance be contracted by, and accountable to, the community council, in post-conflict situations there are often large areas of the country with no appropriately qualified NGOs or private sector companies present.

In these cases it may be necessary to issue a central contract for technical assistance, with appropriate incentives in the contract to create responsiveness to community needs. Strong supervision of technical assistance provided is also important to ensure that the technology applied is appropriate, and that access is provided to new technologies which can help communities meet their objectives.

Facilitation services are the last key design element of the approach. There are some key differences in the provision of facilitation services in a post-conflict environment. Firstly, it is particularly critical that the cadre of facilitators employed are not perceived as aligned with one or other side or the past conflict, or with new political parties emerging. This often poses a difficult trade-off in countries where much of the population is viewed as having been involved in the conflict.

Young development workers may be a good choice—because they often have less history of past involvement, have some appropriate experience and may be more prepared to work in remote areas than their older counterparts—but in particular in small countries they are often linked by family ties to past rivalries, or may be active in the formation of new political parties. Care should be taken in the initial orientation to explain the non-partisan principles of the project. Facilitators may also be posted to areas outside their home region, and there should be close supervision to identify problems early on.

Secondly, where a CDR project is launched in an administrative vacuum following a conflict, the network of facilitators is often the only “official” presence in many rural areas. Facilitators may be called upon to answer a range of questions outside the scope of the project, from when humanitarian assistance will arrive to how political transition will take place. It is important that facilitators are put in touch at the beginning with emerging national authorities and international institutions to whom they can refer communities on these issues—and that these institutions are aware of the presence of the facilitators and can brief them on new information arising.

Adapting design for speed

CDR projects can achieve rapid local reconstruction—the Timor-Leste CEP started well before the wind-down of humanitarian aid and had projects underway in every village in the country one year after the 1999

violence. The first CDD-type projects were not primarily designed for speed, however, so design changes are necessary if the instrument is to be used in the initial period of post-conflict reconstruction.

Outside the post-conflict context, most CDD projects include a relatively long (over six months) community planning period to foster strong participation in priority-setting and technical verification of choices. For speedy implementation in a post-conflict context, a good option is to allow for an emergency cycle of grants. These should be of smaller value than the longer-term project to minimize corruption risk. They should not in general include revolving funds for economic activities (private goods), since these need much stronger local financial institutions to manage. They may also be based on a more limited menu of physical reconstruction options than the longer-term project, to minimize the need for complex technical verification—although they may also be more flexible than the longer-term project in allowing for grant-based support to the restitution of household goods.

The emergency grants do not ignore the governance objective—establishment of the councils still precedes distribution of the grants—but they recognize a trade-off between long and comprehensive community consultations versus the symbolic and practical need to start rebuilding quickly. These grants can and should disburse their first tranche immediately after the council elections: the first meeting of the council can decide on priorities (see box 5).

A possible sequence of project activities to consider to balance speed with project quality and governance objectives would be to start with a limited open menu emergency cycle, follow up with a sector-specific window (described below) to carry out a simple single rehabilitation such as primary schools through the council structures. These two stages give communities practice in decision-making and managing funds while being less technically demanding than a full open menu planning cycle, which can follow at a somewhat later stage.

Box 5: The Community Empowerment Project Start-up and Emergency Phase

Timor-Leste's destruction extended not just to the cities, but even to isolated, impoverished villages. Semi-official looting and militia rampages left large numbers of families with virtually no possessions at all, not even pots and pans for cooking. Farm implements were also destroyed or stolen, which threatened to make families miss the planting season.

During the design phase, the emergency grant proposals were approached with some trepidation. Fast-disbursing grants to destitute people not only are likely to be used for consumption rather than productive investment, but they can also set bad precedents that are hard to overcome later. This was especially true in Timor-Leste, where a prior safety-net style crash program by the Indonesian government had led to mass corruption and abuse by local officials.

Despite the risks, needs were great and no alternative methods to reach isolated villages existed. A first round crash grant program that gave Rps. 50 million to each village was distributed for collective allocation in a village meeting to families deemed by the communities to have been most badly affected by the violence.

The quality of the results varied widely. On the positive side, almost all villages in the entire country were covered by the grants within three months of the project's launch. Much of the money did go to meet emergency needs such as cooking utensils, farm inputs, and some small-scale infrastructure repairs. Villagers also carried out self-employment schemes that allowed them to pay subsistence wages for work. The grants gave CEP credibility, both because for many villages it provided the first material benefits after independence and the devastation that had followed it, and because it introduced the newly formed councils by giving them genuine decision-making power.

But the negative impacts that people had worried about also appeared: non-transparent distribution, poor quality work, and elite capture. On balance the trade-off appears to have been worthwhile because of the great need and lack of alternatives, but the experience reinforces the message to use emergency programs very cautiously.

Effective mechanisms to disburse cash to local levels are needed to meet the objective of speed, since central purchasing will naturally slow down activities, in addition to disempowering communities in the choice of goods and materials. Most post-conflict countries do not have a functioning banking system outside the capital. The Timor-Leste CEP purchased safes and transported these to villages around the country in order to disburse funds quickly. In larger countries this is not a feasible option: it will be critical to establish provincial payment offices which are capable of disbursing tranche payments. In Afghanistan the Bank is doing this as a component of the CDR project, in cooperation with the IMF, which will then support the provincial entities as general government payment offices.

One mechanism sometimes recommended to increase speed is the central purchase and import of goods for onward distribution to communities, rather than transfer of cash for community procurement as is usually the case for CDD models. From a CDR perspective this approach is counterproductive—the benefits of an injection of cash into the local community are even greater in a post-conflict context where local markets have been disrupted than under normal circumstances, and in practice the procurement and import of goods from outside inevitably takes longer than estimated. Communities are generally quite dynamic in sourcing materials even where normal supply lines are disrupted, and the increase in purchasing power will foster local production and draw back middlemen suppliers.

A possible option to accelerate the scaling up of CDR initiatives in large post-conflict countries is the outsourcing of provincial project management to a number of NGOs or other institutions with existing capacity. This would work by setting standard national guidelines for the process of council establishment and sub-project selection, while employing different project management institutions in limited geographical areas.

The Rwandan government, in response to donor exigencies, is implementing this model. Having proven their worth for community-oriented development, the CDCs are the entry point for an increasing number of donor financed projects. Elections to the CDCs are organized by the Ministry of Local Government. This ministry also undertakes capacity building activities and sets the framework and standard for CDC activities according to its implementation manual. Different donors are using these CDCs while executing their projects through NGOs in different parts of the country, yet not without adapting the manual to their specific requirements. This model offers an alternative to direct contracting of project management and facilitation personnel by government or national NGO management. However, care should be taken to ensure that procedures are truly harmonized and that NGOs phase out as local capacities improve.

Speed is not always desirable. As noted at the beginning of this paper, where the preconditions do not exist, CDR should not be the instrument of choice for rapid reconstruction. There are also cases where the conditions exist to launch a CDR initiative early, but accelerated nationwide implementation will cause too much damage to core governance objectives. This is perhaps particularly the case where deep-rooted conflict within communities exists, or where strong local administrations have survived the conflict.

Time may be needed here to reach agreement on the role and composition of the community councils. This should not mitigate against starting early or piloting the CDR approach, but more time may be required to establish councils and conduct the planning process, or to scale up the approach. Under such circumstances, other arrangements, such as force account contracting of local public works or NGO-led implementation may work better for rapid reconstruction efforts.

Coordinating with sectoral reconstruction initiatives

CDR projects are demand-driven, and thus multi-sectoral with preferably only a limited negative list of activities they cannot finance. Consistency with sector-specific reconstruction programs is therefore critical. For instance, school classrooms are generally a menu item in CDR projects yet government and donors (including the Bank) may also undertake a national school rebuilding program. This coordination

issue always exists but is particularly acute in a post-conflict context because of the typically high volume of physical reconstruction activities, and lack of information about new programs due to collapse or lack of capacity in government planning and administrative systems.

CDR projects are based on the assumption that communities have sufficient information and capacity to choose their own reconstruction priorities. In the absence of good information flows, sectorally-tied aid can distort these choices. For example, a community which chooses to use its CDR funds to rehabilitate a clinic, only to find three months later than a sectoral health program would have provided funds to do the same thing, will lose out. Assuming that the community's second choice was an irrigation system, it cannot use the health program funds, which are tied, to rehabilitate the irrigation system—but it cannot recover the CDR funds already spent on the clinic.

There are two ways to address this. Where the sectoral reconstruction programs involve small labor intensive works (such as primary schools), the community council mechanism may be used as an implementing agent. This would work as a dedicated window in the CDR project, where one cycle of disbursements is made specifically for school repair and cannot be used for other sub-projects.¹

This is also good for speed, since no prioritization process would be necessary for this cycle. The funds do not need to go through the CDR project at the national level (they could originate from a line ministry, donor or UN agency), provided the role of the councils and disbursement and financial management procedures at the community level are the same as those used under the CDR project.

Many components of sectoral reconstruction programs will require separate implementation mechanisms, however, because they involve the identification and execution of projects that span more than one community (for instance, a secondary road). In such cases, the principle of subsidiarity applies and planning needs to be undertaken at higher administrative levels. Where communities have identified these needs as a priority, however, it is important that a feedback loop exists to explain to the population how and when the government intends to address this priority.

Most aspects of service delivery also require higher level implementation mechanisms—either because there are economies of scale in, for example, textbook purchase,² or because adequate information is not available at the community level, as for vaccination services, or because technical quality assurance needs to be performed at a higher level, as for the selection of teachers. Community councils may still play an important role in service delivery—for example, by monitoring teacher attendance or managing cost recovery in primary care health clinics, which is often best done at local level.

A rule-of-thumb division may therefore be that community infrastructure, whether sectoral or open menu, be channeled where possible through a CDR approach. Programs to restore service delivery will in general best be managed at a higher level, but should look where possible for opportunities to integrate CDR structures into supportive or monitoring functions.

Even for pure community infrastructure, higher levels of government need to ensure the sustainability of projects financed through a CDR approach by providing input on technical standards and ensuring that staff and maintenance budgets can be provided. A special challenge is cost recovery. It may be more difficult for

¹ There is a clear argument for dedicated “emergency” windows for education and health infrastructure (including perhaps clean water supply), due to the externalities in these sectors which mean that the public benefit of rebuilding this infrastructure may be greater than the benefit to the individual community. This is much less clear for infrastructure like roads, bridges, wharfs and irrigation systems, where care should be taken over tying community choices.

² Distribution of textbooks and monitoring of school stocks may however be effectively performed through community councils.

conflict-affected communities to raise sufficient funds locally to maintain and operate infrastructure rehabilitated or constructed through a CDR project.

Proper coordination with the relevant line ministry's recurrent budget helps share the burden. To ensure that infrastructure is available for long-term use, an operations and maintenance plan that is agreed upon by the community council and that specifies the community's contribution should be prepared before works start. It needs to be monitored regularly after completion of the activity.

There may also be new sectoral policy initiatives launched after the conflict which affect services at the community level. Ideally, provincial or district administrations need basic data on all major planned projects coming into the local area and new policy initiatives (including school or health mapping), in order to provide CDR facilitators and communities with reliable information on the context for their planning. This capacity will often not exist in a post-conflict setting. Because it is multi-sectoral, the CDR project may be a good driver to rebuild this capacity, by including a component for provincial or district planning and information systems.³

Box 6: Integrating the Principles of the Community Reintegration Project into Other Projects

The principles of the CRDP are increasingly integrated into other Bank projects in Rwanda. For instance, the Rural Water Supply and Sanitation Project (RWSSP) is following the road opened by the CRDP. In particular, the RWSSP: finances water and sanitation sub-projects at district level on the basis of annual programs prepared and selected by CDCs using the list of water supply and sanitation projects included in the community development plans; uses the implementation procedures defined by the CRDP with CDCs in charge of programming, contracting and fund management; and finances the preparation of community development plans in project districts not covered by the CRDP. To date, the project has financed the preparation of community development plans in eleven districts. The RWSSP has benefited from the quality of the development agents and accountants appointed and trained by the CRDP and from the capacities developed by the CDCs.

The Rwanda Demobilization and Reintegration Program (RDRP) transfers important responsibilities to the CDCs. As community support is critical to the reintegration of ex-combatants, CDCs at the cell, sector and district level are assigned an important role in the social and economic reintegration process. The relationship between CDCs and their respective provincial administration, as well as to central government, is governed by the government's decentralization policy. CDCs: oversee the sub-component dealing with income generating activities (IGA) according to procedures established by the Ministry of Local Government for the CRDP; help in the provision of land to ex-combatants following established procedures; help identify the most vulnerable ex-combatants on the basis of transparent criteria, including access to land and shelter, health status, employment situation, and household characteristics; and help resolve local conflicts.

With respect to the IGA sub-component, and building on current CRDP procedures, CDCs focus mainly on: counseling; assisting in the preparation of sub-project proposals; appraising and approving proposals; and monitoring progress and eventual contributions. The Technical Secretariat of the RDRP is also cooperating closely with the Ministry of Local Government in order to identify capacity building needs of CDCs and carry out training activities.

CDCs and the CRDP methodology of decentralization and participation are also being used to implement the Bank-financed Human Resources Development Project, and the Rural Sector Support Project. Mainstreaming the CRDP approach to the various sectors has proven to be one of the most effective ways to implement the CDD concept, making a huge contribution to the design and development of the sectoral programs.

³ The other logical driver to reestablish these systems would be through the national ministry of finance or planning, but these have many other problems in a post-conflict context and will typically not be able to drive the reestablishment of provincial planning systems until much later on.

The involvement of line ministries is important in terms of the replicability of the multi-sectoral CDR approach for sector-specific interventions. The project and community council should ensure the engagement of line ministry staff at the local level by familiarizing them with processes and procedures, assigning them concrete roles, and supervising their performance. This way, a CDR approach can become a standard way of delivering development (see box 6).

For all the reasons above, community-driven reconstruction needs to be viewed as part of the national recovery strategy rather than as a self-standing reconstruction effort. This need for integration pertains to line ministries as CDR projects are multi-sectoral in nature and bottom-up planning needs to fit within the broader sector approach. It is also critical in relation to donors, UN agencies and NGOs, to pursue one consistent approach so as to avoid sending mixed signals to communities about the future orientation of development.

Box 7: Examples of Alternative Approaches

In Burundi, a country with a highly centralized form of government, authorities became more open regarding the participation of communities in the reconstruction process. At the same time, the authorities felt that with the continuing war, the integration of the elected community councils into government was not politically feasible. Against this background, the Bank prepared and financed the Second Burundi Social Action Project and the Community Rehabilitation Project such that beneficiaries were able to elect community councils and prepare community development plans. Funds management, however, remained with Twitezimbere (a local NGO) and UNHCR, respectively, and the community councils were not formally related to local government structures.

In the Democratic Republic of the Congo, the first post-war government adopted a decree (valid for a two-year transition period) that—compared to pre-war legislation—was more courageous on participation and more timid on decentralization. In particular, the community councils were to include members of civil society. However, only consultative functions were envisaged, giving opinions on matters of local interest rather than taking on an active role in the local reconstruction process. Modifications to the council structure within the transitional arrangement were discussed, i.e., transferring decision-making authority over local social and economic development to community councils that would allocate funds between sectors and localities. The renewed outbreak of war in 1998 preempted the full design and implementation of this policy.

In Rwanda, post-war capacities were extremely weak and the Bank's re-engagement options were limited. The National Social Action Program (PNAS), a pre-war project, was adjusted in terms of implementation structure and objectives. This social fund-type approach enabled the quick delivery of much needed services, albeit to the detriment of community participation. However, over time, the PNAS evolved toward a more community-based project and in its final stage, tested the participation and decentralization elements of the CRDP. PNAS has, thus, proven that a project can evolve and adjust to shifting priorities, closing also the gap between what is feasible and what is desirable, in particularly regarding the systematic involvement of the local population and the local administration.

Two factors are important in encouraging donors to support a coordinated CDR approach. The first is to make good use of respective competences and mandates—by encouraging institutions and donors who are interested in water or health, for example, to provide complementary projects to strengthen technical assistance to communities in these areas, or a donor with a strong mandate for democratic governance to provide complementary capacity building to community councils. The second is to provide for visibility for donors, by acknowledging multi-donor financing where this exists in all project materials, providing good information on project results and involving donors in project management discussions.

Adapting design to realities on the ground

As mentioned earlier, the conditions are not always in place to use a CDR approach in the initial post-conflict period as the principal instrument for local reconstruction. There may be a complete void of local capacity, preventing community structures from actively implementing projects. Donors, UN agencies and

NGOs may have been providing assistance before Bank engagement without much community involvement; it may be impossible to change these projects in the short-term. A post-war government may not be willing to transfer decision-making authority to lower levels for fear of losing control of the state. In these and other cases, a range of CDR design elements need to be, and can be adjusted (see box 7).

Ultimately, whichever implementation arrangements are devised to respond to a specific post-conflict situation, the ultimate goal should never be compromised—that of giving people a voice and supporting them in what they believe is best for them. Implementation through NGOs, social funds or other mechanisms, although deemed inferior to a true CDR approach, all can be adjusted to ensure adherence to this principle.

Risks

The CDR approach carries a substantial number of risks. These risks weigh particularly heavily in a post-conflict setting. Failure to achieve the CDR objectives can not only delay positive development initiatives, as would be the case in a more stable environment, but also actively prolong human suffering. Moreover, failure of project objectives may result in the loss of a one-off window of opportunity to improve local governance in the immediate aftermath of the conflict, if local community institutions are perceived to be ineffective, unrepresentative or unaccountable. Furthermore, in an environment of mistrust, the government may have only one chance to get decentralization and participation right. If the CDR approach were poorly implemented following the end of conflict, the population may not be willing to engage with government to start over for a long time to come.

Misuse of funds is an evident risk when financial management responsibilities are transferred to the local level, yet capacities are weak. It is worth examining the counterfactual, however, since in most post-conflict countries financial management capacities are also weak at the national and provincial levels.⁴ There are two primary risk mitigation measures to address this. Building in transparency of local expenditure management, through multiple local signatories for tranche receipt, and procurement and public display of budgets and expenditures, provides downward accountability for expenditures within the community. This needs to be bolstered by extensive supervision from the center, including regular spot-checks and a mechanism to elicit and address complaints.

Perceived or real government interference in the decision-making process is a major risk in a post-conflict situation with greatly depleted social capital (such as after civil wars) and where government authority is severely weakened. Central, provincial or district government officials may assume that they know the needs of the population and so may not accept the results of community council decision-making. They may also have little trust in the capacity of the people, and believe that decentralizing authority in the aftermath of conflict poses an unnecessary danger to the integrity of the post-war state.

A strong information campaign component where respected national leadership sends a message on non-interference is critical here. Pragmatically, however, provincial and district officials often need to see some benefits for themselves from the CDR project to ensure their support. This can be done through the inclusion of a district information or planning component or other mechanisms to tie the CDR project to capacity-building initiatives.

⁴ It should be noted that financial management practices of NGOs may also leave much to be desired. In a humanitarian crisis, cost considerations are second to saving lives. NGOs involved in humanitarian activities tend to remain in a country once the emergency is over and to start implementing reconstruction projects without the requisite skills or development focus. This may lead to a waste of resources that are already scarcer than during the emergency phase.

Local elites may attempt to manipulate community structures and funds to serve their own political purposes. Insistence on open meetings, publication of council decisions (in verbal meetings to reach members of the community who cannot read and write) and relatively frequent council elections at the beginning of the project (annually, for example) can provide some protection against domination of the councils by a single-family elite, traditional leadership or political party.

It is also advisable to ensure that council elections or the distribution of funds do not coincide with the campaign period for local or national party political elections. Expectations on this point should be realistic, however. If the country comes from a hierarchical tradition, exacerbated by armed conflict, genuine democratization and downward accountability will not happen overnight, or even within a five year period. The aim should be to show continuous improvement in each council election and sub-project cycle, and to identify and fix really damaging local political problems as they occur.

Inevitably, the creation of capacity at the local and central levels and the conduct of a genuine local debate on priorities will take time for the more complex CDR sub-projects. Donors and government officials as well as the population itself may get impatient with delays, especially if other interventions that deliver aid without much participation produce results more quickly. There may then arise the danger of a lobby to forgo the CDR process before it can take hold. It is, therefore, important to show some quick wins, for example by disbursing an “emergency cycle” of limited funds to community councils for simple transactions.

In conditions where a nationwide CDR approach cannot be launched in the aftermath of conflict, a pilot CDR approach may be feasible. If a pilot CDR approach proves successful, there may be pressure on the government (and from international partners) to scale it up quickly. But when systems and capacities are still fragile time may be needed to draw sufficient lessons and build a solid basis for the process to become sustainable nation-wide. If the government moves too fast with scaling up, the quality of the process and of the outcome would then likely deteriorate, leading to disappointment and possibly disengagement on the part of the population.

Two contradictory risks may occur with the role of government—that it is either too close or too distant from the CDR process. Where a CDR project builds on existing state structures, there is a risk that in implementation, it becomes too much part of government bureaucracy rather than starting to change the way that services are delivered. A long signature trail and complex reporting structures will lead to delays in implementation and may unwittingly contradict basic principles of decentralization and participation. In this situation, a strong emphasis during design to ensure simple internal organization and removal of potential bottlenecks to rapid implementation is needed.

Where there are severe governance problems in the state, and the CDR project was designed to create an island of integrity outside state structures, there is a risk of low government ownership undermining sustainability in the long-term. If government sees this project as competing with its services, or does not feel that it receives any credit for success, it may block project implementation and is unlikely to plan for the long-term integration of a decentralized approach into government plans and budgets.

Efforts can and should be made early on to ensure that government is involved in the information campaign for the project and receives credit for success, even where project management, procurement and financial management systems are completely isolated from state structures. Initiatives to study the long-term integration of a community-driven approach into state structures, planning and budgeting cycles can also help mitigate this risk.

Furthermore, CDR projects can create tensions between ministries in government. By its very nature, a CDR project finances reconstruction activities in a range of sectors that fall under the responsibility of

different ministries. These ministries may see the CDR approach as undermining line ministry responsibility and as a result may be unwilling to support the project.

This is often the case where the CDR initiative is perceived to have diminished the relative budget share of sectoral ministries and created a large fund within a traditionally non-implementing ministry such as internal administration or planning. Using the community councils as implementation mechanisms for some sectoral funds should mitigate against this. In addition, the central administrative anchor should be selected to maximize ownership from the sectors, for instance by establishing an inter-ministerial council to oversee the project or building in reporting to cabinet.

Toward sustainability

In order to move from community-driven *reconstruction* to community-driven *development*, at least three elements need to be in place when the reconstruction phase nears completion:

- Local development structures that partner the population with the administration need to have become a going concern. But, rather than remaining outside of the government's formal structure, local development councils should be an integral part of local government responsible for community development. They would also need to collaborate closely with local institutions charged with political and administrative affairs.
- Capacities need to have been strengthened beyond the community councils. This would allow for the smooth continuation of activities when council members change as a result of new (s)elections. Broad-based capacity building that is tailored to local development needs has the added benefit of providing community members with skills that enhance their own development potential.
- External financing will likely decrease when the transition phase is over. To sustain a community-driven approach in the longer-term requires fiscal decentralization. Annual block allocations should be made from the government's budget to the communities' development budget (in addition to any possible donor funding). These allocations may vary depending on the population size of each community. Decentralized entities should also be entitled to levy taxes to ensure a more steady stream of funds to finance community development plans.

Community-driven development is considered the instrument of choice for development activities that can be delegated to the local level. The implementation of a CDR project should therefore be used to lay a solid foundation for the transition to the longer-term, by addressing the aforementioned elements early on. In this respect, it is critical that the government and international partners agree on the continuation of a community-based approach even before the CDR project ends, so that communities can continue to employ their capacities and follow established procedures for their further development without interruption.