

SECTOR ASSESSMENT (SUMMARY): Community-Driven Development

A. Sector Road Map

1. Sector Performance, Problems, and Opportunities

1. **Sector performance.** Community-driven development (CDD) has helped improve the effectiveness of poverty reduction efforts and achieve far-reaching development impact.¹ It can be implemented simultaneously in a large number of communities, build social capital, and give the poor greater participation in local governance.² The Government of the Philippines has employed CDD since 1999, its largest investment in which has been through the *Kapit-Bisig Laban sa Kahirapan* (Linking Arms Against Poverty)–Comprehensive and Integrated Delivery of Social Services (KALAHI–CIDSS) project with an initial loan of \$100 million from the World Bank in 2002. In 2004, the Spanish Agency for International Development Cooperation provided financing to the KALAHI–CIDSS project. In 2010, the World Bank provided additional financing of \$59 million until May 2014, with the Millennium Challenge Corporation providing parallel financing of \$120 million. As of December 2012, the KALAHI–CIDSS project covered 8,435 barangays (villages) in 364 municipalities and supported 8,776 subprojects, benefitting 1.95 million households. CDD subprojects include rural roads, water supply systems, school buildings, barangay health stations, daycare centers, harvest facilities, and drainage systems.

2. **Relevance to disaster response management.** CDD approaches are increasingly recognized as an effective and flexible tool for responding to disaster events and recovery efforts. CDD operations in the Philippines have addressed community needs and implemented projects or community infrastructure, such as schools, roads, health centers, and irrigation systems, even after disasters. The experience of the Kecamatan Development Program in Aceh, Indonesia, after the 2004 tsunami indicates that communities are able to manage restoration of damaged infrastructure quicker and more transparently. CDD programs were able to make faster disbursements, yielding more outputs with little or no corruption.³ Affected communities in Aceh chose to invest 86.2 % of their block grants in small-scale rural infrastructure such as roads, bridges, clean water supply, irrigation, and canals. The response to the Java earthquake in 2006 showed that CDD approaches are effective in undertaking reconstruction activities as they can quickly help restore basic social services including water, schools, health facilities, and local roads.

3. The Philippines is one of the world's most disaster-prone countries, ranking third on a world risk index.⁴ This is compounded by risks brought about by climate change. The country is expected to experience an increase in temperature and high variability in rainfall intensity.⁵ With

¹ CDD is a subsector of the health and social protection sector under the country operations business plan, 2013–2015 for the Philippines, accessible at http://www.adb.org/sites/default/files/cobp-phi-2013-2015-ssa-05_4.pdf.

² P. Dongier et al. Undated. *Chapter 9: Community-Driven Development*. PRSP Sourcebook. Washington, DC: World Bank.

³ L. Campeau. 2007. *Aceh and Nias, Indonesia: Results Achieved using Community Reconstruction following the Tsunami-Disaster in December 2004*. Sourcebook on Emerging Good Practice on Managing for Development Results, 2nd Edition. Washington DC: World Bank; World Bank. 2012. MDF - JRF Knowledge Notes: *Lessons Learned from Post-Disaster Reconstruction in Indonesia*. Jakarta, Indonesia: World Bank.

⁴ United Nations University, Institute for Environment and Human Security. 2011. World Risk Report. Bonn. An earlier study ranked the Philippines 8th worldwide in terms of disaster incidence and human impact. World Bank. 2005: *Natural Disaster Hotspots: A Global Risk Analysis*. Washington D.C.

⁵ One of the outputs of the Millennium Development Goal Achievement Fund 1656 Joint Programme on Strengthening the Philippines' Institutional Capacity to Adapt to Climate Change produced climate change projections using A1B and A2 emission scenarios using the PRECIS regional climate model.

about 60% of the country's municipalities and cities located along the coast, impacts of sea level rise due to both climate change and local land subsidence are expected to be severe. The annual cost of disasters is estimated to be equivalent to between 0.7%–1% of gross domestic product.⁶ Crucial in addressing the vulnerability of people in disaster-affected areas is the effectiveness of disaster risk management (DRM) and adaptation measures. The recent typhoon Yolanda (international name: Haiyan) and previous disasters showed the magnitude of the challenge and how ill-prepared the country is to deal with major devastations.

4. **Problems.** Limited access to basic services is a key cause of poverty and inequality in the Philippines.⁷ Low utilization of basic services slows human capital formation and limits economic opportunities, contributing to the persistence of poverty. For example, enrolment in primary education was only 90% in 2010, 60% of Filipinos die without medical attention and 40% of infants are delivered by untrained birth attendants. Many geographically isolated and remote areas — including conflict-affected areas, areas prone to natural hazards, and ancestral domains of indigenous peoples — have very limited health care and educational services.

5. Low access to basic services is attributed to low public spending,⁸ the poor quality of services, weak delivery systems, poor targeting, low technical capacity, inadequate accountability mechanisms, and disaster and security risks. Exacerbating the problem of inadequate basic service supply is low demand from the poor for high-quality services. Low demand has been ascribed to lack of mechanisms that allow for effective participation, limited income and economic activity, inadequate access to financial services, poor access to information, and the limited capacity of poor communities to participate in local government decision making. In a post-disaster situation, basic services are usually inadequate or lacking, which affect both the poor and the non-poor. In the aftermath of typhoon Yolanda, it is estimated that additional 1.5 million persons may have fallen into poverty, or 24% rise in the number of poor in Central Philippines and 7.1% nationwide.⁹

6. While local government units (LGUs) are mandated to act as first responders in times of disaster, they often lack the capacity to assume the DRM functions assigned to them. Some LGUs are yet to establish disaster coordinating systems and those that have been established vary significantly in quality. Resources for DRM and post-disaster activities are also limited.

7. **Opportunities.** The government provides significant funding to social services, allocating a growing portion of the budget — from 27.9% in 2004, rising to 33.8% in 2012.¹⁰ Apart from funding growth in the KALAHÍ–CIDSS project, a significant share of the social services budget goes to the conditional cash transfer program, which puts cash directly in the hands of the poorest of the poor if they are able to meet certain criteria such as keeping their children in school and getting regular health checkups for pregnant women. Cash transfer empowers poor families to pursue their basic needs while avoiding the misallocation of public funds. As of June 2012, the cash transfer program covered 2.8 million poor families nationwide.¹¹ The KALAHÍ–CIDSS

⁶ Government of the Philippines, National Disaster Coordination Council, 2008, Manila

⁷ ADB. 2009. *Diagnosing the Philippine Economy: Toward Inclusive Growth*. Manila; ADB. 2007. *Philippines: Critical Development Constraints*. Manila.

⁸ Public spending on education is just 2.1% of the country's gross domestic product in 2012, barely a third of the United Nations goal of 6.0%.

⁹ ADB estimates.

¹⁰ Department of Budget and Management. Our Budget. General Appropriations Act Archives. http://www.dbm.gov.ph/?page_id=4499.

¹¹ Department of Social Welfare and Development. Pantawid Pamilyang Pilipino Program. <http://pantawid.dswd.gov.ph/index.php/pantawid-pamilya-financials>.

National Community-Driven Development Project (KC-NCDDP) will inform effective and efficient disaster risk reduction (DRR), response and recovery policies from CDD perspective.

8. **Relevance to poverty reduction and growth.** The government's use of CDD supports its goals of promoting inclusive growth and reducing poverty in the Philippines. CDD is a platform for enhancing participatory planning and budgeting in national and local government systems, as well as for strengthening public accountability mechanisms. Placing resources directly under the control of communities induces spending at the bottom of the economic pyramid and unleashes economic potential.

9. CDD provides stable mechanisms for post-disaster recovery efforts. Communities that have CDD experience have developed capacities to respond to post-disaster or emergency needs. They are already well-trained in social mapping, which can be applied to reconstruction. The existing KALAHI-CIDSS area coordinating teams provide, at the regional level, the capacity to assist the municipal social welfare development officer in rapid needs assessment. Having installed systems for financial management, disbursement, and procurement is a key advantage. However, emergencies require certain changes in the CDD process. Decision-making must be accelerated, and participatory steps should be simplified. Without compromising transparency and accountability, the CDD processes can be easily adjusted to hasten the delivery of funds. Eligible CDD subprojects can be expanded to accommodate post-disaster needs.

2. Government's Sector Strategy

10. The Philippine Development Plan identifies enhanced resilience of natural systems and improved adaptive capacities of communities to cope with environmental hazards including climate-change-related risks as a priority goal. Improved adaptive capacities of communities is a key output. The government has also formulated the National Disaster Risk Reduction and Management Plan 2011–2028. This follows Republic Act Number (RA No.) 10121 of 2010, which acknowledges the need to “adopt a disaster risk reduction and management approach that is holistic, comprehensive, integrated, and proactive.” The plan aims for safer, adaptive, disaster-resilient communities. It involves a paradigm shift, from a reactive to a proactive stance in cutting disaster risks. Communities are trained to be more aware of hazard threats and impacts and upgrade their skills for coping with the impacts of disasters. The passage of the Disaster Risk Reduction and Management Act of 2010 (RA No. 10121) and its implementing rules and regulations, supported by the Climate Change Act of 2009 (RA No. 9729), have significantly strengthened the institutional foundation for disaster risk reduction and management and climate change adaptation. The Disaster Risk Reduction and Management Act emphasizes the need for a coherent, comprehensive, integrated, and proactive approach to such disaster risk reduction and management across levels and sectors of government, and among vulnerable communities. It shifts the focus from a purely reactive approach to include risk management and preparedness and establishes links to climate change adaptation.

11. The Philippine Development Plan, 2011–2016 and the National Anti-Poverty Framework cite CDD as a strategy for reducing poverty and attaining the Millennium Development Goals. The National Economic and Development Authority Board approved the KC-NCDDP in January 2013, which will scale up KALAHI–CIDSS project operations. The KC-NCDDP supports the government's social protection agenda by providing basic services and improving access for the poor. Under the KC-NCDDP, the Community Empowerment Activity Cycle using core participatory activities of the KALAHI–CIDSS project will effectively address concerns regarding indigenous peoples, gender, conflict-affected areas, and disaster response. The KC-NCDDP will also help in the recovery efforts in communities that were severely affected by typhoon Yolanda.

3. ADB Sector Experience and Assistance Program

12. Since 2001, ADB has financed more than 80 projects with CDD features in its developing member countries. These included three loan projects supporting Indonesia's National Program for Community Empowerment, a nationwide poverty reduction program that uses CDD.¹² Most of ADB's investments aim to improve local rural infrastructure and public facilities such as community irrigation systems, rural roads and electrification, water supply and sanitation, basic education, and health facilities in locations where local government capacity is limited or absent. More than half are projects in rural development, agriculture and natural resource management, water supply, or multiple sectors. About 10% are in relatively new areas that incorporate community needs in the design of urban sector development projects through slum upgrading and providing housing and improved amenities to the urban poor. Several projects are part of existing national programs funded by multiple development partners for poverty reduction, decentralization, accelerated achievement of the Millennium Development Goals, or rehabilitation of emergency- or conflict-affected areas.

13. ADB provided assistance for DRM reflecting government priorities. The greater proportion of assistance has been for post-impact assistance, such as the Southern Leyte Landslide Disaster Assistance Project I, and two \$3 million grants from the Asia Pacific Disaster Response Fund.¹³ Following flooding in Metro Manila by tropical storm Ondoy in October 2009, ADB contributed significantly to a joint post-disaster needs assessment. ADB supported the preparation and implementation of investment projects on flood risk management capacity development. In the wake of typhoon Yolanda, ADB is extending a \$500 million emergency assistance loan to the government, including grants totaling \$23 million. ADB has assisted the National Economic and Development Authority in the preparation of the Yolanda Rehabilitation and Recovery Plan (YRRP).

14. ADB's support to the KC-NCDDP is consistent with its Strategy 2020, which seeks to achieve inclusive growth and reduce poverty.¹⁴ It is aligned with ADB's 2011–2016 country partnership strategy for the Philippines, particularly in promoting "more efficient, effective, and equitable delivery of social services."¹⁵ The country partnership strategy highlights the mainstreaming of DRR into ADB-financed projects. The project will complement ADB's demand-side interventions supporting the government's social protection program by empowering the poor and vulnerable to take control of and manage resources that directly affect their welfare, including capacity development in the Department of Social Welfare and Development, participating LGUs, and communities. It will also pursue ADB's support to the government's agenda on decentralization and local governance. Moreover, the project will assist the government in the implementation of YRRP.

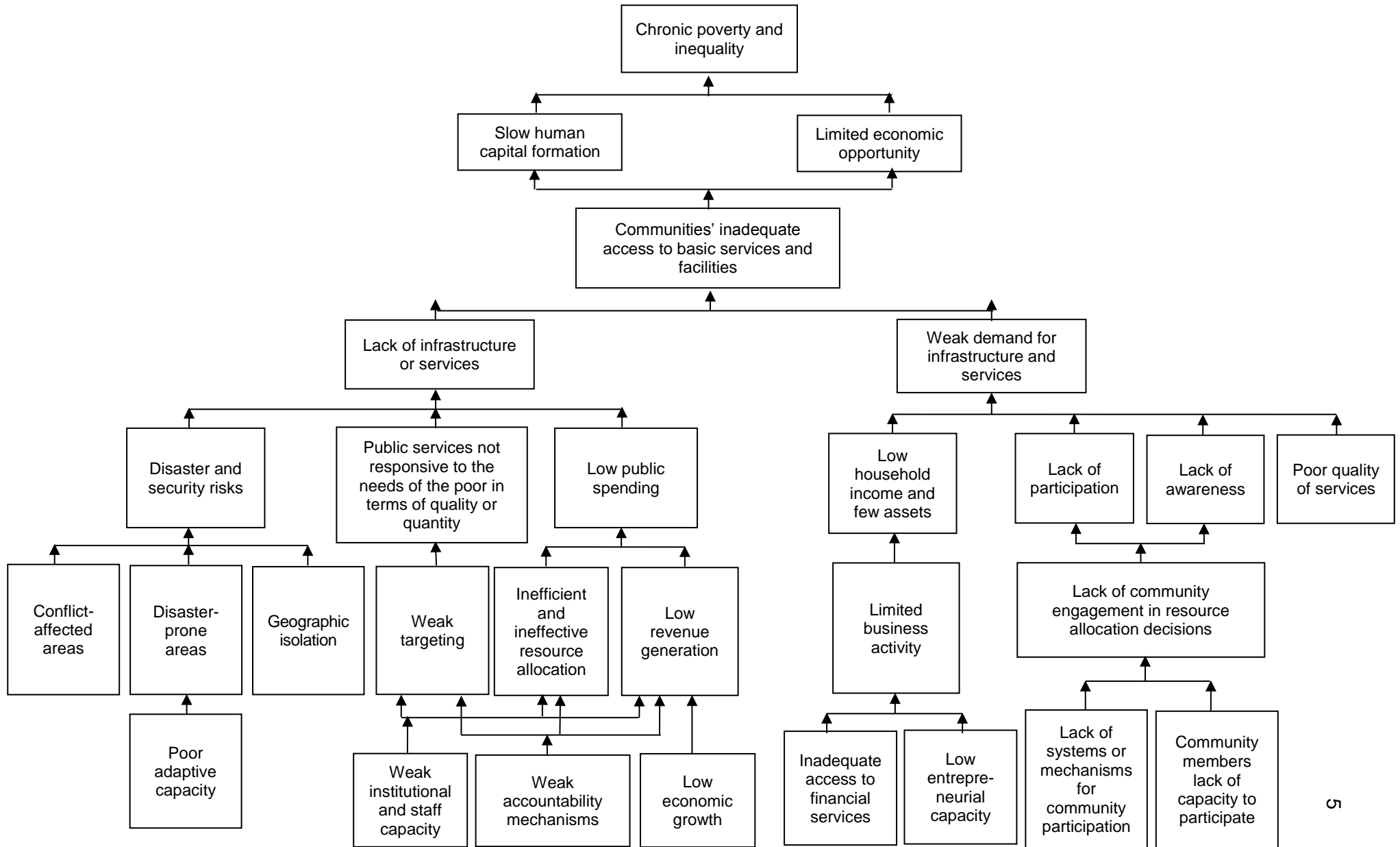
¹² Program Nasional Pemberdayaan Masyarakat–Mandiri in Indonesian.

¹³ ADB. 2006. *Proposed Grant Assistance to the Philippines for the Southern Leyte Landslide Disaster Assistance Project*. Manila; ADB. 2009. *Proposed Grant Assistance to the Philippines for the Typhoon Ketsana (Ondoy) Project*. Manila; ADB. 2011. *Proposed Grant Assistance to the Philippines for the Tropical Washi (Sendong) Project*. Manila.

¹⁴ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

¹⁵ ADB. 2011. *Country Partnership Strategy: Philippines, 2011–2016*. Manila.

Figure 1: Problem Tree for Community-Driven Development



Subsector Results Framework (Community-Driven Development, 2014–2017)

9

Country Sector Outcome		Country Sector Outputs		ADB Sector Operations	
Outcomes with ADB Contributions	Indicators with Targets and Baselines	Outputs with ADB Contributions	Indicators with Incremental Targets	Planned and Ongoing ADB Interventions	Main Outputs Expected from ADB Interventions
Communities in targeted municipalities achieve improved access to services and infrastructure and participate in more inclusive local disaster risk reduction and management planning, budgeting and implementation	<p>Access to and utilization of basic services and infrastructure such as roads, education, health centers, and water in covered municipalities increased by 10% by 2017 (baseline: 0%)</p> <p>35% of households in covered municipalities reporting increased confidence to participate in community development by 2017 (baseline: 0%)</p> <p>45% of members from marginalized groups (indigenous peoples and women) in covered municipalities attend regular barangay (village) assemblies by 2017 (baseline: at entry)</p> <p>900,000 households benefited by 2017 (baseline: 0)</p>	<p>Improved policy and institutional framework for scaled-up implementation of the CDD approach into a national CDD program</p> <p>Strengthened resource allocation, fund flow, and accountability mechanisms for KC-NCDDP implementation</p> <p>Enhanced capacity of stakeholders to implement the KC-NCDDP</p> <p>Increased household income and consumption</p> <p>Improved non-income dimensions such as increased collective action by barangays, more inclusive access to public goods and services, better access to information, improved trust in barangays, and more responsive local governments</p>	<p>% of community subprojects in 6,000 barangays completed in accordance with technical plans, schedule, and budget increased from 2013 baseline to 85% by 2017</p> <p>% of completed subprojects that meet basic financial standards based on finance and administration manual increased from 2014 baseline to 85% by 2017</p> <p>% of completed subprojects in 6,000 barangays with <i>satisfactory</i> or better sustainability rating increased from 2014 baseline to 85% by 2017</p> <p>% of the paid jobs created by the project held by women increased from 2013 baseline (3% for skilled and 5% for unskilled) to 20%-30% by 2017</p> <p>% of covered municipalities with increased membership of people's and civil society organizations in local development councils and special bodies increased from 2013 baseline to 85% by 2017</p> <p>At least 10 community volunteers per village trained in CDD by 2017, of which 50% are women</p> <p>% of the leadership positions in community volunteer committees held by women increased from 2012 baseline (35%) to 50% by 2017</p>	<p>Planned key activity areas Improvement in basic services and infrastructure (93% of funds)</p> <p>Institutional capacity building and program implementation (6% of funds)</p> <p>Project implementation and M&E (1% of funds)</p> <p>Pipeline Projects</p> <p>Emergency Assistance Loan for the KALAHI-CIDSS National Community-Driven Development Project, formerly Convergent Social Protection and Community-Driven Development Project (2013: \$400 million)^a</p> <p>CDTA on Enhancing Capacities for the National Community-Driven Development Program (2013: \$1.5 million)</p> <p>Ongoing Projects</p> <p>PATA on Enhancing Social Protection through Community-Driven Development Approach (2012: \$1,050,000)</p> <p>Small-scale project preparatory technical assistance (2013: \$225,000)</p>	<p>Planned key activity areas</p> <p>Subprojects that meet financial standards of the KC-NCDDP manual and with satisfactory sustainability ratings</p> <p>More inclusive and transparent municipal planning and budgeting</p> <p>Effective program management</p> <p>Ongoing projects</p> <p>Analytical work to support KC-NCDDP implementation</p> <p>Strengthened due diligence and project documentation</p>

CDD = community-driven development, CDTA = capacity development technical assistance, M&E = monitoring and evaluation, KC-NCDDP = KALAHI-CIDSS National Community-Driven Development Project, PATA = policy and advisory technical assistance.

^a Reduced to \$372.1 million because of the lower financing gap approved by the National Economic and Development Authority Board.

Source: Asian Development Bank.