

REVISED DRAFT

**Addressing the Needs of Highly Vulnerable Groups
through Demand-Driven Projects:**

**A review of a sample of World Bank projects serving excluded
ethnic groups, disabled people, and war-affected groups**

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Introduction

Demand-driven approaches, such as many social funds and other community driven development projects (CDD) have become increasingly common in developing countries as a strategy for delivering basic services down to the local level. These demand-driven approaches help to finance the construction and rehabilitation of social infrastructure, such as schools, health posts and water points; the delivery of basic social services; and the implementation of community-level economic investments, such as the rehabilitation of irrigation systems and the construction of local markets.

The demand-driven approach relies on a participatory process, whereby residents of a community or village assess their needs and identify the community investments that they see as their top priorities. Often communities compete at the municipal level for financial support for their proposed projects. One of the risks of this approach is that the priorities expressed by a community are likely to reflect the needs of the majority, while the needs of more vulnerable members of the community, such as orphans, female-headed households, disabled, and elderly, may not be heard. Likewise, the needs of a small, remote village populated by a traditionally excluded ethnic group may not fare well in competing for funds at the municipal level with the ‘majority’ population. In some countries, such as Peru and Ecuador, the so-called ethnic ‘minority’ may, in fact, be in the majority, but a traditionally silent majority whose needs have been historically ignored.

Finally, there are war-affected communities, where the entire community and region are populated by highly vulnerable groups, including returning refugees and internally displaced people (IDPs), widows, orphans, and ex-combatants seeking to reintegrate back into civilian society. Each of these groups has special needs, but they also share the need to rebuild their community and their lives. In these cases, demand driven programs may need to develop differentiated approaches to address the special needs of such groups, while also attending to community-wide needs.

This paper explores ways in which World Bank-funded projects have sought to address the special needs of highly vulnerable groups within the context of a demand-driven project. It is based upon a critical analysis of 30 projects, ten projects that serve excluded ethnic groups, ten that serve disabled people, and ten that serve war-affected populations. The paper starts with this summary section, which provides an overview of the findings for all three groups, and is followed by an annex for each of the three groups analyzed. The analysis is based largely on a desk-review of the project appraisal documents (PAD) and, when available, a review of evaluation and implementation completion reports (ICRs). Each section starts with a brief overview of the projects analyzed and then proceeds to take a closer look at each of the following cross-cutting themes: characteristics of the vulnerable group, types of interventions financed by the project, targeting strategies used, the division of labor among the key actors – central government, local government, NGOs, communities, and the empowerment impacts of the projects. Each section concludes with recommendations intended to serve as practical

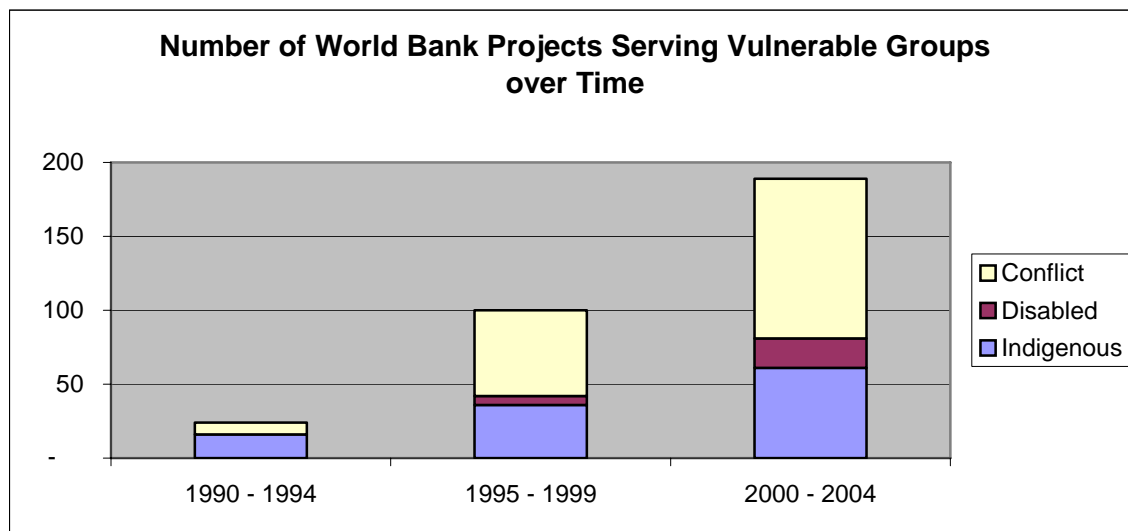
advice for project teams seeking to design demand-driven projects that succeed in addressing the special needs of highly vulnerable groups.

The Projects Analyzed

The selection of projects for analysis involved an initial search of the World Bank's project database.¹ This approach did not always include all of the relevant projects. For example, in the case of excluded ethnic groups, the key word 'ethnic' brought up only six projects, while 'indigenous' identified a total of 116 projects. Unfortunately, this sample of projects excludes many projects that would be relevant for this analysis; for example, those from the Balkans, Eastern Europe and Africa, where there are clearly ethnically excluded groups, but they do not qualify as 'indigenous' groups in the terms of World Bank policy (see Annex 1).

The projects selected for analysis included 9 from this list of 116 projects plus one from Eastern Europe serving Roma and ethnic Turks. Likewise, a search using the key words 'disabled' or 'disability' identified only 26 projects, while there are clearly more projects in the Bank's portfolio that in one way or another address the needs of disabled population. The search for war-affected populations, using the key word 'conflict' yielded a more inclusive list of 174 projects.

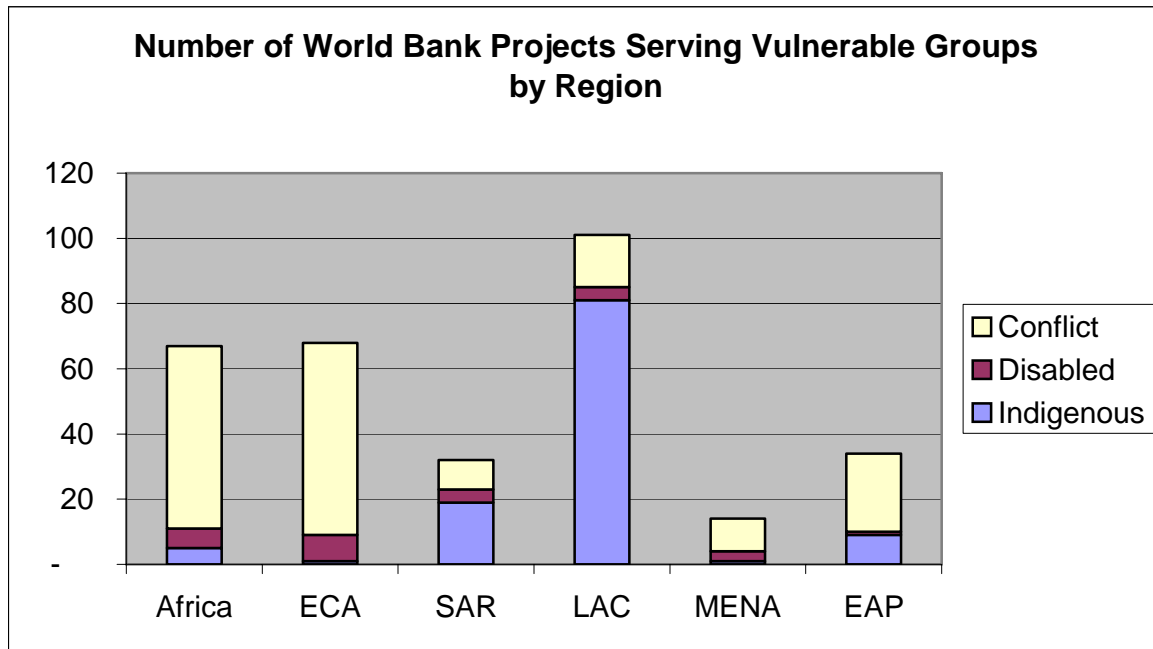
In all three cases, the number of World Bank projects targeting these highly vulnerable groups has grown at an impressive rate since 1990. This is likely the result of a combination of two factors: an increased interest in serving these special needs groups, as well as improvements in the Bank's Management Information System in labeling these projects. The graph below illustrates the growth in the number of relevant projects over the last fifteen years.



¹ World Bank Image Bank and Project Portal. In the case of the Excluded Ethnic Groups and the War-affected populations, the database search was conducted using the World Bank's external web site, which may not include all pipeline projects present on the internal web site.

There were almost eight times as many projects serving these groups that were initiated during the five-year period 2000 – 2004 as there were between 1990 and 1994. The most impressive growth was in projects serving war-affected populations, followed by those serving indigenous populations. The interest in serving disabled people is a relatively recent phenomenon. The surge in ‘conflict’ projects may be a consequence of the growth in the number of civil wars, no longer contained by the forces of the Cold War.

The geographic breakdown of this combined sample of 313 projects shows that the Latin America Region overall has the most projects serving one or more of these three vulnerable groups with a total of 101 projects, with the Africa and Europe and Central Asia (ECA) Regions tied for second place. In the Latin America region, the majority of projects were designed to serve indigenous populations, while in Africa and Europe the majority of projects targeted war-affected countries. Concern about serving disabled people appears to be greatest in the ECA region, perhaps a consequence of the priority given to transitioning disabled people from institutional to community care situations as the end of socialism in Eastern block countries made institutional care financially infeasible and as the advantages of non-institutional solutions became more evident.



The majority of the 313 relevant projects in the project database do not use a community demand-driven approach. For the purposes of this paper, ten projects per group were selected for further analysis based upon the degree to which they included one or more components designed around a demand-driven approach. A list of the projects selected for each group appears in the sections specific to each of three target groups.

This paper makes no claim as to the statistical representativeness of the sample chosen, nor to the degree to which the conclusions drawn can be generalized. It is, nonetheless,

hoped that the indications provided by this analysis will suggest ideas regarding what has been and/or could be tried to better serve specific vulnerable groups under demand-driven programs.

Characteristics of Highly Vulnerable Groups

Each of the vulnerable groups highlighted in this paper confronts a different set of problems that it must overcome in order to fully participant in society, but, in the end, all three groups face a very similar set of risks, if these barriers to entry or challenges are not overcome.

Ethnic populations tend to live in remote, rural areas with significantly reduced access to basic social services and economic opportunities. Generations and often centuries of ethnic discrimination has further exacerbated this isolation, where communities have not received the same benefits from government as other citizens. Ethnic populations may be a minority group within a community; a majority within their own community, but a minority within a region; or a majority within a region or the country as a whole, but up against a wall of discrimination.

Disabled people, who tend to be a minority within their communities, representing between 7 and 10 percent of the population, confront physical barriers that prevent them from taking advantaged of the services that may be available in their community, which, in turn, makes it more difficult for them to participate in the local economy. They also tend to be victims of social stigma that further limits their opportunities and isolates them.

War-affected populations, whether widows, ex-combatants, returning internally displaced people (IDPs), or families that stayed in their village throughout the conflict, confront a shared reality of a community whose social and economic infrastructure and social fabric has been destroyed by war and must be rebuilt from the bottom-up. A more detailed analysis of the characteristics of each group is presented in the group-specific sections of this document.

While the specific problems confronted by each of these groups are different, the general classes of risk that they face are very similar, as illustrated in the table below.

	Excluded Ethnic Group	Disabled People	War-affected Populations
Risk of limited or no education	Yes	Yes	Yes
Risk of higher rates of morbidity and mortality	Yes	Yes	Yes
Risk of extreme poverty	Yes	Yes	Yes

	Excluded Ethnic Group	Disabled People	War-affected Populations
Risk of discrimination and political and economic exclusion	Yes	Yes	Yes, for some, such as ex-combatants, particularly those who participated in atrocities.
Risk of being a source of future conflict	Yes	No	Yes

Given these risks, it behooves governments to pay attention to the special needs of these groups and to find creative ways of reaching them through demand-driven approaches as well as others. By continuing to ignore the needs of these groups, particularly in the case where they represent a significant minority or a majority of the population, a country will certainly have difficulty meeting its Millennium Development Goals (MDGs) and, in a worst-case scenario, will end up with a civil war on its hands.

Types of Interventions Financed

Community demand-driven projects, by definition, tend to focus their investments at the community-level, but some projects analyzed also make modest investments at the municipal and/or regional levels, and a handful at the national level, to build the capacity and awareness of government to manage a demand-driven project and to strengthen the hand of the vulnerable group in question through advocacy campaigns and policy changes at the national level. This section provides more detail on the types of interventions financed by the projects analyzed in this study.

Community-level Interventions

Community-level interventions were most prominent in projects targeting ethnic minorities and war-affected populations and, to a lesser extent, in projects that targeted disabled people. For the first two groups, socio-economic infrastructure (schools, health posts, water points, etc.) was the most common type of sub-project financed. For disabled people, social services sub-projects were more common. Interventions at the community level were more limited, in large part because projects tended to be implemented through NGOs based in major cities. Sub-projects designed to improve the economic performance of the targeted group, such as job training or microfinance, were less common, overall, but more common in projects serving disabled people.

Capacity building of community groups was most evident in projects targeting ethnic groups and war-affected populations. The focus of the capacity building was upon strengthening the ability of the community-based organizations to manage all aspects of the project cycle, from participatory needs assessments and planning processes to project implementation, funds management, and the maintenance and operation of the completed community infrastructure.

The Nuestras Raíces Project in Honduras

The idea behind the Nuestras Raíces project in Honduras is to even the playing field between ethnic communities and non-ethnic communities. Honduras' ethnic communities are the poorest in the country, with both higher rates of illiteracy and malnutrition, as a result of centuries of neglect. In an effort to correct these imbalances, the Honduran Government is using Bank financing to build the capacity of ethnic communities to assess their needs and prepare community development plans, which are shared with the municipal government in the hope that it will finance some of the proposed projects. The project is also supporting ethnic associations to compile these plans into strategic plans for their ethnic group. The project itself will finance some of the community-level sub-projects identified through this process.

An important distinction should be made between the projects that promoted a comprehensive multi-year community planning process versus those that supported a process to identify one or two priority sub-projects. The comprehensive community planning approach was most evident in projects serving war-affected populations, where multiple investments would be necessary to bring a community back to life. This approach clearly requires a larger sub-project budget.

The Angola Post Conflict Recovery Project

While challenging to implement, given the renewed fighting during project implementation, the Angola Post Conflict Social Recovery Project used an interesting approach. It targeted three municipalities heavily affected by the war and, with the help of an NGO in each target area, worked with all members of the community to develop medium-term municipal development plans, adapted to the needs of the area. Given the fluidity of the situation, these medium term plans were complemented by rolling six-month plans that identified specific projects to be implemented in the near-term. The project used an open-menu, with a limited negative list. The Communities in the municipality of Caala, in the Province of Huambo, focused their efforts on rebuilding the agricultural base of the area. ADRA, a local NGO, played a key role in helping internally displaced people to return to their communities and organize themselves into groups to assist with the project identification and implementation process.

While the local government was very weak, the project made sure that the NGOs coordinated their efforts closely with the local government and invested in building the capacity of municipal officials to exercise their community support functions.

Regional- and Municipal-level Interventions

Across each of the three groups, investments at the regional and municipal-level were minimal and mostly designed to strengthen the capacity of local government to play its part in managing the demand-driven project. This was particularly evident in projects serving war-affected populations. In the case of both the disabled and ethnic groups, some efforts were made to strengthen regional level membership networks that served to represent the interests of the group or provide peer support. One example is the support being provided to Honduras' ethnic associations to develop strategic plans for their membership, which tends to be geographically concentrated across multiple municipalities. Another is the project in Andhra Pradesh, India, which is building second- and third-tier networks of disabled people engaged in microfinance. These networks have, in turn, proven useful devices for disabled people to speak with a common voice and advocate for their shared interests.

National-level Interventions

National-level interventions, other than the financing of the Project Management Unit, were even less common than regional investments. National investments were more common among projects serving ethnic minorities and disabled people. In the case of projects serving disabled people, the Tajikistan and Ukraine projects sought to inform national policies in education and social service delivery, based upon their experience financing pilot sub-projects at the local level. Some projects serving ethnic groups sought to strengthen the national associations representing these groups to better serve their membership through policy advocacy; this was particularly evident in Ecuador and Peru.

The Ukraine Social Development Fund – Care for Disabled People

When attempting to address a problem at the local level, having a complementary strategy at the national level can make the task more effective. The Ukrainian Social Development Fund tackled the issue of social care services for disabled people locally, regionally and nationally. With an outdated system of costly, institutionalized social care services, which tended to promote social exclusion, the project sought to use innovative strategies in community-based pilots to serve as a basis for replication and to inform the national strategy. Using percentage of disabled people as an indicator for targeting, along with micro-targeting typology and local government commitment to social service reform, the project was implemented in two communities in each district.

Targeting Strategies Used

When seeking to benefit these special needs groups, effective targeting strategies are essential, especially in the case where the group represents a minority within a

community or a region. At first blush, targeting may appear to be inconsistent with the concept of demand-driven, but even in a demand-driven program, targeting is required to make sure that vulnerable minorities or voiceless majorities are able to compete for funds.

The difficulty and cost of targeting tend to go up as the group becomes geographically more dispersed. A government's willingness to invest in a costly targeting strategy is likely offset by the risks of not making the investment. In the case of excluded ethnic groups, especially when they represent a majority or sizable minority, and populations recovering from a conflict, the cost of not targeting these groups may be high. Dissatisfied ethnic groups have fueled many conflicts around the world and countries with a history of civil war have a high likelihood of having another conflict within a decade.

In the case of disabled people, the political risks of not serving this group are lower, since disabled people usually represent only a small minority of the overall population. An exception may be in a country like Angola or Cambodia, where the percent of disabled people is significantly higher due to the impact of mines planted during a conflict. Perhaps the lower political risk incurred by neglecting disabled people explains why there are still so few projects within the World Bank's portfolio that address the needs of this group.

The selection of a targeting strategy also depends, in part, upon the level of sophistication of a country's data-gathering and census-taking system. Countries in the ECA region may have reliable data that is broken down by ethnic group and by disability, while most countries in Africa and some in Latin America are not yet at this level. When the required data is not available, creative proxy indicators must be used to help ensure that funds reach their targeted beneficiaries.

Geographic Targeting

Geographic targeting is often feasible for programs serving ethnic groups or war-affected populations, who tend to be geographically concentrated, but ineffective for disabled people, who are geographically dispersed. Geographic targeting can be most effective if there is objective data available that enables a program to pinpoint its assistance to communities and municipalities that have the highest proportion of eligible beneficiaries. For example, a census that can provide reliable data on population by ethnic group down to the municipal level is more useful than data that goes down to the district or provincial level. Government can use such data to allocate available funds across the country.

If the data is only reliable down to the provincial level, then other means will be necessary to allocate funds to districts and municipal levels. In war-affected communities, one might use the number or share of community infrastructure buildings destroyed, or the number of returning refugees or internally displaced people who live in the community. The gathering of data on these types of indicators can perhaps most appropriately be done by the NGOs or private sector firms contracted to assist

communities with the participatory needs assessment and planning processes. The Project Management Unit could supply the NGOs with a set of minimum criteria that a community must meet, in terms of war destruction or population of IDPs, for example, before it proceeds with community capacity-building activities.

Poverty Targeting

Poverty targeting, in theory, can be used for targeting each of the three vulnerable groups analyzed, given the high correlation between these groups and poverty. This approach is especially effective for targeting ethnic groups and war-affected populations, who usually live in homogeneous communities, but less effective for reaching disabled, since they are such a small minority within a poor community. Furthermore, while there is a correlation between being disabled and household income, not all disabled people live in poor communities, since disability exists in all income groups.

Poverty targeting usually requires quite a sophisticated data gathering system that looks at household income or consumption patterns and/or literacy, employment and infant mortality rates and other indicators of social welfare. Here again, this data is most helpful if it is reliable down to the municipal or sub-municipal level. When reliable poverty data is available, especially if it distinguishes between poor and extremely poor, it serves as a good surrogate for reaching ethnic groups and war affected communities. In countries like Bulgaria, where it would be politically unacceptable to target a program to one ethnic group or another, poverty targeting has been very successful in getting project benefits to Roma and Ethnic Turks, who are generally much poorer than the average Bulgarian.

In the absence of reliable poverty data, proxy indicators for poverty must be defined, such as the lack of a school and health post at the community-level. This sort of information would need to be presented in a community's application for project funding and verified before funding is approved.

Geographic and Poverty Targeting

Some projects use a combination of geographic targeting and poverty targeting. For example, in Macedonia, the Western part of the country was most affected by the conflict, but the Eastern part of the country, which had not been as affected by the conflict, had high rates of poverty resulting from the closure of several textile factories. In an effort to avoid exacerbating regional tensions, the Macedonia project chose to combine geographic targeting, that captured the impact of the war, with poverty targeting.

First, allocations were made to regions based upon following criteria:

- ▶ Population size
- ▶ Level and intensity of poverty
- ▶ Unemployment rate
- ▶ Number of persons displaced from each region

- ▶ Number of damaged houses

Then, allocations within regions were made using the following criteria:

- ▶ State of physical and social infrastructure
- ▶ Presence of vulnerable or marginalized groups
- ▶ Presence of ethnically mixed communities
- ▶ Under-funded communities
- ▶ Community capacity to plan
- ▶ Community commitment level
- ▶ Level of interest of municipal government in supporting recurrent costs

Other Approaches to Target Resources within a Region

In the absence of objective data, projects serving ethnic minority communities were quite creative in finding ways to target their resources to the desired beneficiaries. These included promotional campaigns delivered in the languages spoken by the targeted ethnic group; targeting only small and remote communities, given the high correlation between ethnicity and community size; limiting the sub-project menu to projects that would only be of interest to ethnic minority communities; and giving bonus points to sub-projects that came from communities with a high number of the targeted ethnic group.

Using NGOs and membership associations as a means of reaching out to a specific group was effective for projects serving disabled people and for projects serving a specific ethnic group. So, in this sense, working through specialized NGOs becomes an effective targeting strategy. This approach also has limitations, since, for example, many of the NGOs serving disabled people are based in large cities and fail to provide community-based services in rural areas.

The Indian Maharashtra Rural Water Supply and Sanitation Project

In order to reach tribal populations in the Maharashtra state in India, the Rural Water Supply and Sanitation Project worked directly with clusters of tribal households, instead of the traditional panchayat village governance structure. Members of tribal populations are often geographically separated from the main villages and view panchayats as influenced by wealthier members of a community who ignore the needs of tribal populations in their decision-making. Thus, when attempting to increase access to potable water and improve sanitation at the community level for tribal populations, it made sense to work directly with clusters of about 30-50 tribal households. All tribal households in a targeted district are eligible to participate in the project, and these clusters or “Tribal Paras” are responsible for planning, procuring, constructing, operating and maintaining water supply and sanitation activities.

Another effective strategy for helping ethnic minority communities to compete effectively on a level playing field with other communities is to target capacity-building resources to ethnic communities. This strategy can only work if there is a means of knowing which communities have large ethnic populations; this can be done if data exists or if an ethnic association serves as an intermediary, helping to identify communities where it has members.

A project serving a minority ethnic group in the Philippines developed a grievance mechanism designed to address complaints from indigenous communities who felt that their sub-projects had been turned down without just cause. This type of mechanism is a useful backup for programs that seek to assist ethnic minority communities on an equal footing with majority communities.

Mechanisms to Ensure Inclusion of Most Vulnerable at the Community Level

While geographic and poverty targeting are useful tools for reaching ethnic or war-affected communities, they are not effective in ensuring the inclusion of the most vulnerable members of a community, whether they are disabled people, orphans, female-headed households, or people with HIV/AIDS. Other instruments are required for inclusion at the community level.

Some approaches used by projects targeting disabled and some of the more vulnerable members of war-affected communities included earmarking a percentage of the sub-project budget for the targeted vulnerable group at the municipal level. This was also done to reach ethnic minority and ethnically mixed communities in Kosovo. Targeted promotional campaigns were also effective for reaching out to these groups. Increased block grant allocations were used as an incentive in Afghanistan to attract proposals that involved returning refugees and IDPs. Giving bonus points for such projects was another means of increasing the chance that they would be funded.

An inclusive election process in Afghan communities broke the communities down into clusters of 20 families, each of whom could elect their representative to the community development council. This approach ensured that the council included representation from the various factions and minority ethnic groups in a community. A number of projects required that women be adequately represented on the community development committees or that a certain percentage of sub-project requests from each community come from women's groups.

Division of Labor

In each of these projects, there are generally four key actors: central government, local government, community-based organizations (CBOs) and nongovernmental organizations (NGOs). The roles of each of these players varied from group to group, as described in more detail below.

The Role of Central Government and Other National Level Bodies

Project Management Unit

Most projects were managed by a small Project Management Unit (PMU) located at the national level and affiliated with one of the following ministries: Local Government, Finance, Planning, Social Affairs, or Rural Development. In a few cases (Cambodia and Yemen project targeting disabled and Sierra Leone project serving war-affected), these PMUs reported directly to the Prime Minister or President. Only a handful of projects by-passed central government altogether and established the PMU at the state or provincial level. All three of the projects serving vulnerable groups in India are an example of this approach.

The PMU's responsibilities generally include the review and approval of community and sub-project plans, the disbursement and audit of funds at the community level, MIS, the monitoring and evaluation of project implementation, and liaising with the World Bank task manager.

Steering Committee

Most projects had a steering committee at the national level designed to serve as a nexus between the project and the various sector ministries that would be responsible for the recurrent costs of the sub-projects implemented. In the case of projects serving ethnic minorities, the steering or advisory committee also included representatives of the main ethnic associations.

In some cases, a special committee was created to advise the national governing body on the social assistance portion of a project. The Honduras FIDAS program, designed to serve disabled populations and other special needs groups, formed a special committee involving relevant government and civil society stakeholders to assist the project staff in promoting the program to its relevant audiences, reviewing and ranking sub-project proposals, and monitoring project implementation. One of the risks of involving stakeholders in such committees is that some members may both participate in funding decisions, while competing for funds themselves. Mechanisms need to be put in place to address these types of conflicts of interest.

Board

Some projects also had a Board of Directors that would review and approve annual work plans and budgets, annual reports, and operating manuals. In some cases, the boards included representatives of the donor community and civil society. This set-up appeared most prevalent among projects serving war-affected populations (Colombia, Kosovo, Macedonia, Sierra Leone, and Afghanistan).

The Role of Local Government

There was considerable variety across the three types of projects in the role that local government played. Projects serving war-affected communities appeared to place the greatest emphasis in actively involving local government in the implementation of the project. In the cases of Rwanda and East Timor, the project helped invest in rebuilding a local government system from the bottom up. The success of these efforts depended, in part, on how well the model chosen fit with traditional or emerging local governance structures, and/or on the degree to which the central government embraced a decentralized model of governance and saw the structures created by the project as consistent with its vision for local government. The Rwandan Government adopted the elected Community Development Committee (CDC) structure established by the project in each commune or municipality as its model for local governance. Given the attention paid by projects serving war-affected populations to linking with local government, they also tended to invest heavily in building the capacity of local government officials.

A number of the projects serving ethnic minority populations, particularly those in Latin America, tended to by-pass local government and interact directly with the community-level. This approach reflected the lack of trust that indigenous communities have in the municipal authorities. In the case of the Nuestras Raíces project in Honduras, the original design of the project passed funds to indigenous communities through the municipal authorities, until the ethnic federations who represented the different ethnic groups, expressed concern that the funds were not reaching their intended beneficiaries. In the next phase of the program, funds were channeled directly from the national level down to the community level. In the newest phase of the project, a compromise has been reached, whereby funds are still passed directly from the national to the community level, but, at the same time, the ethnic communities are learning to develop community plans and sub-project proposals that are fully compatible with the system used to develop municipal plans, in the hopes that the communities will share their plans with local government and that some of the sub-projects, not financed through the Nuestras Raíces program, will be financed by the municipalities.

This new approach acknowledges that a decentralized form of government is here to stay and that, in the future, funds for community-level projects will be under the control of local government. Therefore, ethnic communities need to learn how to compete effectively using these new ‘rules of the game’.

For projects serving disabled populations, the role of local government varied from one project to another. Local government might be involved in identifying a municipal level project serving disabled constituents, but would contract an NGO to deliver the services. Local government was also involved in financing some of the recurrent costs of projects serving people with disabilities.

Some projects had regional or provincial steering committees, particularly those that were managed entirely at the local level, such as the Indian projects, which were state-specific,

and the Sri Lanka project, which served only the war-affected, northeastern part of the country.

The Role of Non-Governmental Organizations (NGOs)

Across all three groups, NGOs were most commonly contracted to deliver capacity-building services, mostly to communities, but also to local government. Capacity-building at the community level involved helping communities to conduct participatory needs assessments; to identify, prioritize and plan projects; to organize democratically-elected community development committees; and to manage funded subprojects. For those projects that transferred funds directly down to the community level, the NGOs also helped communities learn to manage and account for project funds.

NGOs were also contracted to lead social mobilization campaigns in the targeted communities. NGOs and Associations played an important role in projects serving disabled and ethnic minority communities serving as an outreach mechanism to the targeted beneficiaries. In a few cases, NGOs were contracted as implementing agencies. This was particularly true in projects serving disabled populations. In some cases, they were contracted to provide monitoring and supervisory services to ensure that funded sub-projects received on-going oversight.

In projects serving ethnic communities, NGOs were also used to perform an ombudsman role or to serve as a steward of the 'rules of the game'. If an ethnic community felt that it was not being treated fairly by local government or by the program, it could contact an appointed NGO to share its grievance. The NGO would, in turn, make sure that the projects operating norms had been respected.

NGOs were least evident in projects serving war-affected communities, which may reflect the emphasis that these projects put on strengthening local government as their lead implementation partner.

The Role of Community-based Organizations (CBOs)

Given the fact that this study is focused on projects that use a demand-driven approach, it is not surprising that community-based organizations played a key role in most of the projects, particularly in the case of projects serving war-affected and excluded ethnic groups. As noted above, a heavy investment was made in these projects to build the capacity of community groups to lead the community development process in their communities.

Emphasis was put on building democratic community-based organizations that could link with and hold accountable, either now, or in the future, an elected local government that is responsible for investing limited municipal-level funding at the community level. Community-based Organizations (CBOs) were also expected to make a cash or in-kind contribution to the sub-project(s) financed and to take responsibility for many of the costs of operating and maintaining the infrastructure or service financed.

In projects serving war-affected populations, CBOs were seen as a mechanism to rebuild social cohesion, by offering old enemies living in the same community an opportunity to sit around the same table and agree on sub-projects that would be mutually beneficial.

Afghanistan – National Community Empowerment Program

A key element of the design of the Afghanistan – National Community Empowerment Program is the organization of representative, democratically elected community organizations. The project organizes the community into clusters of 20 families and each cluster selects their representative to the community development council. This approach is designed to ensure that the perspective of all factions and ethnic groups are represented on the council. This project also gives financial incentives to communities to include returning internally displaced people and refugees into their planning process by increasing the per-capita allocation for project funding.

CBOs were least active in the case of projects serving disabled people, since it was rare to have organizations at the community level that were solely dedicated to serving this small segment of the local population. While, NGOs sought to link with disabled individuals at the community level, their reach tended to be limited to disabled people living in urban settings. The one exception was a project in the Andhra Pradesh State of India that helped build community level peer groups of disabled people who established savings and loan groups, which were networked together in the form of a federation at the State level. This very impressive program is a good model for empowering disabled people at the community level, both enhancing their economic power, but also their ability to speak with one voice and advocate for changes that serve them at the state or national level.

The Andhra Pradesh District Poverty Initiatives Project

Having a blind man in a supervisory role is just one of the ways in which the disability portion of the Andhra Pradesh, District Poverty Initiatives Projects is ensuring that the needs of disabled people are properly met. The project, which has a large sub-component entirely focused on disabled people, employs a number of unique methods to empower people with disabilities. In addition to forming self-help groups of disabled people, primarily focused on savings and loans initiatives, and then building these groups into larger federations, the project also works on changing the environment in which disabled people need to operate. So, while working on enhancing assets, like human and social capital, the project also addresses the enabling environment by working with banks to provide more credit opportunities and businesses to match up skills and create partnerships.

Empowerment

All of the projects analyzed served to empower the targeted vulnerable groups, the communities they lived in or organizations that represented their interests. The projects financed community-level social-economic infrastructure that gave access to excluded ethnic groups and various war-affected populations to education, health and water services unavailable in the past. These, in turn, increased the future opportunities for these vulnerable groups.

The projects also helped organize and build the capacity of community organizations that could take increasing levels of responsibility for the development process in their own communities. Projects serving disabled people and ethnic groups also invested in building the capacity of multiple-layered associations to represent the interests of their membership in advocating for change. The association serving disabled people played an important role in creating a peer group of people with disabilities, which helped them to escape from their isolation and take control of their own development.

Several projects, especially those serving war-affected populations, also helped to empower weak local governments to gradually play a more active role in fulfilling their responsibilities of leadership and service provision to their constituencies in a transparent and accountable way.

Recommendations

Given the fact that this study only included a review of thirty projects serving three different types of vulnerable groups and is based, primarily, on documentation about their design, not on project evaluations, the recommendations that follow should be seen as the opinion of the authors, based upon this review and their own experience. Other recommendations are also included in the annexes.

For projects serving excluded ethnic groups:

- ▶ Avoid targeting long-term – the ultimate goal should be to assist ethnic minority communities to compete on a level playing field for available resources. Long-term targeting may result in marginalization.
- ▶ Build bridges to local government, ultimately, they will control the funds as the decentralization trend proceeds.
- ▶ Involve ethnic associations in project design and oversight, but recognize that this could have political implications.

For projects serving people with disabilities:

- ▶ Promote the formation of community-level peer networks to amplify the voice of people with disabilities through specialized NGOs
- ▶ Develop a community needs assessment module to hear the needs of disabled and other vulnerable groups at the community level

- ▶ Integrate and find solutions for the priority needs identified by vulnerable groups at the municipal level to achieve some economies of scale.
- ▶ Set aside funds at the municipal level for disabled and other vulnerable groups.

For war-affected populations:

- ▶ Target the whole community: all have been affected in one way or another.
- ▶ Use the block grant approach and finance community plans, not just sub-projects. The damage to these communities requires a comprehensive approach.
- ▶ Offer bonus points or extra money for sub-projects that target particularly vulnerable members of the community.
- ▶ Pay extra attention to building representative community committees that involve all segments of the population – these serve as mechanisms for rebuilding social cohesion and preventing future conflict.
- ▶ Use this program to promote decentralization and build a democratic form of local government from the bottom up.

For all three target groups:

- ▶ If possible, use geographic targeting; it is administratively simpler to manage.
- ▶ Invest heavily in capacity building of communities, local government, and membership associations.
- ▶ Be patient – participatory processes take time, especially when involving vulnerable groups, but the results will be more sustainable.

Annex #1

Targeting Excluded Ethnic Groups through Demand-Driven Projects

Introduction

Excluded ethnic groups, like other vulnerable groups, must overcome a number of barriers in order to have equal access to the project benefits offered by demand-driven projects. These barriers are the result of generations and, in many cases, centuries, of discrimination. Social Funds and other demand-driven instruments have been creative in designing special features to help these ethnic populations overcome these barriers. It should be noted that while most of these groups are ethnic minorities, there are some, especially in Latin America, who are, in fact, the majority, but have been systematically excluded and discriminated against for centuries.

This document inventories techniques used by World Bank demand-driven projects, drawing lessons when possible. The scarcity of evaluation data limits the degree to which one can arrive at firm conclusions as to which techniques work better than others. Nonetheless, we hope that the document is useful to project teams as they design interventions that will serve to benefit excluded ethnic groups. The analysis presented is based largely on a desk review of relevant Project Appraisal Documents, and, in those cases where they exist, consultation of evaluation reports and Implementation Completion Reports (ICRs).

The Projects Analyzed

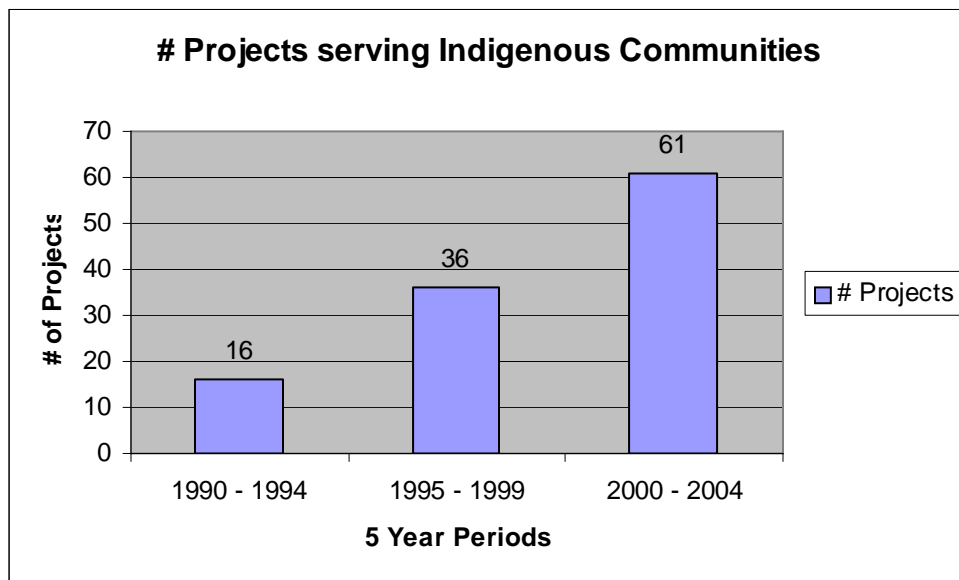
There are at least two types of excluded ethnic groups that have been taken into consideration by World Bank projects: a) Indigenous Peoples, and b) other ethnic groups who may not qualify under the Bank's definition of "indigenous", but who have also suffered the consequences of generations of discrimination.

The World Bank originally defined 'Indigenous Peoples' in 1982 as 'tribal groups who lived in isolation and were at risk of acculturation'. In 1987 the definition was revised to 'groups with socio-cultural systems, modes of production, and forms of ecological adaptation, different from those of the dominant group'. These projects are easy to find in the Bank's project database and include groups such as the indigenous populations of Latin America, the "tribals" in India, and the Hmong and other minority groups in Northern Vietnam. The Roma in Bulgaria and Romania are an example of other ethnic minorities who may not qualify under this definition of "indigenous", but who have suffered from discrimination due to their ethnic origins.

It is relatively easy to identify World Bank projects that serve populations that meet the definition of "indigenous" through a key word search of the project database.² According to this database, there are a total of 116 projects that have intentionally served indigenous

² World Bank Image Bank and Project Portal.

populations since 1984. Over the last 15 years, the number of projects serving indigenous has expanded significantly, as illustrated by the graph below.



Over 70 percent of Bank projects serving “indigenous” populations have been implemented in Latin America, followed by Asia with 24 percent, Africa with four percent, and the Middle East and Europe with one percent each. A sector breakdown of projects serving indigenous populations, shows that natural resource management projects are the most likely to target indigenous populations, representing 28 percent of the 116 indigenous projects financed by the Bank since 1984. This may reflect the fact that many indigenous populations live in remote areas, such as the Amazon River basin, which are also important from an environmental perspective. The Education and Health sectors account for 14 and 13 percent of indigenous projects, respectively, followed by Rural Development (11 percent), Social Funds (7 percent) and other social protection projects (4 percent).

Our search for other projects serving non-indigenous ethnic groups resulted in only six references, many of which overlapped with the indigenous project database. Given these difficulties, the analysis presented below cannot be considered representative, since it does not adequately capture non-indigenous, ethnic groups. It includes a total of ten projects, nine that serve indigenous populations and only one that serves another type of ethnic minority. Below is a complete list of the projects analyzed. All projects include one or more components that are demand-driven.

PROJECT	Year Approved	Year Closed or Expected Closing
Philippines – Autonomous Region in Muslim Mindanao Social Fund for Peace and Development	2002	2008
Mexico – Second Decentralization and	1994	2000

PROJECT	Year Approved	Year Closed or Expected Closing
Regional Development Project		
Ecuador – Indigenous and Afro-Ecuadorian Peoples Development Project	1998	2002
Peru – Indigenous and Afro-Peruvian Peoples Development Project	2000	2004
Nicaragua – Poverty Reduction and Local Development Project	2001	2004
Vietnam – Northern Mountains Poverty Reduction Project	2001	2007
Bulgaria – Social Investment and Employment Promotion	2002	2007
India – Chhattisgarh District Rural Poverty Project	2003	2009
India – Maharashtra Rural Water Supply Sanitation Project	2003	2009
Honduras – Nuestras Raíces Project	2004	2008

The table below shows the regional and sectoral breakdown of our sample.

	Social Fund	Rural Development	Indigenous Development	Water and Sanitation
Latin America	2	1	2	0
South Asia	0	1	0	1
East Asia Pacific	1	1	0	0
Europe Central Asia	1	0	0	0
Total	4	3	2	1

Some projects, such as the three projects serving indigenous and people of African origin in Ecuador, Honduras, and Peru, specifically target ethnic groups as the only target group. A second group of projects targets geographic areas where ethnic groups represent the majority of the population, but the project is designed to serve all poor communities. In this category, we can include the Second Decentralization and Regional Development Project in Mexico, which targeted eight of Mexico's poorest states where indigenous populations tend to be concentrated (Chiapas, Guerrero, Hidalgo, Michoacan, Oaxaca, Puebla, Veracruz, and Zacatecas), the two Indian projects that target areas that have a high percentage of tribal populations, the Vietnam Northern Mountain Poverty Reduction Project, which serves an area that has high numbers of indigenous minority groups, and the Bulgarian Social Investment Fund, which serves Roma and Turk ethnic minorities. The third category of projects serves poor communities, some of which are minority communities. In this category, we include the Nicaraguan Social Investment Fund and the Philippines Autonomous Region in Muslim Mindanao (ARMM) Social Fund.

Characteristics of the Ethnic Group Served by the Projects

There was a great deal of similarity across the projects in the characteristics of the ethnic populations served. With few exceptions, they tended to be geographically concentrated, live in more remote, rural communities and have less of a presence in the municipal capitals. Their poverty rates were well above those of the overall population. For example, in Ecuador 86 percent of the indigenous population lives below the poverty line, compared to 56 percent for population overall; in Vietnam, 1999 census data revealed that ethnic minorities represented 11 percent of the population and 29 percent of the poor; and in Bulgaria, the Roma are ten times more likely to be poor than the ethnic Bulgarians.

Likewise, ethnic groups tend to have higher rates of illiteracy and infant mortality and lower rates of school enrollment. In Ecuador, 43 percent of the indigenous population is illiterate (53 percent for indigenous women) compared to 11 percent of the population overall. In the state of Maharashtra in India, the literacy rate in the tribal areas is 29 percent compared to 65 percent for the state as a whole. The infant mortality rate is 110 per 1000 in tribal areas compared to 59 per 1000 in non-tribal areas.

The poor performance of these ethnic minority groups on these socio-economic indicators reflects at least, in part, their lack of access to basic educational and health services. Their considerably higher levels of poverty are both a cause and a consequence of their lack of access to basic services, but in many cases, they also reflect the difficulty that indigenous groups have in obtaining a secure title to productive land and water resources.

Given the multi-faceted nature of the disadvantages faced by the ethnic minorities in the projects analyzed, an effective response must be multi-sector, long-term, and address issues at the micro- and macro-levels, simultaneously. In the next section, we provide an overview of the types of interventions financed by the World Bank in this sample of ten projects.

Types of Interventions Financed

While our primary interest in this analysis is in the demand-driven project components financed, we found that these projects included a range of important complementary interventions that help to level the playing field for ethnic groups and allow them to gradually catch up with the ‘majority’ population. Below we examine interventions at the national, municipal/regional, and community levels.

National-level Interventions

There are some issues that can only be tackled at the national level. These include changing the constitution and making laws that clearly protect the rights of indigenous groups to their ancestral resources: land, water, and cultural heritage sites. A number of the projects studied are in countries that have revised their constitutions to protect the rights of their ethnic populations; this is true in Ecuador and the Philippines and efforts are being made in this direction in Peru.

Some projects finance legal assistance for indigenous groups seeking to establish title to their land. In a similar vein, a handful of projects invest in building the capacity of the ethnic associations to better represent the interests of their membership. This was most evident in Ecuador and Peru. The decision to support this type of activity has clear political overtones. A dissatisfied ethnic minority is a potential source of instability in a country. Building the capacity of an ethnic association without adequately investing in projects that serve to improve its socio-economic well-being could be politically risky for a government. This is especially true since improving the group's well-being may take a generation, while improving the capacity of an ethnic association can be done successfully within three to five years.

Regional- and Municipal-level Interventions

Some projects, such as the Northern Mountains Poverty Reduction Project in Vietnam, financed initiatives such as rural road and water projects that served multiple municipalities and districts. Others, like the Nuestras Raíces project in Honduras, which targets nine indigenous and Afro-Honduran groups in the country, finance a strategic planning process for an ethnic group, which has members spread out geographically across multiple municipalities and departments. A similar investment is being made in Ecuador.

While building the capacity of ethnic associations is important so that they can better defend their members' rights, it is also important to invest in building the capacity of local government to be more responsive to the needs of the minority groups. The Chhattisgarh District Rural Poverty Project in India is taking this dual approach. Since a common complaint of minorities is that local government is not sensitive to their needs, training local government in participatory needs assessment techniques may play a key role in changing this perception.

Community-level Interventions

All of the projects analyzed financed some kind of demand-driven, community-level interventions. These included socio-economic infrastructure, such as the construction of schools, health posts, rural roads, markets, and potable water and irrigation systems; social assistance projects targeting ethnic minorities and other vulnerable groups; micro-enterprise development, technical training in agriculture and animal husbandry; and, in the case of Bulgaria, market access and human capital investments.

The majority of projects invested heavily in organizing and building the capacity of community-level associations to enhance their ability to identify, plan, implement and maintain community infrastructure projects. This capacity-building investment was designed to help the minority group to be more competitive in accessing municipal-level funds.

Targeting Strategies Used

In order to bridge the many socio-economic gaps that exist between an ethnic ‘minority’ and the ‘majority’ population, many projects embrace the principle that it is not only necessary to ensure that they benefit equally from available project resources, but also that they receive a larger proportion of the available project funding to make up for decades or centuries of disadvantage.

Effective targeting strategies are essential to ensure that adequate funding reaches the excluded ethnic groups that the project seeks to benefit. The projects analyzed used a range of different targeting strategies. The choice of strategy depends upon a number of factors, among them:

- ▶ The degree to which the ethnic group is geographically concentrated;
- ▶ The degree to which reliable census and poverty data is available and is broken down by ethnic group; and
- ▶ The degree to which poverty is associated with an ethnic group.

When good census and poverty data is scarce, other creative means of targeting can be used. Below is a summary of the most commonly used techniques.

Geographic Targeting

If an ethnic group is geographically concentrated, as in the case of the Hmong and Muong in Vietnam or the indigenous peoples of Mexico, focusing resources on the states, districts or municipalities with the highest concentrations of these groups can be an effective approach to ensuring project resources reach the targeted minority. This can be done most effectively if up-to-date and reliable census data is available and broken down by ethnic group. In cases where good data is available and minority groups are the project’s primary target, funds can be allocated to the states, districts, and municipalities based upon the percentage of population that is affiliated with this group. If there are multiple ethnic groups with little variation in poverty rates from one group to another, this approach can also be used. If good census data is not available or the ethnic minorities are geographically dispersed or it is politically unacceptable to gather data by ethnic group, as is now the case in a country like Rwanda or Bulgaria, another approach to targeting will be necessary.

Poverty Targeting

As we saw above, almost without exception, the ethnic groups served by the projects analyzed in this paper experience much higher levels of “poverty” and “extreme poverty” than the rest of the population. If good poverty data exists, it can be used as a proxy for ethnic minority. This approach is also recommended in a context, such as Bulgaria, where the government does not want to be perceived as actively targeting the Roma or ethnic Turks. In this case, funds can be allocated to states, districts, and municipalities using a formula where population size and poverty rates are the primary variables. Poverty data will be used in the planned Chhattishgarh District Rural Poverty Project to select the poorest blocks within the district; then the poorest villages within the block can be selected using objective criteria, including the percent of tribal population.

If census and poverty data are broken down by ethnic group and the project is attempting to reach different ethnic groups with significantly different poverty rates, the formula can be further refined so that poorer ethnic groups receive a higher per capita allocation than the other ethnic groups.

Other Proxy Indicators

When census and poverty data are not available or when the data only allows targeting down to the municipal level, other tools are needed to distinguish between a ‘minority’ village and one where the majority predominates, if the goal is to focus on the minority. Here, other types of proxy indicators will be needed to identify targeted ethnic communities. These might include small community size. The Second Decentralization and Regional Development Project in Mexico established that beneficiary communities had to have less than 5,000 inhabitants. As noted above, indigenous communities tend to be smaller and more remote than majority communities.

The Northern Mountain Poverty Reduction Project in Vietnam also used “remoteness” as a selection criterion for beneficiary villages, prioritizing the most remote villages within each commune. The Maharashtra Rural Water Supply and Sanitation Project made a special exception for tribal villages allowing them to apply for project funds as a hamlet or a cluster of hamlets including 30 – 50 households, instead of as a Village. Tribals tended to live in the more remote hamlets and felt that the village government structure did not represent their interests.

Limiting the menu of projects eligible for financing is another approach used to attract demand principally from lower-income indigenous communities, lacking the most basic infrastructure. Other proxy indicators that have been used include literacy rates, school enrollment rates, and average distance to a potable water supply. Of course, many of these indicators assume the availability of local statistics, which may not be realistic or cost-effective.

Working through Indigenous Associations

An approach that has been used successfully in the past by the Nuestras Raíces project in Honduras is to work through the ethnic federations that represent the nine indigenous and Afro-Honduran minorities in the country. With this approach, the Associations identify the communities where they have affiliated members and these are targeted by the project. According to the results of an evaluation of the Nuestras Raíces program this approach was effective in reaching some of the poorest communities of Honduras. One of the difficulties that this project experienced was internal conflicts within the ethnic groups that led to the emergence of multiple ethnic federations for one ethnic group and thus the risk of double counting. In the new phase of the Nuestras Raíces project, the Bank has required each ethnic group to identify one representative to be its link with the project.

Using Communication and Information Strategy to Target Ethnic Minorities

In three of the projects (India – Chhattisgarh, the Philippines, and Northern Vietnam) the communication and information strategy was tailored to the special needs of the ethnic minorities that the projects sought to benefit. Promotional materials were developed in the local languages to ensure that minority communities were informed of the funding opportunities.

Capacity-building for Minority Communities to Enhance their Competitiveness

Several projects targeted capacity building to minority communities to increase their chances of competing successfully for funds. In the new Nuestras Raíces project, ethnic communities will receive support to go through a participatory needs assessment process that will serve to identify and plan priority projects to be included in the ethnic strategic development plans and shared with municipal government in the hopes that some of the projects will be funded by the municipal government out of its allocation of Social Fund resources, which are separate from the project funds.

In the Autonomous Region in Muslim Mindanao, in the Barangays (local government structure) where Indigenous Peoples are not dominant, or where the communities fall within the ancestral domains of Indigenous Peoples, the project will provide technical assistance to enable minorities to participate meaningfully in the local planning process. This may mean the deployment of competent and committed project partners who can work within ethnic minority communities and ensure that plans and projects prioritized by the ethnic minorities are integrated and supported by local government and reflected in the *barangay* and municipal investment plans.

Independent Verification and Grievance Mechanisms

Some projects included procedures designed to verify that the ethnic minority communities were receiving their fair share of project resources. In Mexico, the Federal government checks that the State allocates funds to the poorest municipalities (which also

have the highest concentrations of indigenous communities). The State will lose up to 30 percent of its annual allocation of funds if the federal government perceives that it is not allocating enough to low-income areas. In Vietnam, a special panel reviews commune development plans to check that the poorest and most remote villages are adequately represented on the commune's list of subprojects. In the Philippines, local government shall not proceed with sub-project endorsements unless corresponding documentation of meetings with ethnic minority communities is attached to the sub-project proposals. The Philippines project also has designed a grievance process to address any complaints that come from indigenous communities.

Division of Labor

To yield long-term benefits, the strategy used to improve the well-being of indigenous peoples and other ethnic minorities in a country needs to be compatible with the world-wide trend towards decentralization of decision-making and resource management. Models that see discriminatory behaviors at the level of local government as the source of the problem and seek to bypass local government by transferring funds directly to indigenous communities will, in the long-term, fail in promoting the inclusion of ethnic minority groups. The analysis below shows how responsibilities in the ten projects analyzed are divided among central government, local government (state, district, municipal, village), NGOs and CBOs.

The Role of Central Government and Other National Level Bodies

The role of Central Governments varied greatly from one project to another. In the two Indian projects and the Philippine project, where the project was focused on one province or district of the country, the Central Government had an extremely limited role or none at all. In the case of Mexico, which has a Federal system of government—where states have a high degree of independence, both in terms of raising their own taxes and making their own spending decisions—the federal government plays an oversight role making sure that states allocate funds to the poorest municipalities. At the other extreme is Vietnam, with a socialist model of government, where government is actively involved at all levels.

Some of the projects analyzed are in countries where the constitution protects the rights of the indigenous peoples and other ethnic groups. This is true in Ecuador and the Philippines, and efforts are underway in Peru to move in this direction. In Philippines, the 1987 constitution recognizes the rights of the Indigenous Peoples and their ancestral domains and their power of dominion over their lands and resources. Within the Autonomous Region in Muslim Mindanao (ARMM) a local law states that the “regional government shall ensure the development, protection, and well-being of all indigenous tribal communities.”

Most of the projects analyzed involve a national level institution designed to represent the interests of the indigenous groups in government (Ecuador – CODENPE and CODAE;

SETAI in Peru). The role of this national indigenous institution is generally to orient, coordinate, and articulate policies and multi-sector actions for the development of ethnic minorities. In Bulgaria, the government has established the National Council on Ethnic and Demographic Issues, which is responsible for monitoring the status of ethnic minorities. The Bulgarian government became particularly motivated to address the problem of the Roma and Turk minorities as part of its strategy to join the EU. The EU carefully monitors improvement in the status of minorities of its new members and countries seeking admission.

Many projects have a national-level Consultative or Advisory Committee, which often includes the representatives of the main ethnic associations. In Peru, for example, there is the Multi-sectoral Commission for Indigenous Affairs (CAI). Its role is to increase indigenous people's participation in project design and implementation. The Vietnam poverty project has both national and provincial steering committees with the involvement of the Committee of Ethnic Minorities and Mountainous Areas.

The Role of Local Government

The ten projects analyzed varied in the ways they involved local government, from one extreme where the Indigenous and Afro Peoples Development Projects in Ecuador and Peru appear to by-pass the local government structures entirely, to the other extreme, in Vietnam, where multiple levels of local government are actively involved. In the case of the Nuestras Raíces project, while funds will be passed directly from the national level to sub-projects prioritized by each of the ethnic minority groups, this is seen as an intermediary step to preparing the minority communities to compete for funds channeled through local government. To this end, the project will train ethnic communities in the same strategic planning process used by the municipal government in Honduras. Further, it will develop the skills of the ethnic minority communities to plan and implement projects according to the same formats and rules used by local government. Communities will be encouraged to share their project plans with local government in the hopes that they will be incorporated in the municipal development plans and funded from other resources available at the municipal level.

The main thrust of the Nicaraguan Poverty Reduction and Local Development Project is to build capacity at the municipal and community levels to engage in a local planning process and to prepare the municipalities to take on responsibility for sub-project management. The Community-based Pilot Program for Indigenous and Afro-Nicaraguan communities, which is a sub-component of this project, has earmarked a portion of sub-project funds for ethnic minority communities in six municipalities along the Atlantic Coast. While this pilot will use the same participatory needs assessment and micro-planning processes used in other municipalities, the implementation of the pilot will be handled by NGOs, not the municipal government, an approach similar to that used in Honduras.

In the case of the Autonomous Region in Muslim Mindanao Social Fund in the Philippines, which serves five provinces and 94 municipalities, the municipal and

provincial government's presence is not felt. For this reason, funds go directly to the indigenous people or the village (barangay) council. Two subproject approval committees, which include Indigenous Peoples' representation, will approve the prioritization of barangays and approval of subprojects.

For the two Indian projects, the District Government would be the key institution in charge of project implementation, with oversight for a State Coordination Committee, which includes representation from the Ministry of Tribal Affairs.

As noted above, the tribal communities perceive the village government as a distant entity that is greatly influenced by a few rich and powerful people. For this reason, the project will work with clusters of 30 – 50 tribal households in tribal areas, known as Tribal Paras, instead of through the Village Government. In these cases, the Village Government's role is to assist the Tribal Paras when requested, in project execution, monitoring, settling disputes, and assisting in contacts with external agencies. This approach acknowledges the fact that the interests of ethnic minorities are not adequately represented by local government, while at the same time encouraging contact between Village government and tribal communities.

In the Northern Mountain Poverty Reduction Project in Vietnam, project preparation involves an intensive process of iterative planning undertaken together with central, provincial, district, and communal levels. The district will act as the project investor for most of the sub-projects, the province only for the most complex sub-projects. The district will be accountable to the communes for all stages of implementation. This project appears to make only minimal changes to the local planning process to accommodate ethnic minority communities.

The examples above demonstrate that in most cases, an effort is being made to prepare minority communities to participate in the participatory needs assessment and planning processes used by local government nationwide, but adjustments are being made to these processes to make up for what has been perceived as local government bias in favor of the majority. How long these special project features will be necessary will likely depend upon a number of factors, such as: a) whether an ethnic group is a majority within the municipality, commune, or district which is the primary unit of local planning; b) how visible the minority groups are within local government; c) how wide the gap between the majority population and the ethnic minorities. If maintained over the long-term, these special project features may, in fact, serve to further marginalize the minority populations from the mainstream municipal planning process.

The Role of Minority Associations

Associations and Federations representing the indigenous and other minority groups were most visible in cases of Peru, Ecuador, and Honduras. In the case of Ecuador, the main national indigenous and Afro-Ecuadorian federations (CONAI, FENOCIN, FEINE, CAN) participate on the project's Advisory Committee responsible for project oversight. These organizations are also contracted to assist communities to go through a

participatory needs assessment and planning process and, in some cases, later serve as intermediaries between the program and communities.

The Strengthening Social Organizations component of the Ecuador project explicitly seeks to build the capacity of these ethnic associations at the local, regional and national levels, improving their accountability and capacity to provide services to their members and to form alliances with outside institutions to satisfy their demands. As in Ecuador, one of the project components of the Peruvian project is dedicated to building the capacity of ethnic associations in all aspects of participatory community development and organizational management.

In the first phase of the Honduran Nuestras Raíces project, the ethnic federations played a central role in identifying the beneficiary communities and overseeing project implementation. In addition, they participated in capacity-building workshops and received small grants to defray some of the operational costs they incurred in supporting the Honduran Social Fund in implementing this program. During the new proposed Nuestras Raíces project, the role of the ethnic federations will be slightly different. In response to the proliferation of new ethnic federations arising as a result of splits within the Lenca ethnic group, the NR project requires that each ethnic group select one federation or representative that will be its link with the project. This representative will be responsible for leading its ethnic group through a participatory strategic planning process. It will also select the community sub-projects that will be funded by the project. Any capacity building financed by the project to benefit the ethnic associations will be explicitly designed to help them successfully complete the strategic planning process. No other effort will be made to strengthen the ethnic associations. This decision reflects, in part, the view that this project should be a transitional step into mainstreaming the ethnic communities into the municipal planning process, rather than a long-term alternative to it.

None of the other projects analyzed appeared to carve out a central role for ethnic associations. In most cases, their role was limited to representing the interests of their minority group on the project Steering or Advisory Committee. The absence of explicit efforts to build and strengthen ethnic associations in these other projects may reflect a concern about the political implications of a well-organized ethnic minority group, particularly if the group represents a significant percentage of the population.

The Role of Non-Governmental Organizations (NGOs)

In all of the projects analyzed, NGOs were mentioned as playing a possible role. The most common role was as a contracted supplier of training and technical assistance to ethnic communities and, in some cases, to ethnic associations and municipal government. NGOs help to build skills in community-based needs assessment and planning processes, as well as in project implementation, maintenance and operation. In a few cases, NGOs were used as intermediaries between government and community organizations. This was most evident in the Nicaraguan case. In Nicaragua, NGOs were also contracted as implementing agencies for social assistance projects targeting ethnic minorities and other vulnerable groups.

In the Chhattisgarh project in India, NGOs are seen as facilitators or stewards of the rules of the game. Once the project becomes operational, they will disseminate the rules of the game, ensure the authenticity of the wealth ranking exercise, and assist communities with project planning and implementation. In the Maharashtra Water Project, NGOs are responsible for carrying out sensitization and awareness-building campaigns and facilitating contacts between tribal communities and local government.

In Vietnam, in addition to their role as suppliers of capacity-building services, NGOs were expected to play a role in monitoring and evaluation activities.

The Role of Community-based Organizations (CBOs)

These projects were selected because they use a demand-driven approach in addressing the needs of ethnic groups; therefore, most of them actively involve community-based organizations throughout the project cycle, in the following types of activities:

- Needs Assessment, Project Identification and Prioritization
- Project Planning
- CBO manages project funds
- CBO procures project inputs
- CBO supervises project implementation
- In-kind or Cash Community contribution
- Operation and Maintenance

The Latin American and Indian projects appear to do most to empower the CBOs, while the Vietnamese project appears to limit community participation to identifying the project and making in-kind contributions during project implementation. Based upon the project documentation, it appears that CBOs, as such, do not really exist in Vietnam, where party structures and mass organizations dominate.

Recommendations

Given the fact that this study only included a review of ten projects serving ethnic groups and is based, primarily, on documentation about their design, not on project evaluations, the recommendations that follow should be seen as the opinion of the author, based upon this review and her own experience.

- In choosing a targeting strategy, keep the following criteria in mind: simple is better; passive is better; low-cost is better. If census and poverty data are readily available, then target the municipalities with the greatest concentrations of the ethnic minorities you seek to benefit. Check a random sample of approved sub-projects after one year and make sure that ethnic minorities are receiving an allocation consistent with their share of

the local population. If not, add a few more features to level the playing field. These might include a linguistically and tailored promotional strategy; targeted capacity-building; and an earmarked pot of funds that can only be used to serve ethnic minority communities.

- ▶ In designing a targeting strategy, keep in mind that the ultimate goal should be to assist ethnic communities to compete on a level playing field for available resources. Funds that target only ethnic ‘minorities’ create a false reality, which may be acceptable in the short-term to assist these communities to catch up with the ‘majority’ population, but in the long-term, such special programs may serve to further marginalize these groups from the benefits available to ‘majority’ communities.
- ▶ In most cases, an effort is being made to prepare minority communities to participate in the participatory needs assessment and planning processes used by local government nationwide, but adjustments may need to be made to these processes to make up for what has been perceived as local government bias in favor of the majority. How long these special project features will be necessary will likely depend upon a number of factors, such as: a) whether an ethnic group is a majority within the municipality, commune, or district which is the primary unit of local planning; b) how visible the ‘minority’ groups are within local government; c) how wide the gap between the ‘majority’ population and the ethnic groups. In general, these special project features should be eliminated as soon as possible to minimize the risk that they serve to marginalize the ‘minority’ populations from the mainstream municipal planning process.

Annex #2

Targeting Disabled People through Demand-Driven Projects

Introduction

In any given population, an estimated 7 –10 percent of the population is disabled. There is a high correlation between disability and poverty. Due to reasons such as economic exclusion and barriers to access, the World Bank’s disability website affirms that, “disabled people are disproportionately poor, and poor people are disproportionately disabled.” In addition to higher poverty rates, disabled people are also subject to superstitions, stereotypes and stigmas, which make them particularly vulnerable to discrimination and social isolation.

Reaching disabled people through World Bank-funded projects can be a challenging task, particularly so in the case of demand-driven projects, where priority investments reflect the needs of the majority, not those of a silent minority. “Disability” is a broad term, which encompasses a variety of both physical and mental handicaps. Its causes are varied, and it can strike at any given point in a person’s life. The amorphous and multi-faceted nature of disability makes targeting more complex.

Additionally, efforts to mainstream disability in the Bank’s work are still in the earliest stages. Therefore, information on targeting and inclusion is not abundant and the Bank’s database of relevant projects is limited. Without an operational policy, in an institution with many bureaucratic requirements, a minority population like disabled people can be easily overlooked in project preparation.

The challenge for project teams working on demand-driven projects is to ensure that disabled people have equal access to the benefits of the project and that project components are oriented toward creating an environment conducive to equality and integration. The following section provides a brief overview of strategies used for reaching disabled people in ten demand-driven projects and concludes with recommendations for project teams.

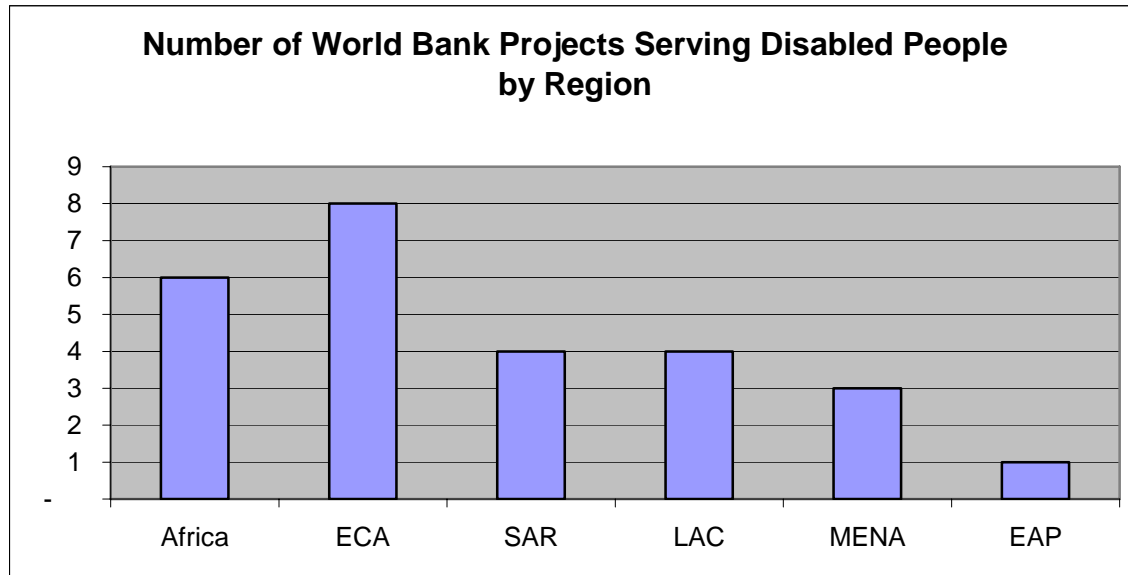
The Projects Analyzed

In an attempt to understand the overall standing of disability in World Bank projects, an initial search of the database³ was done. This search provides some insight into the degree to which Bank projects serve disabled people; but, unfortunately, it does not provide a complete picture, since it does not capture those projects that serve disabled people either directly or indirectly but do not use the term “disabled” or “disability” in their abstract.

³ World Bank Image Bank and Project Portal

A search of the Bank's project database resulted in only twenty-six projects that specifically mention targeting disabled people in the abstract. This would imply that presently a very small number of projects include disabled people as a main focus. But the trends appears to be moving in a positive direction: before 1994, there were no projects listed; from 1994 to 1999 there were six projects; and the remaining twenty projects date from 2000 and onward.

The projects can be broken down geographically as follows:



The projects were concentrated primarily in two main sectors: education (eight projects) and social protection (twelve projects). Other types of projects were: health (two), post-conflict (two), energy (one), and financial sector (one).

While indicating that mainstream efforts are generally not focused on disabled people, the nature of the search may not have accounted for projects that address disabled people in smaller project sub-components or as part of a larger effort to target vulnerable groups. It also neglects projects intended to benefit the community at large which also benefit disabled people (such as construction of a building which includes ramps for handicapped people.)

Presently, procuring solid information on disability work within World Bank projects requires contact with regional working groups; however, this information is still being gathered.

The remaining portion of this analysis focuses on the ten demand-driven projects listed below. These projects include nine social protection projects, and one education project (Tajikistan).

PROJECT	Year Approved	Year Closed or Expected Closing
Cambodia: Social Fund Project	1995	2000
Honduras: Fourth Social Investment Fund Project	1998	2002
Malawi: Second Social Action Fund	1998	2003
St. Lucia: Poverty Reduction Fund Project	1999	2002
Yemen: Second Social Fund for Development Project	2000	2004
Andhra Pradesh: District Poverty Initiatives Project	2000	2005
Lebanon: Community Development Project	2001	2006
Ukraine: Social Investment Fund Project	2001	2008
Tajikistan: Education Modernization Project	2003	2008
Iran: Local Development Fund Project	2005	---

Types of Interventions

National Interventions

Of the projects analyzed, interventions, which enhance the standing of disabled people at the national level, were not common. However, two projects, in Tajikistan and Ukraine, had specific components for improving national strategies: in education and social care services, respectively. These projects sought to address national reforms while simultaneously working at the local level. The Tajikistan project, which focused on modernizing education, used a specialized consultant to understand the needs of the disabled as well as to identify access issues, particularly related to infrastructure and curriculum. The Ukraine project sought to reform social care services through pilot projects at the community level, which would then inform the national strategy.

Other projects, in Iran and Yemen, use the findings from the community level to inform national policy and support local development. Many other projects, like the AP-DPIP in India, mentioned that lessons learned from the project would inform national social/poverty strategies and improve dialogue and coordination among different stakeholders, including those at the national level.

When a national body, as in the case of St. Lucia, Honduras and Cambodia, was overseeing project execution, capacity building and institutional strengthening were also included as a project objective.

Regional Interventions

Regional interventions were not often included. In the case of Tajikistan, regional education offices are able to apply for thematic grants and grants targeting the disabled

are specifically encouraged. Where regional government played a role in preparation and/or supervision, capacity building mechanisms are often included.

The Indian project had various interventions at the state level, which included sensitization training for staff working on disability issues, as well as negotiations with banks for enhancing lending opportunities and increasing employment opportunities through partnerships with the private sector.

Community Interventions

Given the focus of our research on demand-driven interventions, not surprisingly all the projects analyzed included community-level interventions. In most projects, disabled people were a targeted group mentioned among many “vulnerable” groups, such as elderly, widows, at-risk youth, etc. However some projects, such as the Lebanon CDP, Andhra Pradesh-DPIP, the Tajikistan Education Modernization Project, and the Ukrainian Social Investment Fund, contained an overt strategy for reaching disabled people.

Interventions were primarily in the form of sub-projects, chosen by NGOs, sponsoring agents, or local communities that would benefit disabled people. These generally included: training, education centers, foster care, rehabilitation, support groups and counseling. Lebanon and Malawi also specifically mentioned skill-building and training to increase employment options for disabled people. Also, some projects, such as the Iranian, Lebanese, and Ukrainian projects, stated that work would include addressing issues of integration, inclusion, and social cohesion.

In the case of India, interventions included establishing savings and loan groups comprised of disabled people and enhancing social capital to increase voice and opportunity. The project also scaled a level higher by using these groups as the basis for forming federations of disabled people.

A number of projects, such as those in Yemen, Lebanon, and Malawi, included families of disabled people in interventions, citing how caring for a disabled family member can be an additional drain on resources.

Most projects included capacity building for community-based groups. This included assistance in project identification, preparation and implementation.

Targeting Strategies

Many projects limited overall scope to certain geographic regions, which were targeted using poverty criteria. Within these regions, the most common method to reach disabled people was thematic targeting or self-targeting, where services offered would only be of use to a disabled population, for example, an education center designed specifically for blind or deaf people. Although some projects, like the Iranian project, imposed

geographic constraints on mainstream projects, they were willing to accept projects for disabled people without geographic consideration.

Another method of targeting was to choose a community based on indicators, including the number of disabled people in a population, as was the case in the Ukraine. The Ukraine project also selected communities based on their commitment to reform of social care services and willingness to cooperate with the national oversight body.

Targeting in the Lebanon project was a combination of geographic and thematic targeting. In the case of Cambodia, targeting was done by giving highest priority to those projects which clearly reach an intended vulnerable population (i.e. bonus points.) Similarly, in Malawi, priority was given to proposals submitted by disabled people or another vulnerable group. Communication methods to reach disabled people and the groups that represent them was another strategy used in Malawi. Mediums included drama, radio, flyers, and posters. Capacity building for NGOs was also financed in several projects, including those in Malawi, Tajikistan, Iran, Honduras, and Yemen.

Additionally, special employees or units were used to better understand the needs of disabled people and to ensure that those needs were addressed. The Tajikistan Education Modernization Project hired a consultant specifically to understand the needs of disabled students and the barriers that they face in access. The Honduran project formed a Steering Committee involving groups that represent people with disabilities to assist with project review and approval, and to oversee project implementation.

Division of Labor

The Role of National Government

Nearly all projects gave the oversight responsibility of the project to a central body. In the cases of Cambodia and Yemen, the Prime Minister headed these bodies. Governing boards often consisted of members of central ministries, NGOs, and the private sector. A number of projects though, like Honduras and Cambodia, mentioned autonomy of the governing body to avoid political interference. The role at this level usually included general project oversight and supervision, policy formulation and direction. It also could include sub-project appraisal, as in the case of Cambodia. In the Tajikistan Education Project, the national ministry of education oversees the project. The notable exception of projects that did not have national oversight was India, where the project would inform national policy but otherwise the central government would not have a significant role.

Other national level roles/responsibilities included: a) creating a special committee to advise the national governing body on the social assistance portion of the project which included managing consultations of various stakeholders, targeting, and evaluation/recommendations throughout life of project (Honduras) and b) implementing reforms at the national level to provide greater sensitivity to disabled people (Tajikistan and

Ukraine). In Iran and Ukraine, regional units playing a management role reported back centrally.

The Role of Local Government

The role of local government was substantial in projects analyzed. Mostly, this included social assessments, project identification, formulation, and execution. One option is to have local government identify projects and then choose an implementing agency; such was the case in Cambodia. Another option is to endow local government with a larger role in implementation, which occurred in Yemen and St. Lucia. Additionally, local government can serve as a “sponsoring agent” for sub-projects specifically targeting disabled people; such was the case in Malawi. In Honduras and Yemen, local government played a role by financing a small portion of the project costs. Many projects also addressed the importance of linking local government with NGOs and central bodies.

The Role of Non-Governmental Organizations (NGOs)

NGOs, both local and national, were repeatedly mentioned as having a major role in projects. At the national level, NGOs were frequently mentioned as sitting on the board of national governing bodies and helping to create linkages between the local and national level, as in Lebanon.

Locally, NGOs are an appropriate arm for project identification and implementation as they are most likely to have the closest link with disabled people. Thus, they were frequently used in project identification and implementation. In Honduras NGOs would identify needs of community groups through consultations; in Ukraine and Cambodia, NGOs could implement micro-projects; in Malawi and Iran, they could also serve as “sponsoring agents” for specific projects. In Lebanon, NGOs were virtually the sole implementers. Capacity building for NGOs to fulfill their respective role was also included in numerous projects. One of the limitations of working through NGO intermediaries is their limited geographic reach into rural areas, where the majority of disabled people live.

The Role of Community-based Organizations (CBOs)

CBOs performed many of the same roles as NGOs in terms of identifying and/or implementing projects. Additionally, in India, community interest groups (CIGs) are the basic unit of focus for activities and serve as the basis for scaling up. In Tajikistan, where Parent/Teacher Councils implement thematic grants, a special unit was established to ensure that the needs of vulnerable groups are met.

Empowerment

By their nature, demand-driven projects promote a degree of empowerment. Through decentralization and increased participation, poor communities are given greater access for choice and voice. However, specific efforts are needed to ensure that these benefits also reach minority groups like disabled people.

A number of efforts were made to ensure that disabled people were accounted for, that their assets were enhanced and that the environment was made more conducive to their needs: a) projects mentioned ensuring that disabled people and NGOs knew and understood the project, as well as were able to partake in preparation; b) the India project enhanced social capital by promoting the formation of community groups of disabled people, which went on to form a regional federation; c) sub-projects often included enhancing assets: training, skills, and inclusion; d) projects such as Lebanon and Malawi addressed income generating opportunities; e) Ukraine and Tajikistan addressed access and integration issues by adapting mainstream projects to accommodate needs of disabled people; f) sensitization trainings and capacity building of the larger community and other involved stakeholders were held; and g) some projects had disabled people placed in project supervisory positions.

Recommendations

Given the fact that this study only included a review of ten projects serving people with disabilities and is based, primarily, on documentation about their design, not on project evaluations, the recommendations that follow should be seen as the opinion of the author, based upon this review and her own experience.

- ▶ If governments do not request specific outreach to disabled people, project teams can highlight the value in doing so and the link between poverty and disability.
- ▶ For sustainability purposes, national and regional interventions should be considered to complement local interventions.
- ▶ Social assessments can include a section which seeks to understand the specific needs of disabled people and their families. Another option is to hire a consultant for the specific purpose of evaluating the needs of disabled people as well as the barriers they face to accessing services.
- ▶ Social assessments or other preparation activities can also offer the opportunity for understanding how community infrastructure projects can undertake small adaptations to accommodate the needs of disabled people.
- ▶ Thematic targeting or self-targeting is the most commonly used form of targeting. It is often used together with geographic or poverty targeting. When targeting by

region or community, geographic constraints can be reconsidered as disabled people are more likely to be destitute even in wealthier areas.

- ▶ Targeting should include interpersonal consultations with disabled people and the groups that represent them, as well as various communication and education strategies that provide project information and ensure inclusion. The project can provide capacity building efforts to NGOs that represent disabled people to help them with proposal preparation.
- ▶ Another method to reach disabled people within demand-driven projects is to offer priority status to sub-projects that clearly target the most vulnerable populations (i.e. bonus points.) This would ensure that projects intended to target disabled people have a more likely chance of being funded.
- ▶ Outreach should be directed at the entire community and address the social stigma dimension of disabilities so that communities are more open to accepting disabled people as capable agents rather than just as beneficiaries of services. Targeting can also include the families of disabled people.
- ▶ To ensure that funds will reach disabled people, a specific unit could be established within the project oversight body with the task of monitoring/overseeing the portion of the project that addresses disability.
- ▶ While working through NGOs with experience serving disabled people is an effective targeting strategy, often NGO services only reach disabled in the urban areas and fail to penetrate down to the rural communities where most disabled people live. Care should be taken that NGO partners funded by the project serve as intermediaries for reaching remote communities.

Annex #3

Reaching War-Affected Populations through Demand-Driven Projects

Introduction

Conflicts produce many victims, not just those who perish in the fighting or from other conflict-related causes. These conflict survivors include:

- ▶ Ex-combatants – both children and adults
- ▶ People affiliated with armed forces engaged in non-combatant activities – mostly women and children
- ▶ Internally Displaced People (IDPs)
- ▶ Returning Refugees
- ▶ People who stayed in communities throughout the conflict
- ▶ Particularly Vulnerable Groups: Orphans, Widows, Disabled and Elderly

While the needs of these groups may vary somewhat, once they return to their community of choice, they are confronted with a similar reality that they must address through a shared community development process. Social Funds and other demand-driven instruments are well adapted to dealing with war-affected populations once they return to their communities. Prior to their return, other, more, top-down types of interventions are commonly used by the World Bank and other funding agencies to transition people back into a community setting. The focus of this document is on these war-affected populations after their return.

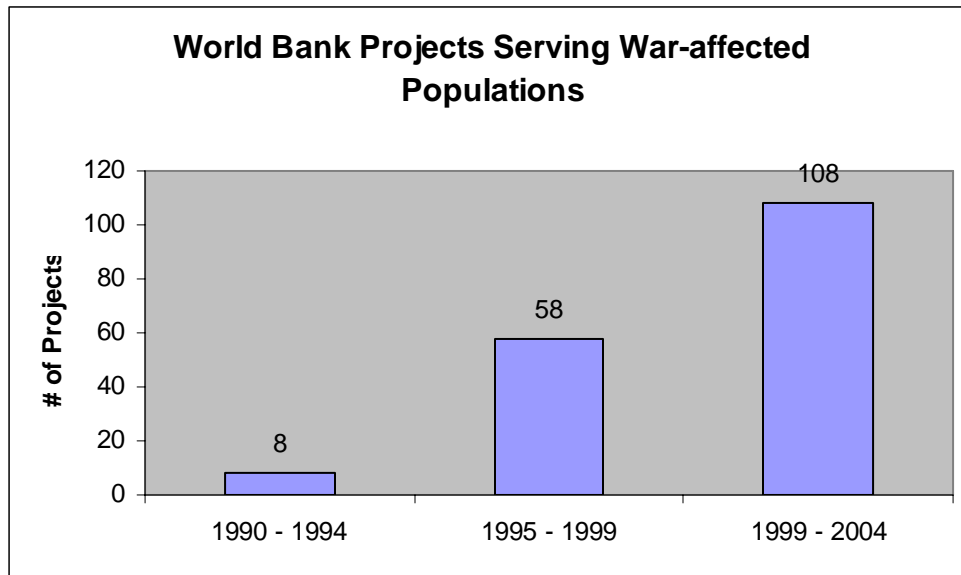
The post-conflict situation presents some special challenges, given the sheer scale of the needs. Unlike the two other special needs groups analyzed in this document --excluded ethnic groups and disabled people, who are often a minority in their communities -- war-affected populations are usually the majority within a community or a region. Thus, the priorities expressed at the community level in a participatory needs assessment process are likely to meet the needs of the majority in a conflict-affected community. There are, nonetheless, other, more vulnerable groups within each community, such as orphans, widows, war disabled and elderly, who will require some special targeting, similar to that used for ethnic groups and disabled people.

This document provides a brief overview of what the World Bank has done to serve war-affected populations and a more detailed review of ten projects serving war-affected communities using a demand-driven approach. The analysis presented is based largely on a desk review of relevant Project Appraisal Documents, and, in those cases where they exist, consultation of evaluation reports and Implementation Completion Reports.

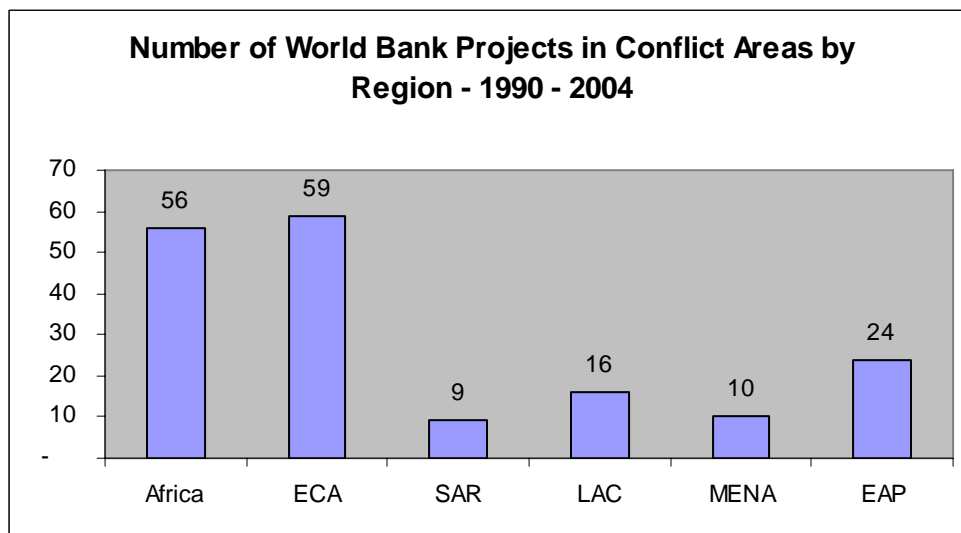
The document is organized in the following sections: a) projects analyzed, b) characteristics of the population served, c) types of interventions, d) targeting strategies d) division of labor, and e) recommendations.

The Projects Analyzed

According to the Project and Programs database on World Bank's external web page there are a total of 174 projects that are conflict-related. While some projects were financed during a conflict, most were financed during a post-conflict phase.



Based upon an analysis of this sample, the Bank's activity in war-affected countries would appear to have expanded significantly over the last 15 years, with only 8 projects financed during the five year period, 1990 – 1994, compared to 108 projects financed between 1999 and 2004. Part of this finding may relate to improvements made in the World Bank database, allowing it to better track projects serving conflict countries. The geographical breakdown of these projects shows Africa and the Balkan region of Europe as the most heavily affected.



These projects can be broken down into six main types; the first three tend to be implemented in tandem. They include **demobilization and reintegration** projects, representing 5 percent of the sample, **macroeconomic stabilization** projects, representing 17 percent of the sample, and **community infrastructure reconstruction** projects, which represent 35 percent of the sample.

The demobilization and reintegration projects are often one of the first two priorities and are designed to assist ex-combatants as they return to civilian life. They usually include a process whereby ex-combatants are registered; officially demobilized; assessed; paid a monetized or in-kind transitional safety net assistance package to cover the basic needs of the ex-combatants and their dependents over a six-month period; and provided transportation to their community of choice. In some cases, they receive a basic needs kit upon their return to the community. While not generally financed by the Bank, a similar, but less generous package is given to returning refugees and internally displaced people (IDPs). All of these activities are generally implemented before these groups return to their community of choice, using a top-down approach.

Macroeconomic stabilization projects are also implemented early on in the post-conflict phase in an effort to jump-start the national economy. The next priority are projects designed to rebuild community infrastructure so that returning community residents have a place to live, have access to health and educational services, and water and other basic necessities. Of the 62 projects (36 percent of the sample) that fall into this category, 34 were implemented using elements of the community-driven development approach. The rest of the projects, designed to rebuild community infrastructure, were implemented in more of a top-down fashion, driven by the urgency to get services functioning at the community-level as quickly as possible. The top-down approach appears to be more common in the early post-conflict phase.

In addition to these three project types, the Bank post-conflict portfolio includes numerous **sector-specific** projects (37 percent), a few projects focused on **employment creation** through large-scale public works rehabilitation (3 percent) and a handful of projects targeting **HIV/AIDS** (2 percent).

For the purposes of our analysis, we chose ten of the sample of 34 community infrastructure projects that had the most elements of a participatory community-driven process. The selected projects are listed below:

PROJECT	Year Approved	Year Closed or Expected Closing
Angola – Post Conflict Social Recovery Project	1998	2001
Rwanda – Community Reintegration and Development Project	1998	2002
Sri Lanka – Northeast Irrigated Agriculture Project	1999	2005

PROJECT	Year Approved	Year Closed or Expected Closing
Eritrea Emergency Reconstruction Program	2000	2004
Colombia – Magdalena Medio Regional Development Project	2001	2004
Macedonia – Community Development Project	2002	2005
Afghanistan – National Community Empowerment Program	2002	2004
East Timor – Third Community Empowerment and Local Governance Program	2002	2004
Sierra Leone – National Social Action Project	2003	2008
Kosovo – Community Development Fund	2003	2006

Three of the projects, in Colombia, Angola, and Sri Lanka, were implemented while the conflict was still underway. The rest are post-conflict projects.

Characteristics of the War Affected Populations/Areas Served by the Project

Whether they are returning ex-combatants, refugees, or internally displaced people or a household that stayed in the community during the war, the different war-affected population groups are all confronted by the same situation in the community, which is characterized by:

- ▶ The shortage or lack of basic household assets, such as land, shelter, cooking utensils, agricultural tools, clothes, etc. These problems are most severe for people who left the area during the conflict.
- ▶ Social infrastructure, such as schools, health posts, and roads, that have either been destroyed by the violence or debilitated as a result of lack of maintenance and are no longer staffed by professionals;
- ▶ Agriculture that has stalled due to a number of factors, lack of access to agricultural inputs and markets, lack of household labor, mines;
- ▶ Other sources of employment, such as industry and commerce, that has dried up as the result of the conflict;
- ▶ Debilitated health and nutrition status of children and adults;
- ▶ Children and youth who have missed many years of schooling;
- ▶ Many people who have experienced psychological or physical trauma, resulting in a mental or physical disability; and
- ▶ A destroyed social fabric, where people have lost the ability to trust their neighbors and, in some cases, members of their own family.

Given the extent of devastation that these communities have undergone, they require a significant, multi-sectoral investment to bring them back to life. In the next section, we provide an overview of the types of interventions financed by the World Bank in this sample of ten projects.

Types of Interventions Financed

The demand-driven components of the projects studied targeted their interventions at the community level and, to some extent, at the municipal or regional level. Other than financing for the project management unit, which was generally housed within a national level ministry, very little investment was made at the national level.

Community-level Interventions

Socio-economic Infrastructure

In all of the projects, the focus of the community-level investments was upon rebuilding destroyed or debilitated socio-economic infrastructure, based upon priorities established by the communities themselves. This included the construction or rehab of social infrastructure, such as schools, health posts, and water sources, and to a lesser extent economic infrastructure such as rural roads, irrigation and drainage systems. Some projects targeted funding to establish community level social services. This was most notable in the Kosovo and Macedonia. While not strictly a demand-driven component of these projects, microfinance was supported in a few of the projects including Afghanistan, Eritrea, and Sri Lanka both as a means of reigniting the local economy and of providing income generating opportunities to the most vulnerable members of the community, including widows and people with disabilities.

Rebuilding Community Trust

In one way or another, all of the projects included activities designed to rebuild the social capital and cohesion of the communities. The participatory needs assessment and planning process used by all projects were themselves means of rebuilding trust in communities that may include sons, brothers, and neighbors who were very recently enemies. Some projects made more explicit attempts at financing initiatives designed to build bridges within communities and between communities: in East Timor, the project financed four community radio stations to enable communities to share and discuss their social concerns, foster debate and build social capital and in ethnically-mixed communities in Kosovo, the project financed projects that required members of various ethnic groups to work together for a common good and, likewise, in minority communities, road construction and other sub-projects designed to build links to other communities inhabited by other ethnic groups.

Capacity-building

All projects invested heavily in building the capacity of the communities to identify, plan, implement, and manage the community-level sub-projects financed. Part of that process involved building up community organizations that were representative and democratically and transparently managed. The Afghanistan project appeared to have given this issue very careful consideration in the way it promoted Community

Development Councils. To ensure inclusiveness in terms of different socio-economic, factional, and ethnic/tribal sub-divisions within the committee, the election process for the community development committee is based on clusters of, approximately, 20 families, each of which elects one representative for the development council. The clusters, in turn, serve as the framework for community-wide consultations on proposals from the development council through a process whereby the elected councilors consult with and seek feedback from their electorate before decisions on priorities, sub-projects, and community contributions are finalized.

While, admittedly, the focus of the community-level capacity-building financed by these projects was closely linked to preparing the community groups to effectively identify and manage investments within the framework of the Bank projects, once developed, these skills are relevant for collaborating with other donors and local government.

Comprehensive Community Development Plans

To provide an effective response to the high degree of destruction in the targeted communities, a number of the projects promoted the development of long- to medium-term community development plans, rather than development of a plan for one or two sub-projects per community. This approach was most evident in Angola, Rwanda, and Afghanistan.

In Angola, the project financed a participatory needs assessment and planning process facilitated by an NGO implementing agency in each of three targeted municipalities. The results of this process led to the development of notional, two-year integrated plans for each municipality with six-month rolling work plans, which included sub-projects in agriculture, water, health and education.

In Rwanda, each participating commune received a block grant of \$215,000 over 3 years for infrastructure, income generating activities, and capacity building. Communities developed one-year community plans showing how they would spend their share of the block grant. These plans were developed with the assistance of local consultants, specialized in participatory rural appraisal methods. The project management unit then reviewed to make sure that they were consistent with the development priorities of the relevant prefecture. The Afghan project also used a block grant approach based upon a formula of \$200 per family with an upper limit of \$60,000 per community.

All of these projects sought to rebuild vital community infrastructure in an effort to get basic health and education services up and running and economic activities functioning. Perhaps equally as important, they were designed to achieve these outcomes through a participatory process that would promote social cohesion through the creation of democratic and transparent community organizations that could lead their community through an open needs assessment and planning process designed to build consensus around shared priorities. With time, these community organizations would have the potential to make demands on government at the local and national levels.

Regional- and Municipal-level Interventions

All of the Bank projects analyzed in this study noted that local government was very weak. In response, most projects invested in building the capacity of local government to perform a number of functions such as planning, citizen involvement in decision-making, budgeting, funds management, sub-project implementation monitoring and service delivery.

Targeting Strategies Used

In war-affected areas, all residents, whether they are returning ex-combatants, internally displaced people or refugees or those who stayed in their community throughout the conflict, share a high level of vulnerability. As noted in an earlier section, some of the groups –ex-combatants, IDPs, and refugees – prior to their return to the village have been targeted by other projects to receive a modest package of benefits designed to assist them as they transition back into community life, but these benefits are unlikely to off-set the full cost of building or rehabilitating and equipping a home and re-establishing themselves in a productive activity.

Most projects tended to treat all of these groups as equal within a war-affected community, therefore the targeting strategy focused upon selecting the areas of the country most affected by the conflict. Because of concerns about regional equity, a number of projects integrated poverty criteria into their targeting strategy to ensure that low-income areas that had not been directly affected by the war, did not fall too far behind those receiving rehabilitation assistance, thereby averting the risk that one region would feel that it had been neglected and become the source for future conflict.

Admittedly, there are some groups, such as widows, orphans, disabled, and ethnic minorities, that are more vulnerable than others. Several projects sought ways to target these special needs groups to ensure their inclusion in the community rehabilitation process.

Below is a review of the most common approaches used for selecting the geographic areas to receive project funding, followed by a description of the mechanisms used to ensure that the most vulnerable members of the community also benefited from the project.

Geographic Targeting

All projects used some form of geographic targeting to allocate project funds to regions, districts or municipalities. The most common criteria used for geographic targeting were:

- ▶ The area is secure and accessible;
- ▶ Local government authority has been reestablished in the area and is willing to participate;

- ▶ The degree to which the community infrastructure has been damaged by the conflict;
- ▶ The numbers of returning ex-combatants, IDPs, and refugees in the area.

Both Afghanistan and Eritrea added a selection criteria related to the degree to which the region had been affected by drought.

In contexts such as Sierra Leone, where some of the wealthier parts of the country became secure and accessible before poorer and more conflict-affected areas, the accessibility criteria drove the process, creating the risk of investments that would serve to exacerbate regional differences. One option to avoid this type of risk would be to establish some regional allocation caps that could be reevaluated during the course of implementation, based upon progress made in securing new areas. If one region reaches its cap, but other regions have yet to be accessible, then the caps can be readjusted to avoid a slowdown in the disbursement of project funds. The current Sierra Leone National Social Action Project is seeking to redress regional imbalances by targeting its resources to newly accessible areas that have not received any support in over a decade and remote areas that have received little support in the recent past.

Geographic and Poverty Targeting

Integrating poverty criteria with geographic criteria is another way of ensuring that all regions of the country in need benefit from the project. In Kosovo and Macedonia, there was particular concern about making sure that the poorest parts of the country, which were also the least affected by the conflict, not fall too far behind those regions that were the most affected. For this reason, the Kosovo and Macedonia projects used a similar two-stage allocation process as outlined below:

First, allocations were made to regions based upon following criteria:

- ▶ Population size
- ▶ Level and intensity of poverty
- ▶ Unemployment rate
- ▶ Number of persons displaced from each region
- ▶ Number of damaged houses

Then, allocations within regions were made using the following criteria:

- ▶ State of physical and social infrastructure
- ▶ Presence of vulnerable or marginalized groups
- ▶ Presence of ethnically mixed communities
- ▶ Under-funded communities
- ▶ Community capacity to plan
- ▶ Community commitment level
- ▶ Level of interest of municipal government in supporting recurrent costs

Mechanisms to Ensure Inclusion of Most Vulnerable at the Community Level

While, for the most part, special needs groups required targeting at the community level, in some cases, specific communities within a region needed to be targeted. This was the case for ethnic minority and mixed communities in Kosovo. The project took an aggressive approach in ensuring that these communities were included as project beneficiaries by a) earmarking 10 percent of all sub-project funding for Serb communities, who represented 7 percent of the total population of Kosovo and b) earmarking another 10 percent of the sub-project funds to benefit ethnically-mixed communities and communities inhabited by other ethnic minorities, including Roma, Ashkalia, Egyptians, and Bosnians. The remaining 80 percent of funds was allocated regionally as described above.

The Macedonia project relied more on targeted community outreach and information dissemination to ensure that vulnerable groups, including ethnic minorities, benefited from the project. It also had a small grants program for community social services targeted to address the needs of more vulnerable groups. These services might include community-based day care for disabled or elderly or sports events designed to promote inter-ethnic contact.

The Afghan project offered an increased block grant allocation as an incentive to communities to involve IDPs/refugees in project identification and planning process. To ensure inclusiveness in terms of different socio-economic, factional, and ethnic/tribal sub-divisions within the community, the Afghan project designed an inclusive election process for the community development committee around clusters of families, each of whom would elect one representative for the Development Council.

To ensure that women were actively involved in the community rehabilitation process in East Timor, the elected village councils were required to have an equal number of men and women and women's groups had to present half of the up to four sub-project proposals that could be submitted by each village. In Afghanistan, where local norms do not allow women to participate directly in community-wide meetings, the contracted facilitating partner was required to organize separate meetings where women could express their priorities. The East Timor project also had a special component designed to provide social welfare services to disadvantaged groups: widows, orphans, and people with disabilities. These might include orphanages, school feeding programs, and housing for widows, but little information was provided at the design stage as to how this component would operate.

In Rwanda, sub-projects giving preferential access to a vulnerable group would be given special consideration. Vulnerable groups would be identified by the communities themselves, using participatory methods such as wealth ranking. These groups would be encouraged to participate in income-generating activities.

While some projects attempted to find creative ways to target more vulnerable groups at the community level, for the most part, the projects serving war-affected populations

targeted their funds to conflict-affected communities, where all residents were considered equally vulnerable. In some cases, poverty data was cross-referenced with data on the impact of the war to ensure that the project funds were invested equitably on a national level.

Division of Labor

In all projects, the community organizations drove the process, while the Project Management Unit (PMU) generally based at the national level, collaborated to varying degrees with local government, and contracted NGOs to facilitate the participatory processes and build community and local government capacity.

The Role of Central Government and Other National Level Bodies

Project Management Unit

Most of the projects analyzed had a small project management unit (PMU) that reported directly to a Ministry at the central level. The Ministry most commonly used to house the PMU was the Ministry of Local Government. In other cases, the PMU was located in the Ministry of Planning, Finance, Social Affairs, or Rural Rehabilitation and Development.

In two cases, the PMU was actually structured as an NGO; this was the case in Colombia and in Kosovo. In both cases, the NGO was required to report to a counterpart ministry. In the Sri Lanka case, the PMU was located at the regional level, given the regional focus of the project. In the case of Sierra Leone, the PMU reported directly to the President and Parliament.

The PMU's responsibilities generally include the review and approval of community and sub-project plans, the disbursement and audit of funds at the community level, MIS, and the monitoring and evaluation of project implementation.

Steering Committee

Most projects had a steering committee at the national level designed to serve as a nexus between the project and the various sector ministries that would be responsible for the recurrent costs of the sub-projects implemented at the community level.

Board

Some projects, Colombia, Kosovo, Macedonia, Sierra Leone, and Afghanistan also had a Board of Directors that would review and approve annual work plans and budgets, annual reports, and operating manuals. In some cases, the boards included representatives of the donor community and civil society.

The Role of Local Government

In most of the project countries, local government structures had either never really existed or had been severely weakened or totally destroyed by the conflict. In several cases, the existing local government structures consisted of the local representatives of the sector ministries and the administrator, appointed from the center. In all cases, the

project sought to build the capacity of the local government structures, but the functions that these structures would perform, once strengthened, depended upon the degree to which central government had embraced a decentralized model of governance.

In Angola, for instance, local government existed in the form of an appointed provincial governor and municipal administrator, both of whom tended to play more of a political role rather than an administrative role. The municipal administrator might have an office and small staff, but no funds to manage or vehicles to use to visit his constituency. In this case, the project collaborated closely with the municipal teams, who were expected to review and endorse the municipal plans that were developed by communities with technical assistance from an NGO that served as an Implementing Agency for the project.

The project supplied the municipal government with training and equipment, including a vehicle, computers, and a generator, to help it perform its role more effectively. Included in the training was participatory needs assessment and planning, in an effort to change the dynamic between the municipal government and the communities from one of top-down control, to one of service. While these investments are important steps forward in building accountable government, the degree to which they can be successful, really depends upon decisions made central government regarding decentralization. With no local elections, accountability of local government to its constituency will remain limited.

On the other extreme is Rwanda, where the government adopted the elected Community Development Committee (CDC) structure established in each commune or municipality for the purposes of the project, as the model for elected local government nationwide. The CDC, which was the main planning and decision-making body of the project, included members of the local administration (the burgomaster and 3 – 5 advisors elected among themselves) and members elected by the local population (two per sector). The CDC annually elects its President, Treasurer, and Secretary from among its members. The members of the communal administration may not hold any of these positions. CDC membership elections are held each year.

In Rwanda, the Project Management Unit also worked very closely with the next level of local government, the appointed prefect or provincial administrator. The prefect's project-related duties included a) financial control and audit; b) program and sub-project monitoring; and c) the provision of technical assistance to communities. Before approving a communal development plan, the PMU would also check that it is consistent with the prefecture's development plan.

The other projects lay somewhere on the continuum between the Angola project and the Rwanda project. Macedonia, for example, had a high degree of commitment to decentralization, but needed help in strengthening local government, which was institutionally weak. In Macedonia, the local government actually participated on the community-level implementing committees.

The PMU in Sri Lanka was located at the regional level, and worked closely with appointed district-level government administrators, whose responsibilities included:

engaging NGOs for social mobilization, developing annual work plans, overseeing implementation, and coordinating the project with other activities in the district.

In East Timor, the fact that the previous local government administrative apparatus had almost entirely disappeared by the end of the conflict, created the opportunity to rebuild local governance from the bottom up. The project helped to create elected village and sub-district councils. The sub-district councils were responsible for evaluating and prioritizing proposals for funding. Regional and district project staff provided the support to councils and community groups through a team of 150 Timorese consultants, who worked out of the district offices. The sustainability of these elected councils will depend upon the level of commitment the government has to decentralization and whether or not it sees these councils as the right mechanism for local governance.

The Role of Non-Governmental Organizations (NGOs)

In most cases, NGOs were contracted by the PMU and, occasionally, by the community-based organization themselves, as suppliers of social mobilization, training and technical assistance services. The NGOs served as facilitators of the participatory community development processes that are key to the success of the community demand-driven approach. In one case, Angola, NGOs were contracted as Implementing Organizations, through which project funds were passed to community-level projects.

As noted above, in the case of the Colombia and Kosovo projects, NGOs performed the function of the PMU. In the case of Colombia, having an independent organization serving as the project unit was important since it was operating in an area that continues to be affected by conflict. A government organization would likely have less credibility and may not be able to operate in this on-going conflict situation. In Kosovo, the UN shared responsibility with the Kosovar Self-Government for administering the country. Given the temporary nature of this governance set-up, an NGO structure may have been a good interim management solution. In Kosovo, NGOs were also contracted as the implementing agencies for the social service sub-projects identified by the vulnerable groups.

The Role of Community-based Organizations (CBOs)

As in most community demand-driven programs, community-based organizations (CBO) play a lead role in conducting participatory needs assessments, planning priority sub-projects and developing community development plans. They are also actively involved in project implementation and take responsibility for all or a portion of the operational and maintenance cost of the rehabilitated infrastructure financed by the project. All projects required the community organization to invest at least 10 percent of the sub-project cost through cash or in-kind contributions of materials and labor. In some projects, funds are transferred directly to the community-based organization, which took responsibility for procurement and financial management. Building the capacity of the CBOs to perform these functions is an important part of all of these projects. NGOs are the primary supplier of capacity-building services.

Not all community-based organizations are the same. In projects such as, Rwanda, East Timor, and Afghanistan, where the project financed community development plans, including multiple sub-projects, the village committees or CBOs are often quite formal structures such as Community Development Committees that have an elected leadership and follow certain written rules of operation. In most cases, these more formalized entities have legal status. In other projects, such as Sierra Leone, where the project finances sub-projects, not village plans, the rules of what constitutes a community committee are much more flexible, although they may require a certain percentage of women as members to be eligible for financing.

In some cases, the Community Development Committees also include representatives of local government. This is the case in Rwanda, Macedonia and Kosovo.

Recommendations

Given the fact that this study only included a review of ten projects serving war-affected areas and is based primarily on documentation about their design, not on project evaluations, the recommendations that follow should be seen as opinion of the author, based upon this review and her own experience.

- ▶ Target the whole community: all have been affected by the conflict in one way or another.
- ▶ Use the project as an opportunity to build representative community committees that involve all segments of the population – these are not only mechanisms for managing a community rehabilitation process, but also for rebuilding social cohesion and preventing future conflict.
- ▶ If sufficient resources are available, use the block grant approach and finance community plans, not just sub-projects. The multi-faceted nature of the destruction caused by conflict requires a comprehensive, multi-sectoral response.
- ▶ If central government is seeking to move toward a more decentralized form of government, use this program to promote decentralization and build a democratic form of local government from the bottom up. In doing so, make sure that your efforts are consistent with the decentralization approach chosen by government.
- ▶ Develop special mechanisms for ensuring that the most vulnerable households including orphans, former child soldiers, widows, or disabled people, also benefit from the project. This might include earmarking a portion of the project funds for this purpose, ensuring that these groups are represented on the community committee, and rewarding communities

with more financing when they reach out to and develop projects to benefit these groups.

- ▶ Invest heavily in building the capacity of communities, and local government, it has a high up-front costs, but generates a steady flow of returns over the long-term.
- ▶ Be patient – participatory processes take time, especially when involving war-affected and other vulnerable groups, but the results will be more sustainable.