

# Conclusion: How Can Participatory Interventions Be Improved?

DEVELOPMENT IS MORE THAN A TECHNICAL UNDERTAKING THAT can be handled by experts. It is a complex and often contentious process that works better when citizens participate in decisions that shape their lives and allows them to monitor the people whose task it is to govern their destinies. Consequently, it may make sense to engage citizens in the process of development and to induce communities to act collectively to make governments more accountable. Involving citizens in decision making may also have intrinsic value, because training them in the everyday business of democratic governance may enhance their dignity and promote their quest for freedom. As recent popular movements have demonstrated, these values have wide resonance.

The value of participation is clear. What is far less clear is whether participation can be induced through the type of large-scale government and donor-funded participatory programs that have become a leitmotif of development policy. This question is at the heart of this report.

This report does not emphasize more organic forms of participation, in the form of trade unions, civic watchdog groups, producer and consumer cooperatives, or activist groups of various types. Such engagement has tremendous capacity to initiate positive change. Indeed, it has been a driving force in many societal transformations throughout history, including the anticolonial and civil rights movements of the last century, the growing environmental movements, and the many ongoing movements for political and human rights, including recent popular democracy movements in the Middle East.<sup>1</sup>

In practice, organic and induced forms of participation are often linked. Large-scale induced projects may scale up organic initiatives or develop in conjunction with organic activism. An initial

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outside stimulus may spur the growth of more organic institutions or movements.

From the perspective of development policy, however, it is induced participation that is being fostered, and it is on this that much hope has been pinned and tremendous resources expended. Moreover, there is a particular challenge at the heart of attempts to induce participation. It is to harness the spirit of organic participation—which is driven by motivated agents, is contextually sensitive and long-term, and is constantly innovating in response to local realities—and to turn it into a large, state-driven, bureaucratically led enterprise. It is this challenge that is the focus of our report.

This report examines two major modalities for inducing local participation: community development and the decentralization of resources and authority to local governments. Community development supports efforts to bring villages, urban neighborhoods, or other groupings of people into the process of managing development resources through a project-based approach. Advocates for community development believe that it enhances the capacity for collective action, builds community cohesion or “social capital,” and strengthens the ability of the poor and disenfranchised to obtain better public services from providers and greater responsiveness from governments. The most common justification for community-based development is that it empowers the powerless by increasing “voice.”

Community development projects are sometimes implemented through formally constituted local governments, but often they operate quite independently, and in some cases, such as in postconflict environments, they effectively substitute for formal decentralization. Community development projects have been variously labeled as “social funds,” “community-based development,” and “community-driven development”—all terms coined within the World Bank over the past two decades. Within each of these categories, project designs can range from community-based targeting, in which only the selection of beneficiaries is decentralized, to projects in which communities are involved in all aspects, from design to implementation and resource management.

In recent years, as the effort to expand community engagement in service delivery has increased, participatory education and health projects have become more common. These projects have many of the same features as more traditional community-based development or community-driven development projects, which usually focus on

infrastructure, skills training, private transfers, and credit, in addition to “community mobilization.” Most recently, such projects have also morphed into community livelihood projects, which, as their name suggests, focus greater attention on expanding opportunities for sustainable livelihoods for the poor through the promotion of participatory mechanisms for expanding access to markets, investing in communal assets, and building market linkages.

Decentralization refers to efforts to strengthen village and municipal governments on both the demand and supply sides. On the demand side, decentralization strengthens citizens’ participation in local government by, for example, instituting regular elections, improving access to information, and fostering mechanisms for deliberative decision making. On the supply side, decentralization aims to enhance the ability of local governments to provide services by increasing their financial resources, strengthening the capacity of local officials and streamlining and rationalizing their administrative functions. As this report is about participatory development, the decentralization evidence focuses on the demand side.<sup>2</sup>

This report builds a conceptual framework for thinking about when and how to induce participation that is structured around the idea of “civil society failure.” Markets and governments are now widely recognized as subject to failure. Yet the policy literature, particularly at the local level, is rife with solutions to market and government failures that assume that groups of people (village communities, urban neighborhood associations, school councils, water user groups) will always work toward a common interest. Rarely is much thought explicitly given to the possibility of civil society failure—the possibility that communities, however constituted, may also face significant problems of coordination, asymmetric information, and inequality, which may limit their ability to respond to and resolve market and government failures.<sup>3</sup>

Development policy related to participatory processes needs to be informed by a thoughtful diagnosis of potential civil society failure and its interaction with market and government failures. Such an analysis is necessary for developing a clearer understanding of the tradeoffs involved in moving decisions to local communities, in each context. It is also necessary for identifying the avenues that any given project or policy provides to rectify or repair specific civil society failures.

The report reviews more than 500 empirical studies of participatory development interventions to address issues of central interest to policy makers. These issues include the following:

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- The viability of using participatory poverty reduction projects as a vehicle for improving important development outcomes, such as service delivery, livelihoods, infrastructure quality, or the management of common pool resources
- The potential for induced participatory projects to increase government accountability and reduce capture and corruption
- The efficacy of participatory projects versus programs implemented in parallel by local governments
- The feasibility of sustaining positive outcomes when projects go to scale
- Whether induced participation can create durable improvements in social cohesion, citizenship, “voice,” or the capacity for collective action.

A growing body of literature allows for a better understanding of some of these questions. This newer literature, as well as a large body of case studies, was used to build an evidence base for these questions. In doing so, the report cast a relatively wide net, using well-executed studies by economists, sociologists, political scientists, and anthropologists. The report, does not, however, make any attempt to be exhaustive, particularly for the case study evidence.

On several important issues, the literature is thin. For these issues, the report relied on the few (often one or two) carefully executed studies that were available. Greater weight was placed on studies that had a valid comparison group. Without an adequate comparison group, it is difficult to attribute observed changes in beneficiary communities to the specific program or intervention being assessed. The wider process of development can alter outcomes over time through processes that operate independently of the intervention.

Generally speaking, the report’s findings derive from econometric analysis. Ideally, this econometric work should be complemented by good qualitative work, which can help to illuminate the processes that resulted in the observed impact. There is an unfortunate dearth of such work.

Three lessons, drawn from the evidence, appear to be abundantly clear:

- Context, both local and national, is extremely important. Outcomes from interventions are highly variable across communities. History; geography; and the nature of social interactions, networks, and political systems all have a strong influence. As a

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result, a successful project designed for one context may fail miserably in another. Strong built-in systems of learning and monitoring, sensitivity to context, and the willingness and ability to adapt are therefore critical in implementing projects. As some of the evidence shows, carefully designed projects, whether they are implemented by governments or by donor-funded implementing agencies, are able to limit the negative impact of “bad” community characteristics, at least to a degree.

- The idea that all communities have a stock of “social capital” that can be readily harnessed is naive in the extreme. Building citizenship, engaging communities in monitoring service providers and governments, and supporting community-based management of natural resources or management of infrastructure requires a serious and sustained engagement in building local capacity.
- Both theory and evidence indicate that induced participatory interventions work best when they are supported by a responsive state. Although local actors may have an informational and locational advantage, they appear to use it to benefit the disadvantaged only where institutions and mechanisms to ensure local accountability are robust. In fact, local oversight is most effective when higher-level institutions of accountability function well and communities have the capacity to effectively monitor service providers and others in charge of public resources. Thus, induced participatory development appears to increase, rather than diminish, the need for functional and strong institutions at the center. It also implies that project implementing agencies for donor-funded projects need to have the capacity to exercise adequate oversight. However, there is little evidence that donors alone can substitute for a nonfunctional state as a higher-level accountability agent. When funds are parachuted into communities without any monitoring by a supportive state, decision making is captured by elites who control the local cooperative infrastructure, leading to a high risk of corruption. Reforms that enhance judicial oversight, allow for independent audit agencies, and protect and promote the right to information and a free media appear to be necessary for effective local participation.

These findings are consistent with the large body of case study evidence that Fox (1993) describes as a “sandwich movement” of

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To effectively induce participation, enlightened state action from above has to interact with social mobilization from below.

In the local sphere, within which the intervention is conducted, the center has to ensure that local agents of the state are responsive to community demands.

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enlightened state action from above interacting with social mobilization from below.<sup>4</sup> The state does not necessarily have to be democratic (although democratic states are more likely to support development). However, in the sphere in which the intervention is conducted—at the level of the community or the neighborhood—the state has to be responsive to community demands. For example, schools that incorporate parents into decision making will be more responsive to parental demands if parents have a measure of control over school budgets. Village governments will become more responsive to the needs of citizens when both function within an electoral democracy supplemented by deliberative interactions.

### The Importance of Context

Inducing local participation is a difficult, often unpredictable, and potentially contentious undertaking. The empirical evidence presented in this report must be viewed with this fact in mind. The heterogeneity in outcomes should not be surprising once the role played by local conditions and the precise contours of project design are understood. Given the increased (and sensible) emphasis on civic engagement for effective and equitable development, it is important to build a body of solid evidence on the effectiveness of specific modalities for inducing participation and to assess the cost-effectiveness of such efforts.

In view of the substantial reliance on evidence from quantitative evaluations of community-driven development projects and decentralization efforts, it is also important to reiterate that an effective evaluation must proceed with some understanding of a project's trajectory and the timeline over which an impact on specific project outcomes is likely to be observed. Predicting a trajectory of change is hard to do in participatory projects. Very few evaluations take this issue seriously or verify assumptions about long-term impacts by returning to the site of the project after a few years have passed. Moreover, some outcomes may be inherently difficult to measure. Most evaluations, for example, are likely to miss subtle shifts in perceptions or beliefs that could mature years later into effective civic activism or a more inclusive society.

Local development policy occurs at the intersection of market, government, and civil society failures; interactions are deeply conditioned by culture, politics, and social structure, and they vary from place to

place. Context matters, at both the national and the local level (for more on context, see Goodin and Tilly 2006). At the national level, nationalist ideologies—the manner in which the (colonial and postcolonial) state has created and propagated identity—can create symbolic public goods that facilitate collective action by building a participatory ethic.

History matters. The way policies and institutions—land reforms, education systems, the judiciary, the media, and efforts at social inclusion—have evolved can influence the responsiveness of governments to civic mobilization, affecting the incentives for collective action. A history of organic participation matters greatly, for several reasons. Some countries have a long history of civic participation, developed in the process of struggles for independence from colonial rule or against the rule of entrenched elites. Such social movements help give legitimacy to civic activists and create a culture that facilitates civic mobilization. A history of organic participation creates a community of peer educators, who can train others on how to reach a consensus, engage in participatory planning, and hold governments accountable for their actions. In time, organic participation can make it easier to institute a cadre of trained facilitators who can spearhead scaled-up community-based interventions. A history of organic participation also creates an enabling environment within which social entrepreneurs can spark participatory innovations, the most effective of which can have important lessons for scaled-up induced interventions.

The social, economic, demographic, and cultural contexts matter. The nature and extent of social and economic inequality and the composition and diversity of groups affect both induced and organic participation. Inequality and heterogeneity strongly affect the cultures and norms of cooperation that evolve within a community. These norms have a bearing not only on the nature of collective action but also on the role of local leaders. Do local leaders act in ways that support or undermine the larger interests of the community they claim to represent? Do they maximize rents, or do they lead with the collective welfare of the community in mind?

Geography matters. Remoteness from more developed areas, difficult terrain, and harsh weather conditions can increase vulnerability, leading to weaker development outcomes. Both social heterogeneity and geography have a bearing on the local cooperative infrastructure—the community's capacity for collective action. If a village has a long history of successfully managing common property resources, that capacity

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could potentially translate into a collaboration to manage a school, for example. Urban migrant communities can consist of people from the same region (who therefore retain rural norms and customs) or different places (which could make cooperative behavior more challenging).

### Politics matters.

Politics matters.<sup>5</sup> The nature of the local state and its relationship with local communities deeply affects the extent to which the “nexus of accommodation” hampers development. As described in chapter 3, in contexts with compound market, government, and civil society failures, local and national political leaders, bureaucrats, and strongmen are often embedded within an extractive equilibrium in which the interests of citizens are given the lowest priority. Breaking this nexus—changing the equilibrium in a manner that makes the state more responsive to the needs of citizens—is at the heart of effective participatory development.

## Donors, Governments, and Trajectories of Change

Effective civic engagement does not develop along a predictable trajectory. It is likely to proceed along a “punctuated equilibrium,” characterized by long periods of seeming quietude followed by intense and often turbulent change. The “quiet” periods are not inactive. They are full of nascent, covert action, during which civic activists slowly begin to influence their neighbors to think differently, act collectively, deliberate effectively, and develop the courage to take on powerful interests. Without such risk-taking, the nexus of accommodation is hard to break.

Donor-driven participatory projects often ignore the fact that effective civic engagement does not develop along a predictable trajectory.

When donor-driven induced participatory projects attempt to build civic capacity, they assume a far less contentious trajectory. Conditioned by bureaucratic imperatives, they often declare that clear, measurable, and usually wildly optimistic outcomes—including greater civic capacity—will be delivered within a specified timeframe. As most projects are sold as poverty reduction or local infrastructure projects, declared outcomes include declines in poverty and vulnerability, without much attention to the effort, resources, or time frame required to achieve a sustained increase in the incomes of the poor. Unrealistic expectations often set such projects up for failure.

Changing social and political systems is far less predictable than building dams, bridges, roads, schools, or clinics.

One important reason behind this overly ambitious approach, especially at the World Bank, is that it maintains a path-dependent institutional structure that continues to derive from a focus on capital-intensive development and reconstruction. Building dams, bridges,



roads, or even schools and clinics is a much more predictable activity than changing social and political systems. Repairing civil society and addressing political failures requires a shift in the social equilibrium that derives from a change in the nature of social interactions and from modifying norms and local cultures.

These tasks are much harder to achieve than building infrastructure. They require a fundamentally different approach to development—one that is flexible, long term, self-critical, and strongly infused with the spirit of learning by doing. As demonstrated later in this chapter, the World Bank falls far short of adopting this kind of approach in its participatory projects. Other donors are probably not much different.

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## Open Research Questions

The evidence on many participation-related issues is thin. More research is needed on several open questions.

### **What Is the Link between Local Civic Capacity and a National Civic Sphere?**

Under what conditions will attempts to build local civic capacity help build a national civic sphere? This question goes at least as far back as John Stuart Mill, who believed that good citizenship is built at the local level. Many participatory interventions—particularly interventions that attempt to transform the nature of citizenship by improving the “demand side” of governance and “building trust” in postconflict situations—are premised on the belief that such interventions will lead to a more accountable and cohesive civic culture at the national level. Very little is known about whether these local interventions are effective, however, or whether they can coalesce into national civic movements. In fact, the evidence suggests that under some conditions, greater local cohesiveness can actually exacerbate communal tensions.

### **How Important Is the State?**

A related set of questions refers to the incentives faced by central governments in devolving power to local communities. Under what conditions can devolution be sustained over the long term instead of

being rolled back by central authorities? How does this possibility of policy reversal affect the design and implementation of such programs? If participatory projects require an effective central state, is participatory development inappropriate in countries with weak states? How can local development be promoted in communities in which the central state is not effective?

The evidence overwhelmingly suggests that effective community-based interventions have to be implemented in conjunction with a responsive state. Yet almost all econometric studies of participatory interventions focus on the communities themselves rather than the context within which they operate.

More generally, research is needed on how to make the state, and its agents, more responsive to communities. What is most important—incentives, better monitoring, or training?

There is also a debate over whether donors can substitute for a non-functional central government as a higher-level accountability agent. It is possible that they may help in the short term (by improving the performance of interventions) but be harmful in the long term (by hampering the evolution of an effective state). This largely theoretical debate should be complemented by better evidence.

### **How Important Is Democracy?**

Credible elections within decentralized settings appear to provide a clearer mechanism than informal deliberation for punishing unpopular policy choices or excessive rent-seeking by incumbents. More research should be conducted on the conditions under which elections work, and—in particular—whether community-driven development projects that induce greater accountability with elections and mandated inclusion improve their effectiveness. Another important open question is the extent to which a shift toward democracy at the local level affects the allocation of resources, particularly if it shifts resources away from traditional elites and toward the less powerful in society.

### **How Do Top-down and Bottom-up Approaches Compare?**

The evidence is very limited on how top-down approaches compare with bottom-up approaches in delivering goods and services to communities. Most evaluations of participatory approaches typically compare the

intervention with the status quo—a counterfactual in which nothing is done. Such an approach says nothing about whether participatory interventions are better or worse than centrally administered interventions.

### **How Effective Are Local Interventions with “Soft Outcomes”?**

Questions remain even about the efficacy of local interventions that seek to achieve “soft outcomes.” Does participation build the capacity for collective action? Is it empowering? Do citizenship training programs work? Very few studies examine these questions, most of which do not lend themselves to easy generalization. Moreover, the literature tends to measure soft outcomes with responses to survey questions, which can be unreliable in measuring impact. Greater use of framed field experiments and behavioral games in conjunction with survey data could be beneficial.

### **What Is the Appropriate Role for Nongovernmental Organizations and Facilitators?**

Very little is known about the efficacy of the widespread practice of hiring nongovernmental organizations (NGOs) to plan and implement projects and provide services at the local level. Is doing so more efficient than giving such authority directly to local governments or community bodies?

Facilitators are the lynchpins of induced participation, yet almost nothing is known about their incentives, their training, or the social and political constraints they face. Much more could be learned about how to improve their performance and even the extent to which basic factors such as experience, age, and gender affect performance.

### **How Should the Poor Be Targeted?**

Too little evidence is available on whether targeting the poor with proxy means testing or other centralized “objective” metrics of household status is better or worse than community-based targeting.

### **How Important Is Corruption?**

A few important studies of corruption have been conducted, and there is an increasing, and healthy, trend toward relying more on direct

measures of corruption (for example, engineering assessments of road quality) rather than perception-based measures. This kind of research should become the norm, as improving the demand side of governance is often claimed as a cure for corruption and perception-based measures tend to map poorly to measured levels of corruption and capture.

### **How Well Have Livelihood Projects Worked?**

Livelihood projects and other attempts to use community-based interventions to repair market failures, including community management of microcredit funds, remain largely unstudied. Very little is known about attempts to use community groups (artisans cooperatives, farmers cooperatives, and so forth) for income-generating activities. Some case study evidence exist on these issues, but little rigorous quantitative analysis has been conducted.

### **What Makes Deliberation Effective?**

Another set of questions goes to the heart of the decision-making process within communities. What makes deliberation effective? Do facilitators contribute to the deliberative process? To what extent does deliberation influence the process of preference aggregation, building consensus among people with heterogeneous interests? How can the quality of deliberation be improved? Can deliberative spaces be made more effective and deliberative systems built?

### **What Kind of Research Should Be Conducted?**

Most studies of large-scale participatory interventions ignore the processes that lead to an outcome (or the lack of one). Process is much better understood with the use of qualitative tools. Thus, more than most other development interventions, evaluations of participatory projects call for a mix of qualitative and quantitative methods—something that is almost never done well. A promising mode of enquiry is the use of qualitative data with research designs that are typically associated with quantitative studies—large samples, experimental designs, or the use of methods to generate credible counterfactuals such as matching.

Very few well-done, in-depth ethnographies of participatory projects have been conducted. Although some development anthropologists are

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beginning to do serious work in this area, much of the literature on the anthropology of participatory development seems to rely on thin data (a perfunctory reading of project literature, “touch the water buffalo” field visits that last a week or two). Some of these studies have received wide attention in the anthropological literature, but their appeal likely derives from their ability to tap into preexisting prejudices about “neoliberal” institutions rather than from the carefully grounded ethnographic insights that characterize the best anthropological work.

### Monitoring, Evaluation, and Attention to Context: Results of a Survey of World Bank Projects

The variability in the local context and the uncertainty surrounding the trajectories of participatory development projects highlight the importance of developing effective monitoring and evaluation (M&E) systems. To be effective, participatory development projects require constant adjustment, learning in the field, and experimentation.

A notable example of an effectively monitored induced community development project is the \$1.3 billion Kecamatan Development Program (KDP) in Indonesia, which was active between 1998 and 2008. KDP provided block grants directly to rural community-based organizations to fund development plans prepared through a participatory process. In this regard, it was very similar to a large number of other community-based projects. Where it differed was in the extent to which it relied on context-specific design and attention to monitoring systems (Guggenheim 2006).

KDP’s design was based on two key elements: a careful analysis of existing state and community capacity and cooperative infrastructure, drawn from a set of studies of local institutions, and a deep understanding of the history of community development in Indonesia. Implementation involved creating a tiered network of motivated and trained facilitators, who created a feedback loop to facilitate learning and worked with engineers to supervise construction. Villagers took control of expenditures and procured goods and services on a competitive basis. They formed monitoring teams that checked the delivery of material and the quality of construction, reporting their findings to the village forum. In addition to participatory monitoring, the project conducted audits at the subdistrict (*kecamatan*) level. In

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addition, independent NGOs and journalists were contracted to monitor and report on the quality of the project on a random basis. These innovations in monitoring were supplemented with more conventional quantitative tools, such as a carefully designed management information system (MIS), several qualitative and quantitative evaluations, and case studies (Wong 2003). Most important, the project emphasized an honest system of communication, which allowed observations, both critical and complimentary, to constantly inform innovations in design and implementation. KDP is among a small group of World Bank-funded participatory projects that have made an effort to build effective monitoring systems.

**Most World Bank-funded participatory projects have not made an effort to build effective monitoring and evaluation systems.**

As part of the background work for this report, the authors conducted a review of M&E systems in World Bank-supported participatory projects, with a view to understanding the extent to which induced projects take learning by doing seriously.<sup>6</sup> The data come from the analysis of documents from 345 projects in operation between 1999 and 2007, all of which allocated more than a third of their budgets to participation. For a randomly selected subsample of 20 percent of these projects, the design of the M&E system was assessed by analyzing the project appraisal documents for each project. These documents—one of the main documents the Bank’s Executive Board examines before approving a loan—should ideally include a detailed account of the monitoring system and of the manner in which the project will be evaluated.

The analysis also examined implementation status reports and implementation completion reports for the sampled projects, in order to assess the effectiveness of the M&E systems proposed in the project appraisal documents. Implementation status reports are typically prepared by the project manager after every supervision mission. Implementation completion reports are self-evaluations of projects screened by the Independent Evaluation Group.<sup>7</sup> The analysis also assessed information from project supervision documents, which synthesize the results of regular project visits by Bank operational task teams.

An important limitation of these data is that they exclude any kind of M&E activity that is not reported in project documents. A survey of managers of current and recently completed community development projects was conducted to fill this gap. The survey, conducted in 2010, was sent to all 165 managers of the 245 projects that were either active in 2009 or had closed the previous year.<sup>8</sup> Forty-one managers (25 percent) completed most of the survey questions (all figures reported in this chapter come from project managers who completed a significant

portion of the survey). The responses suggest that the survey was more likely to be completed by project managers whose projects had some type of M&E system in place. The results therefore likely provide an upper bound on the presence and quality of monitoring and evaluation systems in place across all participatory projects at the World Bank.

### Findings from Project Documents

One of the striking things about the project appraisal documents is how similar they are. It is almost as if there is a template for participatory projects. Not only the design but also the language often seems to be cut and pasted from one project to the next, suggesting a lack of attention to context in designing participatory projects.

Although all of the project appraisal documents surveyed mentioned M&E, only about 40 percent described it as an essential part of the project design. And although 80 percent of the implementing agencies engaged an M&E specialist, the quality of the specialist—like the quality of the implementation—was highly variable. Furthermore, only about 40 percent of the sample documents detailed the kind of monitoring information that was collected. One-third of the documents did not even state that an MIS—a key project monitoring tool—was part of the information collection system.

To improve the quality of project M&E, the Bank introduced a new results-based management framework in 2004. All project appraisal documents are now required to show how the project's monitoring indicators will make it possible to attribute outcomes to changes introduced by the project. In the past, indicators were so broadly defined—"reduction in the gap between rural and urban income inequalities," "improvement of GDP per capita"—that they may or may not have been an outcome of the project. The new results framework requires that relevant and easily measured indicators be included in the final matrix of outcomes, so that project impacts can be more easily tracked. Furthermore, the results framework must include data collection methods and measurable objectives, as well as implementation status reports based on monitoring data, to improve learning by doing.<sup>9</sup> The results-based framework was also expected to make M&E more useful as a planning and management tool.

Sampled projects from before and after 2004 were analyzed to determine whether the introduction of these new standards improved the quality of M&E systems. The results show that although the

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Introduction of the results-based framework in 2004 does not appear to have improved the quality of monitoring and evaluation of World Bank projects.

number of M&E indicators was reduced by nearly half, 40 percent of the indicators remained imprecisely formulated (“improved allocation of expenditures,” “careful monitoring of effectiveness”). And although the number of indicators reported in implementation status reports rose (from a quarter to about two-thirds), only 22 percent of projects appeared to have collected data on the indicators that were supposed to measure intermediate progress. Most projects thus did not have access to timely monitoring data and could therefore not have been engaged in learning by doing based on real-time project performance data.

The monitoring systems used in these projects were also assessed based on aide-memoires, midterm reviews, and implementation completion reports, which provide a running picture of the Bank team’s most important observations and recommendations over the life of the project.<sup>10</sup> Seventy-five percent of the assessments of monitoring systems tended to be negative. The most frequently observed deficiencies were the lack of a well-designed M&E system and poor implementation. These deficiencies were most often attributed to poor human and technical capacity and lack of sufficient funding. Other reasons included the lack of institutional capacity, the absence of a baseline (which made it impossible to track progress), and the formulation of outcome indicators that could not realistically be attributed to the impacts of the project.

Projects performed more or less similarly on evaluations. Although half the project documents explicitly mentioned that impacts were being evaluated and 70 percent of those mentioned some kind of impact evaluation with a comparison group, only 14 percent described the methods employed. Among the more credible methods mentioned were propensity score matching and randomized trials. But the majority used beneficiary assessments, participatory appraisals, and perception surveys, which are not well suited to making causal claims. In the remaining 30 percent of projects, it was not clear what was meant by an evaluation or how it was to be performed.

The degree to which M&E can help the project adapt through learning mechanisms depends on the attention it receives from project managers (that is, whether M&E is a management priority). The experience of project managers with participatory projects may also matter. Among all 374 managers of participatory projects, 44 percent were managing more than one project, and about a third of these managers were managing three or more projects. Project managers tended to be fairly inexperienced with participatory projects, with an average of

Having more than one manager over the life of a project—as half of the World Bank’s participatory projects did—can be disruptive for effective management and learning systems.



1.85 years of experience in managing projects of this type and 4.3 years of experience managing projects of any kind. Half of all projects had two or more managers over their life, which can be disruptive for management and for effective learning systems.

An important aspect of learning by doing—and the satisfaction of beneficiaries—is the existence of an effective grievance and complaint mechanism. A third of all project appraisal documents from 1999 to 2007 mention some kind of grievance mechanism, and the average rose from a fifth of all projects before 2004 to half of all projects after 2004. Most project documents from both periods, however, provided very little information about the grievance mechanism. Only a quarter of documents that mentioned such a process explained how it worked, and only a third made provisions for documenting complaints. Complaints received through these mechanisms were sorted into three categories: poor quality of construction works, lack of transparent project selection criteria, and lack of community involvement in the selection process. This rather generalized complaint system raises questions about how well these processes are established in practice.

Complaints and grievance systems can be powerful tools for ensuring that difficulties experienced by various project partners are considered and addressed in a timely manner. If used correctly, these systems can not only enhance project effectiveness but also promote community ownership of the project. In contrast, using these mechanisms as decorative planning instruments may undermine the engagement of different stakeholders if their complaints are not acted on.

Half of all projects since 2004 have included grievance mechanisms . . .

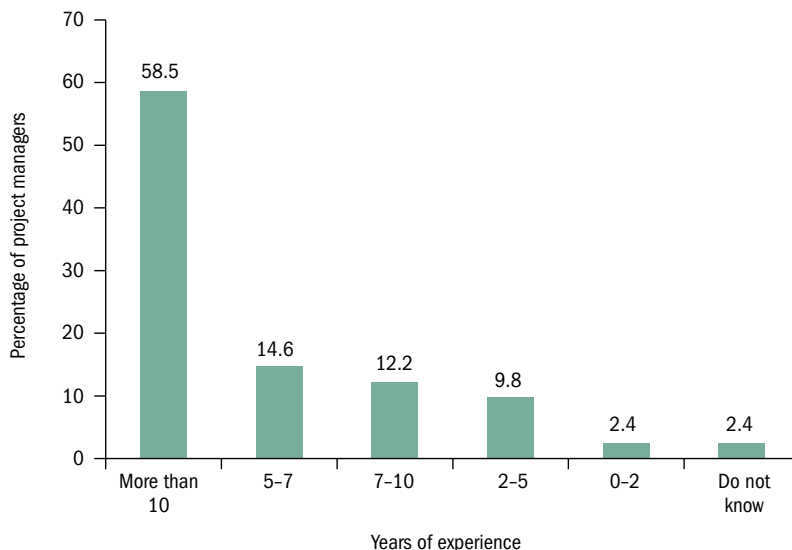
. . . but few explained how the mechanism worked or indicated how complaints were to be documented.

### Findings from a Survey of Project Managers

The group of managers who completed the survey had far more experience with participatory projects than the average project manager: only 5 percent had fewer than 2 years of experience, and almost 60 percent had more than 10 years of experience managing participatory projects (figure 7.1).

More than 60 percent of survey respondents reported that the project had an MIS system that collected and maintained data on both development objectives and intermediate outcomes. More than 60 percent reported that monitoring data were publically available in some form, and half of these managers indicated that this information was available on a website. Almost two-thirds reported that the project collected

**Figure 7.1** World Bank project managers' years of experience working on community-driven development and local governance projects



tracking data and that an impact evaluation was either underway or had been completed. A large share also listed other types of monitoring activities, including field missions, participatory assessments, and facilitator feedback.

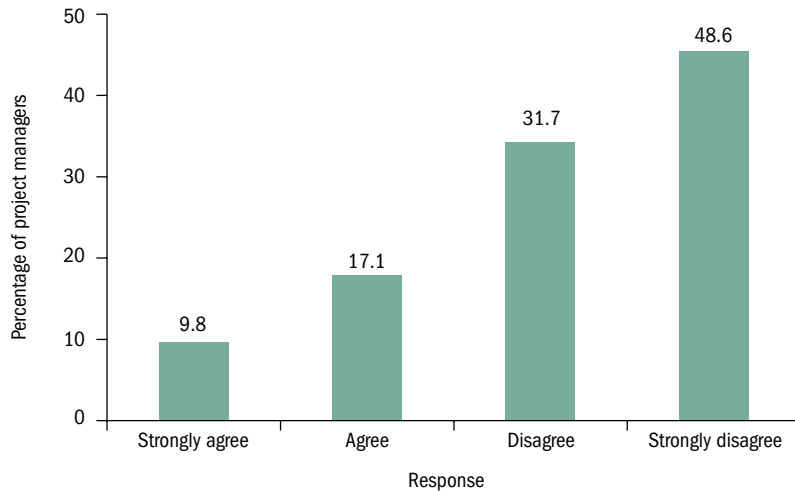
In the survey, 88 percent of project managers stated that their project had a grievance mechanism in place, and 64 percent of these managers (54 percent overall) reported that a record of grievances was being maintained. The results presented below should therefore be viewed as the opinions of seasoned project managers who were engaged to some degree in building effective M&E systems into their projects.

Strikingly, the vast majority of project managers do not perceive M&E as a priority for Bank Senior Management (figure 7.2). They also believe that if the Bank did not require M&E, government counterparts would not engage in it (figure 7.3). A large majority (75 percent) also believe that the Bank's operational policies do not provide any incentives to engage in systematic M&E (figure 7.4).

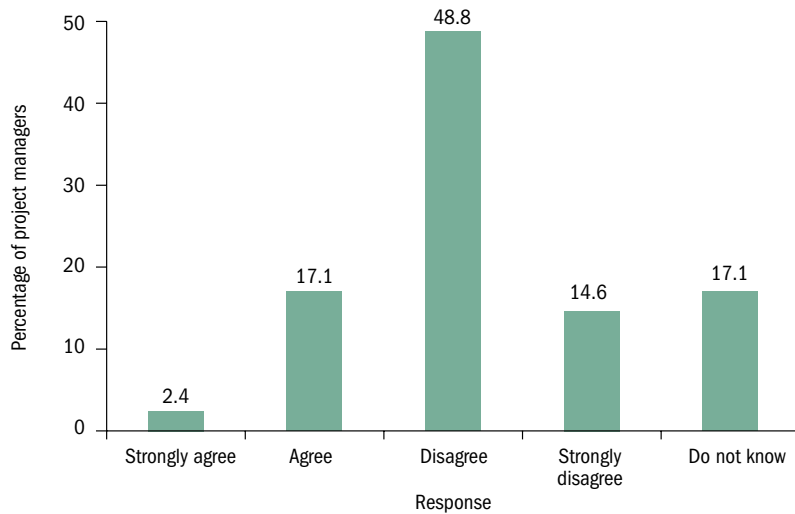
Two-thirds of project managers believe that the Bank's M&E requirements and supervision budgets are not tailored to project size, project complexity, or country context (figure 7.5). Only a third believe that the standard timeframe for projects (an average of 5.5 years) is sufficient for realizing participatory objectives (figure 7.6).

**Eighty percent of project managers surveyed believe that if the Bank did not require monitoring and evaluation, government counterparts would not engage in it . . . . . and 75 percent believe that the Bank's operational policies do not provide the right incentives to engage in systematic monitoring and evaluation.**

**Figure 7.2** Percentage of World Bank project managers who believe monitoring and evaluation is a priority for senior management

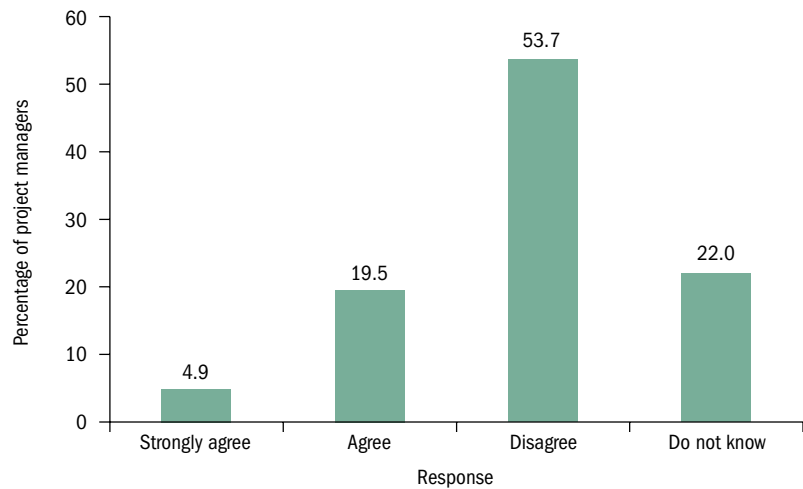


**Figure 7.3** Percentage of World Bank project managers who believe government counterparts would engage in monitoring and evaluation if the Bank did not require it

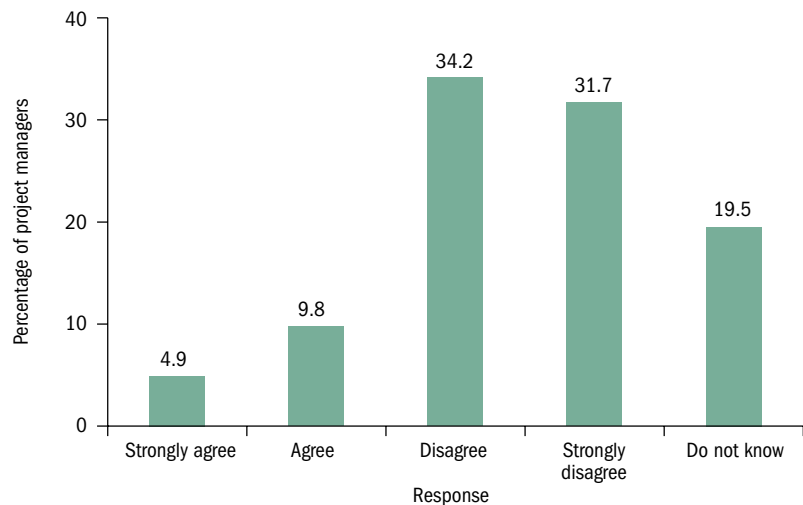


In the end, the measure of how well an M&E system performs is the extent to which data guide project implementation. In the sample review, only 14 percent of projects explicitly outlined procedures for revising the project if the M&E data indicated that it had gone off

**Figure 7.4** Percentage of World Bank project managers who believe the Bank creates the right incentives for them to engage in monitoring and evaluation

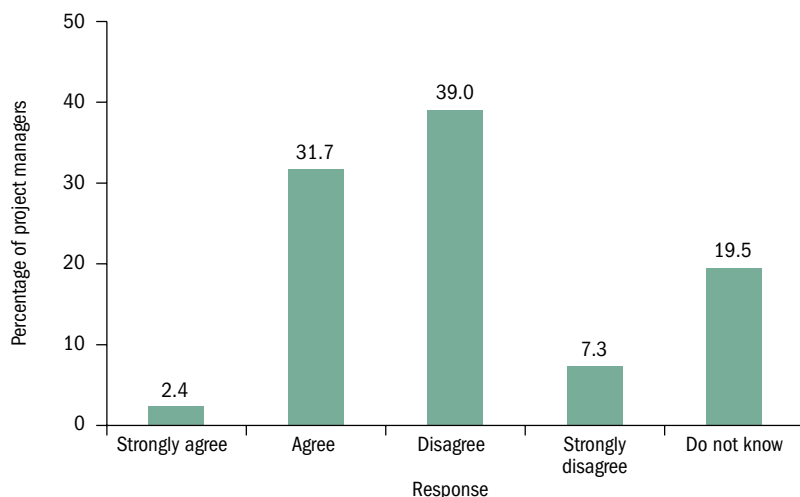


**Figure 7.5** Percentage of World Bank project managers who believe that project supervision budgets are tailored to project size, project complexity, and country context



track. Surveyed managers report that important project design changes occurred in only a third of projects. In half of those cases, the changes were induced by internal learning mechanisms; external advice and exogenous changes in the country induced fewer changes. Most changes

**Figure 7.6** Percentage of World Bank project managers who believe that participatory development projects are supported long enough to achieve sustainability in community processes



had to do with improvements to the M&E system itself (for example, refinement of indicators) or to the project's participatory mechanisms. These changes led to, among other things, more responsibility being granted to communities (for example, control over the project budget); increased inclusion of vulnerable groups in the participatory process; and closer collaboration with local authorities.

In sum, task managers who responded to the survey demonstrated a reasonable degree of awareness of what constitutes effective M&E design and practice in participatory projects. Many institutional barriers prevented them from translating this knowledge into action, however. An open and effective M&E system requires a tolerance for risk, flexible project design, and adequate resources, little of which was evident.

The survey highlights several problems, including along with lack of management support, the lack of an adequate project supervision budget, and the fact that most World Bank managers believe that governments see monitoring systems as a box to be checked off in order to qualify for a loan rather than as an instrument to help improve the effectiveness of projects. Given their sense that country counterparts have little incentive to implement good M&E systems, explicit support from the World Bank may be critical.

**Given project managers' sense that country counterparts have little incentive to implement good monitoring and evaluation systems, explicit support from the World Bank may be critical.**

## The Need for Better Monitoring and Evaluation and Different Project Structures

A review of the literature on participatory development conducted in 2004 found a lack of attention to both monitoring and evaluation (Mansuri and Rao 2004). Eight years later, the gap in evaluation is beginning to be addressed, but there is still a very long way to go. The lack of attention to monitoring changed little over this period. Inflexible institutional rules that do not internalize the complexity inherent in engaging with civic-led development remain, and insufficient emphasis continues to be placed on the importance of context. Unless these conditions improve, participatory development projects will continue to struggle to make a difference.

The World Bank and other donor agencies need to take several steps to improve participatory projects. Projects need to be informed by high-quality political, social, and historical analysis in order to tailor design to context. Currently, most Bank projects include very poor political and social analysis. There is more of a tradition of economic analysis, but even this has not been done well for participatory interventions. Analytical work needs to better understand the intersection between market, government, and civil society failures—particularly at the local level—and how the intervention would address them.

Instead of focusing entirely on inducing participation, policy may also be well served by finding ways to ride the waves of organic participation—by, for example, inviting civic activists to help monitor participatory projects, creating an enabling environment in which civic activists can be agents of change, establishing spaces for public deliberation in local governments, and working with both citizens and governments to create incentives for greater government responsiveness to the needs of citizens. It is not at all clear, however, that directly funding organic activism—say, through a grant mechanism for NGOs—would induce participation. The implementation challenges that come with scale would still be present, without the accountability governments face. Long-term development requires a sustained effort to improve the quality of governance rather than attempts to bypass it by working through organizations outside government.<sup>11</sup>

**Poor implementation is often the weakest link in inducing participation at the local level.**

Poor implementation is often the weakest link in inducing participation at the local level—and also the most difficult to fix—because implementation problems are deeply embedded within a country’s social and political environment. Implementation must grapple with some

of the most difficult challenges facing development policy, including deeply entrenched discrimination and inequality, a culture of corruption, and lack of accountability in government. Given the uncertain trajectories of change in local participatory development and the challenge of adapting to highly variable local contexts, it is critical to track funds, monitor and assess the performance of functionaries, and carefully assess changes in the lives of intended beneficiaries—all of which require effective monitoring systems and well-designed evaluations.

### Strengthening Monitoring

Good monitoring data can support project supervision and implementation in real time, reveal potential roadblocks early, and allow for sensible midcourse corrections (shifts in design or implementation). A credible learning-by-doing approach depends on such data.

The use of new cost-effective technologies, such as short message service (SMS)-based reporting and mobile phone-based data collection, could assist greatly in this effort. But better data collection is of no use unless it is coupled with efforts to make the data useful for project managers and facilitators at every level of the project. Making data operationally useful requires developing methods and interfaces where data can be presented in a useful and simple manner for project implementers to understand. It should also include process monitoring, where qualitative data from carefully designed case studies are gathered and summarized to help project staff better understand and find solutions to implementation challenges. Attention also needs to be paid to “soft” monitoring. Grievance mechanisms must have teeth, and complaints about projects must be addressed. Community members should be given authority to shed light on local problems.

### Improving Impact Evaluation

Although the impact evaluation of Bank projects has improved in the past eight years, there is much room for improvement. Most participatory projects remain unevaluated, and the projects that are evaluated tend to be the ones that are better designed and implemented, leading to a biased understanding of the effectiveness of such interventions.

It would be useful to view impact evaluations not just as tools to be used to assess the total impact of an intervention but as tools that can be used to inform project design by scientifically testing the efficacy of

The impact evaluation of World Bank-supported participatory projects has improved in the past eight years . . .

. . . but much room remains for improvement.

alternative designs in pilot projects, particularly in uncertain contexts, such as postconflict situations. In such contexts, a more experimental approach could be taken, in which carefully designed pilots are scientifically analyzed before being scaled up. Quantitative evaluations would also benefit from complementary qualitative work that sheds light on the processes and mechanisms that lead to change.

If monitoring and evaluation systems are to be useful, there has to be tolerance for honest feedback to facilitate learning . . .

. . . not a rush to judgment coupled with a pervasive fear of failure.

In order for M&E systems to be useful, there has to be tolerance for honest feedback to facilitate learning instead of a tendency to rush to judgment coupled with a pervasive fear of failure. The complexity of participatory development requires a higher tolerance for failure. Project managers must have the freedom to take risks and innovate without fear of reprisal if their innovations fail. Inculcating a culture of learning by doing requires a change in the mindset of management and clear incentives for project team leaders to investigate what does and does not work in their projects and to report on it.

Patience is a virtue. Project structures need to change to allow for flexible, long-term engagement with more realistic outcomes and timelines, leaving the door open for long-term and sustained engagement at the local level. Local participation does not contribute to development when it is nothing more than the ad hoc, myopic creation of projects. Local participation works when it has teeth, when it builds on organic movements, when it is facilitated by a responsive center, when it is adequately and sustainably funded, and when interventions are conditioned by a culture of learning by doing.

## Notes

1. A review by Gaventa and Barrett (2010) focuses on more organic forms of participation at the local level. They review more than 100 case studies of participatory efforts, highlighting several examples in which civic activists in municipalities and villages around the world have bravely and effectively fought against injustice and poverty and for inclusion and accountability.
2. Supply-side aspects have been the focus of other reports and reviews by the World Bank (see Shah 2006a, 2006b; Broadway and Shah 2007).
3. Several project managers have informed the authors of this report, quite forcefully, that they do indeed pay close attention to community capacity in designing projects, which, in their view, take civil society failure into account. However, a careful reading of the World Bank's design documents for participatory projects (PADs) reveals, with a few notable exceptions, that project designs demonstrate a shallow and naive analysis of the ability



of communities to manage their affairs and tackle local government and market failures.

4. See Tandler's (1997) seminal work on decentralized development in Northeast Brazil. However, participatory engagement may make a difference even in the absence of a supportive state, usually when engagement is organic and thus outside of, and often in resistance to, the state (Gaventa and Barrett 2010).
5. Baiocchi, Heller, and Silva (2011) develop a useful typology of the relationship between civil society and the state that has broad applicability to understanding the context for failures in deliberation and participation.
6. The authors are very grateful to Catherine Gamper for conducting the analysis on which this section is based. They are also grateful to the Social Development Anchor for its help in sharing the data and facilitating the survey with task team leaders.
7. The Independent Evaluation Group (IEG) is charged with evaluating the activities of the World Bank Group. Its director-general reports directly to the World Bank's Executive Board. The goals of evaluation are to provide an objective assessment of the results of the Bank Group's work and to identify and disseminate lessons learned from experience.
8. The distribution of projects across regions was as follows (the first number represents the share of participatory projects surveyed in each region, the second represents the share of each region in total projects surveyed): Africa (43 percent, 31 percent); Latin America and the Caribbean (4 percent, 19 percent); South Asia (9 percent, 17 percent); Europe and Central Asia (13 percent, 13 percent); East Asia and Pacific (19 percent, 12 percent); Middle East and North Africa (11 percent, 7 percent).
9. In the past, data collection was often referred to as "general statistical data available," and targets were described in vague terms such as "improved," "increased," or "decreased."
10. On average, there were four aide-memoires per project, and 40 projects had midterm reviews. Aide-memoires and midterm reviews were collected based on the same stratified sample described earlier. The number of projects reviewed was 40 instead of 68, because 28 projects had no English aide-memoires or midterm reviews available.
11. NGOs can play an important role in periods of crisis, when there is a need to deliver emergency assistance quickly. They can also be useful in implementing carefully evaluated experimental pilot projects, which can inform new designs.