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The Eritrea Community Development Fund Project

The Eritrea Community Development Project was established to provide poor communities, especially in the rural and war-devastated areas of the country, with sustainable assets and basic services required to improve their social and economic standards. ECDF was designed to promote community development and to strengthen the capacity of local communities to identify and select their development priorities, manage project implementation, and maintain community assets. Project interventions have benefited about 1,150,000 individuals (one-third of the population) of which 50 percent are women; average investment per capita was about US\$23.

The project was declared effective in June 1996 and closed in December 31, 2001. The project provided an important platform for harnessing local input in local development efforts, strengthened the capacity of communities to manage and implement their own development priorities, enhanced regional and local government's approach to community development and their capacity to conduct public procurement, and indirectly, strengthened

the capacity of local contracting firms to effectively engage in externally funded projects. ECDF's modus operandi, transparent procedures, and institutional arrangements which sought to build on existing institutional and community organization structures have contributed to establishing important building blocks to assist Government in moving the decentralization process forward. Based on its track record, the ECDF has and continues to be an important player in facilitating Eritrea's transition to local government-led program implementation.

Impact

An Intensive Learning Implementation Completion Mission was undertaken by the World Bank to permit a more comprehensive analysis of the project's implementation experience and achievement, focusing especially on lessons learned.

Education. Better access to school facilities for at least 375,000 children at the primary and lower junior secondary levels, of whom 48 percent were girls. Make-shift classrooms provided at least 20,000

Internally Displaced Persons (IDPs) with access to schooling. Approximately 200 women also benefited from skills training courses. The findings of an Impact Evaluation commissioned by the ECDF pointed to other positive effects. Of the school sites surveyed, the number of children attending primary and junior secondary schools increased by 191 percent and 69 percent, respectively after the construction or rehabilitation of schools. Travel time to schools was reduced by 50–60 percent on average.

Health. Improved access to health facilities and health care services for at least 180,000 individuals, of whom over 50 percent were women. The findings of the Impact Evaluation revealed that in the health facilities surveyed, the required services were being provided and, in some cases, even expanded. In addition, the number of episodes in households for nine major diseases (including diarrhea, malaria, TB, and others) were reported to decline by about 15 percent. Especially with regard to children, there was a reported decline in episodes of diarrhea, malaria, internal parasites, malnutrition, and respiratory diseases. Travel time to the health facilities as well as waiting time have declined.

Rural Water Supply. Increased access to safe water for at least 210,000 individuals. Women benefited from the close proximity of water sources, reducing their travel time, physical effort exerted, and workload. The cost of water was significantly reduced and the revenue generated for the community by the sale of water has bolstered the confidence of community to manage its own water schemes, including undertaking minor re-

pairs and regular maintenance. The construction of water supply schemes had a direct income benefit (albeit temporary), with contractors on average, employing about 42 community members earning Nakfa 49,500 (US\$3,700) per sub-project.

Feeder Roads. Feeder roads increased access to and from rural communities, markets, and social services. The Impact Evaluation indicated several positive effects resulting from the construction of feeder roads: (i) average travel per person per year increased by 56 percent along the feeder roads; (ii) increase in fertilizer usage, the mechanization of 170 hectares of land, and reduced loss of perishable goods; (iii) increase in access to a wider range of commodities available in local stores (iv) a reduction in the costs of transporting agricultural produce; (v) provided incentives for farmers to exploit new markets; (vi) stimulated agricultural production and created links between deficit and surplus areas; (vii) provided households with (temporary) employment opportunities during construction; and (viii) increase in the provision of government services due to easier access. While 97 percent of goods were transported previously by pack animals or on people's backs, after the feeder roads, 66 percent of goods were transported by trucks and another 21 percent by a combination of trucks, animals, and people. Pregnant women benefited from better transportation and this was reflected in the increased use of health services.

Natural Resource Management (NRM). The project supported community-based initiatives to protect and improve the environment. Ter-

racings sub-projects contributed to enhancing community awareness of the benefits of terracing and helped minimize soil erosion, raised the water level, retained moisture in the soil, permitted the reclamation of extra farm land, and generated income for households. Tree planting sub-projects are expected to produce long-term economic benefits from the sale of trees and short-term benefits from the sale of grass grown in the enclosure. There were also perceived positive health impacts through the planting of Mim trees which are believed to protect against malaria. Overall, NRM activities promoted a strong community-level organizational structure which is necessary for managing and sustaining sub-projects requiring the cooperation of the community as a whole.

Savings and Micro Credit Pilot (SMCP) services were provided to 11,800 individuals, of which 36 percent were women, many of whom were able to use loan funds to improve their livelihood and increase their self-confidence and economic independence. Average household income increased by 20 percent; clients with a cash holding of Nakfa 10,000 (US\$ 741) increased by at least 50 percent, and average monthly household expenditures of clients increased by about 24 percent. The SMCP provided a platform for promoting institution building, notably through strengthening the capacity of village administrations to manage village-based savings and micro credit services program. The organization and operation of the village banking model (with its underlying solidarity group structure) promoted community cohesiveness, highlighted the important of collective

action and accountability by members in servicing and repaying loans, and strengthened the interaction and relations between the village administrator vis-à-vis credit committee members, the village bank membership, and even the rest of the village residents. SMCP's portfolio quality has been sustained at a high level, with repayments at almost 97 percent and has achieved an operating self-sufficiency level of almost 173 percent by project closing. Work is under way to develop SMCP into a National Government Program.

Markets. The construction of market places provided access to the rural population, including urban dwellers. Apart from the gainful employment of about 325 traders of which the majority were women, the construction of markets provided job opportunities for community members. Traders were able to derive some savings from the lower operating costs due to subsidized rent and shared utility bills. Operating with full occupancy and in an environment of peace, these market places are expected to generate employment for about 800 traders of whom 80 percent would be women. Compared to the old market places, those constructed by ECDF are clean and hygienic and promote good health practices.

Veterinary Clinics. The construction of veterinary clinics increased the access of households, including women, to veterinary services. Livestock owners benefited from: (i) increased income from the sale of animals and animal products, (ii) improved livestock production capacity; (iii) increased draught power for transportation and production purposes, and (iv)

improved animal health and reduced animal mortality. Women benefited from the closer proximity of clinics. Improved access to veterinary services contributed to a decline in animal loss from diseases, providing households with savings.

Lessons learned

- Efforts to build on existing institutional structures should be complemented by explicit measures such as greater community mobilization, information dissemination and targeted capacity building to ensure that the institutions function in an effective, inclusive, and participatory manner
- Clear mechanisms and incentives need to be established up-front to facilitate the achievement of the less visible objectives of institutional development and sustainability. The trade-offs between the physical and more qualitative output targets need to be confronted in the project design stage and the hierarchy of objectives needs to be defined and established up-front. Explicit measures are needed to compensate for the natural bias towards maximizing immediately visible and more easily measurable results.
- By promoting local governance, transparency, accountability, local capacity building and sustainability of local services, community-based projects can contribute to a country's broader efforts to decentralize the provision of public goods and services in a way that also helps local governments fight poverty. Social funds can thus help transform "top down" and heavily central-

ized institutions to more participatory institutions that encourage and sustain local level involvement.

- Maximizing development impact requires that interventions be designed in a more integrated fashion and that necessary complementary inputs, including "software", are in place.
 - Community-based projects can simultaneously create short-term jobs and improve basic social and economic infrastructure and facilities that are critical to developing a country's human resources and expanding private sector employment and growth.
 - Rigorous and continuous implementation of well-defined capacity building measures, including the establishment of appropriate mechanisms, can enhance the sustainability of service flows over the operational life of project investments
 - The village banking model can promote community cohesiveness and community-driven micro-finance development. Close collaboration with lower level administrative structures also provide a dynamic foundation for strengthening the institutional development of community-driven micro-finance development.
 - Social Fund operations can be more effective when (i) community-driven projects include the development of social capital and institution building as explicit objectives; and (ii) interventions are linked to more broader national goals of promoting sustainable development and reducing poverty.
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- Social Funds are effective in delivering urgent basic social and economic services during conflict and post-conflict periods. By ensuring a complementarity between ECDF goals and broader national development objectives at the outset, and by building on, strengthening, and collaborating with existing Government and local institutions during implementation, ECDF was able to assist the government in addressing war-related emergency needs. Flexibility in project design allowed ECDF to quickly make the necessary adjustments during implementation.

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