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Community Driven Development and Local Collective Action Capacity

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Abstract

In areas with entrenched poverty and weak state presence, community driven development (CDD) initiatives aim to secure the provision of services such as water, waste water and electricity, while engaging the community as stakeholders in a way that ensures sustainability. CDD is today a widely used approach in both government and donor funded development efforts. Communities prioritize local needs and contribute resources and labor; external actors provide support, sometimes contingent, consisting of supplementary funding and sometimes capacity building. Given limited resources for development, not all community projects can be supported by external funds and considerable variation exists with respect to how community projects are selected. In many CDD programs, the selection process induces competition between local communities over external funds, even if this is not the intention. In those cases, communities mobilize and coordinate efforts under conditions of significant uncertainty regarding whether the external funds will be provided, and thus if the public good will materialize. This paper spotlights this aspect of CDD program design and sounds a call for more systematic assessment of how CDD design affects local collective action capacity. We illustrate the arguments with data from 87 interviews on rural development efforts in Tanzania, comparing two cases from the same local context but differing in terms of CDD design.

Keywords: Community driven development, electricity, public services, SDG

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Introduction

Community involvement is today an integral component of much development work and policy, and especially in efforts to provide local public goods such as schools, water and sanitation systems, and local electricity systems. Community driven development (CDD) is an umbrella term and denotes an approach to development consisting of funding from external actors – governments, donor agencies or development banks – in combination with, and conditional upon, community participation and financial or in-kind contributions. Especially in rural settings where state presence and resources are limited, engaging local communities in these capacities has the triple benefit of ensuring that development projects align with local needs and priorities, inducing a sense of local ownership, as well as maximizing the impact of limited resources. According to a recent estimate, five to ten percent of World Bank lending has gone to support CDD programs over the past decade, totalling around 26 billion USD (Wong 2018). CDD projects around provision of water, waste water and electricity systems can play an important role in the implementation of SDG 6 (water and sanitation) and SDG 7 (energy) and to better understand when and why they work well is key to realize their full potential in this regard.

The track record of CDD projects is largely positive in terms of delivering public goods to underserved areas, but more mixed in terms of the sustainability of projects (Miguel and Gugerty 2005; Kremer and Miguel 2007), or transforming local hierarchal relations with respect to gender, social position or ethnicity; whether projects succeed in mobilizing and serving the most in need, or "poverty targeting" (Baird et al. 2013, Carlitz 2017), or social cohesion and social capital (Casey 2018; Mansuri and Rao 2013; Wong and Guggenheim 2018, but see Fearon et al. 2009, 2015). The spillover effects that early proponents hoped for – first and foremost that the local institutions formed to meet the conditions of CDD programs would become arenas for more continual and transformative development – have, however, not come to pass. This paper speaks these 'softer' outcomes with a specific focus on how certain design elements of the CDD approach may affect local conditions and dynamics in a way that may even undermine future local development work.

Community contributions in CDDs hinge on local capacity for collective action, not least to identify priorities and propose projects that will benefit the local residents most in need, and to ensure project completion and survival. Many projects fall prey, however, to the interrelated types of problems of capture by local elites and lower-than-expected "demand" for participation by non-elites. A considerable body of research examines "supply factors", i.e. how the design of CDD programs contribute to their success or failure. This paper argues that supply and demand factors cannot be studied separately, but rather that the design of CDD programs may have implications for the "demand" for participation (Wong and Guggenheim 2018, 28). We unpack what CDDs expect of communities and, drawing on theoretical work on collective action, argue that one common design feature of CDDs – that programs provide inducements for communities to mobilize with no guarantee of receiving the external contribution – may weaken the collaborative capacity needed for the success of the project and even for subsequent local development efforts. While justifiable from an efficiency perspective, we argue that over the longer term, this design approach introduces considerable unpredictability in the expected benefits of collaborations, and therefore incur significant risk for local communities, which may affect community members' willingness to engage.

The empirical section illustrates how unpredictability of payoffs may affect collective action capacity by comparing two nested cases of public good provision in rural Tanzania. The two (clusters of) cases are in

the same setting, involve the same actors and share many potentially relevant conditions. The first case consists of government funded CDD projects initiated and carried out in the framework of the national development strategy of Tanzania (Ewald 2013; Green 2014; Kamando 2014); the second case consists a project related to the extension of a local electric grid carried out under the purview of an international NGO with a long-running local presence. Community contributions were an integral part of both cases, but with the notable difference that in Tanzania's rural development approach, local contributions are required to even be in the running for counter-funding from the district government. Local initiatives began and then enter a competitive filtering process, only a few of which receive the needed supplementary funding from the district government. In contrast, in the NGO led project, funding was secured prior to local investment of effort. We examine these differences in approach and their implications for communities' ability and willingness to mobilize coordinated efforts. Moreover, we also reveal that CDDs and similar approaches expect community contributions beyond what is expressly stated and studied in previous research. The stated expectations include that the local community should collaboratively identify needs and make in-kind contributions. We argue that a second form of active involvement is implicit in the term 'ownership', namely that the community exercises vigilance and denounces problems and mismanagement, which warrants attention as well.

Community driven development: three stages of involvement

As a precursor to presenting the main argument, it is first necessary to understand what precisely is expected of the local community at various stages of community driven development (CDD). Co-production is part and parcel of the CDD agenda promoted by the World Bank and others, where projects typically are financed by funds from government (or NGOs) that are matched by local contributions (Dongier 2004, 318). This is no small agenda: in 2021, the World Bank supported 374 CDD projects in 93 different countries. Total lending for CDD projects amounted to $42.6 billion, of which 66% was concessional loans or grants through the International Development Association (IDA) (World Bank 2022). While more recently promoted by global development actors, co-production models have existed for a long time and under different names such as community copay arrangements (Casey 2018, 145); government-community, or public-public partnerships (PuPs, Dill 2010); or community-based management (CBM, Bisung 2021, 2). As the terminology implies, the approach sees development as both a top-down and bottom-up process, entailing the pooling of contributions from inside and outside the local community.

What, then, does the community component more precisely entail? And why are poor communities expected to co-fund investments in public goods? Communities are expected to participate in three capacities, which correspond to three stages of a project: 1) identification of local priorities and project development, 2) co-financing and labor (collection of local contributions in the form of fees or materials, and coordination of local labor contributions), and 3) project implementation and completion (Bisung 2021).

Community involvement in the project initiation stage primarily seeks to ensure that policies and projects are appropriate to the local setting and not biased by preexisting local power structures (Boräng and Grimes 2021; Grandvoinnet et al. 2015). When local governing structures are absent, external actors have historically

supported the creation of institutions (e.g., village development committees, VDCs) needed to organize both local planning and coordinating work (Casey 2018). While the involvement of the larger community might remain quite limited in state 1, stages 2 and 3 requires the community to make significant investments in the project. Community involvement in the second stage consists of contributions in the form of money, labor or materials. Such contributions at times entail collections of money from the whole community or from prospective beneficiaries, or, especially where liquidity is a problem, communities may contribute materials that can be locally sourced, such as clay bricks, stones, gravel, sand (Bisung 2021; Olken & Singhal 2011), or labor. In the projects studied by Fearon et al. (2015) labor or in-kind contributions worth 10% of project value were expected. For water projects, contributions may entail preparing land for bore holes, and for local electricity systems the local labor contribution can be, for example, to dig trenches for cables and prepare land for the lines. While monetary as well as in-kind contributions constitute a tax and are often regressive (Olken & Singhal 2011), many still find them justifiable for lack of better alternatives, since "the financing requirements to improve poor people's access to basic services far outstrip the availability of public funds" (Dongier et al. 2003, 318). The empirical record shows that this design has expanded access to public goods and services (Wong 2012). Local co-financing is, however, also seen as serving additional purposes. By asking communities to contribute themselves, communities', "true" preferences are revealed since mandatory community contributions help in "ascertaining through willingness to pay that services respond to real demand" (Dongier et al. 2003, 319). In the spirit of actions speak louder than words, community contributions signal preferences more convincingly than a simple vote.

Community copay contributions rely on a mix of voluntariness and coercion to succeed. Local solutions for collecting ad hoc contributions, or informal taxation, to fund local public goods are well documented in studies of social extraction in the Global South (Lust and Rakner 2018; Olken and Singhal 2011; Prud'homme 1992; Post et al. 2017). Local institutions and authorities, whether political or social, deploy enforcement mechanisms ranging from purely reputational sanctions in the form of public denouncements to fines or other forms of punishment (Lust and Rakner 2018, 283; Olken and Singhal 2011).

In the third stage, CDD approaches assume that members of the community will engage in accountability efforts to ensure both the completion as well as the maintenance of the planned project. Engagement at this stage may entail requesting progress updates, prodding local representatives to apply for and secure external funding, and use funds for the intended aim – such as spare parts and technical maintenance, in the case of electricity systems. In some instances, a user board may be established to oversee upkeep and maintenance and the administration of user fees or donor funding. Such user boards require an investment of time and effort and may or may not be remunerated. Even with a user board in place, however, the larger community is often implicitly assumed to take on the role of an accountability forum (Bovens 2007), i.e. exercise ongoing vigilance, report problems or suspected mismanagement, and in this way contribute to limiting leakage and ensure the longer-term survival of projects. For individuals of the community, there are important costs involved. Voicing complaints to or asking uncomfortable questions of local leaders regarding agreed upon projects, or of board members regarding project management, may entail social discomfort and risk, as it entails going against the grain of local hierarchies.

Collaboration in CDD projects thus entails significant individual effort and poses a collective action dilemma. In the second stage, the favored strategy for a self-interested actor would be to avoid contributing

while others do. In terms of the third stage, the favored strategy would similarly be to ignore signs of mismanagement in the hope that others will notice and call attention to them. CDDs therefore rely heavily on local capacity to induce or coerce community members to engage in various ways at several stages.

In the light of the iterative demands CDDs pose on communities, reports of their uneven impact is on the one hand understandable. Research pinpoints two interrelated problems: elite capture and weak citizen engagement (Boräng and Grimes 2021; Mansuri and Rao 2013). Elite capture may follow from weak citizen engagement in decision-making and accountability stages, or alternatively dissuade engagement if citizens deem such efforts unlikely to yield results. While this research has tended to attribute these problems to pre-existing local conditions, we offer a complementary explanation and claim that they may be aggravated by the design of the programs themselves. In the following, we argue that the built-in element of uncertainty in some CDDs can introduce deleterious effects and potentially undermine citizens' willingness to engage in collective endeavours.

A few studies have examined the effects of CDDs on social cohesion and capital, concepts closely related to collective action capacity. Building on the World Bank's own program evaluations, Wong reports that evaluations of only eight CDD programs included evaluations of social capital. She notes that positive effects were detected in two of these (Kalahi-CIDSS in the Philippines and the Social Recovery Project in Zambia), with no effects in the others (2012, 34-36). These studies provide little the way of an explanation for why some programs enhance social capital while others do not, however. Desai and Olofsgård (2019) report positive effects in a program in India and find for example that randomly selected villages supported in the creation of self-help groups later exhibit stronger norms of cooperation than those not included in the program. Studying a community-driven reconstruction (CDR) program in post-conflict Liberia, Fearon et al. (2009, 2015) find that in the communities that were randomly selected to participate in the program, social cohesion and collective action capacity was higher after the intervention compared to non-treated communities.

CDD designs vary on a broad range of features, including on the role of the community. While CDDs by definition involve the community, a key point of variation relates to *when* the local community is expected to become involved and specifically how extensive their investment is prior to securing external funding. Competition for grants is an integral component of many CDD programs. Not all communities that invest in the planning stage, negotiating and deciding on a specific project, can count on receiving the needed co-finances from external actors, in other words. Communities may not only need to develop a written project plan but also produce the community contribution, e.g., by extracting the needed materials or even beginning the construction work, before supplementary funding from the external actor is decided.

It is worth noticing that where effects of CDDs are assessed using RCT-design, local communities are often not required to invest any effort prior to the random selection of treatment communities. For example, in the studies by Fearon et al. (2009, 2015) communities were selected through public lotteries into treatment (the implementation of the CDD program) or control. When selection of communities is done before local contributions are required, local collective action efforts are made in communities that are already "winners" in the sense that the external funding is secured.

In many CDD programs, however, the distribution of external funds is decided on *after* local communities contribute, and in the process local communities in practice are in competition with each other over limited external funds. The next section expounds on how such CDD designs may increase the uncertainty of the payoff of cooperation by introducing competition between communities over external funds, and how this may have implications for the cooperation capacity of local communities.

Uncertainty about payoffs and collective action for public goods

In most situations that require collective action, the expected value of the payoff will be an important factor influencing the likelihood of cooperation. Research on common pool resources points out that actors calculate whether the costs of collaboration are warranted in relation to the expected benefits of the payoff (Ostrom 2000). If the expected payoff is of high value, cooperation is more likely.

As is well described in research on social dilemmas, however, cooperation often falls short of the necessary levels even when the potential payoff relates to basic necessities and utilities of great value, e.g. water or electricity (Mansuri and Rao 2013). We argue that collaborators are likely to evaluate not only the potential benefit of the payoff of collaboration, but also the *probability* that it will materialize. Even when potential payoffs are highly valued, willingness to contribute to collective efforts may suffer if relevant actors see considerable uncertainty regarding the payoff.

Some uncertainty of the outcome is present in any collaborative effort as other players may defect. When the cooperation involves a set of actors known to each other, however, rules, a high level of observability, and enforcement mechanisms reduce uncertainty about others' actions. When local collaboration is inserted in a co-production model of CDD design, another layer of collaborators is added. Moreover, the external actor generally provides resources that cannot be sourced locally and is therefore a player whose collaboration can unilaterally determine whether a benefit is realized, and uncertainty of its contribution means uncertainty of the benefit. The likelihood that the payoff will materialize is thus a direct function of the certainty of the contribution of external actors. If the external contribution is uncertain, even subsequent to successful local collaboration and contributions, this may affect prospective collaborators' calculus, and undermine willingness to collaborate on a voluntary basis. Close examination of program design and the role of the external actor in CDD, whether a donor, NGO or government, is therefore warranted.

At first sight, commitments by such external actors – with much more predictable resources and organizational structure than the local community – would seem highly credible and with low risk of defection. There are, however, several factors that render the external contribution less predictable. First, in co-production projects, it is often expected that the community moves first, before the selection of projects. Only when the community has completed its own required resource units, the external actor will decide whether to provide the needed material for completion of the project.

Requiring communities to move first brings important advantages in terms of revealing the "true preferences" of communities and limiting the risk of wasted resources. From the point of view of the external

actor, this set-up keeps risks to a minimum, as communities' commitments are secured when deciding how to allocate funding. While risk-reducing strategies make sense, particularly in low-trust environments, it is notable that these arrangements push the risk of resource waste entirely on to the community. When communities' investments are used to field viable projects, it invariably means that some communities will *not* receive the material needed for project completion despite having extracted the needed contributions locally. In other words, a community investment to prepare land for a bore hole may be wasted if external funds fail to pay for the drilling and are instead allocated to other projects.

In addition to the selection processes in which external donors may only consider co-funding projects already well underway, external actors, and governments in particular, may be subject to agenda shifts or the whims of politics. A study of government financed small development projects in Ghana finds for example that fully one-third are never completed, with evidence suggesting that inconsistent preferences may be an important contributing factor (Williams 2017). Community projects thus face a double risk: not getting selected in the first place and being discontinued even if selected. The selection process combined with the potential for shifts in the priorities of funders inject an appreciable degree of uncertainty with respect to the external actors' contribution, and therefore also the payoff of collaboration.

Uncertainty of outcomes may affect collaboration cognitively but also psychologically. From a cognitive perspective, potential collaborators may compute a rough estimate of the value of the promised benefit but also the likelihood that it will materialize, and even where the value of the benefit is high, the product of these two estimates will nonetheless be low under conditions of high uncertainty. A high degree of uncertainty may also induce learned helplessness effects. An extensive body of psychological research finds evidence that performance-outcome noncontingency can diminish motivation and performance. Experiment participants may, for example, be told to solve a problem to secure a desired outcome, such as ending an unpleasant noise, but in reality, there is no connection between their performance and the noise. The lack of control decreases motivation to solve the task and induces doubt in participants regarding their own capacities and abilities (Mikulincer 2013, 11-12). Over the longer term, the disconnect between efforts and the successful production of public goods and services may undermine community members' willingness to collaborate. The empirical analysis illustrates these theorized effects in the context of local development efforts in Tanzania.

Data and design

In Tanzania, the model for rural development is state led but with institutionalized community participation (Ewald 2013, 140ff; Green 2014, 6-8). The model, established Tanzania's first president Julius Nyerere, aimed to combine socialism and "indigenous forms of rural cooperation" (Green 2014, 6). The model resembles the CDD approach in two respects: funding is provided by the national government and, in the Tanzanian model, channeled to the villages through the district governments. Second, because the tax base in villages was and continues today to be very small, the main tasks of village leaders and councils are to identify at village meetings development priorities of the local community, and then subsequently contribute labor or resource to the project (Ewald 2013, 140). Importantly, in the Tanzanian model, villages each identify a number of priorities, and the ward – an administrative level between the village and district – then

selects which projects to present to the District Development Committee, which then chooses which to fund (Ewald 2013, 140).

The empirical illustration brings in evidence from a cluster of villages involved in various projects for public service provision. The focus of the comparative element is on local collaborative efforts to secure funding for local services from the district government, compared to collaborative efforts related to a small-scale hydropower electrification project under the stewardship of a European NGO. The NGO has a decades-long presence in the area and are thus well-known to local residents. The first case, local contributions in combination with district funding, falls under the general model for community development in Tanzania. Similar to the setup in some CDD programs, a precondition for villages to receive district funding is that they have already produced the local component of the public good, equivalent to 20-25% of the cost, according to our interviews. These contributions are to a large extent in kind (including labor) but there are also monetary contributions. The second case examines a push to expand the local electric grid. The NGO, together with the local utility company, provided funding and also required community contributions to connect two separate hydropower systems (located 50 km apart) and connect the smaller villages along the way. It is important to note that while household electricity access is a private good, the expansion of the electric grid, which is what we focus on, has many public good aspects to it. The extension of the grid is meant to benefit the whole community for example by providing access to electricity in public buildings and facilities. In the cases we study, the public good component is evident in that the whole community was expected to contribute and not only those that opted for a private connection.

The case of grid expansion is, for obvious reasons, directly relevant to SDG 7, and the first case – where funding is sought from the district government – includes initiatives for water systems, with direct relevance for SDG 6, among other public service projects. Importantly, however, the general dynamics we study are common for a wide range of CDD projects, and the results are therefore relevant for many initiatives for provision of water, wastewater and electricity systems.

Crucially, the two cases – both of which saw local collective efforts combined with supplementary funding from either government or the NGO – differ with respect to the likelihood that the supplementary funding would be provided. From the perspective of participants, the predictability of the payoff varies, allowing us to analyze the consequences for collective action.

In the nested cases the institutional setting is the same, as are the actors involved. This allows us to discount the effects of numerous contextual factors on local collective action. For example, government institutions can affect local collective action via two mechanisms: through people's trust in one another, and via beliefs of the likelihood of being sanctioned for non-collaboration. Generalized trust, or social capital, is as one of the most important determinants in a groups' ability to overcome collective action dilemmas (Ostrom 1990; 1998), and corruption exerts a strong negative effect on social trust (Dinesen and Sønderskov 2021). Relatedly, corruption but also state presence (or absence) shape the capacity of the government to act as third-party enforcer in local collective action efforts. A reliable, trustworthy and impartial third-party sanctioning system provides assurances, better enabling local collaboration (Yamagishi 1986). Village leaders are involved in mobilizing labor and other local contributions in both cases, both cases include the same villages, and all villages studied are in the same ward and therefore also the same district. Consequently, the cases share the same institutional frameworks and their effects on social trust, beliefs about others' willingness to collaborate, and local authorities' enforcement capacity. They differ, however, with respect to which party

provides the supplementary resources, and thus in which stage the co-funding decision is taken which affected the probability that community contributions would result in the desired public good. We thus find it reasonable to suggest that variation in the uncertainty of the payoff from collective efforts may help to explain the differences we see between the nested cases.

We examine two types of collaborative efforts related to public goods provision. First, we assess the willingness to participate in contributions of labor or materials or, in other words, the degree of voluntariness of quasi-voluntary contributions. While it is possible to force unwilling participants to work for collective purposes, this comes with a high cost in terms of both legitimacy and resources. Especially in contexts of severe resource constraints, voluntarily contributions greatly increase efficiency. The second form of collaboration we examine are those related to accountability actions, i.e., whether members of the community make demands, voice complaints, or pose uncomfortable questions to local leaders regarding promised projects. At first sight, it might seem counterintuitive to treat complaints as a form of collaboration, but as the cases show, dissatisfaction existed in both, but propensity to voice complaints differed. Making demands and asking uncomfortable questions signifies dissatisfaction, dissatisfaction does not always translate into voicing complaints. A belief that complaints are unlikely to yield results may instead induce resignation, passivity and a lack of motivation to confront local leaders (Bauhr and Grimes 2014). Dissatisfaction with an official who has a reputation of greater reliability may paradoxically lead to more complaints and demands, as the perceived likelihood is higher that complaints and demands may lead to improvements.

The case studies build on 87 interviews in six villages, participant observation, group discussions and focus groups to map both the processes of project selection and funding in the two cases, as well as residents' reactions to these processes. Interviews with citizens focused on participation, local collaborative efforts including enforcement, and trust for project proponents (the NGO and local authorities respectively). Interviewees include customers and staff of the local electric company, NGO staff, village leaders and appointed government officials, and members of the electricity user board. The research team carried out three field visits in 2019 and 2020.

Empirical analysis

The empirical analyses first map the planning processes used in the two cases to show how it affects the predictability of the external actors' contribution. We then analyze the two indicators of collaborative efforts to improve public goods provision: the willingness to participate in contributions of labor or materials, and accountability actions.

Predictability of payoffs in local development projects with government funding

Tanzanian village leaders, as noted above, develop a strategic plan that specifies prioritized needs (Ewald 2013). Since there is no local taxation or revenue reserves, village leaders must then also coordinate donations or in-kind contributions to complete prioritized projects. Many such projects require resources that

go beyond what can be extracted locally, and thus require village leaders to seek supplementary resources from the District Development Committee. Typically, three priorities are taken to the ward (7 villages in its jurisdiction, in the case studied). A ward council meeting considers all villages' priorities (i.e. 21, in the case studied), and selects three to be presented to the district level, where they will be weighed against priorities from other wards and evaluated in light of national development goals. The district then decides which projects from the various villages will receive funding.

Supplementary funding from the district is thus far from certain. The selection process itself means that only a handful of village level priorities receive district funding. A government official explains:

> I (interviewer): The projects in the strategic plan - the ones that you will [apply for funding] for, how often do they get funded from the district?
>
> R (respondent): There is a certain probability for a project to either be funded or not. I don't know what to say on this. Because all agendas that are a priority to the village are taken to the ward […]. For example, last year […] among things that were […] seen as important were the health center in village [a], and a primary school in village [b]. Other villages were told to wait […] because the ward chooses three [village priorities] to take to the district. At the end, the district plan includes three or four [projects] among all that are brought by wards. They check which village has the most urgent needs and give funds to that one, and tell the others to wait.

While villages submit their priority list, making the priorities on the one hand very locally anchored, in the final decision the priorities of higher levels of government also matter:

> The ward also checks its own priorities. For instance, now the ward wants to build a secondary school. Then there is no way that other villages' school building projects will get priority over that project.

This system – where a project passes through several selection rounds for counter-funding – means that only a fraction of the village priorities will receive support in any given year. While a village can always submit their project proposals again next year, they will face the same selection process again. One village leader with no nearby borehole described challenges with water.

> I: Who is responsible for developing the water system?
>
> R: It is the responsibility of the [village] leaders. We need to talk to the government because we need the equipment and the government needs to bring people to do a survey. We have already taken the issue to the government [last year] so now we are waiting, […] but we have not yet received a response.
>
> I: When do you expect to get an answer?
>
> R: [Laughing] Every year we make the strategic plan of the village and take it to the [ward/district] government, and the first priority is always the water. Maybe the government will finally understand that we really need the water.

When applying for supplementary government funding, villages are normally expected to be the first mover: not only in the form of defining priorities and project planning, but also collecting in-kind local contributions and begin construction. Only after that will the district consider providing complementary support. The government reportedly contributes 80 % while the village contributes 20%—largely in the form of labor. A typical example in the case of building a school is that the village itself – through *maendeleo* (community development labor) and monetary contributions – starts the construction process: making bricks, building the walls, etc. After that, the district can provide money for iron sheets for the roof. As a ward executive officer explained: "You don't ask [the district] for money to start, you ask for money to finish." He further describes how the community's contribution must be well under way before approaching the district:

> When you go to the district, you already have [most of] the building, the village's contribution is already done. The village needs to start the work, maybe not finish their entire part, but start. […] The district does a survey to make sure you've done what you promised.

The system is motivated by a need for higher levels of government to be convinced that the village really needs what they are applying for:

> We really need to see that it's a priority for the village and not just the leader's priority. If you just give the money, it's not certain it will be built. The best signal that the community is serious is that they've started building.

However, even when villages have completed the local component, the district may lack the funding to complete the project.

> I: If there are two school projects where two villages both started to build, and then that year there is only funding to pay for the roof for one of them. What happens then?
>
> R: If it happens that the district does not have enough money to give to the two villages that have started construction, then the district can ask one village to slow down or stop the construction until next year. They can allow the village with the bigger number of children to go on with the construction.

Thus, the system demands that villages invest effort under considerable uncertainty regarding the completion schedule or ability to complete the project whatsoever. Completing the local contribution is a necessary but not sufficient for funding. That the message of the district is "slow down" is significant. Outright rejections of projects seem rare, the message is mostly to wait. An official describes:

> I: As we understood, in the ward meeting villages have priorities and the ward selects three priorities and then the district selects three. From that it sounds like there are many projects that don't get funding. What happens to those priorities which don't get funding?

> R: The government doesn't really leave anything; the district never says *never* on projects, they just say what to start with…Generally, some may take time to be delivered but it is for sure that they will all be done in time.

Some projects can in fact remain unfinished – or "slowed down" – for quite some time. We suggest that this vagueness from the higher levels of government exacerbates unpredictability. After a "rejection", village leaders have a choice between the costly option of trying to realize the project at the village level, or simply to wait for a new, more positive decision from the district.

> I: For those postponed projects, what happens to them? Does the village wait or give up or decide to do the project themselves?
>
> R: If the village has the means [to] start the project, then they can go ahead with it. When the district doesn't have the budget, they can give permission to the ward or village to search for other funds […]. So it will be for the [village] leaders to decide whether to wait or to find other means, for example they can get contributions from the community.

Village leaders may at times 'write' the same priorities into the strategic plan many years in a row in the hope of securing funding.

> If the village doesn't write again and again they may not get funds and leave the building unfinished for a long time. On average a village may stay four to five years without any funded project from the district, so it depends on how motivated people are to undertake their proposed projects.

The interviewed official claimed that local communities do not lose motivation and will continue work until the district provides the remaining resources. Later in the same interview, he did concede to a direct question:

> I: Does it happen that some projects in the strategic plan, when they get rejected then the village drops them? Like they give up on those projects?
>
> R: Yes, it is possible.

In sum, communities make considerable collective contributions with no assurances that the district will provide the needed counter-support. Of the three steps of CDD described above (identify needs and propose project ideas, mobilize resources, and engage in accountability actions to ensure project survival), two must be completed for the community to even be considered for counter-funding. Even then, local initiatives enter a competitive filtering process and only a few received the applied for funding. While one local authority felt that this did not undermine the community's motivation, comparison with the second case calls this assessment into question.

Predictability of payoffs in electrification project

The NGO-backed effort to expand the electric grid also required local contributions. The NGO and local company visited villages to explain plans in village meetings and mobilize support. Communities were asked to contribute in multiple ways: first, each village elected representatives to serve on a user board, and these individuals liaised with communities to plan the exact geographical extension of grid. Second, communities contributed labor through *maendeleo*, in the form of digging trenches, cutting grasses and clearing bushes where lines were to pass.

While participation preceded construction, a key difference from the projects co-funded by the district was that the *selection* of participating villages (a selection based for the most part on geographical and technical factors) was made before communities were asked to provide their contributions, and the project was secured financially before demands were placed on local governments and inhabitants. As a rule, the NGO delivered on promises in a timely manner, meaning that once local collective efforts were complete, construction of the grid proceeded as planned. Our interviews suggest that residents took note of the contrast to government funded project: several respondents cited that the NGO's and the local utilities company's track record of delivering according to plan as a reason for their trust in those actors.

The certainty of the payoff was thus markedly different in the two cases of public goods provision. We now turn to the implications of uncertainty in the two cases, first with respect to willingness to contribute with monetary contributions and *maendeleo* work and second in terms of willingness to engage in accountability actions.

Willingness to participate

Starting with local government, the interviews with local leaders – from the village to the street level – indicate that mobilizing for *maendeleo* work and dealing with free-riding is a significant part of their job. Close social networks aid in monitoring and enforcement, helping to deter free-riding. When describing the rules and punishments used to ensure compliance (in this street, failure to participate was punished with a fine of 5000-10000 TSh, about 2,5-5 USD), one street leader explained:

> The village knows the total number of people in each sub-village. The number of children, elders, those who are sick, and the working population. Those included in the working population are the ones who are to pay for these contributions and to do the work. The other groups aren't included in collection of contribution. So, the working population has to work hard to make sure that they all pay, and we make sure all participate; because if we become laxer in [enforcement] it becomes easy for […] dodgers and non-payers […]. That is why it is important to have rules.

Even if many residents indicate that they willingly participation in *maendeleo*, ensuring sufficient collective mobilization and enforcement still require significant effort. When describing an unpopular previous village leader, one village leader pointed precisely to failure on this point:

> The leadership was weak in getting people to participate in village development activities. When [*maendeleo*] was announced […] very few people would show up which is bad, and the office failed to motivate them or mobilize [them] to do the work on time. He had laxer rules regarding those who didn't go to *maendeleo* […] to the extent that people felt no need to push themselves hard enough to participate. There was no punishment given to them, which made even those participating reluctant.

In the electrification project, residents expressed a distinctly stronger willingness to contribute. In the villages involved, people were keen to participate in work related to extending the electric grid. High willingness is explained by the value people attach to having electricity locally, and the relatively high certainty that promised benefits would materialize. With electricity already in the area, and the NGO's and the company's capacity to implement and operate public services proven, people felt certain of project completion.

On a direct question on whether contributions were a burden on the household or family, respondents stated for example, "No, I was happy when I heard that electricity was to come to our village, it was not a burden;" and "It was a good thing, for myself, I participated with a free mind, like when the heart is clear." One respondent implies that a threat of sanction did not contribute to their willingness to participate in the collective work:

> I: Were you personally involved from the beginning?
>
> R: Yes, … I participated. We were digging the trenches. My husband also participated.
>
> …
>
> I: Who asked your household to contribute?
>
> R: We did ourselves, because we liked the project.
>
> I: Were these contributions a burden on the household or family?
>
> R: No, we really liked it.

While the willingness to contribute was generally high, it is important to note that it was not unconditional. Some residents were expected to contribute despite not living near the planned lines, and therefore not able to benefit directly, and those were less willing to contribute. As a member of the user board put it:

> For instance, all streets are to be involved in making the trenches; some streets which have electricity and some don't. This raises concerns of why is it like this, when are we getting connection, or they may decide not to work on electricity related activities. Although we try hard to get them into working in the end – but we receive a lot of complaints too.

People do, in other words, take expected benefits of cooperation into account.

In sum, the interviews suggest that overall willingness to contribute is higher in the NGO-initiated project, but also that collaboration in the second case was contingent upon expected utility. In the projects relying on government funding, overall willingness to collaborate was lower.

Accountability actions

The second way in which local communities are expected to collaborate to ensure success in CDDs is through accountability actions: investing time and effort to voice demands and complaints, or pose uncomfortable questions regarding the progression of locally decided upon projects. Making demands and asking uncomfortable questions of course signifies dissatisfaction, but to reiterate, dissatisfaction does not always convert into accountability actions. Indeed, that citizens hold service providers (whether government or private) accountable is, according to the participatory development logic, key to sustainable service provision and an important component of many development interventions.

In theory, local government institutions in the area provide numerous opportunities to voice demands and complaints. Village meetings, open to everyone, are held regularly, and time is set aside for questions from the participants. Moreover, there is a system of leaders/representatives at a very local level (a street in a village), and these persons can be approached by anyone and are expected to channel upwards the concerns of people in their area.

Nevertheless, accountability actions around public goods provision appear limited. The issues that people brought on an ad hoc basis to their local representatives were often private concerns or requests for help with conflict resolution. At village meetings, there were some examples of people asking questions about the village budget, but this concerned instances where the village had received some money from renting out a building, or when there were discussions about whether trees on community land should be cut and sold as timber. Residents did not seem to inquire about government funding to complete an already started project with any regularity. This contrasts with the level of expectations and complaints villagers voiced in relation to the grid expansion. One respondent made the direct comparison:

> R: There is a difference between the village leadership and that of the company. […] The challenge with the village leaders is that they like tossing issues around unlike [the NGO] who are prompt at attending to issues. The village leadership also delays or takes issues lightly when there is a problem.

Somewhat paradoxically, a reputation of reliability can increase the level of complaints. Both members of the user board and staff from the local company reported fielding complaints. When the expansion encountered delays, indignation followed. One member of the committee describes the complaints he received:

> There had been electricity extensions to other villages through our village and some streets are without connections but there are transformers built. Now people ask why are we not getting connection while we have made our contributions, when is the electricity coming?

In addition, interviews with the manager of the electricity company as well as with members of the user board show that the accountability chain worked as intended. The user board channelled the demands up to the company and the NGO, as the provider of funds.

When reflecting on the assumptions inherent to the CDD model, it expects that local participation in projects will produce accountability-demanding behavior and thus strengthen the local social contract. However, we do not see such effects for the projects requiring government funds, whereas in relation to the NGO people did exhibit accountability-demanding behavior. The reason for this difference, we argue, is the degree of certainty of payoffs from invested time and resources in district funded projects compared to projects backed by the company/NGO. The expected certainty of payoffs seemed to have affected both willingness to collaborate in the local contribution as well as continue to put pressure on responsible parties regarding completion of the project.

Conclusions

The empirical evidence illustrates and substantiates key elements of the theoretical argument. The comparatively higher degree of uncertainty regarding counter-funding from the district government compared to the NGO or local utilities company seems to have had repercussions for both citizens' willingness to make in-kind contributions as well as to engage in accountability actions. While collaboration arose in both cases, local leaders noted a reluctance among local residents to contribute to projects for which government funding was needed, while interviews with actors involved in the electrification project generally described a high level of willingness to participate in local contributions. The divergent levels of predictability of outcomes in the two cases also seems to have informed citizens' sense of ownership. Residents rarely posed questions at village meetings about projects despite having themselves contributed to them at an earlier stage. In contrast, staff of the local utility company as well as members of the user board both reported frequent questions about delays, possibilities of extending the grid, and, later, problems with service provision. Interviews also suggested that trust for village leaders was considerably lower than for the utility company and the NGO, suggesting that the volume of complaints does not reflect a greater degree of dissatisfaction overall, but rather a belief that voicing complaints and making demands may lead to some outcome in the one case but not the other.

The CDD approach paradoxically enables greater provision of public goods and services but, depending on the specific design, may also introduce considerable uncertainty in the outcome of local development efforts. The degree of uncertainty is likely to be a function of several factors, but foremost among those is the proportion of projects that might expect to receive funding. In the case of district funding of local initiatives in Tanzania, considerable evidence points to that only a small portion of local priorities would receive co-funding from the district. If CDD programs can provide co-funding for a large share of local proposals, then competition introduces a low degree of uncertainty, which may even strengthen local collective action capacity. The second relevant factor is the scope of the local contribution needed to be considered for a grant. In the Tanzanian rural development model, villages are expected to not only identify priorities but to complete the local component of the project before receiving serious consideration from the ward and district levels.

Competition among local communities has a solid rationale, as it induces more investment and may strengthen ownership and activate accountability relations. Communities may complete their own contribution either in response to the competition, or the program design may require them to do so. Regardless of whether this design is stated or has emerged de facto, it serves the function of reducing the risk of waste

in the development sector. In a village in which local labor and materials have already been extracted and used to begin building a school, residents are likely to ensure that funding to put on the roof is used to that end.

This approach has the downside, however, that local communities incur all the risk involved. Rather than risking leakage in donor funding, communities assume the risk of leakage in in-kind contributions, as resources invested may not result in the intended benefit. The cases suggest that CDD program designs should consider the total risk taken by communities, i.e. the product of the certainty that external funding will be provided at the time the local investment is required and the size of the local contribution. A lack of predictability will, we theorize, increase the local enforcement costs of collaborative efforts and weaken the prospects for subsequent collective action. It may even contribute to undermining trust in local leaders and village development committees, if their demands on the community only occasionally result in promised benefits.

Moving forward, we welcome greater attention to the design of CDD programs and specifically on the way in which competition among local communities is structured. Studies of CDDs rarely provide detailed description of the project setup, making it difficult to assess in detail which programs might lead to fostering social cohesion and collaborative capacity, and which might actually undermine these important resources.

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