While the accountability and inclusiveness of institutions are often considered key determinants of economic performance, there is little agreement about how institutions should be designed. Researchers evaluated the impact of a community-driven development program in Sierra Leone designed to establish more inclusive and accountable local decision-making infrastructure by providing villages with small development grants to be allocated by village committees. Results demonstrated the program successfully established village-level organizations and tools to manage development projects, but there was no evidence that the program led to fundamental changes in local institutions or decision-making.

**Policy Issue**

While the accountability and inclusiveness of institutions are often considered key determinants of economic performance, there is little agreement about exactly how institutions should be designed, how to move from a system of bad institutions to one with good institutions, and whether and how foreign donors can help in this process. One of the most popular strategies employed by donors to promote democratic and accountable institutions at the local level is “community driven development” (CDD). Typical CDD interventions combine flexible grants that communities can spend on local projects with requirements that decisions must be made in an inclusive and transparent manner and training on how to do this. The participation requirements aim to ensure that the projects funded reflect the needs of the community and facilitate learning by doing—i.e. the experiences gained in deciding how to spend project funds leave minority groups better placed to participate in other community decisions after the project ends. While billions of dollars are spent on CDD programs, few studies provide rigorous evidence on their real-world impacts. Critics of CDD, and of decentralization in general, have raised the concern that decentralized funds will be captured or exploited by local elites.

**Evaluation Context**

Scholars argue that frustrations with government incompetence and corruption, as well as the exclusion of women and young men from decision-making in the traditional chieftaincy system that coordinates the provision of many local public goods, fueled violence during Sierra Leone's recent civil war. To both prevent a return to violence and to stimulate economic development, the Government of
Sierra Leone implemented a number of reforms that give communities, and vulnerable groups within them, a greater voice in local decision-making. Alongside a national decentralization program that re-established district-level councils, the government piloted a community-driven development project that went one step further by providing small grants to be administered by village development committees. This extension down to the village level aimed to establish more inclusive and accountable local decision-making infrastructure, rebuild trust, promote collective action, and provide minority groups (particularly women and youth) with experience in managing projects and making decisions within their community. Researchers and the Decentralization Secretariat collaborated to evaluate whether this pilot, called the “GoBifo” Project (or “Move Forward” in Krio), achieved these goals.

**Details of the Intervention**

Two hundred thirty-six villages from two ethnically and politically distinct districts were randomly allocated into a treatment group or a comparison group. Villages in the treatment group were regularly visited by a GoBifo facilitator, who helped community members create or revamp Village Development Committees (VDCs), set up bank accounts for the VDCs, establish transparent budgeting practices, and create village development plans that included specifics on how GoBifo grants would be used. The participation and inclusion of marginalized groups was central to this process – for example, each social group (women, youth, and adult men) came up with their own development plan, and these plans were then combined into a single unified vision. Women were often established as treasurer of the VDC and served as co-signatories on all project finances. A series of block grants totaling US$4,667 per community were given to implement local public goods and skills training projects that were identified in the village development plans.

Household surveys, which covered participation in local decision-making, attitudes to minorities, and engagement in collective action, as well as demographic and socioeconomic information, were collected in late 2005 and again in mid-2009, along with village-level focus group discussions. In addition, three structured community activities (SCAs) were conducted in late 2009, shortly after GoBifo activities had ended, to capture any persistent impacts on collective action, participation of minorities, and elite capture. The SCAs were designed to measure how communities responded to concrete, real-world situations in three areas where GoBifo had sought to change behavior: (i) raising funds in response to a matching grant opportunity; (ii) making a community decision between two comparable alternatives; and (iii) allocating and managing an asset that was provided for free.

**Results and Policy Lessons**

The authors and project team agreed a set of hypotheses they would test at the start of the evaluation (in 2005) and wrote out a plan on exactly how the data would be analysed before looking at the data. This prevented selective “cherry picking” of results from the 318 variables collected.

*Project Implementation and Local Infrastructure Investment*: The GoBifo project successfully established the village-level organizations and tools to manage development projects in nearly all cases. The distribution of project benefits within communities was equitable, leakage of project resources minimal, and minority participation high.
GoBifo villages had a larger stock of higher quality local public goods, such as a functioning primary school or community grain-drying floor, than comparison areas. There was also more market activity in treatment communities, including the presence of more traders and items for sale, suggesting short-run economic gains.

**Institutional Change and Collective Action:** There is no evidence that the program led to fundamental changes in local institutions or decision-making. Despite the fact that many women in treatment villages participated in GoBifo decisions, they were no more likely to voice an opinion in community meetings after the project ended or to play a leadership role in other areas. Similarly, the establishment of a democratically elected village development committee that carried out multiple projects did not lead treatment villages to be any more successful at raising funds in response to a later matching grant opportunity. Lastly, there were no program impacts on elite capture, although levels of capture were low in the research communities (at least as measured by the third SCA).