

[ADRN Issue Briefing]

Governance Capacity Building through Development Assistance: The Case of KALAH-CIDSS

Ji In Seol (Yonsei University)

Introduction

Infrastructure is a critical vehicle for achieving social and equity goals. In the wide spectrum of different ownership and operation of infrastructure between purely public supply and purely private one, government plays a central role in initiating, regulating, and managing the provision and the quality of infrastructure – particularly those that provide essential services including water, sanitation, electricity, and transportation – and the infrastructure networks possess natural monopoly attributes. What follows from this is the large informational asymmetries between the regulators and the regulated industry and users, and the top-down development and implementation cycle even in the case of Public-Private Partnership deals.

In the areas where the traditional approach cannot reach and thus the access and delivery of social service constrained, new infrastructure operations have been tested. The KALAH-CIDSS in the Philippines is one of them. The Kapit-Bisig Laban sa Kahirapan [Linking Arms Against Poverty] Comprehensive and Integrate Delivery of Social Services (i.e. KALAH-CIDSS) is a nationwide community-driven development program managed by the Department of Social Welfare and Development (DSWD) to improve service delivery, empower communities and strengthen local governance in rural areas. It began in 2002, with US\$100 million World Bank finance, US\$31.4 million national government budget, and US\$51 million villagers and local governments contributions, by consolidating the lessons learned and strategies applied in two national scale programs that proved to be effective: the CIDSS (Comprehensive and Integrated Delivery of Social Services) Program in the Philippines and the KDP (Kecamatan Development Program) in Indonesia.

In the Philippines, three-fourth of poor people live in rural areas in a condition where the availability of basic infrastructure is significantly deteriorated. The DSWD as the implementing agency, led an experiment by applying community-driven development (CDD) approach in small-scale public infrastructure projects, targeting the barangays (villages) where poverty incidence was greater than the national average. The CDD model was applied to empower the marginalized communities in those barangays to participate in local governance, allowing them to make their own decisions in identifying, developing, implementing, and monitoring the development initiatives based on their priorities.

The CDD approach gives control over designing, planning decisions, and investment resources to community groups and local governments. This approach includes these features: i) community focused participatory planning and design, ii) community control over resources, iii) community involvement in implementation, and iv) community-based monitoring and evaluation. While there are a variety of different models of CDD depending on differences in geographic scope, time frame, funding sources, roles of secondary agents, and community decision-making processes, the premise is that members of the community are at the center of their own development.

Then, how far can such development operations go in terms of renewing the social contract and improving public governance? Can a development program lead to stronger democracy, particularly in the contexts of developing countries? Fung and Wright (2003) put forward “Empowered Participatory Governance (EPG)” as a framework for rethinking democracy through inclusive and decentralized participation. Three anchors of the EPG are drawn out of innovative democratic practices: a focus on practical problems (e.g. providing public safety, caring for inhabitants, constructing sensible municipal budgets, etc.), bottom-up participation by those most affected by the problem at hand who are typically ordinary citizens and officials in the field, and deliberative solution generation wherein participants generate group choices after due consideration. If and when these can be found in CDD programs, we may reasonably expect the development operation to enhance democracy. This briefing is to analyze the KALAH-CIDSS with a perspective to its role in local governance.

Linking Arms Against Poverty: KALAH-CIDSS, 2002 - 2013 and Beyond

In July 2002, KALAH-CIDSS pilot-tested the 16-step process of Community Empowerment Activity Cycle (CEAC), the platform for engaging and building capacity of communities through a community planning and action, in six barangays: Cabatang, Manggahan, Puttol, Pinagdanlayan, Bulakin 1, and Dagatan. Four community facilitators and one documenter were assigned as the field team over the six months of pilot period; the documented data were then incorporated into the first batch of municipalities that adopted the program. The parent program ended in 2010, covering 200 municipalities. During the same year, the government of Philippines provided a bridge financing to KALAH-CIDSS for another three years (2010-2013) to prepare for a scale-up of its operations. The World Bank provided US\$ 59.1 million additional financing through which 182 additional municipalities were covered; Millennium Challenge Corporation (MCC) joined by providing a \$120 million grant, which expanded the operation in 164 municipalities including 102 new sites.

In November 2013, Typhoon Haiyan (Yolanda) hit the country; the government of Philippines included disaster response activities in the program as it expands, responding to the needs of Yolanda survivors. In 2014, the government, with the support of the World Bank’s US\$ 479 million loan and the Asia Development Bank (ADB)’s US\$ 372 million loan and US\$ 5 million grant, elevated the KALAH-CIDSS into a national model of inclusive development – the KALAH-CIDSS-National Community-Driven Development Program (KC-NCDDP) – including 477 poor rural municipalities affected by Yolanda for better access to social and economic infrastructure and services. The nationwide NCDDP incorporated environmental safeguards and gender indicators in project design and implementation, and included different methods of design and construction. Obviously, KALAH-CIDSS exceeded the targets that were set by multiple donors, particularly in

terms of the number of barangays that completed all stages of training and the number of small-scale infrastructures that were planned and constructed. All of the donors – World Bank, ADB, the U.S. government (MCC), and the Australian government – assessed the program to be satisfactory, successful, effective, and exceeding implementation targets.

The KALAHI-CIDSS and NCDDP beneficiaries constitute the poorest of the poor in most barangays which ensured the need of the poorest be represented in the design of community projects and bottom-up budgeting. The primary beneficiaries expressed enthusiastic support for community management and implementation of projects; they highly noted the generation of employment opportunities and resulting sense of ownership on the infrastructure. The residents consider the KALAHI-CIDSS and the NCDDP process better than the conventional government process, especially for the reasons of better access to information. The relevant sectoral government agencies also prefer community management of funds with appropriate safeguards in place due to increased transparency in financial disbursement. Sectoral agencies favor this approach as more resources flow to the communities due to the reduced number of intermediaries. An outlier would be the municipal governments that need to subsidize expenses for cost overruns from delays in procurement or project completion. Community-driven approaches can be effective for economic development, but as international experiences indicate it requires significant upfront investment in the capacity building of communities and program staff.

Can Development Operation Renew the Social Contract?

There are a variety of CDD programs around the world implemented in different sectors in different country/history contexts. Since the first CDD model – a social fund – was introduced in Bolivia in 1987 to stabilize social services during a time of economic crisis and structural adjustment, countries experiencing crisis situations followed suit. The main typology of country contexts in which CDD interventions took place sums into three categories: i) financial and economic crisis situations, where CDD is seen as an emergency response to deliver services quickly to communities, ii) fragile and conflict situations where none of other options are available, and iii) middle-income countries that applies CDD approaches to tackle rural poverty while directly engaging communities to participate in development planning and management. Some of the notable programs in each context include i) the Social Investment Fund in Honduras, Emergency Social Investment Fund in Nicaragua, Social Recovery Project in Zambia, ii) Poverty Alleviation Fund in Nepal, GoBifo in Sierra Leone, and iii) Andhra Pradesh District Poverty Initiative Program in India, Social Action Fund Project in Tanzania, just to name a few, with their designs varying greatly.

Debates about CDD often lead to discussions around what their ultimate objectives are. Are they a transitional instrument for service delivery in fragile and conflict situations where governments are not delivering social services and thus a bottom-up intervention is required, or do they have a longer-term role in decentralized planning, strengthening local governance, and promoting civic participation? Pondering upon these questions requires more careful understanding into pathways of social reform and governance.

Per the development impacts of CDD programs, in reviewing all the CDD projects conducted by the World Bank for instance, all programs – whether they be social service delivery or income-generating activities – show positive performance. Evidence across the CDD generally show strong

records in regards to increased access to and use of public services, especially in education, health, and water sectors. Many CDD programs also have been found to have spillover effects on household income. With regard to the question of whether CDD programs reach poor and more vulnerable people, it needs to be reminded that most CDD programs invest in public goods in the format of infrastructure and services (e.g. roads, bridges, schools, health centers, etc.) that benefit the larger community that includes both the poor and non-poor. Poverty targeting here may need to be examined in a way whether CDD programs benefited more poor than non-poor households or individuals. Findings show a general positive trend that benefits were more concentrated to the poor with poorer households accounting for a greater share of beneficiaries except in a few cases.

Then how much of social capital and impact does CDD create that strengthen local governance, which in the end will increase government responsiveness and strengthen the social contract? The theory of change is that social interactions, networks, trust, and reciprocity, as elements of social capital, produce collective outcomes in local governance. And in CDD programs, improvement in local governance can refer to citizen's participation in decision making and management, transparency of program, efficiency and effectiveness in service delivery, and government accountability. While there is a certain data gap in understanding CDD's impact in local governance compared to those available in measuring economic and development impact, the existing data and evaluation results show mixed results in local governance.

According to an evaluation that looks into the four years of MCC intervention (IPA 2018), the KALAH-CIDSS does not appear to have changed citizen participation in local governance beyond the project domain. If this is to remain a key aspect of the community-driven development theory of change, the MCC recommends considering other project interventions that target local political leaders for capacity-building programs; however, in a longer time horizon, evaluations conducted by the World Bank finds the residents showing greater awareness of village and civic issues, higher village assembly attendance, and improved attitudes toward government.

Beneath the Community Participation in Local Governance

Under the KALAH-CIDSS program, barangays within a select municipality can prepare proposals for small-scale infrastructure investment wherein those with most deserving proposals get to implement the investments. The project implementation cycle, which includes preparation and (if successful) funding, is repeated three times. Communities followed very detailed, clearly defined, and facilitated participatory process throughout the project, which is unique to the KALAH-CIDSS since the rules within communities and with local authorities are not always clear in many CDD programs. Consistent with Putnam (2000), social capital is mostly a community-level aggregate. In the context of CDD, social capital can be defined as the ease with which community members act collectively, which takes place either within community networks (informal social capital) and in the context of citizens' ties with the government/state (formal social capital). It can be expected that CDD would enhance the character of community social capital by promoting institutional change in how frequently, easily, or in what ways community members collaborate for common ends.

One of important institutions of collective action in rural Philippines is the Bayanihan tradition, which refers to a communal effort to achieve a particular objective. Its origin traces back to the Filipino tradition wherein community members gather to help a family relocate their house, which

now encompasses both communal labor and labor exchanges in agriculture. On top of it, the 1991 Local Government Code instituted village assemblies and delved power to them. They are to be held at least twice a year and can initiate legislative processes by recommending the adoption of measures for the welfare of the village. The Code also established the Village Council as the legislative body of each barangay, which is composed of elected leaders, as well as the Village Development Committee to assist the Council in setting the direction on economic and social development matters. The KALAH-CIDSS program was designed and rolled out on these dense and varied social networks built on decades of local knowledge of participatory activities.

Careful observations in the context of the Philippines (Labonne & Chase, 2009, 2011) show that in an aggregate term, the KALAH-CIDSS project implementation triggers positive impact in formal social capital with some evidence of a positive impact in local governance. Going through one cycle of implementation increased the participation in village assemblies and the number of meetings held between villagers and officials. And this was associated with a qualitative change in how the assemblies are perceived: once regarded as avenues for reporting at best turned to be perceived as mechanisms for participation and transparency. These benefits, however, have yet to reach the broader community outside of the project. On the other hand, the project experience was found to create negative impact in collective action activities such as construction and maintenance of community infrastructure. The collective action problem may rise because the projects started providing the public good that used to be served by the community's collective action, and the opportunity cost of participating in such "free" activities increases as the projects unfold.

Going through one cycle of project implementation triggered a decrease in informal social capital; however, this finding requires a nuanced understanding. As the decisions that affect the barangay are increasingly made during village assemblies, residents become more reliant to the particular institutional setting rather than their informal social groups. Just like the CDD experiences in Indonesia, Vietnam, and Thailand, trust towards neighbors decreased in the Philippines after the first cycle. A likely and more accurate explanation for this would be that the KALAH-CIDSS projects include new actors who were previously excluded (e.g. women, indigenous people, etc.) in a more participatory and transparent decision-making process that it generates conflicts with some of the members feeling threatened by the changes. This, however, as World Bank finds, changes over time that residents in the project barangays are more likely to trust both their fellow community members and strangers than they would have in the absence of the project. Trust towards strangers increases 50 percent from the baseline, which is a remarkable outcome. In project areas, individuals are provided with structured opportunities to interact with outsiders as well as other members of their community they did not know previously. These encounters are particularly important in building generalized trust.

Looking into who makes the decisions in the proposal and funding, overall, community and local leader preferences tend to be equally represented. The prime movers in the community are not necessarily the educated individuals or public officials but those with local social capital that enables them to affect decisions. In case where the elected village leader's preferences and the community preferences are not aligned, the poorer and more unequal the village is, the more likely the elected leader overrides the community preferences. While there is no evidence that local elites dominate process or the elected village leaders impose their preferences, a countrywide experiment in deliberative democracy in Sao Tome and Principe (Humphreys 2006) explains the community

discussions are largely influenced by facilitators, who are relatively well-educated representative of a government agency coming from outside the village. Resources tend to reach the more politically active villages. If the funded project had a positive impact on social capital of the barangays, these communities tend to have higher ex-ante social capital, which may increase inequality in the level of social capital between communities and barangays.

Conclusion

Available evidence indicates that both the KALAH-CIDSS project investment and the social facilitation process contributed to positive changes in social capital and local governance in rural Philippines. Improvements in barangay governance have been identified even in those communities that did not receive the project investment but only the facilitation support.

Leaving aside the on-going debates about the value and optimal design of CDD operations, it may be worth further researching to see which implementation modality between the traditional government-led approach and the CDD approach results in superior quality in public infrastructure. One can envision that a non-community-driven infrastructure development and management model with heavy citizen engagement and input at the outset of the project cycle could still generate projects and assets that meet the community needs while, at the same time, securing high quality in the assets and services. Having said that, unless strengthening civic participation and local governance is the key goals of the project in parallel with economic development, CDD approach may not be the best approach or necessary in infrastructure development, management, and service delivery in the middle-income country context. With regard to the KALAH-CIDSS, besides the local context and history in the Philippines, what could have promoted such an approach?

Globally, civil society organizations, or NGOs and INGOs, have grown exponentially¹. As Kim (2006) notes, in contrast to the general image of civic movements and organizations as a societal force rising to challenge the state from below, the explosive growth of NGOs in the past several decades cannot be understood without taking into account the ways in which states, international organizations and other structures have actively stimulated and promoted them from above. Rather than simply emerging as the result of bottom-up sociological forces, in large part the civic space has also emerged and grown because of top-down processes of political globalization, i.e., the globalization of political structures, Western liberal democratic values, and institutions. The KALAH-CIDSS can also be understood as an outcome of such global structure. Going back to the key question of whether development operation can renew the social contract and strengthen public governance in developing countries on the ground, partial evidence can be found.■

¹ It is estimated that about 42,000 INGOs were active globally around 2025, which is a stunning increase in number from 985 in 1956, 14,000 in 1985, and 21,000 in 2003.

- **Ji In Seol** is a Lecturer at Yonsei University.

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The East Asia Institute takes no institutional position on policy issues and has no affiliation with the Korean government. All statements of fact and expressions of opinion contained in its publications are the sole responsibility of the author or authors.

This program was funded in part by the National Endowment for Democracy (NED).

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979-11-7584-079-9 95340

Date of Issue: 7 April, 2026

Edited by Jaehyun Im

For inquiries:

Jaehyun Im, Research Associate

Tel. 82 2 2277 0746 (ext. 209) jhim@eai.or.kr

The East Asia Institute
1 Sajik-ro 7-gil, Jongno-gu, Seoul 03028, Republic of Korea
Phone 82 2 2277 1683 Fax 82 2 2277 1684