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Indonesia's Kecamatan Development Program: A Large-Scale Use of Community Development to Reduce Poverty

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Executive Summary

Indonesia's Kecamatan Development Program (KDP) provides a new tool in the fight against poverty. The community-based planning process provides a powerful and efficient way to build large amounts of simple productive infrastructure using mechanisms that mobilize and develop the capacities of rural communities themselves. As community capacities develop, they can also take a more active role in improving the quality of other social services.

KDP's growth has been explosive, expanding from a small pilot operation in 25 villages in 1997 to more than 28,000 villages in 2003. KDP and its urban counterpart UPP, now form a main pillar of the government's national poverty reduction strategy and both projects will eventually cover all of the rural and urban villages in Indonesia. KDP's scale-up took place in the context of institutional collapse, major economic crisis, and one of the world's largest decentralization programs.

The historical and social context

KDP's development in a major institutional transition is undoubtedly the single most important contextual reason for the project's success. Prior to the transition Indonesia had an effective but extremely centralized, top-down development strategy. This worked as long as the center could provide high quality oversight, planning, and support. Once the center collapsed, the development delivery system collapsed with it. Public disenchantment with the New Order development state was clear. As the government recovered some stability there was a generalized awareness that more popular and populist programs such as KDP were needed.

KDP's flexible structure, which gives power to communities by placing funds and the planning and decision-making process directly in the hands of the villagers, provided a strikingly robust way to deliver resources to the rural poor. Even though KDP is in fact highly centralized at the level of policy, it is highly decentralized at the level of execution. It is able to adapt to local requests in ways that standard projects cannot. Its decentralized nature gave it considerable operational strength, allowing KDP to continue operating when regional conflicts severely disrupted normal government operations. In several provinces KDP became the only operating government development project.

Organizing a scale-up

Six design features have been critical in KDP's successful rapid scale-up. The first is the project's disbursement system. It provides a direct transfer to the end user, and is also modular. That is, funds are released directly to a uniquely coded subdistrict account. In practice this means that no one subdistrict depends on any other subdistrict. Whereas most projects are held back by their weakest link, in KDP the project simply moves on around the problem villages and subdistricts. Another important feature of KDP's disbursement system is that Kecamatan grants are physically transferred to the provincial treasury virtually at the start of the planning cycle. There they are blocked for release

until the final signoffs are approved. In practice, sending the money to the locations at the beginning of the cycle gives the government several months of leeway to correct the inevitable mistakes and delays.

The second is that KDP's internal architecture builds on nearly ten years of Bank and government community development project designs, of which the Village Infrastructure Project and the Program for Poor Villages are the most important. Most of KDP's core elements had already been field-tested and were familiar to the administrators and consultants who later scaled up the project. More importantly, although the project introduces a broad range of design reforms to Indonesia's bottom-up planning system, the fact that it built on the government's pre-existing planning structure gives the project a framework that is likely to promote a sustainable outcome even after international support for the project ends.

The third key to the scale-up was the ability to push down most management functions from the center to regional management units as the project got larger. This kind of decentralization is normally resisted during project scale-ups—nobody wants to surrender control easily. But the overall push towards decentralization in Indonesia was so strong that the initial decision did not encounter much resistance, although there has been some further on. Decentralized, autonomous decision making is essential for a project the size of KDP.

The fourth key has been that KDP provides both incentives and sanctions for local government involvement. Initially KDP did not allow local governments to meddle much in the project. The risks of misguided government takeovers were too high. But as the reform movement moves forward, the desirability and opportunities for local government involvement increase. Local governments themselves say they needed time to understand KDP's rules and functioning. Because there was a phased involvement, local governments can now contribute significant resources and technical support.

Fifth, KDP outsources all technical functions to individual consultants and firms. This is a major source of controversy, even within the World Bank. However, all technical, managerial and social services in KDP are purchased on national and local markets, not from civil servants. Among its other advantages, using private providers lets KDP scale-up a lot more quickly than if existing government employees needed to be redeployed or retrained.

Finally, KDP's high level of transparency and long participatory planning cycle are also keys to its success. Indonesia's weak regulatory environment means that development projects must rely for now on social oversight to limit corruption and other distortions. The long planning cycle serves to limit local elite capture – and is undoubtedly the most important factor behind KDP's high level of local contribution. It is worth noting that both transparency and participatory planning came under pressure during the project's scale-up.

Other factors in the scale-up success have been Bank flexibility and strict enforcement of sanctions. Both the government and the Bank have taken a hard, activist line on corruption. Nongovernmental organizations (NGOs) and the media have been used as independent monitors. KDP's openness and the independence of its oversight also lead to substantially less loss from leakage. The Bank's flexibility allowed village participation, which averages 17 percent across the

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program, to count as part of overall Indonesian resource contribution; the government of Indonesia itself does not have much difficulty coming up with the remainder in counterpart funds. Also, KDP disburses against plans rather than actuals, which provides more breathing space for fixing problems during the scale-up period.

Challenges

KDP has gone through a number of transformations over its five-year implementation period. Some of these reflect lessons learned from experience in implementing such a large, ambitious project, but others reflect adjustments to the limits and opportunities posed by working through the Bank and government agency institutions.

Two limitations of the KDP model are particularly worth underscoring since they can to some extent be overcome. The first is that technically difficult activities or activities that involve recurrent costs are not easily addressed through the KDP system as it is currently designed. Examples of such necessary activities include large-scale health provision, providing teachers for schools, or any kind of infrastructure network planning.

Finding a solution to this limitation is important if the project is to provide more than a very large number of very small investments, important as any one of these microprojects may be. The problem does not appear to be insurmountable. The Indonesian government is working with the Bank to prepare a linked project where communities work with technical specialists and line agencies to identify needs and desired outcomes, but a more differentiated review process decides which needs get addressed locally through standard KDP mechanisms, and which involve referral to more technical agencies and service providers for a response.

The second problematic area has been how the project can approach microcredit. When the project began, the country was going through both a protracted financial crisis and a countrywide drought. At that time, KDP rules allowed communities to use the grant for private goods and village revolving funds. Interest was set at commercial rates. Reviews showed that the money was usually invested well and in many cases it reached the poor and near poor, with attendant multiplier effects through employment. However, repayment rates were relatively low, well below sustainability levels, and the credit option was closed at the end of KDP1.

Overcoming internal World Bank constraints

Scaling up KDP required overcoming several constraints in Bank and government procedures, and the lessons from these experiences are relevant for scaling up efforts elsewhere. On the Bank's side, the most important challenge was to devise a fiduciary system that provided adequate controls but did not introduce extensive delays into the project.

KDPs fiduciary structure represents a fairly radical departure from standard business practice for Indonesia. The project involves minimal prior review, with only the first two large investments in each province requiring prior review (which in effect means none at all). Receipts are retained in the subdistrict where the project takes place, not aggregated, and sent to provincial or national accounting

offices. Project disbursements take place against agreed plans that have been verified by the subdistrict project manager, not against actual receipts. Villages procure and manage their own technical assistance for projects from lists of pre-qualified service providers; at this level, KDP experiences none of the lengthy procurement delays that often delay other projects.

For the government, accepting KDP's system of direct transfers and disbursing against subdistrict and village developments plan also required big shifts to standard procedures. KDP's transfer system allows for very little discretion by officials; project proposals either meet the criteria and get funded, or they do not, in which case they must be rejected. The cost of this system may in fact be some loss of technical oversight, but the benefits have been much higher release rates and much higher rates of end user satisfaction.

KDP replication

Within Indonesia, KDP's fundamental design is being scaled up in ways that go substantially beyond making the KDP program itself ever larger. Two of these variants are of particular interest. Direct transfers to support participatory planning is now spreading *horizontally* to primary education, health, and natural resource management, with similarly positive results. The Bank and government are also working to introduce *vertical* reforms to district administrations that replicate the same core principles underlying KDP, but which are adapted to the rules and procedures for formal administrations.

Preliminary evidence suggests that KDP's core design works well in other environments, particularly in conflict and transitional countries. In East Timor, Afghanistan, and the Philippines, projects which copy many of the KDP's core features have had some success and are being expanded. A longer-term issue for sustainability and replication is the political evolution in post conflict and transitional countries. Stronger government institutions will succeed weak or uncertain government institutions. Strong line agencies and decentralized area administrations usually do not look kindly on direct community transfers. Careful strategizing is needed to integrate the KDP-kind of planning into line agency and government structures.

Also at issue is how to increase government ownership while maintaining the community's ability to make decisions and manage funds. This is the challenge that both Afghanistan and KDP itself currently face. At present, it is rather clear that Bank and central government oversight are still needed to make sure that locally-owned versions of KDP do not also end up eliminating too much direct community management of money and decision-making. Consolidating KDP's overall progress now requires assigning the program a legal and statutory basis, and on working through long-term funding sources.

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THE KECAMATAN DEVELOPMENT PROGRAM (KDP) is a Government of Indonesia program aimed at alleviating poverty in rural communities and improving local governance. At present, the project covers some 28,000 villages, which are distributed across 30 of Indonesia's 34 provinces. KDP provides block grants of 500 million to one billion rupiah (USD 40,000 to USD 114,000) directly to subdistricts ("subdistricts" – pronounced "*ketchamatan*") and villages for small-scale infrastructure, social and economic activities. In a nutshell, the project supports a facilitated planning process that allows communities to select and manage a broad range of economically productive development investments.

Understanding the origins and growth of KDP requires placing the project in the specific context of social change in Indonesia. Prior to the East Asia economic crisis, Indonesia had experienced nearly twenty years of successful poverty reduction, with poverty rates dropping from more than 50 percent in 1970 to less than 20 percent in 1997. Much of that success can be attributed to sound macroeconomic policies coupled with a nationwide effort to provide basic services throughout the archipelago.

However, as subsequent events showed, a number of latent, unresolved structural problems somewhat detracted from the overall Indonesian development success story. These included a weak financial sector, unequal distribution of benefits from growth, and perceived problems of social justice. Strong central control and perceived improvements in living standards kept these problems in check for most of the New Order period, but when the financial sector came tumbling down during the crisis, popular resentment suddenly boiled over into open upheaval. Public demonstrations and riots shook the country and eventually led to the sudden downfall of President Suharto after 32 years in power. Indonesia entered into a period of political transition that in June 1998 led to the country's first free general elections in 44 years.

The change in leadership however did not solve the country's deeper problems. Despite high rates of poverty reduction, vulnerability remained high and many poor did not benefit adequately in economic growth. Three decades of authoritarian rule had also undermined local capacity and placed heavy restrictions upon local community organizing. While new decentralization laws were passed in 2000 to give districts greater authority and decision-making power, that did not mean that power would then automatically shift to communities or indeed be democratic. Recurrent problems of elite capture, corruption, and political manipulation in government-sponsored community development programs were and remain commonplace to the point of significantly reducing their effectiveness and credibility.

KDP therefore began in 1998 at a time of tremendous political upheaval and financial crisis. The economic crisis reversed years of progress in poverty reduction and plunged millions of rural poor below the poverty line. KDP also constitutes one of the pillars of GOI's poverty reduction strategy. Although KDP was not designed to be a crisis response project, the project has proven to be a strikingly robust way to deliver resources to the rural poor, despite the institutional turbulence of the post-Suharto period. As a result, over time the project has evolved into a key element of the central government's strategy for supporting decentralization and local governance reform across a very broad range of development environments.

Description of the KDP Project

KDP's goals are:

- To alleviate poverty by raising rural incomes
- To strengthen local government and community institutions
- To promote good governance

By pushing decision-making down to the lowest levels, KDP aims to allow villagers to participate in decision-making. The program in essence seeks to empower the rural poor and encourage more democratic and participatory forms of local governance. All KDP activities aim at allowing villagers to make their own choices about the kinds of projects that they need and want. The Program gives power to communities by placing funds and the planning and decision-making process directly in the hands of villagers.

Selection of KDP Locations

The *selection of KDP* provinces and subdistricts is based upon poverty incidence. The Program tries to target the poorest subdistricts in the country. Populations within subdistricts are relatively homogenous in terms of poverty incidence, and thereby form a sound basis for poverty targeting and for reaching a large number of the rural poor. The national planning agency, *Bappenas*, analyzed poverty incidence statistics based upon *Susenas* data (expenditure) and *Podes* (mostly infrastructure surveys). *Bappenas* then prepared a long list of some 1,500

Box 1 - Villages and Subdistricts in Indonesia

Villages in Indonesia are formal administrative units containing on average approximately 2,700 people. There are some 70,000 villages in Indonesia, and most of these are rural. Villages vary greatly in terms of population size and land areas, as well as physical layout and land use. Culture also differs significantly between villages across the Indonesian archipelago.

Kecamatan are the sub-district level of administration in Indonesia. There are more than 4,000 sub-districts in the country. On average, a subdistrict contains approximately 20 villages and a population of over 50,000 people. Though these units are already fairly large, the subdistrict office is still seen as being “approachable” by the community (whereas the district (kabupaten) is usually seen as too distant on the administrative scale). The administrative head of a subdistrict is called a “Camat”. The Camat is appointed by government.

subdistricts with a high incidence of poverty from which local governments selected the subdistricts that would join the project. (See Box 1: Villages and Subdistricts in Indonesia)

How KDP works

KDP provides funds at the subdistrict level. A facilitated planning process helps villagers decide whether to use these funds for infrastructure, social or economic activities. These funds are available to each subdistrict each year for up to five years.

The distribution of funds within the subdistrict is through a subdistrict forum to a village. The subdistrict forum consists of village heads plus additional, broadly respected persons (such as religious and traditional leaders, teachers, etc) and three additional representatives (one man and two women) selected from each participating village. The subdistrict forum also creates a unit called the Financial Management Unit to manage KDP funds and to oversee any large procurement.

KDP Project Activity Cycle

The KDP Project Cycle goes through various stages: information dissemination; planning; proposal preparation and verification; funding decisions; implementation; and follow-up. The full Project Cycle generally takes 12 to 14 months to complete although there is variation among provinces. The socialization and planning stages take approximately four to six months. All stages aim to have a high degree of community participation and transparency throughout the process.

Information Dissemination

Information dissemination about KDP occurs in several ways. Workshops are held at the provincial, district and subdistrict levels to disseminate information and popularize the program. The workshops involve community leaders, local government officials, local press, universities and NGOs. Dissemination of information at the village level occurs through large village meetings as well as through group and sub-village level meetings to disseminate information and encourage people to propose ideas for KDP support. On average, approximately 50 to 100 villagers attend village meetings, although in some areas, attendance is reported to be several hundred participants.

Planning

Planning meetings occur at the sub-village (hamlet) and village levels. The Village and Subdistrict Facilitators disseminate information about KDP procedures and encourage villagers to submit ideas for KDP funding. Women also hold their own separate meetings to decide upon women's proposals. At the second village meeting, villagers' ideas are discussed and the forum decides which ideas the village should put forward to the sub-district inter-village forum as proposals. The planning stage of KDP usually takes one to two months for villagers to learn about KDP procedures and submit ideas for funding.

Proposal Preparation and Verification

Each village can submit up to three proposals to the inter village forum. One of which must come from village women; a second from women's savings and loan group. Each proposal is put into written form, to be discussed at an inter-village forum in the kecamatan. The format will be very

simple, only provides minimum information such as: proposed location, number of beneficiaries, volume/ dimension, and may include rough cost estimation. The community selects a proposal preparation team, and the facilitator will train them.

KDP can finance productive infrastructure, social and economic activities. Proposals can include a mixture of various social, economic and infrastructure activities if the villagers so choose. Project menus are open to all productive investments except those on a negative short list.¹ Villagers can prepare joint proposals, for example, for multi-village irrigation, road or water supply systems. KDP does not support district-level infrastructure, which has its own budgets. The Open Menu policy is an important element of KDP. It allows villagers themselves to decide what they want.

Verification of the proposals' technical elements occurs during the proposal review stage prior to projects being chosen. A subdistrict verification team usually includes community leaders, the Subdistrict Facilitators, and appropriate technical staff recommended by the District Engineer. The District Engineer also does a final check before the results of the verification are presented and considered in the subdistrict decision forum. The verification team reviews such criteria as :

- are proposals technically and economically feasible;
- do they benefit large numbers of people, especially the poor;
- are there maintenance plans (or repayment plans in the case of economic loans) in place;
- do people genuinely participate in the formulation of proposal ideas,
- is there local community contribution.

Verification reports are presented to the kecamatan forum, which must then select through consensus which proposals get funded. The team does not determine rankings or priorities. If there were any proposals found to be unfeasible, these would be discussed with the communities at the time of the visit, so that the proposal could be modified or at least the community could understand the reason for rejection by the facilitators. However, while facilitators can recommend rejection, the communities must still make the decision themselves. This verification phase, that usually takes three to four weeks, is seen as crucial to screen for projects that are of sound design and quality.

Project Selection

All proposals are discussed in the 2nd Inter-village to determine priority ranking. High ranking proposals will be subject to detailed design and cost estimation. Designs are made by the village with assistance and coaching from the Management and Technical Facilitator. The designs will be based on the results of technical surveys and measurement in the field together with the communities. From time to time, the portion undertaken by the village increases. Designs will be discussed and approved by the village and the coach, and then inspected by the Management and Technical Consultant at the district level.

¹ KDP funds cannot be used for: military or paramilitary purposes; civil works for government administration or religious purposes; manufacture or use of environmentally hazardous goods, arms, or illegal drugs; or financing of government salaries. Land acquisition is also restricted.

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After the designs are ready, the villages assemble one more time to determine which proposals are funded. A grant agreement is prepared for those activities that will be funded. Attachments to this grant agreement include the design, budget, a map, commitment for community contributions, and other requirements. It is signed by the kecamatan manager for KDP, the person-in-charge from the village, the village chief, and the head of the Activity Management Unit. At this time the Forum selects a kecamatan-wide independent oversight team that will monitor all aspects of KDP implementation.

On average, a minimum of six elected representatives (three of which must be women) from each village in the sub-district attend these meetings. Final decisions from the forum meeting are posted on KDP Information Boards and shared with the villagers through a third village level meeting, and smaller sub-village and group meetings.

Financial Management and Accounts

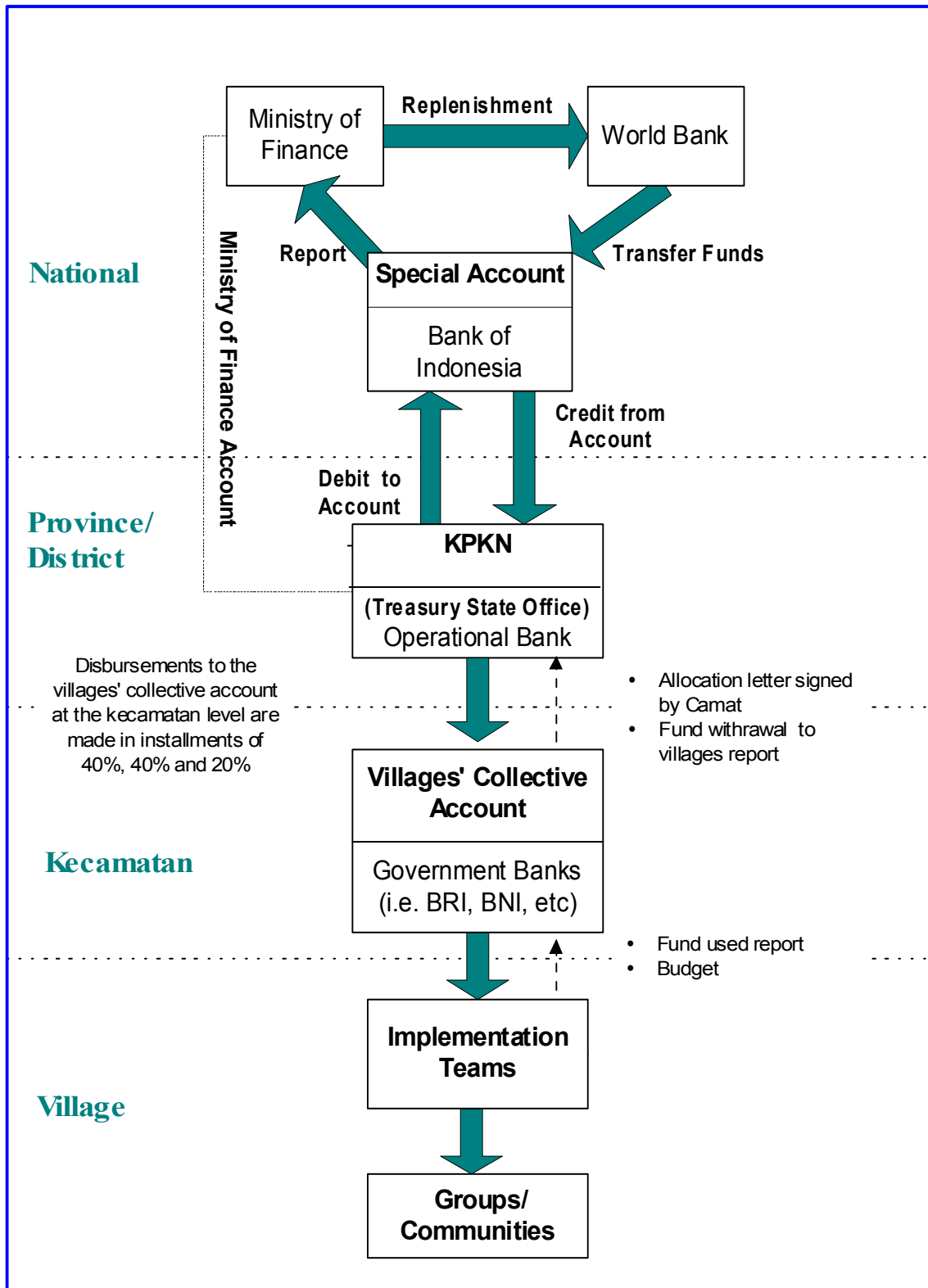
The Head of the subdistrict financial unit, the Subdistrict Facilitator and a village representative open a KDP account at a legally registered bank. When the subproject agreements are finalized, they are endorsed by the local government project officer, and a copy is sent to the government treasury office. The Treasury then orders an initial transfer to the KDP bank account. The installments are made in 40 percent- 40 percent - 20 percent installments. Villages must report to the community on the use of the funds after each installment has been utilized. The last 20 percent payment to villages cannot be released until a progress certificate has been signed by the district engineer. (See Annex Diagram 3: KDP Funds Flow System)

Managing KDP II

At the national level, the Deputy for Regional Development of the National Development Planning Agency (*Bappenas*) heads the National Coordination Team that provides oversight, strategic planning, and evaluation. The management of KDP is the responsibility of the Ministry of Home Affairs, Community Development Agency (PMD). At the national level, PMD deals with the day-to-day operations of the Program. Government coordination teams, representing various ministries also assist with KDP. This structure is replicated at the province and district, with Bappenas's coordinating role replaced there by provincial and district planning boards.

Each level of government is supported by teams of consultants who implement the technical aspects of the project. Some 4,200 Indonesian consultants at the national, provincial, district and subdistrict levels provide technical assistance and guidance to the project. In addition, every village elects two village facilitators, one man and one woman. Using consultants rather than government staff provides more flexibility, and it also avoids inflating the civil service payroll. Virtually all of the consultants are Indonesian. (Total international TA comes to less than 1 percent of the project budget).

KDP Funds Flow System



Summary of KDP impacts

Improved access to markets, town centers, education & health facilities, and clean water supply. KDP has funded some 50,000 infrastructure, economic and social activities across the country:

- 19,000 kms. of roads built or upgraded
- 3,500 bridges built or reconstructed
- 5,200 irrigation systems built
- 2,800 clean water supply units and 1,300 sanitation units built
- USD 1.8 million spent on education and health activities including: construction and renovation of 475 schools; provision of school equipment and materials; 380 education scholarships; and 140 village health posts.
- Infrastructure costs were 20-25 percent less than other government-sponsored public works of the same quality.
- Significant time savings in travel due to roads and new bridge construction, and in ease of access to new water supply systems (estimated at 50 million person days saved, most of which consists of female labor)
- Economic internal rates of return for infrastructure exceeded 30 percent.

Expanded business opportunities and employment:

- 25 million workdays generated from infrastructure projects
- 2.8 million villagers earned short-term employment through labor-intensive infrastructure works.
- Opening up of businesses and transport services due to new roads, bridges, and piers.
- USD 40 million worth of micro-credit activities supported through 18,000 borrower groups representing some 280,000 loan beneficiaries.

Establishment of a model for participatory planning and financing to improve local governance:

- After four decades of authoritarian rule and centralized planning, Indonesians in 28,000 villages across the country participate in a democratic, participatory process of planning and decision-making regarding the allocation of public development funds.
- About 50 percent of all participants in the KDP planning meetings are from the poorest groups in their village, and 70 percent of the workforce for KDP infrastructure construction comes from the poorest groups.
- Community contributions averaged 17 percent with wide provincial variation.

CASE STUDIES IN SCALING UP POVERTY REDUCTION

- High government commitment and buy-in with 40 percent of districts this year providing matching grants to KDP.
- Project's fiscal transfer system works efficiently and transparently with high disbursement rates.
- Government accountability and the role of civil society are strengthened. NGOs and journalists in each of KDP's 27 provinces act as civil society watchdogs in independently monitoring KDP activities. Under KDP1, over 850 stories were broadcast or published in local media regarding the project.

KDP's bottom-up planning produces significantly lower costs and better rates of return than standard project approaches do. Net rates of return on the main infrastructure investments exceed 38 percent, weighted average, but for water systems exceed 80 percent. Quality reviews are favorable. Village built and managed infrastructure is consistently less expensive, of better quality and is maintained better than infrastructure built by local contractors.

Community contributions are high, especially given the fact that the project as a whole selects the poorest villages. Across 15,000 Phase 1 villages, recorded community contributions averaged 17 percent. Variance around this figure is high. In large provinces such as West Java, community contributions exceeded 30 percent and there are many communities where the villagers matched the contribution received from the project. Given that KDP provides relatively large investment funds to sub-districts – between \$60,000-\$110,000 – these percentages represent substantial contributions from poor villages.

Community and local government contribution levels are also rising over time, as the project becomes more familiar and villagers see for themselves that their investment proposals actually get funded. *Ex post* review of KDP subprojects showed them costing about 25 percent less than the next cheapest form of infrastructure construction and as much as 50 percent less than normal public works budgets for the same items. This study controlled for the quality and coverage of the infrastructure. For a number of basic facilities such as primary schools and clinics, water supply systems, etc., KDP costs are less than half of what public agencies bill for the same items. With a billion dollar program, 25 percent lower costs than the next cheapest technology represents a major cost saving, and it accounts for a large measure of local government's rising interest in the project.

A second focal point for impact assessment is whether the project gets captured by local elites, thus diminishing the poverty benefits from the project. Elite capture is a common criticism of decentralization and also of local development projects. Case studies of KDP do turn up examples of elite capture, especially of the microfinance activities, which, though a fairly small share of project activities, do not perform well overall (repayment rates are low). But overall the quantitative data show high levels of participation by the poor and vulnerable groups. First, Bappenas's poverty targeting of project participants holds up to statistical review: on average, KDP subdistricts are significantly poorer, more isolated, and less likely to be receiving other project aid. Secondly, large numbers of poor people actively participate in KDP. About 50 percent of all participants in KDP planning meetings rate themselves as the poorest group in their village, and 70 percent of the workforce on KDP infrastructure projects come from the poorest groups.

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The third area of impact is in the area of project sustainability. KDP is too new to carry out meaningful assessments of whether villages will continue to maintain the infrastructure over time. Fortunately, however, *ex post* reviews have been carried out on KDP's predecessor, the Village Infrastructure Project. Studies carried out 5 years after completion found that about 85 percent of the village roads were still being maintained by their village O&M committees and were in good to very good condition. In KDP over 80 percent of participating villages have established O&M committees.

But KDP impact assessment should also go beyond immediately impacts and look to the "big picture" of what KDP achieves. KDP "solves" a number of important problems for Indonesian development. First, while Indonesia has a fairly good network of primary and secondary infrastructure, farm-market linkages are still missing in big sections of the country. KDP provides an efficient cost-effective way to provide large amounts of low-cost, low tech village infrastructure, especially farm to market linkages over very large areas.

Second, Indonesia's fiscal transfer system works well overall, but it is often very slow in reaching district levels and below. As a result, as much as nine months of the fiscal year can be lost. KDP's disbursement system is very fast, in some cases taking as little as two weeks and on average rarely taking as long as a month to get money from the Bank of Indonesia Special Account to the collective bank accounts of the villages. As a result, disbursement rates are high. Even during the East Asia crisis, KDP on average disbursed nearly twice as fast as the Bank's next 8 agricultural projects and 19 projects in health and education. (See Annex 1).

Third, KDP has proven to be highly robust despite the volatile environment of post-crisis Indonesia. Because each sub-district forms a discreet unit, it is a simple matter of annual programming adjustments to scale the project's coverage up or down. For example, to partially offset the welfare impacts of removing fuel subsidies during the crisis, GOI added more than \$30 million to KDP funding. Adding the 4,000 villages covered by this fund took less than four months, by which time the project had a full time field presence in all 4,000 villages.

KDP has high credibility in rural areas. Villager participation in KDP planning and management meetings is high and surveys also report high satisfaction rates among villagers. As a result, villagers are more willing to commit their own resources and time to development. Participation in village meetings actually increases over time. Preliminary survey evidence suggests that villages that have gone through KDP show significantly higher levels of trust in government.

Driving Factors

Commitment for Change and Political Economy

There is no doubt that the single most important factor behind KDP's success has been the Government of Indonesia's commitment to the project concept. But virtually none of the core concepts in KDP were new. Rather, KDP built on a number of Indonesian processes that come from a much larger collection of programs intended to cut poverty. In Indonesia's case, the question at hand was not whether the government could find the political will and commitment to a comprehensive

program of poverty reduction. That question was already central to the policies of the previous thirty years, when Indonesia saw one of the world's fastest rates of poverty reduction in modern times, with the percentage of people living below the \$1 a day poverty line dropping from 60 percent to less than 20 percent. Instead, the issue at hand was primarily one of identifying which additional design mechanisms could make the poverty alleviation program more efficient and better able to reach groups who had not benefited from Indonesia's overall growth. .

Three particular elements are essential to understand KDP's ancestry. KDP built on Indonesia's tradition of bottom-up planning. Long before KDP, Indonesia had developed a national bottom-up planning process whose purpose was to encourage local communities to propose investments that could be screened for their engineering and economic viability and then incorporated into the national development budget. Thus, the notion of bottom-up planning was not new at all; what differed when KDP came along was the level of aggregation against which funds were provided.

The second source for KDP was a series of projects known as the "Inpres Desa Tertinggal" (IDT) projects ("Program for left behind villages"). IDT built on ideas from economists and planners in Bappenas and the national universities.² IDT provided quick disbursing block grants to a poor village which were to be used for productive investment, which then revolved within their own community. To help villagers make their own development plans, the project also recruited and trained local facilitators.

The third root of KDP lay in a Bank-assisted project closely tied to the IDT program. This was called the Village Infrastructure Project (VIP). Whereas IDT provided seed capital for productive investment, VIP let villages choose from a limited menu of low-input infrastructure. It introduced a number of technological innovations to improve the quality and sustainability of village works. It also recruited and trained civil engineers from the private sector who were then assigned to clusters of villages. KDP drew heavily on the VIP's operational mechanisms, particularly the engineering designs and its disbursement and bookkeeping formats.

All three of these foundations had in common a strong national commitment to local-level planning. Over time it became clear that the three strands needed to be brought together into a single program that could support broad-based participation. KDP was in fact at first housed within the IDT Secretariat. Although initially conceived to be a relatively small-scale pilot program that would cover no more than 1,000-2,000 villages, when the East Asia crisis hit the project was quickly modified to allow for an accelerated scale-up.

Strong Bappenas and later Ministry of Home Affairs ownership of KDP has been essential to KDP's relative success and rapid scale-up. Community block grant programs frequently suffer from problems of corruption. Destructive for all projects, corruption in small projects quickly leads to catastrophic loss of quality. Worse, corruption in highly decentralized projects such as KDP will quickly spread out of control if prompt action is not taken to check its spread. Due to Government ownership and active support of KDP, Bappenas and Home Affairs have taken tough stands on

² Of special prominence was Dr. Mubyarto, of Gadjah Mada. See, for example, Mubyarto, *Ekonomi Rakyat dan Program IDT* Jogjakarta: Aditya Media Press, 1996

corruption in KDP, including collaborating with advocacy NGOs who assist villagers to file complaints against corrupt officials.

Institutional Innovation

KDP's core institutional innovations revolve around the distribution of functions between higher levels of government, lower levels of government, and the villages and the financial tools used to support this. As noted earlier, KDP built on Indonesia's long tradition of bottom-up planning. Its innovations lie in making the funding approval decision point much further down the administrative system and in a much more intense facilitation of the local planning process. Rather than aggregating and reconciling proposals in districts and then in the national budget, funds move all the way down the system to the subdistrict, to the inter-village forum, which has final sign-off on which activities get funded for the year. Advantages to this approach are its speed and its simplicity. Disadvantages are its divorce from higher order network planning. By and large, though, village level infrastructure needs rarely require network planning. Freeing up sectoral agencies from village level work allows them to concentrate their own scarce resource on more technically complex activities. A later section of this paper discussed how to incorporate village planning into those activities that cannot or should not be done directly through villages.

KDP's second institutional innovation is in its high use of the private sector. Civil servants play key roles in KDP. They set policies, regulate the project, supervise implementation, and account for results. But field activities are carried out primarily through large numbers of consultants, who support the government, participate in monthly coordination meetings, but do not have the same administrative status. The advantage of this approach is that it allows for greater use of specialized skills in low-tech engineering and social facilitation. It also avoids burdening the civil service budget with additional fixed positions.

Third, KDP develops village skills and capacities. KDP's engineering improvement to village roads, though simple, double or triple the average life expectancy of market roads. KDP consultants train villagers, who over time take over most functions. Villages are trained in using the private sector rather than relying on government for all services. Village record keeping and KDP procurement rules build up villager's awareness of how to shop competitively. Villagers can also directly contract and manage private sector engineers from a pre-qualified shortlist certified by the project. There are a large number of cases where villages reported their surprise at discovering the savings that result from competitive purchasing. Also with increased village participation and ownership, local contributions are greater (on average 17 percent so far) and O & M is more assured.

The fourth innovation is KDP's program for matching grants. Indonesia in the past has in some sense been a unique state. Before the "big bang" decentralization of a few years ago, it was one of the most centralized fiscal systems in the world. Local governments had very little own revenue. As a result, development projects required little if any counterpart contribution from local governments, particularly in rural areas. Because of KDP's popularity, the fourth year of the project opened up a window that would allow districts to add kecamatans. Under these new arrangements, the project would provide the 20 percent needed for technical assistance, but the 80 percent needed for

the kecamatan block grant had to come from the district budget. In its first year, over one third of all districts took advantage of this option. By 2004, by which time the decentralization program will have been fully implemented, all participating districts must provide matching grants on a scale established by their poverty ranking for any kecamatan to remain in the project more than the minimum three years.

Fifth, KDP's decentralized design is very flexible. This is especially important in a time of transition. KDP has little difficulty responding to local requests for adjustments because of cultural, geographical, or administrative variances. Provincial teams adjust the project operating manual to reflect such changes, with the approval of Home Affairs and Finance. Similarly, because there are no big contracts involved, stopping or delaying works in conflict or natural disaster areas is relatively simple. This same flexibility allows KDP to respond quickly once the problem has passed. Conversely, KDP is often used by the government to provide a rapid response to crises – in Bali, for example, which was originally excluded from KDP because of its income from tourism, the government introduced KDP when tourism collapsed because of the terrorist bomb in October, 2002. Six months later, KDP was active in every subdistrict of the island.

The final institutional innovation has been KDP's promotion of transparency and civil society involvement in project monitoring. Bappenas managers quickly recognized that one recurrent problem in their village level poverty work has been the difficulty of receiving reliable information about project performance when information sources are restricted to local officials. Experiments to involve newspaper journalists and activist NGOs as independent monitors proved to be useful, and these have now been expanded to the full program. More than 800 stories have been published in local newspapers, and 60 independent NGOs supervise KDP and report their findings to local and central government. KDP's transparency policies extend to the public release of annual audit summaries. The net result of this openness has been much more accurate information about project results, even at the price of occasional embarrassment when things go wrong. Most observers report that KDP's openness and the independence of its oversight also lead to substantially less loss from leakage.

Adjustments, lessons learned, and new frontiers

KDP has gone through a number of transformations over its five year implementation period. Some of these reflect lessons learned from experience in implementing such a large, ambitious project, but others reflect adjustments to the limits and opportunities posed by working through World Bank and government agency institutions.

Two limitations of the KDP model are particularly worth underscoring since they can to some extent be overcome. The first is that technically difficult activities or activities that involve recurrent costs are not easily addressed through the KDP system as it is currently designed. Examples of such necessary activities include large scale health supply, providing teachers for schools, or any kind of infrastructure network planning.

Finding a solution to this limitation is important if the project is to provide more than a very large number of very small investments, important as any one of these microprojects may be. The

problem does not appear to be insurmountable. The Government of Indonesia is working with the Bank to prepare a linked project where communities work with technical specialists and line agencies to identify needs and desired outcomes, but a more differentiated review process decides which needs get addressed locally through standard KDP mechanisms, and which involve referral to more technical agencies and service providers for a response.

The second problematic area has been how the project can approach microcredit. When the project began, the country was going through a protracted financial crisis but also through a countrywide drought. At that time, KDP rules allowed communities to use the grant for private goods and village revolving funds. Interest was set at commercial rates. Reviews showed that the money was usually invested well and in many cases it reached the poor and near poor, with attendant multiplier effects through employment. However, repayment rates were relatively low, well below sustainability levels, and the credit option was closed at the end of KDP1. However, preliminary evidence suggests that the loss of KDP credit has not been compensated for through the emergence of other credit sources that lend to the poor.

KDP supports a number of experiments that are expected to scale up to larger operations that will support Indonesia's poverty reduction program. The first attempts to improve the efficiency of KDP's internal targeting to support participatory planning and management by marginalized groups. For example, even within poor villages, the poorest of the poor are disproportionately made up of female headed households. Marginalized widows do not join village level planning meetings and are thus less well represented in KDP's normal decision-making. An innovative program within KDP that supports the development of female headed households received grant support from the Japanese Social Development Fund and now operates in seven provinces.

A second and potentially very rewarding domain for experimentation lies in using KDP planning and oversight procedures to improve the quality of rural school and health programs. Final designs for a quantitative review of these experiments are being readied for 2004, but their general principle is to use community groups to monitor the quality of public service delivery and to provide them with options for the provision of basic services. These include giving the villages grants that can be matched against health and education program budgets, writing contracts with village school committees, and encouraging villages to seek out and hire pre-qualified contract teachers on the open market, provided that they fit with the district development plan.

Overcoming internal World Bank and GOI constraints

Scaling up KDP required overcoming several constraints in World Bank and GOI procedures, and the lessons from these experiences are relevant for scaling up efforts elsewhere. On the World Bank's side, four particularly important challenges were devising a fiduciary system that provided adequate controls but did not introduce extensive delays into the project; reducing national financial counterpart contribution requirements; addressing sectoral concerns with a multi-sectoral project; and finding a supervision structure that could deal with multi-sectoral programming taking place in a very large number of villages.

CASE STUDIES IN SCALING UP POVERTY REDUCTION

At the time they were devised, KDPs fiduciary structure represented a radical departure from standard business practice for Indonesia. The project involves minimal prior review, with only the first two large investments in each province requiring prior review. Receipts are retained in the subdistrict where the project takes place, not aggregated and sent to provincial or national accounting offices. Project disbursements take place against agreed plans that have been verified by the subdistrict project manager, not against actual receipts. Villages procure and manage their own technical assistance for projects from lists of pre-qualified service providers; at this level, KDP experiences none of the lengthy procurement delays that often delay other projects.

Government financial counterpart contributions and government pre-financing in KDP are relatively limited and do not cause the delays that they often do in other projects. Because KDP scaled-up in the midst of a national economic crisis, the Bank recognized the difficulty of pre-financing when so many other poverty programs also needed funds. Over time, however, it became clear that both national and local ownership of KDP were very high even without significant counterpart contributions. Because KDP disburses against local plans rather than actual expenditures, the actual cash outlay that the Indonesian government must make is also limited and for a relatively short period.

A third challenge came from trying to adapt an organization built around sectoral expertise to a project design built on a principle of open selection. The Bank did not come easily to the idea of multi-sectoral projects, and in fact the problematic link between community investments and line agency programming discussed earlier is mirrored inside the World Bank. For the first three years of KDP, in fact, there was a tacit agreement to not allow any health or education programming because Bank sectors could not agree on an acceptable approach; once this was lifted and the operating manuals adjusted accordingly, communities in fact did start proposing significant numbers of proposals for health and, especially education.

Finally, the project has always faced an uncomfortable tension between the need for high quality but high cost supervision inputs to ensure that project investments meet technical and fiduciary standards, and ensuring that there is some kind of representative coverage. The starting strategy began by stationing a strong national team in the Jakarta office to provide quality enhancement support, and over time growing Bank and government confidence in the project's own monitoring and evaluation system has allowed the project to develop a more managerial approach to supervision, one where technical work is carried out by the project itself and Bank responsibilities concentrate on overall management coherence. KDP's overall management costs run about 15-20 percent higher than standard Bank supervision allocations, but much of this can be attributed to the fact that the project itself is several times larger than most projects in the portfolio.

Government constraints mirror those of the Bank, but here again, three have proven to be particularly difficult for the project. Like the Bank, KDP is popular with the planning ministry and area governments, but much less popular with line agencies, who see the project both as technically unsophisticated and as a threat to their resources. This is becoming somewhat less of a problem over time as line agencies realize the extent to which community contributions enhance their own, already overtaxed capacities, but the resistance to demand based programming nevertheless remains widespread.

INDONESIA'S KECAMATAN DEVELOPMENT PROGRAM: A LARGE-SCALE USE OF COMMUNITY DEVELOPMENT TO REDUCE POVERTY

The second big concern is that while government commitment to the program at the level of principle is high, ability to deliver such a large program over such a short period remains a challenge. KDP poses a particularly difficult management challenge because it does away with standard project implementation designs that to a large extent outsource project management to contractors. With such a system, the role of, for example, strong M&E becomes essential, but Indonesian development projects typically have very weak M&E systems that do little more than track disbursements. In its early years, KDP suffered from frequent management turnovers, but this problem seems to have been overcome. National level procurement has proven to be particularly problematic, with extensive delays in contract extensions for field staff, production and delivery of training materials, and so on.

The third challenge has come from trying to link a nationally run program with Indonesia's decentralization program. Decentralization presents many new opportunities to promote local ownership of the project, but they are also a difficult challenge because constantly changing rules and responsibilities mean that project rule books must constantly struggle to keep up. A good example where this has made the project lose opportunities is with cost sharing in the matching grant program; because the national cost sharing rules were delayed, many districts that were prepared to provide counterpart funds so they could add subdistricts missed their own fiscal year deadlines and their proposals were dropped.

External catalysts

It would be naive to discuss KDP's origins without mentioning the overall context of the East Asia crisis and its fallout in Indonesia. But this paper has tried to underscore the fact that while the crisis may have created the need (and the opportunity) for KDP's scale-up to some 28,000 villages, the project's roots lie well within the government's planning history and overall approach to poverty reduction.

The World Bank played an important role in KDP's scale-up. The Bank has helped by keeping processing delays to a minimum and by helping the government improve specific parts of the project design. KDP is a very simple project – preparation averages about 5 months from identification to Board approval. The Bank also worked closely with GOI to make sure that project formats and disbursement procedures were kept simple and easy to use. Because of the close working relationship between the GOI team and the World Bank project team, KDP projects essentially have no policy conditions despite the institutional and policy changes that the projects bring about. They are all incorporated into the design of the project and reviewed well before negotiations. However, both the Bank and the central government devote fairly significant resources to field supervision, substantially more than well-performing projects normally receive. This investment in problem prevention pays off particularly well because the ongoing overall change in central-local government responsibilities across Indonesia means that project rules must be explained to a large range of new actors.

KDP Replication in Indonesia

KDP's fundamental design is being scaled up in ways that go substantially beyond making the KDP program itself ever larger. Two of these variants are of particular interest. Direct transfers to support participatory planning are now spreading **horizontally** to projects in primary education, health, and natural resource management, with similarly positive results. GOI has provided policy recognition of this trend in its iPRSP, which proposes that community driven development projects designed on the KDP framework will make up one pillar of the national poverty reduction program.

The Bank and government are also working to introduce **vertical** reforms to district administrations that replicate the same core principles underlying KDP, but which are adapted to the rules and procedures for formal administrations. The first \$70 million operation was appraised in early 2004.

The relevant lesson from these experiences is that the solution for expanding KDP further isn't to make this already enormous project even larger, but to use KDP as an input into a broader strategy that will adapt its core principles to the different demands of sectoral and administrative working environments.

Constraints and limitations to the KDP model

KDP does not substitute for a broad-based poverty reduction strategy. Generating local growth requires much more attention to the incentive environments that favor investment, employment, and local resource mobilization. KDP can contribute to a poverty strategy of this sort, but it does not replace the need for a more broad-based action program.

Two limitations of the KDP model are particularly worth underscoring since they can to some extent be addressed. The first is that technically difficult activities or activities that involve coordination across investments are not easily addressed through the KDP system as it is currently designed. Examples of such necessary activities include large scale health supply, providing teachers for schools, or any kind of infrastructure network planning.

Finding a solution to this limitation is important if the project is to provide more than a very large number of very small investments, important as any one of these microprojects may be. The problem does not appear to be insurmountable. The Government of Indonesia is working with the Bank to prepare a project where communities work with technical specialists and line agencies to identify needs and desired outcomes, but a more differentiated review process decides which needs get addressed locally through standard KDP mechanisms, and which involve referral to more technical agencies and service providers for a response.

The second issue is closely related. Investments that involve recurrent costs are not well served by a model that provides one-off grants such as KDP. Again, the solution lies in closer coordination with government planning, so that KDP capital investments are then integrated into district and provincial budget planning. This has already started to happen to some extent since KDP procedures do not allow communities to build infrastructure that does not provision for longer term support, but Indonesia does not yet provide for a structured way to promote negotiations between

community administrations and the higher level planning agencies that decide on recurrent budget allocations.

Can KDP be replicated elsewhere?

Even though a lot of the details about KDP are unique to Indonesia, some preliminary evidence is coming out that suggests that the core design and work well in other environments, particularly in conflict and transitional countries. In East Timor, the Community Empowerment Project essentially copied KDP. It covered the entire country three months after appraisal. Afghanistan's National Solidarity Project also uses many of KDP's core features, and that project is now entering a second phase just one year after startup. The government intends it to cover most or all of Afghanistan over the next three years as well.

A different example is the \$100 million Kalahi program in the Philippines. It also built on a KDP base. Like KDP, Kalahi has scaled up quite quickly. The Philippines is less of a transition country than Indonesia is – Kalahi comes to an already established decentralized administrative structure rather than landing in the midst of the change. As a result, Kalahi is more easily able to work through existing government structures rather than have to build new relationships from the bottom up.

From a technical standpoint, therefore, KDP clearly can be replicated on a large scale in other difficult environments. However, there are also a number of pitfalls. In post conflict and transitional countries, weak or uncertain government institutions will be succeeded by stronger ones. Strong line agencies and decentralized area administrations usually do not look kindly on direct community transfers. Careful strategizing is needed to integrate the KDP kind of planning into line agency and government structures. In East Timor's case, no such strategy emerged and it is unlikely that the project will survive the transition.

Government ownership must be increased, but at the same time the community's ability to make decisions and manage funds should not be lost in the rush for government ownership. This is the challenge that both Afghanistan and KDP itself currently face. At present, it is clear that WB and Central government oversight are still needed to make sure that locally owned versions of KDP do not also end up cutting out too much direct community management of money and decision-making. Consolidating KDP's overall progress now requires assigning the program a legal and statutory basis, and on working through long-term funding sources.

Conclusion

KDP provides a number of useful lessons for using community-driven development approaches to tackle poverty on a very large scale. Strengths of the model include its ability to deliver a high volume of desired investments to a reasonable standard of technical quality, its ability to move forward across a broad range of social and economic environments and in the midst of institutional changes that make other types of operations difficult to implement, and its popularity among end-users in local government and villages. Constraints that will be addressed in future generations of

KDP include more links to technical service delivery and the local government, and opportunities to link the project to a more broad-based program of institutional reform. Conclusion

KDP and large community development projects like it provide a new tool in the fight against poverty. A community-driven development approach in no way displaces the need for larger physical and social infrastructure projects. But a community based planning process provides a powerful and efficient way to build large amounts of simple, low-cost productive infrastructure using mechanisms that mobilize and develop the capacities of rural communities themselves. As community capacities develop, they can also take a more active role in improving the quality of other social services.

A second conclusion emerging from this review of KDP is that while projects such as KDP provide an important resource for poverty reduction strategies, they also present some challenges to the prevailing orthodoxy of how such projects should be designed. Other than targeting poor villages overall, KDP is not targeted to the level of individual poor households and in fact the project would not work were its targeting successful to that level of precision since the organizing concept of KDP lies in the collective identification of development needs.

Once the poverty targeting constraint is lifted, KDP's character as a system for funding local-level planning rather than a poverty project *per se* become much easier to see. The practical implication of this change is that the long-term vision for KDP as a national program becomes one of introducing the program to budget development and local revenue generation. This is why the government's longer term strategy is to expand KDP even to non-poor districts but to provide offsetting national grants to those districts characterized by higher rates of poverty incidence.

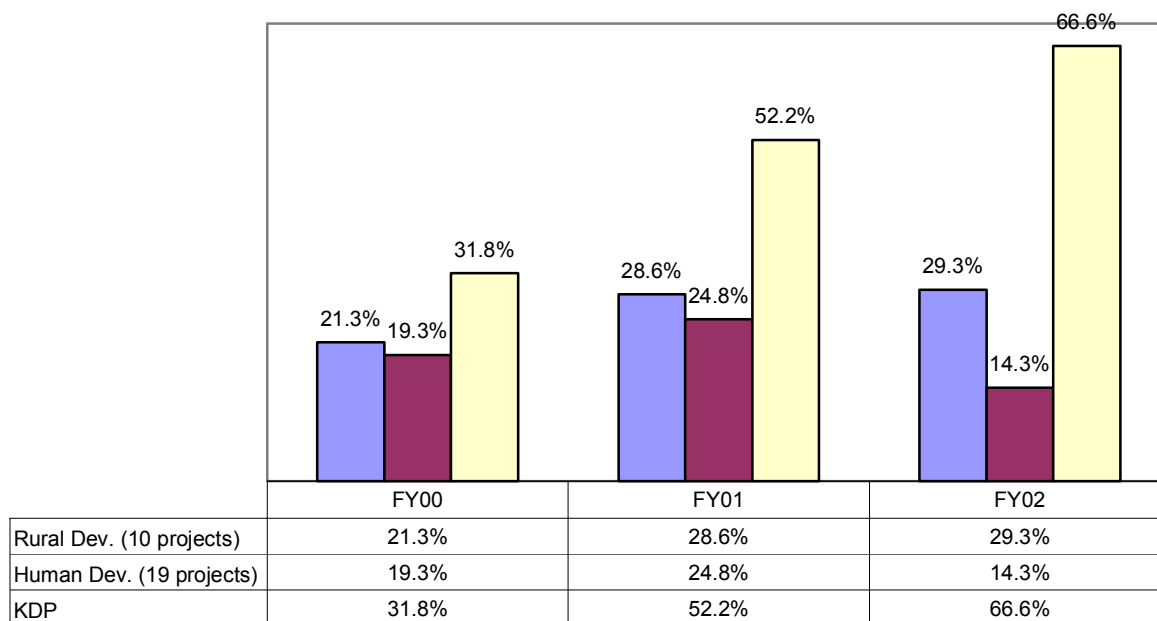
The third main conclusion is that while the first generation of KDP worked primarily to introduce mechanisms for community development planning and management, future generations can and must rebuild links to the more formal government planning structure. This is being facilitated by the country's overall economic recovery and increasing progress of the national decentralization program. At the level of project operations, the longer-term solution will be to link the KDP system of village and subdistrict planning with district government budgeting.

Finally, KDP provides a number of useful lessons in the mechanics of scaling up community-development projects. While community development projects are not entirely a breed apart from "normal" project designs, their decentralized, participatory designs do allow for significant adjustments to administrative rules and oversight. Chief among these is the ability to involve communities, NGOs, and private markets in project management and service delivery at a much greater level than was done in the past. How best to balance these innovations with the need for technical and financial quality control will require careful evaluations and joint reflections with government.

INDONESIA'S KECAMATAN DEVELOPMENT PROGRAM: A LARGE-SCALE USE OF COMMUNITY DEVELOPMENT TO REDUCE POVERTY

Annex 1

INDONESIA
PROJECT DISBURSEMENT BY RATIO (FY00-FY02)



Annex 2

The Stages of KDP

The process of scaling up KDP has involved qualitative as well as quantitative changes to the project's design. These have primarily been of two types: substantive changes that allow KDP to tackle new challenges in a sequenced way; and managerial changes that revise the project's internal organization so that it can cope with the challenges of scale-up. (See table below).

Although KDP has been a unitary program concept since its launch in 1998, the project has gone through three stages, each supported by a 3-year World Bank loan. KDP1 set up the core disbursement and planning systems. Once these were seen to work, KDP2 concentrated on developing village capacities, principally their ability to manage technical works, book-keeping, and procurement to a high quality standard, KDP3 concentrates on giving the bottom-up planning system a legal and an administrative status within Indonesia's decentralization program. (A fourth stage will eventually place the entire system on the regular development budget).

Organizational Changes Needed to Scale Up

Organizational Changes	KDP1 (1998 – 2002)	KDP2 & 3 (2003-2008)
Organizational structure	Centralized structure w/ a central project unit & facilitators at the province, district, & below	Decentralized many functions to regions, districts & below Established Regional Management Units
Technical Assistance	Technical assistance at central level 1 engineer per district	Technical assistance at central & regional levels 1 engineer per district 1 engineer per sub-district
Training	2 training officers at central level	1 training officer in each region
Monitoring & Supervision	Central and provincial levels provide supervision Information systems at central level	Emphasis on regional and district-level supervision w/continued oversight from central level Greater involvement of district parliaments & village councils in monitoring Information entered at district, regional & central levels
Grievance & Dispute Resolution	Grievance resolution unit at central level	Grievance resolution officer in each region
Civil Society Involvement	NGOs & journalists in each province providing independent monitoring	Increased the number of NGOs & journalists to include all 27 KDP provinces

Annex 3

BUDGET AMOUNTS

Nov 12, 2003

	IBRD	IDA	WB	GOI	Other	Total
KDP1	225	50	275	30		305
KDP2	208.9	111.3	320.2	101.3	40	461.5
KDP3	204.3	45.5	249.8	112.5		362.3
Total	638.2	206.8	845	243.8	40	1,128.80

Note: Budget amounts do not include any revised figures for KDP3 as of Nov 12, 2003.

COVERAGE

	KDP1				KDP2		KDP2 & 3		Indonesia
	Year 1 1998-99	Year 2 1999-2000	Year 3 2001-02	Year 4 2003-04	Year 5 2004-05	Year 8 2007			
Provinces	20	20	22	27				32	
Districts	105	116	130	190				400	
Kecamatan	501	727	986	1,115	2,000			4,048	
Villages	3,524	11,325	16,000	22,760	28,000			70,000	

Annex 3 (cont'd)

