Economic Reforms and the Poor: Social Action Programs and Social Funds in Sub-Saharan Africa

For many African countries, the latter half of the 1980s was a turning point in the struggle to alleviate poverty. In response to a marked deterioration in the living standards of the poor and growing unemployment, caused by the deteriorating economic situation and by some of the austerity measures instituted to control it, governments added explicit poverty alleviation objectives to their development policies. In cooperation with external agencies, they began to design and implement interventions such as Social Action Programs (SAPs) and Social Funds (SFs) to protect the poor and other vulnerable groups from the harmful effects of the economic adjustments. This study, Social Action Programs and Social Funds: A Review of Design and Implementation in Sub-Saharan Africa, reviews the experience thus far with regard to twelve Social Action Programs and Social Funds in Africa. It looks at the status of these programs, the political context in which they operate, related conceptual and institutional issues and finally reviews issues linked to the different components of these programs, including targeting and monitoring. However, since most of these programs have not been implemented for very long, in-depth analysis of their effects on poverty reduction in the long term is not yet possible.

Definition

Both SFs and SAPs aim to reduce poverty and reintegrate destitute groups into the economy. SFs are designed to fund local organizations, public or private, in a more flexible and transparent manner than regular government line ministries. They are demand-driven - they respond to funding requests from local agencies, but neither identify nor implement projects. SAPs, on the other hand, are designed as regular investment projects. Each component is fully appraised and all implementing agencies are identified before a SAP begins. Thus, SFs and SAPs have somewhat different roles. SFs, especially the
new generation of funds designed in Africa (Burundi, Madagascar, Ethiopia), fill a gap that exists in most government structures in SSA, namely the absence of mechanisms to support local government, NGOs and grassroot organizations in carrying out participatory development activities. The successful AGETIP experience in Senegal, which is now replicated in many West African countries, offers a very interesting model of a relationship between local government, communities and small-scale contractors and artisans in local development. This public works and employment project created 11,103 jobs with an average duration of 30 days each. It has had low management costs and has involved many small-scale construction companies, often excluded from the implementation of public works in the past. Such an SF, if well-integrated into governmental sectoral strategies, can help to create a true partnership between the central government and private and public organizations working at the local level. SAPs have a role to play in the short and medium term to provide quick support to people hurt by the deteriorating economic situation.

Design

Most SAPs have encountered many difficulties and long delays during their first years of implementation. Delivery mechanisms, in particular disbursements and procurement, and coordination between the different partners, have generally been weak. The use of central government procedures for implementing SAPs has been a major contributory factor. SFs, on the other hand, have more often been implemented relatively rapidly and well.

Most of the SAPs/SFs reviewed by the study, with the exception of the Senegal AGETIP and the Ghana Public Works Project, are multisectoral. This approach helps to address simultaneously the concerns of a broad cross-section of the population. A combination of components can create positive synergies, such as infrastructure rehabilitation in the social sector coupled with training for micro-enterprises to undertake the work, or nutritional programs for young children coupled with support for income-generating activities for their mothers.

However, the choice of components in SAPs/SFs has been limited by a number of factors. The first is implementation capability. A sector intervention of great benefit to the target groups might thus have to be dropped because of the lack of implementation capacity at the local level. This is often the case in rural areas, where institutions to carry out such schemes are often nonexistent.

The second factor is a lack of knowledge about what works or does not work at the local level. This often results in a multiplicity of pilot projects or small components with high supervision costs, and not always replicable on a larger scale.

The third factor concerns national policies that may not be conducive to intervention in some sectors. The lack of supportive policies might render the sub-projects ineffective. If, for example, the administrative regulations to set up an enterprise are cumbersome, then there would seem to be little point in focusing on a training program for entrepreneurs.

Types of activities supported by SAPs/SFs

SAPs/SFs generally support two types of activities.

- Employment creation and improvement of income-generating activities; and
- Support for basic social services.
Employment creation

With regard to employment creation, three major types of programs are typical: labor-intensive public works (the Senegal AGETIP project), support for income-generating activities for the poor (the Chad Social Dimensions of Adjustment Project), and placement of laid-off public sector workers and unemployed graduates (the Cameroon Social Dimensions of Adjustment Project). The benefits of these programs have been shown to be threefold:

- The creation of unskilled jobs;
- The creation of a network of small-scale enterprises capable of undertaking similar labor-intensive public works in the future; and
- The rehabilitation of the infrastructure.

However, a few issues have arisen in this context.

- Most of the programs have been urban-based (this may relate to the paucity of micro-enterprises in the rural areas capable of carrying out such works, as also the difficulties of effective supervision in remote rural areas).
- As there is strong evidence that the most destitute do not participate, do these programs have a real and sustainable impact on poverty?
- Are these programs sustainable in trying to resolve structural unemployment and food security problems, since, being donor-funded, they are limited to the medium-term.

Many SAPs and SFs have attempted to support small-scale income-generating activities for the poor through community programs or support to individual micro-enterprises. These programs typically have three components: technical assistance, training, and micro-credit. Some examples in this regard are the Chad Social Dimensions of Adjustment (SDA) Project and the Cameroon SDA Project.

The placement of laid-off public sector employees and unemployed graduates is a common component in most SAPs/SFs. This generally comprises retraining schemes, counselling and guidance, and credit for small-scale enterprises. The Fonds National de l'Emploi (FNE) in Senegal and the Social and Infrastructure Relief Project in Guinea-Bissau reflect these emphases.

Provision of Basic Social Services

Most of the activities funded under this component are in the health sector, with an emphasis on sanitation activities. There are also some educational activities.

The health-related activities have focused on the rehabilitation of primary health care facilities and the provision of essential medicines, as well as basic training for health workers, as illustrated by the programs in Chad, Madagascar and Uganda.

Part of the sanitation work carried out under SAPs/SFs has used labor-intensive techniques. One of the major constraints here has been the lack of sustainability of programs once the basic investments have been made, due to the weak financial and administrative capacity of the concerned government agencies.

The educational components of SAPs/SFs focus on rehabilitation and in a few instances, on the
construction of primary schools and the provision of teaching aids and furniture.

**Targeting and Monitoring**

These have been the weakest aspects in the design of SAPs/SFs, and derive largely from an environment where information is scarce and institutional capabilities limited. Targeting has been approached here in four ways.

- Geographic targeting, which limits a program to specific areas within a country;
- Self-targeting, which consists of supporting activities or providing benefits that would interest only the intended beneficiaries;
- Targeting through components and sub-projects; and
- Targeting through the use of implementing agencies, such as NGOs.

Monitoring is an important part of these programs, providing as it does feedback to better target and implement activities. Monitoring typically comprises of:

- Physical monitoring, which refers to the follow-up of physical implementation in the field;
- Financial monitoring, dealing with disbursements and transfers of funds; and
- Impact monitoring, which reviews in detail the program's impact on its beneficiaries.

Beneficiary assessments through qualitative research on the lives of the people concerned is proving to be a vital and useful instrument to improve targeting and monitoring. These are in progress in Madagascar and Zambia. Rapid assessments, on the lines of the rapid rural appraisal techniques, also known as Participatory Rural Assessment, are also useful tools, as are household surveys.

Obviously, SAPs/SFs are only one element of what should be a much broader poverty reduction strategy integrated into economic reform programs. They stand a much better chance of success when functionally integrated into other initiatives such as public expenditure restructuring, reform of price policies and the reform of countries' legal frameworks, to name only a few. It is vital that programs introduced through SAPs/SFs be fairly simple and have a clear place in government strategy. Most important is the need for governments to set up effective mechanisms to take over and continue activities they consider essential at the end of the program.