Economic Management and Social Policy
Infrastructure

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November 1998

Findings reports on ongoing operational, economic, and sector work carried out by the World Bank and its member governments in the Africa Region. It is published periodically by the Knowledge and Learning Center on behalf of the Region. The views expressed in Findings are those of the author/s and should not be attributed to the World Bank Group.

Lessons from Africa's Social Funds and Public Works and Employment Projects

Findings

The concept of creating autonomous or semi-autonomous entities to implement small-scale projects more efficiently has spread throughout Sub-Saharan Africa.

This review, *Local Solutions to Regional Problems: The Growth of Social Funds and Public Works and Employment Projects in Sub-Saharan Africa*, is the first attempt to compare and draw lessons from ten years of African experience with these types of projects. The key point in the evolution of these operations has been their transition from emergency, results-driven, socially and economically justified small-scale projects to more permanent delivery systems for reaching the urban and rural poor. As the report emphasizes, a great deal has been learned that can guide and motivate the next generation of projects, in Africa and elsewhere. The evolution of these projects is described first, followed by the views of stakeholders, and ending with the lessons learned regarding institutional set-up and sustainability.

Pacesetting operations

The review highlights three social funds (Zambia, Eritrea and Angola) and three urban works projects (Senegal, Benin and Mauritania), and begins with two pacesetting operations. The first, Senegal's Public Works and Employment Project, 1989 was designed to address an urgent unemployment situation in an innovative way and set up an implementing agency with a commercial, not-for profit status. Its French acronym, agetip, became a standard term in West Africa. The second, Zambia's Social Recovery Project, 1991, was designed bottom-up with a menu of beneficiary options; it set up an implementation unit under the Ministry of Finance.

Next, operations in Benin and Angola introduced significant changes in institutional design and sustainability. In addition to building works, Benin's Urban Development Project of 1992 began with long-term objectives. Planning was done separately from the works agency by a different agency. Municipal capacity building and revenue mobilization were introduced, and a bottom-up, community-based component was included. Angola's operation became the first social fund in Africa that was fully decentralized from the start, with provincial offices created to approve projects and transfer funds for implementation.

Mauritania's operation, meanwhile, took municipal capacity building a step further by strengthening local government through local resource mobilization and introducing local investment and maintenance plans. It also introduced a municipal contract for a transparent and publicly accountable agreement with beneficiaries.

Finally, Eritrea's innovation was to include social fund and works mechanisms into the same project. It combines the bottom-up approach with the top-down contracting of small and medium enterprises. This project was country-driven from the start and has developed into an important capacity-building tool for local governments.

Stakeholder views

The review solicited views from service funders and providers and from those using the services, such as neighborhoods, districts, and local governments. There were four clear messages.

- First, all groups reported high impact on employment, income, and local capacity building. Jobs were created quickly, with unemployed urban males benefiting the most. Families in turn benefited from the employment of the male household heads, although job creation was mostly temporary. Groups representing local government and rural communities urged greater involvement of local people and enterprises in selecting and implementing micro-projects. Stakeholders thought that the other benefits were significant, especially in furniture making, cement sales, trucking services, and food vending. Through training courses, firms improved their capacity to prepare and manage micro-projects and to deal with formal financial and insurance institutions.
- Second, stakeholders reported improved coordination between the service providers (government agencies, the donor community, and ministries). In fact, coordination was seen as much better than other development projects in the three countries, Benin, Burkina Faso and Mali. This may be due to the delegated style of management that the three agencies have developed. Stakeholders also reported that the use of several agencies with specialized areas of interventions, such as in Benin, allows more contact with the target population. One stakeholder pointed out that "competition breeds a healthy and more productive environment." As expected, coordination between the local population and works contractors was rated below average because the use of local labor was seen as very limited.
- Next, stakeholders did not think that enough attention was given to the sustainability of micro-projects, because of either technical design or construction quality, the capacity to manage facilities, insufficient recurrent funding for OPERATION AND MANAGEMENT (O&M), or the lack of ownership on the community side. Recurrent funding concerns are now being answered by the creation of maintenance funds and through other measures. In Burkina Faso, community development funds are supplying funding maintenance for micro-projects. In Mali, micro-project proposals have a maintenance component that requires beneficiaries to contribute for three years of maintenance, even before works begin. Stakeholders also suggest that, to promote long-term sustainability and greater ownership, there should be more emphasis on information, education, and communication programs, as is typical in social funds.

Finally, end-users thought participation was inadequate. Stakeholders acknowledged that the driving force was speed and efficiency at the expense of long-term sustainability. But even in Benin's project, which had two additional components (a bottom-up community upgrading component and a municipal strengthening one) stakeholders held similar views. In all countries, NGOs thought that their services could be better used to promote a more "bottom-up" approach and help instil a maintenance culture among beneficiaries. Municipalities agreed on the impact of improved access to roads, drainage, markets, schools, and health centers but often felt neglected during the selection and implementation of micro-projects and, hence, unprepared to receive the micro-project when completed. In conclusion, most stakeholders would like to see a continuation of the "AGETIP-style" to build local infrastructure, but with greater participation by local communities.

Institutional issues

The greatest challenge these operations face is the reconciliation of short-term and long-term goals, especially between the pressure to complete projects and the time needed to ensure ownership and sustainability. The political expediency and the poverty reduction objectives are also a challenge — the poor are often geographically and socially invisible and, therefore, not a priority. Until recently, the emphasis has been on quick response and disbursement, more than on micro-project *sustainability*.

Only one first-generation works project, in Benin, included close links with local governmen. In fact, Benin was not named a "public works" project but an "urban management" project, designed around an AGETIP-type agency. Three social funds stand out for being closely linked with local or district governments and decentralized bodies: Zambia, Malawi, and Eritrea. Even if the link with local government is built into the design, getting local government personnel involved in the project cycle takes time, incentives, training, and communication management. Most social funds are aiding this decentralization process. In addition, the consultative bodies that approve social fund-initiated projects are really not able to play a significant role. Consequently, the relationship between local government and the social fund is often unclear and sometimes seen as a power game by the "partners." In the end, the social fund holds the purse strings and can act independently.

The social funds most solidly committed to capacity building at the community level have shown the importance of investing in operational tools for communities and intermediaries. Application forms, community-level implementation manuals, statutes, and registration forms of project committees as well as contractual agreements are not just paperwork — they are learning and capacity building aids.

Although poverty-alleviation is central to most social funds in Sub-Saharan Africa, they have so far lacked effective targeting mechanisms. Part of the reason for this seems to be the contradiction between the demand-driven approach and the micro-project selection strategy. Driven to show results — and establish the agency's credibility — most social funds have initially funded projects in geographically accessible communities that already have organizational skills. By definition, the communities endowed with social capital and access to information are in a better position to take advantage of social funds and, therefore, express demand for services better than the poorer, more isolated communities.

Finally, the lack of good targeting mechanisms has had two consequences: (a) social funds tend to support ministries that provide infrastructure, and thus become less of a poverty alleviation mechanism; (b) social funds have become *de facto* regional or local government planners as they have gained influence in selecting clients, micro-project locations, and interventions.

Sustainability of micro-projects

Sustainability affects both social funds and works projects, as well as projects in specific sectors. First without *participation and ownership*, beneficiary communities will not value, use, or help maintain micro-projects. Because participation and ownership are key to a bottom-up approach, they are designed into all African social funds. However, with the exception of Benin, bottom-up approaches were only introduced in the second-generation works projects, after the urgency period had passed.

A second aspect of sustainability is with regard to *solid O&M* arrangements and the question of recurrent funding. While O&M remains a cross-sector issue, stronger support and long-term commitment needs to be built into future works and social fund operations.

Appropriate *technical standards* for design, construction, and supervision are essential for micro-projects to last, without which operations and maintenance costs will increase. This issue seems to apply more to newer operations where there was little capacity in the local construction and consulting industry. Second-generation projects are faring better as systems become internalized.

The next issue concerns *replicating the institutional setup* in the same country and the form it takes. There are already a few experiences in Africa where a works and social fund exist side-by-side — Benin and Madagascar — but there are no instances of more than one AGETIP or more than one social fund existing side by side. There is now a second social fund being planned in Benin and a second works agency being planned in Mali. In both cases, the rationale is to introduce alternative agencies and to specialize, so that the existing agencies are not spread too thinly.

The last question about sustainability is whether the strategy itself, especially *efficient procurement and contracting methods,* should be extended to the public sector across the board. Benin, Senegal, Mauritania, and Mali have introduced legislation to replicate the procurement arrangements for micro-projects beyond the works agencies. Benin has gone even further by promoting a law that enables others to enter into the delegated management contracting field.

Laura Frigenti and Alberto Harth with Rumana Huque. 1998. ***Local Solutions to Regional Problems: The Growth of Social Funds and Public Works and Employment Projects in Sub-Saharan Africa.*** *Water and Urban 2 and Institutional and Social Policy Divisions, Africa Region, World Bank, Washington D.C. For more information, please contact Laura Frigenti, Rm. J2-141, World Bank, 1818 H Street, Washington, D.C. 20433. Tel. no.: (202) 4587229; e-mail address: Lfrigenti@worldbank.org*

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