



SOCIAL FUNDS INNOVATIONS NOTES

Design and Implementation of Public Works Programs through Social Funds

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Social funds (SFs) aim to alleviate poverty by creating and upgrading social and economic infrastructure, promoting income-generating activities, and supporting the development of civil society and social capital. Social Funds also often contribute to employment through social protection interventions, such as public works programs. This note highlights some of the

advantages and challenges of public works programs and reviews the experience of social funds in designing and implementing this kind of programs. The note looks at social funds as an implementation mechanism vis-à-vis more traditional models and focuses on the lessons learned from Egypt, Liberia, Madagascar, Malawi, Sierra Leone, Tanzania, Uganda and Yemen.

Social funds (SFs) aim to alleviate poverty by creating and upgrading social and economic infrastructure, promoting income-generating activities, and supporting the development of civil society and social capital. Overall, the model has been successful due to social funds' ability to quickly respond to crises and deliver on their goals while being cost-efficient and flexible at reaching poor and vulnerable groups (Van Domelen, 2007). Social Funds have also often contributed to employment creation by incorporating local labor into community-implemented sub-projects as well as through social protection interventions such as public works programs (PWP).

This note reviews the experience of social funds in designing and implementing such public works programs and it is intended for an audience of task teams, social fund officials, Bank staff and clients in general. It reviews some of the advantages and challenges public works tend to face, and it looks at social funds as an implementation mechanism vis-à-vis more traditional models, especially government-implemented programs. The note looks at cases from Egypt, Liberia, Madagascar, Malawi, Sierra Leone, Tanzania, Uganda and Yemen.

Public Works Programs Objectives and Social Funds

Public works programs provide temporary employment to unskilled and semi-skilled workers on labor-intensive activities while providing income support to the poor and contributing to the creation and rehabilitation of public infrastructure. While some public works programs aim at helping vulnerable populations cope with the effects of large covariate shocks such as economic crises (see Box 1), natural disasters or seasonal shortfalls in employment (by providing in-kind or cash payments and helping reconstruct and rehabilitate social and economic infrastructure), others intend to serve an antipoverty function and to provide employment when other work is not available (idiosyncratic risks). This latter model tends to be part of the stable set of social protection interventions in the country and they normally hire workers for longer periods of time. For example, the Egypt Social Fund for Development (SFD) Public Works program aimed to create jobs and provide community infrastructure and services as part of the government's safety net and poverty reduction strategies.

Public works programs may also serve as a bridge to employment, providing workers with training as well as with the opportunity to participate in savings groups and access microcredit schemes. The Malawi Social

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Action Fund (MASAF) in collaboration with Care International implemented a program aimed at providing linkages to permanent employment. Ex-post assessments found that public works sub-projects transferred skills to beneficiaries and created organizational capacity. In addition, women who took part in a savings intervention had some resources to fall back on when the family had a shock, e.g. illness of a family member, etc.

Box 1: Yemen Social Fund for Development Responds to the Global Food Crisis

Since 2006, the SFD in Yemen has implemented a Labor-Intensive Work Program that serves as a poverty alleviation mechanism in urban areas for many unskilled workers migrating from the rural areas. The program acts as a safety net for poor households. After the 2008 food crisis severely affected the country, the Yemen Social Fund for Development (SFD) was tasked with the implementation of a PWP. The World Bank, through the Global Food Crisis Response Program (GFRP), has provided a grant for US\$ 10 million to finance labor-intensive sub-projects targeted at communities that have been affected by the crisis

Social funds have implemented public works programs in the context of stabilization of post-conflict settings. In 2003, the Sierra Leone National Social Action Project began implementing a Rural Labor-Based Public Works component with the objective of supporting the rehabilitation of district infrastructure and as a mechanism to provide employment to youth, demobilized soldiers and other vulnerable groups. In 2008, the experience with this program served as the basis for a Cash-for-Works program to respond to food crises. In post-conflict countries, where government institutions are usually weak, social funds provide capacity to implement public works programs.

Social Fund Design and Implementation of Public Works

Institutional and Implementation Arrangements

Traditionally, social funds have utilized their existing institutional framework for implementing public works programs. Social fund implementation arrangements are based on the concept that the social fund finances, appraises and supervises small-scale investments identified and managed by local level actors. Although a key characteristic of

most Social Funds is their ability to work with communities and to help build capacity at the local level, a variety of arrangements are possible. Social funds have chosen to either directly partner with communities or to support communities' partnerships with local governments, NGOs or private firms. In some cases, social funds work directly with local governments or private contractors. In particular, the use of the community-driven development approach has been successful in low institutional capacity contexts and has served to empower communities. For example, the Madagascar Fonds d'Intervention pour le Developpement (FID) piloted a workfare component where communities selected the sub-projects and submitted proposals to FID for appraisal, subject to the approval of various levels of local government. Communities implemented the sub-project and hired contractors to execute the works with community labor. According to project documents, "the impact on capacities, both in the private sector and at the local level, was substantial" (World Bank, ICR 2003). This experience contributed to the emergence of a large number of contractors specialized in delivering services in rural areas as well as to increasing the organizational capacities of communities. Based on the project success, FID started involving community-based organizations and local governments in procurement and supervision of investments on a larger scale. The pilot also introduced municipal-level planning, which is today a standard practice for all donor investments.

Beneficiary Targeting

Selection of beneficiaries in public works programs can be done through several methods, such as geographic targeting, community targeting and self-selection.

Geographic targeting is used for selecting the areas where unemployment is higher, or where the effects of shocks are more extensive, as well as to identify which communities will benefit from the local infrastructure built. Social funds around the world have used poverty maps to identify the poorest regions in the country when financing community-driven sub-projects as well as for public works geographic targeting.

Community-based targeting is when communities identify those beneficiaries who are most in need. Social funds have promoted the use of methods like participatory wealth ranking exercises and local focus group discussions to identify beneficiaries for vulnerable groups' initiatives and have transferred these techniques when implementing public works programs. For example, the Tanzania Social Action Fund (TASAF) utilizes community-based targeting of beneficiaries through wealth ranking that includes indicators such as head of household's literacy, children school dropout, female-headed households and lack of job opportunities. The TASAF II Impact Evaluation (2008) confirmed the accuracy of community-based targeting in reaching the intended beneficiaries. Similarly, the impact evaluation of the Malawi Social Action Fund (MASAF) Public Works Program found that using community-based targeting directed jobs to the most vulnerable households.

Self-selection entails program rules that tend to promote only the target population seeking participation in the program. For example, in the case of public works, in order for workers to self-select into the program, wages should be lower than the market wage for unskilled labor. TASAF utilizes community-based targeting as the main mechanism for selecting beneficiaries but also sets the wage at 10% below market wage of the specific region where the sub-project is being implemented to encourage self-selection.

Another way to ensure inclusive access to public works employment is through the *type of tasks* that are financed. Traditionally, public works have targeted able-bodied individuals for construction work. However, some programs have expanded the types of tasks that are paid – particularly those around the construction sites, such as social services provision or other light tasks (fetching water, moving tools, etc.). These kinds of tasks tend to benefit vulnerable groups that are excluded from traditional public works programs such as the elderly and disabled, as well as to be more gender inclusive. For example, in the Northern Uganda Social Action Fund (NUSAF) as well as in MASAF and TASAF, elderly women and men participate in public works sub-projects by engaging in light tasks such as baby-sitting, moving tools, drawing

drinking water, etc. The remuneration is equal to that of other program beneficiaries.

In general, and in accordance with the overall trend in public works programs, social funds have tended to use a combination of targeting methods. This strategy has been shown to make identification of the neediest more accurate and comprehensive (Del Ninno et al., 2009).

Box 2: Targeting Methods

A good example of combining targeting methods is the GFRP-financed Public Works Program in Yemen which identifies the poorest districts by using household survey data to create an index based on food poverty and population density. The program then identifies villages and communities most affected by drought and food price increase through a field survey undertaken by the Social Fund's branch offices. Self-targeting is encouraged by setting the wage at a level lower than the market rate. However, communities are consulted throughout the process and they participate in identifying priority projects and beneficiaries as well as monitoring implementation of the project. Women participate on a piece-meal basis to accommodate their family obligations.

Disbursement and Payment Mechanisms

Designing and implementing effective disbursement procedures and payment mechanisms for public works programs can be challenging. Payment systems need to ensure that beneficiaries can readily use in-kind or in-cash income, that funds reach their destination securely and in a timely manner, and that the right amount of funds are delivered to the right beneficiaries. Transparency and reliability of payments are critical for people to participate in public works programs. In many cases, if the payments are not made in time, the coping and protective effect of these temporary income transfers is lessened. In some cases, beneficiaries may be forced to borrow at high interest rates from local money lenders, sell off assets in the case of shocks, or other strategies which may lock them into longer-term poverty traps.

A further issue is whether payments are made in cash or in-kind. In-kind payments may be more immediately available (for instance using food aid). In some cases in-kind payments ensure that women have more control over the payment. However, they are less flexible than cash and do not readily allow households to exchange them for medicine, fuel, and other basic needs. They also present

challenges for the implementing agency in terms of transportation, storage, and accountability. Cash transfers, on the other hand, can be more easily used by households for a broader range of needs (food, medicine, savings and investment). However, they tend to present security challenges when large amounts of cash need to be transported to remote locations.

In general, social funds have established disbursement mechanisms that tend to be simple and flexible while ensuring transparency and accountability from implementers at all levels. In their operations, social funds usually transfer funds to communities that manage and supervise the sub-projects. The existing systems to transfer funds tend to be secure and simple and, through capacity building efforts by the social funds, communities are generally experienced in handling these funds. In public works programs, social-fund-supported communities usually ensure that payments are made on site and in public; that information on the sub-project is posted or made readily available to the community at large for inspection; that the list of beneficiaries is known by the community; and that community meetings are held where information on subproject implementation is shared and discussed. Communities are able to monitor payment issues, as well as to use complaints and conflict resolution mechanisms in place. Some examples of effective payment and disbursement systems include:

- ❖ TASAF takes accountability and transparency into account in its design while ensuring that the community is involved in monitoring of the record keeping of workers and materials. The community project management committee (CPMC) and the village council authenticate payments and the CPMC ensures that payments are made to bonafide workers on site and in public. Beneficiaries that were interviewed for this note mentioned that they did not experience any delays in payments since the CPMC members in charge of collecting the funds from the Bank and disbursing the payments also worked in the sub-project and had an interest in making timely payments. At community level, sub-projects' accounts and records are audited annually on a sample basis by the national Audit Office, with consistent positive results.
- ❖ The results from a Community Score Card process revealed that participants in MASAF's Public Works Program, which

provided employment to households affected by severe drought and food shortages, indicated that the program was timely in responding to the crisis they faced and enabled them to purchase farm inputs and food while creating community infrastructure. On transparency and accountability, the beneficiaries rated the program as satisfactory.

Program Efficiency

Program efficiency is measured by the overall benefits (direct and indirect) that are transferred to the beneficiaries compared with the cost of transferring them. Key components of program efficiency are labor intensity and non-wage costs:

Labor intensity: Although projects should aim to have the highest possible level of labor intensity, problems may arise with the quality of works when technical inputs are lacking or inadequate. Social Funds' expertise with implementation of infrastructure sub-projects can be advantageous in ensuring quality of works but also for supervision of contractors. TASAF requires that labor intensity should be at least 50% of the sub-project's inputs. However, this requirement should not compromise the quality of the works, since the project's complementary objective is to create quality assets. The LGAs supervise the works and, where there is inadequate capacity, a local service provider is engaged to augment the LGA's supervisory capacity.

Program Costs: Public works can be expensive programs due to many associated costs such as wages, physical inputs, sub-projects implementation and program design and management. Social funds have tended to have lower costs of both construction and program administration than centrally managed public works due to strict cost control using local contractors, simplified design, and efficient management systems. For example, in some cases they have used task-based wage rates, paying per task completed and not per day. This minimizes the cost of idle labor generally experienced on force accounts and other implementation modalities. Examples of efficiency include:

- ❖ A multi-donor review of the Egypt SFD public works sub-projects found that its efficiency was good compared to other infrastructure service providers operating in the country. A sample of unit costs of public works activities showed that unit costs were either lower compared to the

unit cost data that were available at the time of writing of the PAD, or increased at a slower pace than inflation. Expenditures per job created by the program steadily decreased.

- ❖ Although the public works financed by TASAF in Tanzania aimed at providing employment to able-bodied food insecure individuals, the works were expected to remain competitive when compared to other agencies. An impact evaluation of TASAF found that road projects, which were the most common type of infrastructure constructed, were cost effective compared to other agency road projects.

Implementation Capacity

Effective implementation of public works programs requires institutional capacity, a critical issue in many low-income countries. Institutional capacity may determine what type of program can be successfully implemented. In addition, public works programs may need to be quickly scaled up to respond to shocks or seasonal demands. Most times coordination among stakeholder (government agencies, donors and NGOs and communities) is essential for successful program implementation.

In general, social funds have been recognized as effective delivery mechanisms, particularly noteworthy in crises and low-capacity contexts. Social funds can also take advantage of having, in most cases, national coverage and decentralized offices that are able to reach

remote areas, as well as an ongoing relationship with local communities. In crisis situations social funds have typically been among the first institutions called on to respond because they can rapidly extend their coverage utilizing existing capacity. For instance, the Liberia Agency for Community Empowerment (LACE) was able to quickly implement a public works program to respond to the food crisis that affected all 15 counties in the country. TASAF was able to scale up the program in 40 food-insecure districts to respond to economic crisis and natural disaster.

Additionally, social funds usually have effective communications campaigns, which can serve to disseminate program-related information as well as wider messages. Examples of this are TASAF, MASAF and NUSAF all of which have effectively used the electronic and print media for dissemination of messages on implementation of public works programs.

Asset Maintenance and Sustainability

Asset maintenance and long-term sustainability are important issues that might pose a challenge for public works programs. While some evidence shows that organized and trained communities have been crucial to asset maintenance once the program has ended (Del Ninno, 2009), community-based operation and maintenance has its limitations. Depending on the assets created, government involvement at all levels might be essential. Engaging local governments from the start and getting their financial commitment can help

Box 3: Implementation Capacity in Sierra Leone

In 2008, the Bank approved additional financing to support the Sierra Leone National Social Action Project (NSAP) to implement a Cash-for-Work (CfW) program. The CfW, financed through the Global Food Crisis Response Program (GFRP), aimed to respond to the food crisis in the country. The NSAP was chosen as the vehicle to implement this program due to its “solid performance [...] to put in place and scale up safety net interventions to help the poor cope with the drastic increases in food prices in Sierra Leone”. In looking for an institutional platform for the crisis response, project designers identified that, while implementation capacity is low in Sierra Leone, NaCSA, the social fund agency implementing the NSAP, “stands out as an institution with a long and successful experience in coordination of humanitarian and social protection activities, both during and after the conflict”. NaCSA has “proven itself capable of effectively managing not only the Bank’s funds, but also those of other donors”, including the Islamic Development Bank, KfW, African Development Bank, and the Italian Government. Overall, NaCSA’s has shown a satisfactory performance including in fiduciary management and monitoring and evaluation. The Government extended its mandate to 2018 and expanded it to include support for local development councils, social assistance programs for the poor, and for the war reparations effort.

Source: World Bank, PID, 2008.

further sustainability.

In this aspect, one of the main advantages of social funds as public works implementing agencies is their capacity to engage communities to participate in designing, implementing and maintaining sub-projects. Several experiences have shown that when communities are active partners, there is an increased sense of ownership of the infrastructure created. Social funds have also usually worked closely with local levels of government, which helps put in place future spending on operations and maintenance.

- ❖ In Yemen, the Social Fund for Development (SFD) provides training to communities for operation and maintenance. The SFD then regularly visits subprojects for two years after completion to ensure resolution of any operation and maintenance issues. Water-user associations, parent committees, and road maintenance groups have been successful in ensuring sustainability.
- ❖ In Tanzania, TASAF-supported communities and local governments share responsibilities for asset maintenance. For example, although communities are able to maintain roads by tending to earthworks, when major repairs are required (e.g. for a collapsed culvert structure or a bridge), the local government is supposed to carry out the maintenance since the communities do not possess the resources to perform this kind of repairs. For water and other assets, communities set up maintenance committees or user associations to take care of the infrastructure created.

Gender Inclusion

Gender inclusion in public works programs is closely linked to the type of jobs offered, the amount of hours of work, distance from works site, etc. When sub-projects include heavy labor, women participation might be constrained to certain activities. In addition, women usually need to combine work with house chores and children care. However, the benefits to increasing women's access to cash and jobs might also be greater. It has been shown that women's access to labor and income goes hand in hand with increased improvements in women and children well being (Del Ninno, 2009). Furthermore, it is usually women-headed households that are most vulnerable. Some examples of gender

inclusion in social fund-supported public works programs include:


- ❖ In order to ensure women inclusion, Sierra Leone's Cash-for-Work Program uses a combination of geographic targeting, self-selection through wage and requires that women hold at least 30% of jobs.
- ❖ A study of a MASAF/CARE International initiative found that a number of barriers affect the participation of women in public works sub-projects such as distance, task rates, and child care availability. The study also showed that contributing cash earnings to the households had a positive impact in empowering women.
- ❖ Also in Malawi, the public works program implemented by MASAF in response to drought, involved a slightly higher percentage of women (50.9 percent) than men, because in many cases it was women and/or female-headed households that were likely to face greater levels of deprivation and vulnerability as a result of the drought. According to feedback from the community scorecard process, the projects contributed to the empowerment of women not only due to their participation in income generating activities but also due to their membership in project management committees.

Monitoring and Evaluation

Effective monitoring and evaluation (M&E) systems provide important feedback during implementation, increase transparency, and assess program impact. The M&E framework is built upon the project development objectives (PDO) and a set of key performance indicators. For example, the Madagascar Emergency Food Security and Reconstruction Project makes explicit the role of public works in the project's PDO: to increase access to short-term employment in targeted food-insecure areas and restore access to social and economic services following natural disasters in targeted communities. Examples of key performance indicators for public works components of social fund activities are provided in Box 4. Social funds existing M&E systems often include an MIS system, routine technical audits, participatory social accountability techniques, and impact and ex-post evaluations. This provides a solid platform for M&E of public works activities. For example:

- ❖ MASAF's M&E system is an example of an effective approach to reinforcing a national system from a project platform as well as multifaceted evaluation instruments. The system monitors project processes using a well-defined results framework, a clear strategy for data collection, analysis and reporting, a sound MIS that integrates local government, and

the most common challenges public works face regarding program design, implementation and monitoring through some of the strengths that are intrinsic to the social fund model. Some of the conclusions and lessons that can be drawn from the concepts and examples above are as follows.

Box 4: Key Performance Indicators for Social Fund Temporary Income Objectives		
Outcome or Output	Sample Key Performance Indicators	Data Collection Instruments
More final outcome oriented  More project output-oriented	Increased income from wages (income transfers) from PWP works	Household surveys
	Person-days provided in labor intensive public works program (number)	Social fund MIS
	% Of labor intensity of public works sub-projects	Social fund MIS
	# Of communities benefitting from public works sub-projects	Social fund MIS

Source: Results in Social Protection and Labor Operations – Technical Guidance Note for Social Funds, World Bank 2010.

a set of several external and internal periodic assessments. The program looks at incremental changes in households by assessing changes in agricultural productivity, access to services, etc. against baseline data. In addition, MASAF utilizes a variety of participatory community monitoring and accountability techniques, which include community score cards and citizen report cards.

- ❖ The Yemen SFD has a rolling system of impact evaluations using pipeline projects as baseline. The system includes quantitative and qualitative assessments, external evaluation of innovative programs and impact evaluations every three years. Yemen's experience with this system has converted the SFD into a technical point of reference for impact evaluations within its own country and internationally.

Lessons Learned: Why Social Funds as implementation vehicles for Public Works?

This note has reviewed some of the experiences of social funds design and implementation of public works programs in low-income context. Social funds have implemented public works programs with diverse objectives, including responding to crises and natural disasters. In many cases, they are well-suited to respond to some of

Community-Driven Approaches: Involvement of communities tends to positively contribute to targeting, implementation, monitoring and sustainability. Communities are key in determining sub-project preference but are also well placed to identify those individuals who are the most vulnerable to participate in public works. Involvement of communities during implementation leads to more transparent transfer of funds as well as monitoring progress of works. Community ownership tends to promote sub-project sustainability, reinforced by involvement of local governments.

Targeting: Although public works programs tend to target able-bodied individuals, social funds can also make use of their existing capacity and mechanisms to target vulnerable groups through a wide range of interventions. This can complement and enhance the impact of public works programs.

Procedures and management practices: Social funds streamlined, simple and flexible procedures have been at the heart of successful implementation. In addition, a degree of autonomy combined with regular audits and effective management practices have contributed to greater transparency and accountability. These features have been instrumental when responding to crises and in low-capacity contexts, and hence many emergency public works programs have been

implemented through social funds in such circumstances.

Coordination: Social funds are able to coordinate with a wide variety of actors at all levels and to harness their implementation capacity. Due to their ability to work with international donors, national agencies, local governments, communities and contractors, social funds have been successful in implementing public works programs.

Monitoring and Evaluation: social funds rely on well-established monitoring and evaluation system combined with participatory social accountability approaches. Many social funds have used their existing MIS and M&E systems to implement public works programs.

Key Readings

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Project Appraisal Documents, Project Information Documents, Emergency Program Papers, Implementation Completion Reports and other documents were reviewed for the operations included in this note.

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