

Social funds as instruments for reducing childhood poverty. Lessons from Save the Children's experience

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1. Introduction

It is now widely recognised that reducing childhood poverty is a vital aspect of broader poverty reduction efforts. At both macro and micro level, however, action often lags behind this rhetorical commitment. This article asks under what social funds, increasingly common instruments for financing and delivering anti-poverty programmes, can contribute to tackling childhood poverty, and under what circumstances they are most effective and relevant as a tool for doing so.

The article draws on Save the Children UK's (henceforth SC) experience of implementing elements of social fund financed anti-poverty programmes in Mali, Tajikistan and Mongolia. It briefly describes these programmes and SC's role within them and then sets out a framework for analysing how social funds could contribute to reducing childhood poverty. Looking at four main issues – relevance of activities supported, targeting, beneficiary participation, and coherence with broader development policies, we discuss the impact of these three social funds, and pull out particular factors which appear to have increased the impact on children. We situate this discussion in the context of broader questions about social fund effectiveness. This analysis is principally based on experience of the components in which SC was involved, drawing on wider issues related to these three programmes where relevant.

2. Background to the three programmes

In all three programmes, SC supported the development of capacity among local organisations, from community level (Tajikistan and Mongolia), to local NGOs (Mongolia and Mali) and at national level (Mongolia). In Mali, from 1998- 2000, SC acted as one of several co-ordinating NGOs under the Project d'Appui aux Initiatives de Base (PAIB), a World Bank financed Social Fund. SC's role was to co-ordinate, support and monitor the work of local and regional NGOs which undertook community development work in participating villages in the Mopti Region of north-central Mali.

In Tajikistan, SC was one of three international NGOs undertaking different anti-poverty activities during the 1997 – 1999 period under the auspices of the Pilot Poverty Alleviation Programme. This was funded by the Tajikistan Social Investment Fund (TASIF), itself financed by the World Bank. SC's activities had two main foci – one set grew out of its earlier post-war relief and reconstruction efforts, and focused particularly on supporting female-headed households to rebuild their asset base and improving the infrastructure, quality of education and management of local schools. The main other element was common to all

¹ Thanks to Caroline Harper, Mike Reynolds for comments on earlier drafts of this paper and for insights on Mongolia and to Cristina Soriani for comments and insights on Tajikistan. Thanks also to two SC staff who worked on NPAP – Obiyunbileg and Byambadorj - for informed shared via Caroline Harper.

the NGOs involved in the programme, and involved strengthening local organisations' capacity to provide social services.

In Mongolia, SC worked with the National Poverty Alleviation Programme (NPAP) from 1994 to 2000 and played a more diverse role than in the other two programmes. NPAP was a multi-sectoral framework for poverty reduction. With donor and government support channelled through an earmarked Poverty Alleviation Fund a range of activities were implemented under NPAP auspices, including: income-generation, rehabilitation of health centres, schools and kindergartens, creation of temporary employment and emergency social assistance. During the set-up phase, SC contributed perspectives on how the programme could, at least partially, be designed to ensure that children, who were clear casualties of the move to a market economy, benefited. It also provided training and support in the use of participatory approaches for project identification, monitoring and evaluation systems, implemented restocking and income-generation projects, and contributed to the strengthening of the kindergarten system, and to the design of the Targeted Assistance Fund, a component of the programme providing cash and kind grants to the poorest families.

Though they defy simple categorisation, these programmes all had an important focus on community development initiatives, with some support to the education system in both Mongolia and Tajikistan.² Our remarks should thus not be taken as commentary on other types of social funds, such as those which promote public-private partnerships in social service provision, aim to decentralise social service delivery, are principally aimed at employment creation (Jorgensen and Van Domelen, 2000:96) or are intended as a social safety net of last resort.

Section 4 discusses the experience of these three programmes in some detail. The next section develops a framework for examining the impact of social funds on childhood poverty.

3. Childhood Poverty Analytical framework

In this article, the term 'childhood poverty' refers to manifestations of poverty, such as lack of access to education, as well as children living in households with inadequate incomes or livelihoods to meet their basic needs. Experience suggests that tackling the many manifestations of poverty among children requires action at least three levels:

Direct work with children. Most action at this level concentrates on tackling manifestations of poverty which are particularly harmful to children's current and future wellbeing. These include poor health and nutrition, child homelessness or lack of access to education. Typically children are targeted as beneficiaries or recipients, but some programmes attempt to involve children and young people as active participants.

Strengthening households' capacities to support and nurture their children. Action typically includes: supporting livelihoods; attempts to strengthen social networks, for example through women's groups; and information/ education activities aiming to enable adults to protect and promote children's wellbeing or manage development activities more effectively.

Broad development policy. Pro-poor, pro-child development policy involves equitable growth, redistribution of resources towards children and families with children, and ensuring all children's access to key social services. At the very least it does not undermine social relations which create a supportive environment for children's development; principally by promoting social and economic equity, pro-child development policy attempts to reduce and

² Mongolia's NPAP was more complex, as the description above suggests.

prevent tensions, inequalities and instability which lead to conflict and create opportunities for the exploitation and commodification of children and adults (Harper and Marcus, 1999).

Table 1 below applies this framework to social fund activities, pointing out both potential positive and negative effects on childhood poverty.

Table 1: Some social fund activities and their possible effects on poor children

Effects	Direct	Indirect – through household or environment	Indirect – through development policy
Potentially positive benefits	<ul style="list-style-type: none"> • Nutrition programmes e.g. school meals, milk kitchens etc • Improved access to school or school infrastructure • Self-confidence/ empowerment through involvement in programme implementation and management 	<ul style="list-style-type: none"> • Improved water and sanitation contributes to better health, and reduces workloads, particularly for girls • Stronger household asset base security reduces harmful coping strategies e.g. child migration or labour 	<ul style="list-style-type: none"> • Lessons from SF incorporated in national policies and programmes
Potentially harmful effects/ risks	<ul style="list-style-type: none"> • Harmful child labour on infrastructure projects or because more household labour is needed 	<ul style="list-style-type: none"> • Households obliged to spend funds on contributions to social fund activities and divert expenditure away from children's needs • Targeting or financing mechanisms for community infrastructure exclude poorest families and children 	<ul style="list-style-type: none"> • Diversion of funds away from key sectoral ministries or other priorities. • Today's children bear costs of ineffective projects – as non-beneficiaries, and in loan-financed projects, as future taxpayers

Most social funds principally support activities in the first two columns, and most of the evidence we discuss below concerns activities directly with children or at household level. These activities do not operate in isolation - their coherence with broader development policies, strategies and institutions also influences their impact. Lack of space precludes an in-depth discussion, but we make some observations related to these broader issues.

Of the three programmes discussed here, only Mongolia's NPAP monitored project impacts continuously; both Mali's PAIB and Tajikistan's PPAP formally monitored only outputs, though both undertook or planned³ periodic impact assessments. In Mongolia SC analysed the impact of the components in which it was involved; SC also contributed to a TASIF mid-term impact evaluation. This article draws on these and other project reports, author visits to Mali and discussions with people involved in these three projects.⁴

Output monitoring at the expense of impact assessment

Staff involved complained that in Mali while infrastructure projects were under construction, staff had to fill out forms daily, detailing the amounts of various materials used, the number of workers from the village participating and various other issues. This information had to be aggregated into weekly and monthly reports. Similar forms had to be filled in on a weekly and monthly basis concerning attendance at 'Information, Education and Communication' sessions. Several of the implementing organisations had to employ additional staff to do this; at village level it took time away from more developmental activities. In Tajikistan, similarly, the focus of monitoring was on project outputs, and staff had to account for the health of every last goat distributed through the project.

4. Impact of social funds on childhood poverty – SC's experience

'We could talk all night about what this project has brought us', village leader, Mali.

Critiques of social funds suggest that in general, they have a limited impact on reducing poverty, assist a relatively small number of people, are not as well targeted as they should be, are rarely as participatory as their proponents claim, are not well integrated with other anti-poverty activities, and are thus not a particularly cost-effective means of reducing poverty (Cornia, 1999; Vivian, 1994; Tandler and Serrano, 1999). This section discusses these claims in relation to SC's experience in Mongolia, Tajikistan and Mali, focusing on the following issues: relevance of activities supported; targeting; extent and kind of 'beneficiary' participation; and coherence with broader development policies, strategies and institutions.

4.1 Relevance of activities supported

Micro-projects

In this section we examine two main sets of micro-projects – those contributing to improved infrastructure and social services, and those aiming to build assets and boost livelihoods.

Infrastructure and services

Of the three programmes discussed here, Mali's PAIB had the strongest emphasis on infrastructure development, reflecting the limited economic and social infrastructure in these parts of the Malian Sahel. Analysis of villagers' choice of projects suggests that creating or rehabilitating 'productive infrastructure' such as rural roads or small-scale irrigation works was particularly popular (70 per cent of projects chosen), while about 30 per cent of villages chose to install wells for safe drinking water, and or to construct community schools⁵ (PAIB,

³ SC was not involved in the second phase of PAIB in Mali, during which impact evaluations of the first phase were planned.

⁵ In Mali this refers to a partially state supported and partially community supported school.

2000). The fact that the villages we visited had instituted mechanisms for financing repairs to wells and water pumps in the future, and were willing to take the responsibility for maintaining community schools suggests that sustainability issues were considered seriously, rather than ignored in the fervour to build 'prestige' projects as some have suggested (e.g. Tendler and Serrano, 1999). Time will tell whether villagers have been able to maintain these projects.

Discussions with villagers in two regions suggested that the irrigation works and wells had made life easier for water carriers – mostly women and children – and for herders, mainly boys who could water animals much more easily. Construction of schools had meant children no longer had an 8 km walk to school, and many more boys and girls were now attending. At the time of our visits, it was too early to tell what impact projects such as small-scale irrigation works had had, though village leaders hoped that they would increase crop yields, food security and thus reduce the migration of young people to towns and cities in search of work. Mali's PAIB having been initiated much more recently than NPAP and PPAP, no information disaggregated by socio-economic group from formal evaluations or ongoing monitoring was available. While children were clearly benefiting from these projects, we do not have sufficient information to know whether some groups of families and children were benefiting more than others.

In both Mongolia and Tajikistan, SC was involved, to a limited, extent in school and kindergarten maintenance and renovation. In Tajikistan, SC supported 23 school and kindergarten income-generating projects, intended as a means of generating finance that could be used to enable the poorest children to attend. In some cases, school committees decided to use these funds for essential renovations, such as repairing windows and repairing boilers to provide winter heating. Evaluations (SC, 1998 and 1999a) concluded that these projects had been successful in supporting orphans and other poor children's school attendance through providing them with clothes and books and through small building repairs. In Mongolia support for these repairs was part of a broad set of activities supporting schools and kindergartens, which also included measures to promote the poorest children's access to school and to improve the quality of teaching. The government evaluation of the World Bank financed element of NPAP in Mongolia similarly concluded that renovations to rural schools had had an important impact on increasing school attendance – from 77.5 per cent in 1994-5 to 93.8 per cent in 1998-9 (GoM, 2000).

In Mongolia, the pre-school component aimed to increase kindergarten access for children aged 2 – 8. Activities included: kindergarten renovation, establishment of mobile rural kindergartens, training volunteers to establish community kindergartens, toy production and the establishment of kindergarten farms, which helped finance dormitories, children's food and running costs. Food and fee subsidies supported the poorest children's attendance. By mid-1999, with just over half the funds disbursed, the government's Poverty Alleviation Programme Office estimated that 68,000 children had benefited and that 1,500 teachers had been trained (Batkin et al, 1999:30). Pre-school attendance rose from 18 per cent of children in the relevant age group in 1994-5 to 23 per cent in 1998-9 (GoM, 2001).

Asset and income-generation

NPAP and PPAP also aimed to enhance incomes and livelihoods more directly. In Tajikistan, female-headed households were eligible for either or seeds. Evaluations of this project and its precursor suggest that these programmes had a positive effect on the households concerned (SC, 1998; SC, 1999), even if small and incremental. For example, households which received cows felt that their children's diets had improved. In a few cases (of the almost 2000 households assisted through this programme), however, some of the poorest households, had to sell the livestock they had received through the project, in order to meet health expenses.⁶

⁶ Cristina Soriani, personal communication.

In Mongolia SC contributed to the implementation of two sets of projects within the NPAP framework aiming to strengthen livelihoods – microfinance and restocking. Overall, the restocking component helped 2204 poor herding households rebuild their assets⁷ and generate a secure livelihood base by distributing livestock to families who then had to repay the same number and kind of animals over a three year period (GoM, 2001). In a few pilot communities, SC also supported community institutions and services, such as schools, pre-schools to develop herds and use the funds generated to finance expenses. Among participants, restocking was one of the most popular elements of the programme though unfortunately the dzuds (severe snows and frosts) which Mongolia has experienced in 1999/2000 and 2000/2001 wiped out these gains for some families. Microfinance activities appeared to be considerably more successful in the cities and areas with more extensive market development (SC, UK, 1999b; Batkin et al, 1999). However, where participants have been unable to establish viable enterprises, and unable to repay loans, it appears these microfinance programmes cannot be run in a self-sustaining manner.

Where successful, both restocking and microfinance projects enabled participants to increase food consumption; to reduce children's school drop out, increase their kindergarten attendance, and to acquire new skills and knowledge (ibid:19; GoM, 2001). However, these benefits did not appear to be sustainable for the poorest families. Though attempts were made to integrate support to kindergartens with income-generating projects, so that families could afford to send children to pre-schools, at least in some places, the income generated was insufficient to enable children from the poorest families to attend once 'targeted assistance' (fee and food subsidies) was phased out (SC UK, 2000).

There is no record either here or in Tajikistan of children missing school to help with their families' income-generating ventures supported through these programmes. An evaluation of Mongolia's restocking programme concluded that the changes in poor families' herds were too small to have created work for children in herding (SC UK/ PAPO, 2000). In Tajikistan is not clear whether this was simply recorded, or whether this did not take place. In both places, children's school attendance was a condition of project participation, thus reducing the likelihood of any such effects.

Training and capacity development

All three programmes put substantial emphasis on developing participants' and local and national organisations' capacities to engage in effective development action. In Tajikistan and Mali, SC was particularly involved in strengthening beneficiaries' capacities, and those of local organisations in a range of areas. Indeed, part of the rationale for INGO involvement in these programmes was to support the development of local organisations, through accompaniment and formal training where necessary. In Tajikistan, it was also intended that the three INGOs would support capacity strengthening of TASIF. However, the short time frame for this pilot project, and the institutional arrangements (the INGOs reported to TASIF) worked against this.⁸ In Mongolia SC's capacity-strengthening work focused particularly on institutionalising participatory approaches. This involved support to a local NGO, the Centre for Social Development, which worked with NPAP at various levels, and direct work with the Poverty Alleviation Project Office (PAPO) which managed the programme. Other agencies, including UNDP, supported a range of training for project staff from national to local levels on other issues, including social development and gender issues.

In all three cases, staff involved, and external evaluations suggest that this element has been one of the most efficacious and that its importance should not be downplayed. At local level this involved training in project or business management skills, technical skills related to

⁷ SC implemented restocking programmes with approximately one quarter of these households (485).

⁸ Communication from former project staff.

specific income-generating or infrastructure projects, such as operating flour mills or tailoring, and health issues, and other issues prioritised by participants (Mali and Tajikistan). Mali's PAIB also organised literacy classes in all participating villages, and a civic education component, designed to inform villagers about the decentralisation process. The villagers we interviewed – women and men – were particularly enthusiastic about the literacy classes. Opinions differed about the importance and relevance of health promotion activities, with some people participating enthusiastically and others viewing it as a waste of time. In one village the community development worker reported that more women were seeking medical attention during pregnancy; she felt this was a positive outcome of the project. In one village, the (male) village leaders said that they found the civic education component of the project particularly useful.

In Tajikistan, in addition to the training and education mentioned above, the project also tried to ensure that participants were aware of their rights and entitlements. As such it brought perspectives from outside the village⁹ and helped vulnerable women obtain documentation such as land share certificates and other papers such as birth, divorce, death, disability and foster care certificates. Though staff were unable to assist everyone wishing to make such claims, it appears that some of the women who had successfully obtained papers through the project felt empowered and organised themselves and others to claim these and other entitlements. They also commented on how much they enjoyed meeting together, how much they had learnt, and that it had given them a space outside their everyday struggles.

4.2 Targeting

These three programmes have targeted their activities in two ways; selecting communities on the basis of aggregated information about poverty and wellbeing, and within these communities, targeting support to particularly poor households. In Mali, where project activities were focused on community-level assets and services rather the livelihoods of individual households, the project was not specifically targeted to the poorest groups. In Mongolia similarly, funds for local development initiatives were allocated to each local government (aimag level) which then approved or rejected proposals. In both countries, informal discussions suggest that the projects have had a good, though not perfect, record in reaching poor communities.

Both NPAP and PPAP projects targeted income and asset building components to particularly vulnerable households. In Tajikistan, initially project staff developed a system for classifying degrees of vulnerability based on prior experience; later participants took over the allocation of assets to ensure that the most vulnerable people received seeds and livestock first. Evaluations confirm the effectiveness of these community-based targeting mechanisms (SC UK, 1998, 1999a; TASIF, 1999). They also reveal spin-offs, where for example, recipients of cows shared yoghurt and other dairy products with their neighbours. In Mongolia, microfinance, restocking and targeted assistance were all targeted to poor and vulnerable households. The criteria for each project varied, with restocking projects targeted to poor households with unemployed people of working age and herding experience, and preference for microfinance being given to women, especially single parents. Staff involved in the project feel that in general, these components were well targeted to the poorest people.¹⁰

4.3 Extent and kind of participation

In this section we discuss three kinds of participation: in choosing activities, in contributing to their financing or implementation, and in managing projects.

⁹ Many of these villages had no TV, radio or newspapers.

¹⁰ Personal communication, Caroline Harper, based on discussions with former project staff in Mongolia.

Choice of activities

Critiques of social funds charge that beneficiaries' choice, if not illusory, is often restricted to a list of activities approved by project managers (Tendler and Serrano, 1999). This was indeed the situation in Mali, where several villages viewed micro-credit as their top priority. PAIB refused to finance this, arguing that international experience showed that social funds were poor mechanisms for running microfinance programmes and that investment should be concentrated in other areas. Subsequently, one village withdrew from the programme, but all others were able to find activities on the approved list which they viewed as worthwhile. In Tajikistan, participants seem to have had substantial autonomy in choosing micro-projects. As in other SF programmes, these had to be approved by project managers, to ensure their financial viability.

This raises the important question of who is involved in approving projects. In Mali, while proposals were screened by a committee including regional and local government representatives to ensure that they did not contravene the regional development plan, all projects had to be approved by the PAIB project management office in Bamako. This not only led to substantial delays but arguably worked against the aim of supporting decentralised, locally-driven development. In Mongolia, choice of local development activities had to be approved by local Poverty Alleviation Councils, which consisted of provincial governors, local government departments, labour and women's organisations and other NGOs (McKinley, 2001:154). These choices then had to be approved by the national programme office (PAPO). It appears that beneficiaries themselves were rarely involved in project approval but in some cases they were represented by local administration governors or local NGOs. None of these projects appear to have developed formal mechanisms for involving beneficiary representatives in project approval; while no panacea, this could help ensure that projects are genuinely meeting local needs.

Except in Tajikistan, where SC's component focused on women, it is not clear how far traditionally subordinate groups were involved in decision-making about project choices, either directly and formally, or indirectly through other household members. When this project was evaluated, children and young people argued that they, too, should be involved in selection of projects, as well as their management.

Implementation and financing

In Tajikistan and Mali participants were asked to contribute in cash or kind to the development and sustainability of these projects. In Mali, villagers had to contribute labour to infrastructure projects and to finance the upkeep of the newly constructed assets. In Tajikistan, participants had to pay back some of what they had received. In the case of households receiving livestock or seeds, this meant passing on some of the offspring or seeds from the new crop to other households. Group-based income-generating projects were set up principally to provide specific services to the community; these had to demonstrate that they were fulfilling these aims and not simply generating funds for members. Thus for example, a women's group that had received sewing training gave mattresses to the local children's sanatorium; in a macaroni making project, the village council distributed the 'pay-back' to vulnerable village families (SC UK, 1999a). The restocking projects in Mongolia used a similar pay-back system.

Unsurprisingly, the impact of these requirements varied. In some cases in Mali, households were unable or unwilling to contribute prime adult male labour, and so sent children and older people to work on construction projects.¹¹ Some of the villages visited in Mali had set up a system of monthly contributions to pay for maintenance of the new wells, water pumps etc. While we were assured that the contributions really were very small and that those who could

¹¹ It was not possible to find out how widespread this was, or to discuss the issue with the children or older people concerned.

not afford to pay regularly would still be able to use these assets, it is possible that in time they may be excluded from the use of infrastructure they have helped to create or that funds will be diverted from other crucial purposes.

As with many projects which demand some financial or in-kind contribution from participants, reports from both Tajikistan and Mongolia suggest that a small number of potential participants decided not to take part in the asset-building schemes as they were afraid of being unable to pay back the required amount. In Mongolia, these were either inexperienced herders, or had very large families and felt that the project would not meet their needs. In both cases, project staff stress that the numbers involved were very small and these were, in general, effective mechanisms for reaching very poor people.

This exclusion and potential exclusion of the poorest people, and inclusion of some vulnerable people such as children and older people in hard labour are hardly startling revelations; many other anti-poverty projects have had similar experiences. While the most appropriate means of resolving these issues are context specific, the potential for them to occur needs to be considered.

Participation in project management.

As with involvement in choosing project activities, the extent to which women, young people and other generally subordinate groups have been involved in project management varies considerably. While many projects, such as Mali's PAIB, stipulate that a certain proportion of village project management committee members must be women, where women themselves do not want to, or do not have time to take part, or men resist their involvement, this may not always be workable. Project staff viewed this as a laudable aim but not something which could be achieved by fiat in rural Mali.

Young people and children are almost never formally included in project management, though in both Mali and Tajikistan, SC sought to find ways in which they could be involved. This has taken a number of forms including encouraging village management committees to include representatives of young people (Mali) and the involvement of student representatives in school project committees (Tajikistan). In Tajikistan, young people also participated in a mid-term evaluation of the project. The available evidence suggests that young people found their involvement in project management empowering; they were keen for children and young people to play a more substantial role and felt this would be a key way of ensuring that they benefited from the project (SC UK, 1999).

4.4 Coherence with broader development policies, strategies and institutions

Concerns about the coherence of social funds with broader initiatives include: undermining line ministries through diversion of funds and power, running parallel programmes divorced from nationally agreed strategies, and being an irrelevance in the face of broader policies which undermined the poorest people's livelihoods and wellbeing. We cannot comment on the issue of fungibility of funds – we do not have evidence as to whether these programmes have affected government or donor allocations to these and other areas. We do, however, discuss the other issues raised here.

In Mongolia and Mali, programme activities took place within the framework of the national anti-poverty strategy or programme; in Tajikistan at the time, PPAP fulfilled this function. In all three programmes, it was intended that lessons learnt would inform national anti-poverty policies, future practical action, and, in Mongolia, would act as a barometer of the impact of national economic and social policies. Government and external observers acknowledge that NPAP was less successful in this than in implementing local level activities, possibly because the institutional set up (NPAP sat within the Ministry of Labour and Social Welfare) did not lead the Ministry of Finance and Economy to draw on its experience as a matter of course

(McKinley, 2001). In Tajikistan, the short duration of the project (two years) and substantial programmes of work, to which ongoing disbursements were tied, meant that all parties concentrated on implementation. In Mali, lessons from PAIB are to be fed to the National Poverty Monitoring Observatory, and thus used to inform policy. It is not clear how far this is taking place; the Interim PRSP, for example, makes little mention of PAIB, let alone lessons from it.

In Mongolia, local government officials essentially implemented the project - funds were allocated by a committee principally made up of local government representatives and they approved local projects. The concern about bypassing government thus did not really arise. In both Mali and Tajikistan, programmes were structured like more conventional social funds, with NGOs actually implementing most of the activities. In Mali, the regional government officials we interviewed were very positive about PAIB. It was contributing to the implementation of the regional development plan; it was filling gaps that could not be filled with departmental funds, co-ordination with government departments was good. Representatives of the administrative structure were involved in the approval of project requests; this ensured that government policy on, for example, the siting of health centres, was adhered to. In Tajikistan, similarly, area education officials commented that they appreciated being consulted and involved in project decisions, and how unusual this was.¹²

Coherence with macro policy

Reports from both Tajikistan and Mongolia suggest that while PPAP and NPAP did 'make modest headway in alleviating and reducing poverty' (GoM, 2001:2) this was offset by increasing poverty overall, largely due to ongoing economic decline or limited growth (and also, in the case of Mongolia, dzuds). Worse, some households which had benefited from these programmes slipped back into poverty. In Tajikistan, for example, some of the poorest households had to sell the livestock they had gained through PPAP to pay for medical expenses, and were left with no gain. This underlines the importance of integrating social fund activities with other mechanisms which reduce poor people's burdens and costs, and help protect them against contingencies such as natural disasters.

4. Questions raised and conclusions

In this final section we draw together the experiences discussed in this paper, summarising our findings and posing questions which arise from this work but which we feel cannot be answered on the basis of engagement with three social funds.

It is widely recognised, including in these three countries, that social funds can only form one of the many elements necessary for effective anti-poverty reduction. No one would argue that SFs can tackle poverty alone, but do they, or could they make a valuable contribution, over and above more conventional mechanisms? Should those concerned to reduce childhood poverty embrace or ignore social funds?

As with other anti-poverty programmes, the impact and effectiveness of social funds depends on a wide range of factors – the scale of the programme, the degree to which it meets local needs, and the extent to which social-fund financed activities are complemented by, not undermined by broader policies and trends. Clearly the three programmes examined here, like other social funds, have brought benefits to poor communities and poor people, benefits which the people concerned felt had improved the quality of their lives. While questions must be raised as to the sustainability of these benefits, and the cost-effectiveness of project management mechanisms in some places, the value many participants set on these programmes suggests that they are making a difference at local level. As one Malian villager

¹² Personal communication, former SC project staff member, Tajikistan.

put it, ‘Yes of course there are problems. But why focus on what is wrong when so much is good?’.

These local level impacts are important, a point played down by those who imply that pro-poor macro policy can, by itself, reduce poverty. Both intuition and evidence would suggest this is not the case, and that pro-poor macro policy always needs to be complemented by action at local level which provides effective social services, helps poor people build up assets and enables them to benefit from growth. The evidence we have suggests that these social funds have, by and large, helped to do so.

The direct and indirect impact of any local anti-poverty programme on children depends, primarily, on the activities financed and how much flexibility those implementing the programme have to respond to key local priorities, and to promote particular kinds of participation. Thus in Tajikistan, the flexibility programme implementers had to promote children’s and young people’s involvement may have enhanced its impact on this group. What priorities come to the fore when programmes are designed is also crucial. In Mongolia, a combination of government commitment and enthusiastic engagement and support from SC led to the inclusion of the kindergartens component in the PAF-financed programme, underlining the importance of consultation with relevant organisations, as well as with poor people themselves. A further important issue is how far such programmes can inform other policies; the evidence suggests these three have not had a great deal of influence so far, though the Mali programme is ongoing and the institutional set up for broader dissemination of lessons exists.

The programmes discussed here were largely externally funded, all three with IDA loans, and, in the case of Mongolia, grants from other donors. Did these programmes have enough impact on poverty to be worth contracting long-term debts? Given that today’s children will have to pay these loans off as adults, are they a good inter-generational bargain? Those involved have a range of views, with some professional staff sceptical about the long-term benefits. However, participants in both Mongolia and Mali definitely felt the programme (or aspects of it) were a good investment. However, more long-term evidence of these programmes’ impact is needed before it is possible to draw more general conclusions.

And finally, are social funds necessary? The Malian villagers we spoke with saw the social fund as a definite improvement on past approaches; in Mongolia and Tajikistan, formal poverty reduction initiatives have a much shorter history, but participants clearly felt that overall these were beneficial projects, which delivered directly to poor people. The debate continues as to when, or under what circumstances ring-fencing funds for local anti-poverty activities is the best way to ensure they are used for their intended purpose, and when this is unnecessary. It remains to be seen whether the development of national poverty reduction strategies, such as PRSPs, and the move, at least among some donors and lenders, to provide generalised budgetary support for development and poverty reduction activities, will reduce the need for specific funds of this kind.

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