

## **Effect of social funds, community-driven development and reconstruction on economic security**

Social funds, community-driven development (CDD), and reconstruction programs had a **small effect** on economic security. While some interventions increased household income, expenditures, and asset ownership, overall impacts on productivity, employment, and long-term economic stability were limited.

Geographical region: Sub Saharan Africa, South Asia, Europe & Central Asia.

Effect size: Small effect ( $g=0.028$ )

Confidence in study findings: Low confidence (11 studies; 57 ES)

### **Short summary**

Social funds, CDD, and reconstruction interventions had small effects on economic security. Some programs increased income, expenditures, and assets, while others showed little to no impact on productivity, employment, or financial stability. One study showed a large positive effect and another a harmful effect, resulting in an overall small pooled effect. Confidence in this cell is low due to inconsistencies in effect sizes across studies.

### **Long summary**

#### *The intervention*

Programs included social funds, CDD, and reconstruction efforts aimed at improving livelihoods, infrastructure, and local governance. Interventions varied from income support and asset acquisition to participatory decision-making and community-driven development projects..

#### *How the intervention is expected to work*

These social funds, community-driven development (CDD), and reconstruction interventions aim to empower communities to identify, plan, and implement development projects that address local economic and social needs. Programs like NSP, GoBifo, and Tuungane aim to strengthen local governance through participatory decision-making and infrastructure investment, fostering economic security. FAS, ASIF, and Fadama II focus on income generation, asset acquisition, and public goods provision to improve livelihoods. CERP and PDEV II target economic stabilization and resilience-building in conflict-affected areas. By combining capacity-building, infrastructure investment, and financial support, the programs seek to improve household economic outcomes, foster resilience, and enhance local governance.

#### *The evidence base*

The cell includes eleven impact evaluations and two systematic reviews. Studies used randomized controlled trials (RCTs), quasi-experimental designs, and observational analyses, including difference-in-differences, instrumental variable, propensity score, and pipeline matching methods. Research was conducted across Angola, Afghanistan, Burkina Faso, Chad, Niger, DRC, Liberia, and Nigeria.

### *Evidence findings*

Overall, social funds, CDD, and reconstruction programs had **small effects** on economic security, with modest improvements in income, expenditures, and asset ownership, but limited impact on productivity, employment, and long-term economic stability.

### The review evidence

Systematic reviews indicate mixed results for CDD interventions on economic security, with some localized improvements but limited broader or sustained impacts.

### *The impact evaluation evidence*

**Arcand (2009)** evaluates the impact of the Fundo de Apoio Social (FAS I and II), a World Bank-sponsored social program implemented in Angola during the civil war (1994–2000). The FAS aimed to enhance access to basic infrastructure, improve community capacity, and generate income opportunities. The program was strategically deployed to consolidate government support in contested areas while maintaining support in government-controlled regions. The study focuses on Angola, particularly nine provinces: Cabinda, Luanda, Kwanza Sul, Benguela, Huambo, Namibe, Huila, Cunene, and Bengo. The study employs a linear instrumental variables (IV) approach using the political geography of the conflict as an exogenous variation for treatment assignment. It also utilizes a local IV estimator to analyze marginal treatment effects. The data comes from the 2000 National Household Survey (IDR 2000). The study includes households in communities affected by the FAS program, with a total sample of 10,117 households and 8,328 children under five years old. The study finds that treatment by the FAS program was associated with a 48.5% increase in household expenditures per adult equivalent. The effect was highly significant ( $p < 0.01$ ). Additionally, each 1,000 additional war-related deaths within 20 km increased the marginal treatment effect on household expenditures by 18.2% ( $p < 0.01$ ), indicating higher benefits in conflict-affected areas. The study is rated as medium confidence as it is a non-experimental study.

**Beath (2012)** examines the impact of the National Solidarity Programme (NSP) in Afghanistan, focusing on security perceptions. The intervention aimed to foster local governance through elected Community Development Councils (CDCs) and infrastructure projects. Conducted across 500 villages, with 250 receiving NSP, the study followed a randomized controlled trial design. While there was no significant overall impact on annual household income, households in high-violence eastern districts experienced an increase ( $p < 0.05$ ). Similarly, annual household consumption showed no significant effect ( $p > 0.1$ ). Unemployment remained unchanged on average, but in eastern districts, it decreased significantly ( $p < 0.05$ ). Employment in subsistence agriculture declined ( $p < 0.05$ ), indicating a shift away from traditional farming. The summary index of income, consumption, and employment showed a 2.6% increase ( $p < 0.05$ ). Perceptions of economic well-being improved significantly, both male and female respondents who felt their household's situation had improved in the past year ( $p < 0.01$ ). Expectations for future economic welfare also rose, with male respondents' optimism increasing by 5.3 percentage points ( $p < 0.01$ ) and female respondents by 4.2 percentage points ( $p < 0.01$ ). Finally, while net migration remained unchanged overall, eastern districts saw an increase of 19 families per year ( $p < 0.1$ ). The study is rated as low confidence quantitative study due to presence of sample attrition.

**Beath (2015)** evaluates the impact of Afghanistan's National Solidarity Programme (NSP), a large-scale rural development initiative aimed at improving local governance and economic well-being through community-driven projects. The NSP facilitates the creation of gender-balanced Community Development Councils (CDCs), providing block grants for local projects. The study covers 500 villages across 10 districts in Balkh, Baghlan, Daykundi, Ghor, Herat, and Nangarhar provinces. The evaluation uses a randomized controlled trial (RCT) approach, with 250 villages receiving NSP (treatment group) and 250 villages not receiving it (control group). Data was collected through

baseline, midline, and endline surveys from 2007 to 2011, comprising over 25,000 household interviews and more than 2,600 focus groups. The sample includes 500 villages with household surveys and focus groups of village leaders and women. The data is derived from both male and female respondents. The study found that the National Solidarity Programme (NSP) had limited impacts on economic welfare and productivity. Stocks and flows of household resources showed no significant improvement, and there were no substantial changes in agricultural or non-agricultural productivity. However, household income security improved ( $p < 0.05$ ), primarily driven by women's increased perceptions of economic security. NSP had a significant positive impact on the acceptance of female economic and social participation ( $p < 0.01$ ). Attitudes towards women's participation in economic activities improved ( $p < 0.05$ ), and women's mobility increased ( $p < 0.05$ ). However, there were no lasting effects on women's participation in household decision-making or economic activity ( $p > 0.1$ ). The study is rated as high and medium confidence quantitative study.

**Casey (2013)** The GoBifo Project, implemented in Sierra Leone, aimed to foster inclusive decision-making, strengthen local institutions, and provide untied block grants for community development. A core goal was to shift political and social attitudes towards greater inclusivity and democratic participation. Location of the study was Sierra Leone, specifically targeting rural communities across Bombali and Bonthe districts. A randomized controlled trial (RCT) assigned 236 villages to treatment or control groups. The project involved community facilitation, development planning, and project implementation over four years (2005–2009). Impact was assessed through household surveys, focus groups, and structured community activities. The study surveyed 2,832 households in 236 villages. The GoBifo project improved general economic welfare ( $p < 0.01$ ), suggesting a significant positive impact on household assets, local market activity, and economic conditions. Households in treatment communities had higher levels of local public goods and greater market participation, indicating improved economic opportunities. The study is rated as high and medium confidence quantitative study.

**Chase (2002)** The Armenian Social Investment Fund (ASIF) aimed to support communities in rehabilitating local infrastructure, particularly schools and water systems, during Armenia's transition from a centrally planned economy. ASIF provided financing for community-driven projects to improve education, water access, and social services. The study was conducted in Armenia, targeting earthquake-affected regions (Aragatsotn, Lori, Shirak), conflict-affected regions (Sunik, Tavush), and urban areas (Yerevan). The study used propensity score matching and pipeline matching techniques to control for selection bias. The evaluation compared households in communities with completed ASIF projects to those in communities with approved but incomplete projects. The study was based on a nationally representative household survey (3,600 households). An oversample of 2,260 households from ASIF-active areas was included. The total sample included 113 clusters where ASIF was active. Household expenditure on schooling increased by 22% in earthquake zones ( $p < 0.05$ ) but showed mixed effects in conflict zones. The study is rated as low confidence quantitative study due to selection bias and a small sample size in subgroup analysis.

**Egel (2016)** assesses agricultural land use changes in Afghanistan, particularly the impact of the U.S. military's Commander's Emergency Response Program (CERP) on agricultural development. The intervention focused on infrastructure and economic stabilization projects aimed at increasing agricultural productivity. The research primarily covers Afghanistan, with a specific focus on Helmand Province. This area was central to CERP agricultural investments. The study uses satellite imagery data, specifically the Normalized Difference Vegetation Index (NDVI), to track changes in agricultural land use from 2009 to 2014. The NDVI measures vegetation density and serves as a proxy for agricultural activity. The study analyses NDVI data for one-kilometre grid squares across Afghanistan, using over 1.5 billion pixels annually. The Commander's Emergency Response Program (CERP) was associated with 1.5% higher population growth ( $p < 0.05$ ), as people moved to more secure and economically viable areas. Economic activity, measured by nightlights, increased by 0.5% ( $p < 0.05$ ), indicating a modest yet significant boost in local economies. The study is rated as high and medium confidence quantitative study.

**Finkel (2018)** The Peace through Development II (PDEV II) program, funded by USAID, aimed to counter violent extremism in Burkina Faso, Chad, and Niger from 2011 to 2016. The program sought to improve social cohesion, increase resilience to extremist ideologies, and promote civic engagement. It included interventions such as vocational training, media campaigns, and community-led initiatives to address underlying causes of extremism. PDEV II was implemented in 45 “core zones” (which received all program interventions) and 56 “non-core zones” (which received only radio-based interventions). The impact evaluation used a quasi-experimental difference-in-differences approach to assess the program’s effects by comparing core and non-core zones. Surveys were conducted with 7,888 respondents across 83 zones. The findings indicate access to jobs worsened significantly ( $p < 0.01$ ). Economic outlook perceptions declined significantly ( $p < 0.01$ ). The study is rated as high and medium confidence quantitative study.

**Humphreys (2014)** The Tuungane program in the Democratic Republic of Congo (DRC) aimed to enhance participatory governance by providing communities with funds for local projects and encouraging democratic decision-making. The study was conducted in villages across the eastern DRC. A randomized controlled trial (RCT) was used. Communities were randomly assigned to participate in the Tuungane program or serve as controls. A follow-up intervention, RAPID, tested transparency and accountability effects. The study involved 560 villages. The findings on welfare indicators show that household income decreased by \$3 in Tuungane areas over two weeks significantly ( $p < 0.05$ ). Productivity, measured by hours worked in income-generating activities, declined slightly in Tuungane areas but was not statistically significant. Household agricultural production increased by \$8 annually non-significantly. There was no impact on household asset ownership. The share of households with high-quality housing walls decreased by 1.8 percentage points. The study is rated as high and medium confidence quantitative study.

**Kings (2013)** The Kokoyah Millennium Villages Project (KMVP) was implemented in Bong County, Liberia, aiming to improve welfare and social cohesion in post-conflict communities. It was designed as a multi-sectoral intervention targeting agriculture, health, education, and infrastructure. The study used a quasi-experimental difference-in-differences (DID) design, comparing 16 project villages (360 respondents) with 30 matched comparison villages (428 respondents), totalling 788 baseline participants. The follow-up survey had an attrition rate of 25%, with 592 re-surveyed respondents. Findings showed no significant improvement in perceptions of village economic conditions relative to other villages ( $p > 0.1$ ). However, respondents in project communities were 10 percentage points more likely to believe their village’s economic situation had improved over the past year ( $p < 0.1$ ). Despite operational challenges, the project had limited economic impact. The study is rated as low confidence quantitative study.

**Laudati (2018)** The Tuungane 1 program (2007-2011) aimed to improve education infrastructure and service provision in rural areas by funding school construction and supplies. However, it did not directly target teaching quality, affordability, or governance. The study was conducted in the Democratic Republic of Congo (DRC). A randomized controlled trial (RCT) was used to measure the impact of the intervention on educational outcomes. Data was collected from household surveys and direct testing of children’s educational performance. The study included randomly selected households from control and treatment areas. A subset of children aged 6–11 was tested in mathematics, French, and science. The total sample size for education-related measures was 3,054 children. The study found no significant effect of the Tuungane 1 program on asset ownership, with an index of asset holdings showing a null effect overall. However, households in Tuungane areas owned fewer jerry cans ( $p < 0.05$ ), hoes ( $p < 0.05$ ), pans ( $p < 0.10$ ), and phones ( $p < 0.10$ ). In terms of consumption, household expenditures were lower in Tuungane areas, with an average monthly reduction of \$7.65 ( $p < 0.10$ ). The only significant category decrease was in small works ( $p < 0.10$ ). Economic welfare indicators, including earnings, showed no significant difference between treatment and control groups. The study is rated as high and medium confidence quantitative study.

**Nikonya (2012)** The Fadama II project in Nigeria aimed to improve household income and productive asset acquisition through community-driven development. The study utilized panel data with difference-in-differences (DID) and propensity score matching (PSM) methods to evaluate project

impact. The sample included 3,750 households across 12 states, with 1,281 direct beneficiaries, 1,281 non-beneficiaries within Fadama II communities, and 1,229 non-beneficiaries outside project areas. Findings indicate a significant increase in the value of individually owned productive assets for Fadama II beneficiaries (62,420 Naira vs. 47,370 Naira,  $p < 0.01$ ), while non-beneficiaries experienced only a modest increase (53,450 Naira vs. 46,830 Naira,  $p < 0.01$ ). Group-owned assets increased dramatically by 350.8% for beneficiaries ( $p < 0.01$ ), with the poorest tercile experiencing a 91,780% increase ( $p < 0.01$ ). Household income rose by 58.5% for beneficiaries ( $p < 0.05$ ), far exceeding the program's 20% target, while non-beneficiaries saw only a 15.5% increase. Female beneficiaries' income grew by 69.1% ( $p < 0.05$ ), suggesting gender-inclusive economic benefits. The study is rated as low confidence quantitative study.

### *Confidence assessment*

The cell's confidence is moderate due to the inconsistencies in the effect sizes of the studies.

### *Link to review summaries*

White (2018)

Lwamba (2022)

Wong (2012)

### **Other outcomes in the study**

- Violence and atrocity prevention/Nature and scale of violence or atrocities/ Diplomatic relations and peaceful dispute resolution/social norms regarding violence and atrocities
- Social cohesion/Feelings of trust and acceptance of diversity/willingness to participate or help
- Community and state governance/Access to justice, rights and public services/ Government performance/ Civic participation
- Human security/Intermediate social cohesion outcomes/food security and nutrition and health security/Educational security/Physical Security/ Political security