



## Expanding employment in public works in South Africa

By Dr. Sean Phillips, National Department of Public Works, South Africa

A number of initiatives to utilise labour intensive construction methods to alleviate unemployment in South Africa have been carried out. However, few laid emphasis on developing the management and supervision capacity required for the efficient use labour intensive methods and delivery of good quality infrastructure assets.



Source: ASIST - Africa

*Creating employment opportunities through public investments - Preparation of the road sub-base for surfacing using labour intensive methods in Limpopo, Province*

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Policy, institutional and legislative issues;  
Financing and resource allocation

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### The Gundo Lashu Programme in Limpopo Province

This labour intensive programme, initiated in 2001, is notable for the emphasis placed on developing skills and management capacity. The programme was established with the assistance of ASIST – Africa and funding from the UK Department for International Development (DFID). Under the Gundo Lashu programme, 24 aspirant small contractors, each with two higher-level supervisors, were trained at the Ministry of Works, Labour Construction Unit Training School in Lesotho. They were then provided with a series of practical training projects involving the upgrading of district roads in the Limpopo Province.

The Gundo Lashu programme also involved the training of engineers and technicians from consulting engineering companies in Limpopo. Professor Robert McCutcheon of the Research Centre for Employment Creation in Construction at the University of the Witwatersrand carried out this training.

### The Code of Good Practice for Special Public Works Programmes

In 2002, the Department of Labour gazetted a Code of Good Practice for Special Public Works Programmes. The Code was developed to allow for special conditions of employment for workers

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# From policy to resource allocation

Mainstreaming is the latest “buzz” word on everybody’s lips, but what does it mean? One accepted definition is “ultimately prevailing trend in opinion, fashion, etc.” (Oxford). In the context of development work, in particular, that promoting employment creation approaches, this would mean that employment-intensive ideas and approaches are embedded in decision-makers’ documents and influence the ideology underpinning their behaviour.

But, how do we really mainstream employment creation? Recent experience with PRS (Poverty Reduction Strategy) processes has shown that productive employment is a central tool for poverty reduction. Experience has also shown that through the broad-based consultative development process of PRS’s, the role of employment finds its real place in policies.

Mainstreaming employment creation is necessary at policy level but must be supported with proper legislation, resource allocation, institutional and implementation capacity. Though humanitarian assistance is essential in crises, it is only by providing decent work opportunities that people will be able to work themselves out of poverty and take part in economic life.

Some countries are emphasising the need to use every opportunity to create employment through their PRS Papers. This requires that they assess and enhance the employment creation potential of public spending and create an environment that fosters job creation in private investment projects.

Procurement systems are very useful tools in this respect. Removing obstacles to the use of local resources

including labour and business, is a very important first step. Procurement also provides a means to ensure that different aspects of social development goals are achieved by stipulating decent working conditions where the workers’ rights are protected. For example, subcontracting in the construction industry worldwide is ridden with dubious work contracts and hazardous working environments that account for upto 55,000 deaths per year. This safety and health aspect can be addressed through appropriate procurement mechanisms, and must be addressed by all stakeholders *i.e.* governments, employers and workers. Better contracting regulations embedded in procurement policy, favour business and enable private sector participation, while allowing for necessary regulation and guidance of the sector.

Decentralisation of decision-making and service provision is key to local level contracting. However, the policies agreed at PRS level, legislated and regulated through law and procurement systems must be gracefully implemented, without which the policy impact will be very limited. Building capacity of local government, enterprises and possibly communities is necessary in most environments to ensure that the agreed policies are adhered to.

Budget supported development, whether centrally or locally implemented, is seen as a crucial step towards mainstreaming employment creation.

As with most issues, budget support has both strengths and weaknesses, but presents many opportunities in terms of reaching better policy coherence, a structured development path and sustainability.

As discussed in the letter to the editor (see page 27 of this Bulletin) from one of our dear readers, the “donor project environment” may be one of the reasons why labour-based technology is yet to be mainstreamed. Conflicting objectives, tied aid and business opportunities for donor countries own businesses are still prevalent in such environments.

Development work funded with national budgetary support and through regular government channels with nationally legislated technical, economical and social requirements will stand a much better chance of being mainstreamed. The South African approach in the lead article presents a good example of this, and indeed, is one way to go! Other stories in this Bulletin from three continents also illustrate various steps/approaches towards mainstreaming employment creation.

Even in a globalised world, choices on policy, institutional and legislative issues and resource allocation (from internal and external sources) do exist and some are illustrated here. The ILO sponsored World Commission<sup>1</sup> convinces us of the centrality of employment in development strategies to achieve growth with equity – a pre-requisite for fair globalisation at the local, national and international levels. 

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<sup>1</sup> World Commission on the Social Dimension of Globalisation, see also: [www.ilo.org/public/english/wcsdg/](http://www.ilo.org/public/english/wcsdg/)

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employed by contractors on labour intensive projects, including the use of task-based payment systems, and the setting of wages for tasks based on consideration of the local going rate for unskilled labour. It also stipulates that all workers employed under these conditions are entitled to training.

## The Expanded Public Works Programme (EPWP)

Although South Africa is a middle-income country, it has marked disparities in wealth. The official unemployment rate is between 30% and 45%, depending on the method of measurement. At its policy conference in late 2002, the ruling African National Congress resolved that there should be large scale expansion of the use of labour-intensive construction methods to alleviate unemployment and to address the backlog of infrastructure delivery in previously disadvantaged areas. In February 2003, the President announced that the government would implement an Expanded Public Works Programme to contribute to the alleviation of unemployment. The EPWP was conceived to meet the dual purpose of creating employment opportunities through public investments and building capacity to implement labour intensive methods effectively.

In June 2003, the EPWP was discussed at the national Growth and Development Summit (GDS) – a summit between government, labour, business and community groupings. This raised the profile of the EPWP and enabled the promotion of the programme as one of a wide range of measures aimed at addressing unemployment and poverty, thus reducing the false expectation that the EPWP was a solution to unemployment on its own.

The Department of Public Works (DPW) engaged the assistance of ASIST to develop a business plan for the programme. ASIST worked with Professor Peter Delius and Caswell Mthombeni of the Research Centre for Employment Creation to develop the

## The Framework Agreement and the Code of Good Practice

South Africa has a well-established and internationally competitive construction industry, governed by legislated minimum conditions of employment. During the 1990's, engagements took place between organised labour, the construction industry and government over the use of labour intensive construction methods. These engagements resulted in the signing of a temporary Framework Agreement for labour intensive construction. The principles in this Framework Agreement were later written into a Code of Good Practice for Special Public Works Programmes (PWP), which was formally gazetted by the Department of Labour in 2002, after further discussions and agreement with organised labour and organised business. The Code of Good Practice allows for special conditions of employment for workers employed by contractors on labour intensive projects, including the use of task-based payment systems, and the setting of payments for tasks based on consideration of the local going rate for unskilled labour. It also limits the duration of employment under these special conditions and provides all workers employed under these conditions with an entitlement to training. The Code of Good Practice therefore establishes a PWP employment framework based on the concept of PWP's as a mechanism for providing unemployed people with a combination of work experience and training.

business plan with DPW officials. Gary Taylor, IT Transport UK, was contracted by DFID to assist with the conceptualisation of the programme.

The conceptualisation was completed in November 2003 and implementation began in April 2004. The programme was conceptualised as a long-term programme, with set targets for the first five years. In February 2004, the president announced in his State of the Nation Address that the programme would create at least one million work opportunities in its first five years. This target was a feature of the African National Congress' election campaign in the April 2004 national elections.

## Resource allocation mechanism

One of the key distinguishing features separating the EPWP from previous initiatives is the way in which it is funded. In 2003, the Government stopped creating special funds for poverty relief programmes, and began to fund these programmes through the normal budgeting process. The EPWP therefore does not have a special budget for projects it undertakes – it is funded through the earmarking of funds on the budgets of line-function departments, provinces and municipalities. Whilst this approach poses challenges for coordination and implementation,

especially in a country with high levels of federalism, it enables the programme access much more resources and to be up-scaled.

## Programme concept

In the context of the financing process described above, the EPWP has been designed as a cross-cutting programme to be implemented by all spheres of government and state-owned enterprises. The objective of the EPWP is to utilise public sector budgets to alleviate unemployment by creating temporary productive employment opportunities coupled with training.

The following sectors have been identified as having potential for creating EPWP employment opportunities:

- i) Infrastructure - increasing the labour intensity of government-funded infrastructure projects;
- ii) Environment - creating work opportunities in public environmental improvement programmes;
- iii) Social - creating work opportunities in public social programmes *e.g.* home-based care workers and early childhood development workers;
- iv) Economic - utilising general government expenditure on goods and services to provide the work

experience component of small enterprise learnership/incubation programmes.

A sector-coordinating department in each of these sectors leads the EPWP. The DPW is both the overall EPWP coordinating department and the sector-coordinating department for the infrastructure sector<sup>1</sup>. The Department of Labour has agreed to fund the training programmes to meet the training entitlement for workers employed on EPWP projects.

The programme is therefore “expanded” in a number of ways:

- i) Public works programmes are being expanded beyond the traditional focus on infrastructure, into social, environmental and economic work activities;
- ii) The EPWP does not involve the development of a new programme – it involves the consolidation and expansion of existing best practices across government (such as the Gundo Lashu programme mentioned above);
- iii) The intention is to stimulate an increase in budgets for components of the programme that prove to be successful.

Implementation of the programme began in April 2004.

### Training

Since the advent of democracy in 1994, South Africa has put in place a National Qualifications Framework (NQF) and a system of Sector Education and Training Authorities (SETA’s). This national training framework enables the implementation of the EPWP. For example, over the past year, on the request of the DPW, the Construction SETA (known as the CETA) has funded the development of unit standards for the design, supervision and management of labour intensive construction, at NQF levels 2, 4, 5 and 7 (for small contractors, lower level supervisors, higher level supervisors, technicians and under-graduate engineers, and post-graduate

### EPWP expected output

EPWP out puts	Unit	EPWP target <sup>1</sup>
Work opportunities created	Person years	1,000,000
Accredited training provided (learnerships)	No.	2100
Private sector players trained on employment intensive approaches <ul style="list-style-type: none"> <li>• Emerging contractors</li> <li>• Professionals</li> </ul>		250 15,000
Public sector officials trained on employment intensive approaches	No.	1,000
Quality infrastructure delivered using employment intensive approaches <ul style="list-style-type: none"> <li>• Roads</li> <li>• Pipelines</li> <li>• Storm water drains</li> <li>• Sidewalks</li> </ul>	Km Km Km Km	5,000 31,000 1,500 150

<sup>1</sup> Department of Public Works: Consolidated Programme Overview and Logical Frame Work, Version 6, June 2004

engineers). These unit standards have been developed by a non-profit organisation called LITE, led by Professor McCutcheon and James Crosswell. The unit standards have now been accredited by the relevant accreditation body, and may be taken as credit towards formal qualification in the field of civil engineering. Further, at the request of the DPW, CETA is funding the training of trainers (from the established civil engineering training industry) carried out by LITE. Systems have been put in place for training providers to apply to become accredited to deliver these unit standards.

### Expansion in the infrastructure sector

The DPW identified two complementary mechanisms for achieving expansion in the infrastructure sector:

- a) Placing special conditions on the annual conditional infrastructure grants which are transferred from the National Treasury to the provinces and municipalities; and

- b) Implementing a labour intensive contractor learnership programme in partnership with willing provinces and municipalities.

### Special conditions on the annual conditional infrastructure grants

The Department has engaged with the National Treasury to ensure that special conditions relating to the use of labour intensive construction methods were placed on the conditional infrastructure grants, which are made to provinces and municipalities as part of their annual budgets. The details of these grants and the special conditions attached to them are provided in the annual Division of Revenue Act. The special conditions require the provinces and municipalities to use DPW guidelines, which stipulate that contractors must use labour intensive construction methods for suitable projects. Ron Watermeyer, James Crosswell and DPW officials produced the guidelines, with DFID funding. The guidelines cover identifying, designing and producing tender documentation for labour-intensive projects. The European Union provided funding for the printing and distribution of the guidelines to all provinces and municipalities. The special conditions also stipulate that, for projects to be carried out labour

<sup>1</sup> This article focuses on the infrastructure sector. Information on the other sectors is available on the EPWP website: [www.epwp.gov.za](http://www.epwp.gov.za).



Source: ASIST-Africa

*Preparing sub-base using lime stabilization - Gundo Lashu, Limpopo Province*

intensively, provinces and municipalities may only appoint contractors and consulting engineers who undergo the training programmes for the design, supervision and management of labour intensive construction described above.

To date, this expansion mechanism has been moderately successful. It has stimulated a moderate demand for training, and the desire of training providers to train their trainers and to apply for accreditation. However, it has not yet stimulated demand for training to the extent anticipated. This is probably because the DPW has found through its engagements with provinces and municipalities that many of the relevant officials have not read the Division of Revenue Act and are not aware of their legal obligation to comply with the special conditions. To address this issue, the Department has embarked on a communications programme, and has engaged with the

Auditor General to address the compliance issue.

### *Labour intensive contractor learnership programme*

Together with the CETA, the DPW developed a management plan for a labour intensive contractor learnership programme. This is closely modelled on the Gundo Lashu programme, but involves putting contractors and supervisors through formal CETA-registered learnerships, with training provided by accredited local (South African) training providers. The Department has invited provinces and municipalities to collaborate with them and CETA on the programme.

To date, the learnership expansion mechanism has been more successful than the 'special conditions' expansion mechanism. So far, twenty-five provincial and municipal bodies have applied for over 1000 of these learnerships<sup>2</sup>, each signing a

Memorandum of Understanding (MOU). To date, seven of the nine South African provinces have signed MOUs, effectively 'expanding' the Gundo Lashu programme across the country. The DPW faces the immediate challenge of putting in place the necessary programme management capacity (at national level and within the participating provinces and municipalities) to ensure that these learnerships are successfully implemented immediately.

### **Conclusion**

The EPWP has many of the ingredients for a successful Public Works Programme. It has very strong political support. If the DPW meets the challenge of mobilising the necessary programme management capacity, then the EPWP has a good chance of succeeding in its objective of alleviating unemployment. 

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<sup>2</sup> Limpopo province has signed an MOU for 26 learnerships, and all 26 municipalities in Limpopo are going to participate in these learnerships by allocating training projects to the learners.

# Decentralisation, road maintenance and public procurement in Peru

By Edgar Quispe Remón and Serge Cartier van Dissel, Lima Peru

One of the principle elements of the Rural Road Programme in Peru, is the use of a labour-based routine maintenance system based on micro-enterprises formed by rural communities adjacent to the roads. The programme started eight years ago and is executed by PROVIAS Rural under the Ministry of Transport and Communications. The local authorities provide institutional and financial support.

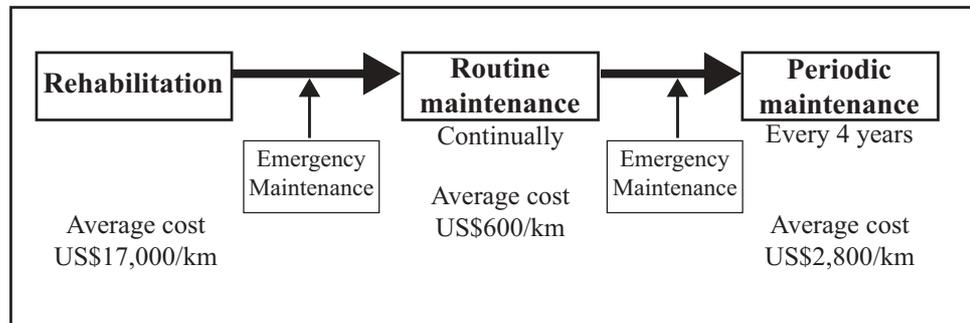
Of the approximately 28,000 km of rural roads in the 12 departments in which the project is operating<sup>1</sup>, 12,000 km have been rehabilitated and are under routine maintenance. Once the programme rehabilitates a road, it immediately enters into a system of routine maintenance. On average, each micro-enterprise comprises of 12 members and covers a stretch of 25 km of road, and receives US\$ 750 per km<sup>2</sup>.

Another core element of the programme is the decentralisation and transfer of the rural road administration to the real road “owners”— the local governments. Provincial Road Institutes (IVP), promoted by PROVIAS Rural and created by provincial authorities through municipal decrees, assume this responsibility.

This article presents the Peruvian experience in decentralising the rural road maintenance system and the contracting of road micro-enterprises to the public in rural areas.

## The rural context and the procurement legislation

The employment market in the rural areas in Peru is poorly developed or non-existent. Labour is unskilled and



unorganised, resulting in severe constraints for the contracting of routine maintenance of rural roads. A necessary first step is therefore to develop a cadre of qualified labour and/or create the conditions for their development. On the demand side, however, the main problem is that only one contracting agency for road maintenance exists, making it an unattractive market for local entrepreneurs.

The public procurement legislation assumes that an ample market of bidders exists, as is the case in urban environments where the labour market is better developed. It does not distinguish between urban and rural settings.

## Public procurement for road maintenance

In this context of restricted labour markets and legal constraints, PROVIAS Rural uses direct procurement *i.e.* one bidder. This strategy seeks to promote micro-enterprises through legal exemptions under the credit agreements with the World Bank and the IADB<sup>3</sup>.

The process involves the presentation of the programme to the local authorities and communities involved, the selection of the micro-

enterprise members by the communities<sup>4</sup>, and the subsequent legal constitution of the micro-enterprise, resulting in a micro-enterprise authorised to enter into public procurement contracts. Consultants, NGOs or consulting firms contracted by PROVIAS Rural carry this process out. Once operational, the micro-enterprise members are given theoretical and practical training on business management and technical aspects of road maintenance.

Under the national legislation, at least three bidders would be required for the contract amounts involved (annual contracts), which would imply that three road maintenance enterprises are formed, in order to contract one of them. However, as the procurement contracts are signed under the credit agreement with the Banks that provide various exemptions with respect to national legislation, this allows PROVIAS Rural to apply a system of direct contracting with only one bidder.

## Decentralisation

With the decentralisation and modernisation reforms that are taking place in Peru, PROVIAS Rural aims to gradually decentralise and transfer the

<sup>1</sup> The entire rural road system comprises 46,000 km

<sup>2</sup> The tariffs vary according to topography, traffic volume, vegetation growth, etc

<sup>3</sup> Inter-American Development Bank

<sup>4</sup> The selection procedure involves pre-selection criteria such as poverty, female-headed households, unemployment, etc. The final selection is based on exams, interviews or a lottery system, depending on the decision of the communities.

road administration of all rural roads to local governments.

This strategy seeks to:

- i) Develop and create specialized entities within the provincial municipalities responsible for road administration - the Provincial Road Institutes (IVP<sup>5</sup>);
- ii) Formulate road management and investment plans - the Provincial Road Plans (PVP<sup>6</sup>);
- iii) Develop financing mechanisms that guarantee the sustainability of the road investments through routine maintenance;
- iv) Gradually decentralise road administration based on the heterogeneity in institutional and technical capacity of the local governments; and
- v) Contract out local public procurement to the private sector.

This implies not only the transfer of funds, but also capacity building to achieve efficient and effective road administration.

The process of rural road transfer started in 2001, with a pilot in Arequipa involving the creation of an IVP and the development of a PVP. During 2003, rural and departmental road maintenance was transferred to 22 provincial governments and 12 regional governments. Currently over 533 road maintenance micro-enterprises are in operation, many of which are contracted directly by provincial and regional governments (235 in total). The remaining micro-enterprises are still contracted centrally, but will be transferred to 15 provincial governments together with the remaining rural roads during the course of 2004 and up to the end of the project in 2006.

In order to guarantee and preserve the system of road maintenance based on promotion, training and direct contracting of micro-enterprises, a set of legal rules and conditions have been introduced which are in force up to 2006.



Source: PROVIAS Rural

### *Routine road maintenance with microenterprises*

A recent presidential decree stipulates that the system of routine road maintenance with micro-enterprises formed by local inhabitants be preserved. It stipulates that by exception for the period until the Rural Road Programme ends and whilst labour markets and contracting modalities are being developed, local governments are requested to maintain the contracts with existing micro-enterprises and are authorised to apply direct contracting modalities, as stipulated in the credit agreement with the World Bank and IADB.

### **Future agenda**

With the end of the Rural Road Programme in 2006, rural road maintenance will fall under the national public procurement legislation. However, neither the public procurement legislation, nor the recently introduced law on micro and small enterprises make a distinction between rural and urban contexts, and the related differences in suitable contracting agents. PROVIAS Rural, therefore, has another two years to develop suitable contracting modalities and to promote the emergence of a more ample labour market. It is also necessary to develop appropriate legislation to incorporate the distinction between rural and urban contexts, particularly to enable contracting to the relatively fewer existing agents in rural areas.

In order to guarantee appropriate funds for routine maintenance and the survival of the micro-enterprise system, maintenance costs which are currently grouped with other recurrent costs *i.e.* salaries, electricity bills, need to be categorised as investment costs.

It is also necessary to develop and consolidate legal organisational modalities of the micro-enterprises, to enable better correlation with local communal traditions, especially in the Andes region. Of particular relevance is achieving an appropriate balance between temporary worker rotation allowing a wider distribution of income and employment, and property rights of the micro-enterprise owners to stimulate savings and investment.

To promote local labour markets, it is necessary to create a formal certification system for road maintenance entrepreneurs, which could form the basis for a more general certification in infrastructure maintenance. Such a certification system would have to include a training component as well, incorporating technical, institutional and business aspects.

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<sup>5</sup> Instituto Vial Provincial

<sup>6</sup> Plan Vial Provincial

# Improving access of small local contractors to public procurement – The experience of Andean Countries

By José Yeng and Serge Cartier van Dissel, Lima, Peru

Experiences of the ILO, the World Bank and the IADB<sup>1</sup> over the past ten years in various countries in Latin America, have demonstrated that improving access of small local contractors<sup>2</sup> to public procurement processes for services and works, favours the generation of local employment for both skilled and unskilled labour.

Initiatives to improve access seek to increase the private sector participation in public procurement, and to increase employment opportunities through the development of public investment policies that promote the use of labour-based technologies.

In a number of Andean countries such as Colombia, Peru, Ecuador and Bolivia, experience involving the private sector in public procurement has developed over the past years. From contracting of micro-enterprises for routine road maintenance in rural areas, to involving micro-enterprises in waste collection and street cleaning in urban areas. In all cases; a) the services are executed by small local contractors, b) the services provided are labour intensive, and c) the contractors enter into contracts with public institutions (ministries or local authorities).

## Results of a comparative legal study<sup>3</sup> in three Andean countries

A study<sup>4</sup> carried out by the ILO Sub Regional Office for Andean countries



Street cleaning

Source: A. Molz

in Bolivia, Peru and Ecuador, shows that access of small local contractors to public procurement is still very limited, due to the existence of a series of legal and institutional barriers. Participation is limited to petty contracts.

The general conclusion of the study is that no effective policies exist for the public procurement of services and works to small contractors, although there are a few regulations that could be oriented towards them. This is especially the case in Ecuador, and to a lesser extent in Peru and Bolivia, where certain favourable mechanisms do exist, although these are insufficient or are not being implemented.

The study did not include the new public procurement legislation being

prepared in Ecuador, the new regulation on public procurement of goods with small contractors approved in Bolivia in February 2004, nor the new law in Peru stipulating that 40% of all public procurement has to be with micro and small enterprises.

The barriers identified in the study can be summarised as follows:

- Competitive participation of small contractors is limited to petty contracts;
- There is a lack of access to information about tenders and few possibilities exist to participate in tendering;
- Requirements and conditions for qualification are hard to fulfil, especially in the higher contract categories;

<sup>1</sup> Inter-American Development Bank

<sup>2</sup> Small contractors include micro and small enterprises, community based organisations and NGO's

<sup>3</sup> José Yeng and Serge Cartier van Dissel. *Políticas de contratación pública y modalidades legales de organización para la pequeña empresa en los países andinos - Acceso de las micro y pequeñas empresas a los contratos públicos para obras y servicios en Perú, Bolivia y Ecuador*. ILO, Lima, Peru. November 2003.

<sup>4</sup> This study was followed by a series of seminars involving representatives from different countries.

d) The requirement to be registered in the national contractor register (Peru and Bolivia) or to be a “civil engineer or architect” (Ecuador) severely inhibits participation of small contractors, and

e) Obtaining performance bonds and guarantees for advances is problematic for small contractors.

The comparison of the three countries also identifies a set of favourable mechanisms and conditions, most of which are not sufficiently used though could be considered as legal tools for improving the access of small contractors to public procurement. These include:

- a) Possibilities of subcontracting, consortiums and associative contracts for contractor collaboration;
- b) Special contracting arrangements in projects receiving donor funding, *e.g.* the “Tarjeta Empresarial”<sup>5</sup> initiative in Bolivia;
- c) Preferential treatment of micro and small enterprises in public procurement in Peru; and
- d) Direct contracting (*i.e.* one bidder) for contracts of up to US\$ 140,000 as in the case of provincial governments in Ecuador.

The first barrier to be overcome to actually implement policies aimed at promoting an increased participation of small local contractors, is the “political barrier.” If no firm decision by governments exists to implement such policy, no substantive changes will be observed in procurement by public institutions, even when there are favourable legal regulations that are expressly aimed at promoting the participation of small local contractors.

A transparent information system about tenders also needs to be implemented to facilitate the participation of small contractors. The model of PROMPYME in Peru is a good example. PROMPYME is a government entity promoting small and medium enterprise’s (SME’s) access to

public procurement. All public entities provide PROMPYME information about forthcoming contracts, PROMPYME then makes this available to the SMEs through the internet, enabling them to bid. In line with this, amounts of different contract categories need to be made more flexible based on the needs of public institutions, especially for services and works geared towards facilitating the targeted procurement of small contractors.

In Peru and Ecuador, two alternatives are recommended to facilitate the participation of small contractors in public works:

- a) A “Small contractor card” with two possible modalities - an individual contractor card for petty contracts or a contractor association card for larger contracts; and
- b) A register for local contractors, enabling small contractors to carry out small and medium-sized works in the local area, after passing certain prerequisites and minimum qualification criteria.

To facilitate the attainment of guarantees by small contractors, the following measures are recommended:

- a) Promote the creation of “Guarantee funds” for public procurement;

- b) Decrease the required amounts of performance bonds; and
- c) Establish mechanisms of monthly payment retentions to replace performance bonds.

### Complementary policies

To further facilitate public procurement with small contractors, the following complementary policies are recommended:

- a) General procurement policies allowing small contractors to participate in larger contracts through either contractor consortiums/associations, or subcontracting.
- b) Special procurement policies establishing public procurement programmes that are aimed exclusively at the contracting of small contractors already operating in the marketplace.
- c) Temporary procurement policies establishing programmes based on targeted procurement of newly formed small contractors supported by these special programmes (*i.e.* for road maintenance, urban waste management, reforestation, *etc.*), plus a result-based evaluation system for contract extension or cancellation.



Source: A. Molz

Routine road maintenance by microenterprises

<sup>5</sup> This “Enterprise Card” offers the small contractor legal person, guarantees his participation in the tendering process with minimal requirements, and lowers the required percentage of performance bonds.



Source: S. Cartier

House construction by small contractors

### Municipal procurement with small contractors – The case of Cajamarca (Peru)<sup>6</sup>

No special regulations exist for public procurement at municipal level, making the national procurement legislation the norm to comply with. However, in 2003 the micro and small enterprise promotion law was passed, which stipulates that 40% of all procurement executed by public institutions must be carried out with these enterprises, as well as their preferential treatment in respect to larger enterprises and their access to information about upcoming tenders. This legal context greatly favours procurement with small local contractors.

In 2003, the Municipality of Cajamarca carried out all public

services through force account. In the case of public works, 39% was carried out using force account and 61% through public procurement. In the latter case, all 60 contracts were awarded to local micro and small construction enterprises, principally in street paving, representing an investment of over 1.5 million US dollars. This resulted in the generation of nearly 31,000 workdays, including both skilled and unskilled labour, and an estimated labour expenditure of US\$ 340,000.

However, the study observed a number of problems with respect to municipal procurement policies:

a) The existence of “bureaucratic” procurement systems;

- b) Lack of appropriate quality control in contractor selection as a result of the “lottery” system used in the case of equal bids<sup>7</sup>;
- c) Lack of technical capacity of the small contractors;
- d) Technical designs limiting the generation of employment (e.g. concrete or asphalt paving instead of stone or blocks); and
- e) Under-developed of public-private partnership mechanisms linking public procurement with employment generation and labour-based technologies. ☺

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<sup>6</sup> Jose Yeng, *Municipal procurement for infrastructure and services with small local contractors - Recommendations based on the case of the municipality of Cajamarca (Peru)*. ILO Subregional Office for the Andean countries, Lima, Peru. January 2004.

<sup>7</sup> As the minimum bid accepted is fixed at 90% of the engineers’ estimate, many bids are set at this same amount.

# Toolkit for infrastructure financing for settlement upgrading

By *Elijah Agevi<sup>1</sup>, Urban Development, Safety and Shelter Specialist, Kenya*

Settlement upgrading is so crucial in urban development that it reflects in large measure, how well the democratic ideas and needs of the people are addressed and the efficiency of urban management of a city. The level of investment required to meet infrastructure demands in Africa is overwhelming and unless creative ways of financing infrastructure are adopted, there will be inadequate sources of finance. Thus the need to review and apply principles of sustainable financing that have the potential of increasing both local and external private finances. It is also important to ensure that institutional, legal and financial systems are developed/reformed to encourage co-ordination and private sector engagement.

There is an information crisis in Africa's urban development. Consequently, there is need to draw, synthesize and disseminate key lessons and map out strategies for up scaling the successful cases across the continent. Some notable aspects of settlement upgrading throughout Africa include the little evidence of capacity building, training, documentation and knowledge sharing. Hence, there is a strong case for consolidation of knowledge and undertaking further research in understanding and utilising innovative infrastructure financing methods for settlement upgrading. This is essential to address the challenges of improving the livelihoods of millions of poor slum dwellers in Africa. This article gives an overview of a toolkit for infrastructure financing for settlement upgrading in Africa – this work is in its infancy and further consolidation is therefore desirable.

The toolkit reviews contemporary and emerging infrastructure-financing tools for settlement upgrading in selected countries in Africa. Different countries have varied needs and have developed various tools depending on the prevailing policies, institutional, legal and financial frameworks. These financing tools have made a niche in or have great potential of promoting access to basic infrastructure services, poverty alleviation and sustainable livelihoods for the urban poor.

This toolkit discusses and compares the financing and management mechanisms for infrastructure. It focuses on selected basic aspects of infrastructure, namely; access roads and foot-paths, lights and storm water drainage. The toolkit is presented in the form of six inter-related modules dealing with key aspects of innovative financing for settlement upgrading. The modules are designed to provide a framework for decision-making and to enable identification, analysis and strengthening of the linkages between the issues covered under each.

The first module discusses mobilization of domestic resources as the key to self-sustaining infrastructure development. Macro-economic policies play a central part in encouraging domestic resource mobilisation. Ways to mobilise private sector resources are outlined. Notably, participation of communities and entrepreneurs enhances skills upgrading, ownership of process and sustainability, exchange of ideas, better resource allocation and efficient management. Individual urban initiatives involving the private sector have improved the living environment by providing basic services and raising quality of life. Key barriers to private

sector participation at macro and project levels are spelt out. Practical solutions in country projects especially in poverty reduction and how they are impacting on the poor are outlined. This module displays the main characteristics of projects in terms of; quality of services, political interferences, incentives, sufficiency or lack of it, pricing and cost recovery mechanisms.

Decentralization has both political and economic advantages. It has however, been observed that in countries where decentralisation has been adopted as a pre-condition for donor aid support, the net effect has been that the approach has not been fully internalised. On the other hand, where consultations and negotiations have been adopted, issues have been resolved and both central and local governments have agreed on the need for change. The second module defines fiscal decentralisation (FD) and outlines the trends in Africa. It notes that financial responsibility is a core component of decentralisation and that when local governments carry out decentralisation functions they must have adequate revenues to be effective. The ultimate goal of fiscal decentralisation is to move governance closer to the people, while the major objective is to strengthen sources of finances for the local authorities. The idea is to give local authorities some taxing powers and expenditure responsibility to allow them to decide on the level and structure of their expenditure budgets including infrastructure. FD normally comes in many shapes and is a significant input in building and sustaining responsible local authorities.

One of the greatest challenges in many developing countries is the establishment of domestic capital

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# Shake it off!!! Zimbabwe style

By Gamelihle Sibanda, ASIST – Africa

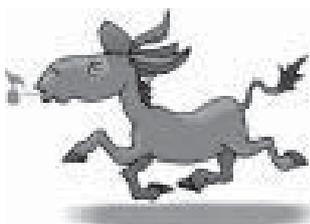
One of my favourite stories by an unknown author goes like this. One day a farmer's donkey fell down into a well. The animal cried piteously for hours as the farmer tried to figure out what to do. Finally, he decided the animal was old and the well needed to be covered up anyway; it just wasn't worth retrieving the donkey.

He invited all his neighbours to come over and help him. They all grabbed shovels and began to shovel dirt into the well. At first, the donkey realized what was happening and cried horribly. Then, to everyone's amazement, he quieted down. A few shovel loads later, the farmer finally looked down the well and was astonished at what he saw. With every shovel of dirt that hit his back, the donkey was doing something amazing. He would shake it off and take a step up.

As the farmer's neighbours continued to shovel dirt on top of the animal, he would shake it off and take a step up. Pretty soon, everyone was amazed as the donkey stepped up over the edge of the well and trotted off!

There is a similarity between what the donkey did to stay alive and what the Zimbabwe Department of Roads has been doing over the past two years to keep the roads functioning.

Come join me (self styled Reporter) as I chat with the Director of Roads, Ministry of Transport and Communications, Eng. N. Kudenga about how he and his team have been shaking it off!



## Reporter

There has always been speculation about what will happen the day donors leave Africa. Zimbabwe is now facing this situation following the withdrawal/decline of donor support shortly after the presidential elections in 2002. Many are curious how you are managing in the current environment, where Zimbabwe has been slapped with sanctions by the European Union and is plagued with negative publicity in the western media. The last time we spoke in September 2002, inflation was about 114% per annum and foreign currency import reserves were sufficient to cover about three days. Today inflation is around 360% from 114% and foreign currency import reserves have not improved. In September 2002, the official exchange rate of the US Dollar to the Zimbabwe Dollar was 1:55, although the parallel rate on the streets was about 1:600. Currently the official (auction floor) exchange rate is about 1: 5500 and the parallel rate is about 1:7000.

You were also losing engineers, mainly to Europe. At that time you attributed this mainly to inadequate remuneration and working conditions despite the good work your engineers were doing.

Furthermore, there were fuel shortages that were making it very difficult to plan and execute work on a continuous basis. Although fuel supplies have somewhat stabilized, the cost is higher, from a controlled price of about US 20 cents per litre to a market price of about US 60 cents per litre.

The big question is how have your operations improved or deteriorated since we last spoke in 2002?

## Director

*In terms of our progress with roadworks things are now improving. We have lost some engineers, but are recruiting others. Our force account (in-house)*

*workers, when properly managed, are productive. The fuel problem has improved since 2002. We might not get the equipment that we want but we are finding ways of overcoming that problem. For example, if we have two or three projects in a province (there are eight provinces in Zimbabwe) we rotate the available equipment and program the sequence of activities so that we optimise output and achieve our targets.*

## Reporter

Regarding rotation of equipment, are you are hiring-in equipment from the private sector or this is government equipment?

## Director

*We use equipment from the government plant pool and our own Roads Department equipment, and then supplement with equipment from the private sector.*

## Reporter

Last time we spoke the market was depressed and some equipment owners were taking some of their equipment out of the country so that they could keep themselves busy. Does the private sector currently have enough equipment to meet your needs?

## Director

*They don't have enough equipment which is why we have a rotation system, and sometimes we have problems finding contractors who are prepared to go to remote areas.*

## Reporter

What has been the source of your funding since donors pulled out of the road sector?

## Director

*It has been wholly government. In the past, the donors provided about 65% and the government about 35%, and*

*had projects it was funding fully. Now we have the Zimbabwe National Roads Authority (ZINARA) helping us with funding for maintenance projects. ZINARA gets funding from the fuel levy at the moment, and in future they will also get revenue from transit charges. The Government is also looking for other sources of funding.*

**Reporter**

Have you managed to keep the labour-based road contractors that you trained, busy?

**Director**

*The scope of their work has been reduced because of reduced funding. This year we used four contractors out of the eight available, but next year we hope to engage all the eight contractors, at least one per province.*

**Reporter**

How are the contractors without contracts surviving? Have they diversified their services?

**Director**

*Most of them have diversified, for example one is currently building a large bridge.*

**Reporter**

Did the labour-based contractors who got financial assistance to acquire equipment manage to pay back?

**Director**

*Most of them did.*

**Reporter**

Since donors left have there been any policy changes in the Roads Department, both in terms of institutional arrangements and with regard to implementation of labour-based works?

**Director**

*No, there has not been much change. Our main problem is that the Labour Based Technology Unit (LBTU), like other units, has lost some engineers. For example, one has joined TRL in UK and another two have gone to Namibia.*

**Reporter**

Recently there was a workshop and a number of stakeholders from the private sector and from other Ministries expressed their desire to receive technical assistance from the LBTU. However, from what you are saying it appears the LBTU does not have adequate capacity to respond to the

needs of the other stakeholders outside the Department of Roads. The other stakeholders would like to adopt the labour-based concept by building on your experience. How would you reconcile the fact that the capacity of the LBTU has reduced and yet the demand has increased?

**Director**

*The management capacity has reduced but we still have people on the ground. I would encourage other stakeholders, who need our technical assistance, to give us their requests in time so that we can incorporate them in the Public Sector Investment Programme (PSIP) budget for next year. Normally the Ministry of Finance funds us because the labour-based concept is supportive of other national development objectives such as employment creation. We also get support from politicians because the concept teaches people to do things on their own, utilising local resources.*

**Reporter**

What if those who need your assistance have their own funds and just need your technical expertise?

**Director**

*If they tell us in time we can engage our Provincial Road Engineers (PREs) to assist them. Our PREs have given assistance to rural district councils and other people in the past and can do this again.*

**Reporter**

You trained 11 consultants in labour-based methods, are you utilizing them?

**Director**

*Yes, we are using them, and they may also be used by others. However, they are more expensive than our PREs.*

**Reporter**

Inflation is now about three times what it was when we last spoke and at that time you indicated that its impact was the reduction of the amount of work you would be able to do per unit dollar as the year progressed. How are you mitigating the impact of inflation now?



Eng. N. Kudenga, Director of Roads, Zimbabwe

Source: ASIST-Africa

**Director**

*That is still a problem but as you know inflation is now decreasing after peaking above 600% per annum early this year. When we make our budget we normally factor in inflation. We also arrange our operations such that we finish a few projects quickly and move elsewhere instead of running many projects concurrently over a long time.*

**Reporter**

Probably the most important question for readers in other countries is what sort of advice you can give them to prepare themselves for the eventual possibility that one day they may find themselves without donors.

**Director**

*I think they must convince their governments to allocate money to roads right from the onset even with donor support. This will ensure some continuity should donors withdraw en-mass at short notice. This approach helped Zimbabwe cope with the sudden donor pull-out.*

**Reporter**

What are some of the lessons you have learned whilst transitioning from a donor funded set up to being on your own.

**Director**

*Once the donors have gone you feel sort of deserted but that is not the end of the world. Once you are deserted it makes you think, it makes you innovative! For example, now that we are using old equipment we find ways of repairing it. We have roads that are in need of rehabilitation, again we find homegrown solutions. This makes you self-sufficient really! When we formed ZINARA we anticipated initially receiving donor funds until our revenue base became self-sufficient. However, when ZINARA started the donors had already left, and we kept the momentum and we went through Acts of Parliament, to ensure ZINARA could collect funds through fuel levies, etc.*

**Reporter**

How long did the process of getting linkage to the fiscas take in terms of

getting the necessary legislative framework in place?

**Director**

*There were teething problems and it took about a year; and then to ensure that ZINARA was staffed and functioning it took about three months.*

There you have it folks. The ingredients of surviving a donor pull out earthquake;

- *Always have your own pot even if you get additional pots from donors;*
- *Pour the right policies into the pot;*
- *Add the right institutional framework into the pot;*
- *Add a pinch of innovation and will-to-succeed and let the pot contents simmer; and*
- *Voila!!! Ready to serve!!* 

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markets for funding the massive infrastructure requirements. Most countries are trying to build stronger capital markets. The third module, critically reviews local government credit markets and their access. It presents the relationship between local government credit markets and transactions with financial institutions and instruments as well as assessment of credit and other risks. The challenges, opportunities, financing and measures to determine institutional capacity, regulatory framework and creditworthiness are discussed in detail. In order to develop sound credit markets, a number of key issues must be considered including: macro-economic, institutional, regulatory, credit, bond insurance, and community participation among others. Guidelines to establish effective credit markets and benchmarks for pricing debt obligations are noted. In addition, barriers to establishing efficient credit

management and constraints to private capital accessibility are discussed.

A schedule of infrastructure financing tools and the main financial intermediaries providing credit to local authorities and other institutions investing in local infrastructure are discussed in great detail in the fourth module. The main financing tools outlined include; project finance, micro-finance, revolving funds, Municipal Development Funds, small scale enterprises, government bonds/bills, infrastructure banks and other financing tools including Savings and Credit Co-operative Organizations (SACCOs).

The fifth module reviews some of the important lessons learnt in public projects, privatisation and liberalization of infrastructure. Key questions are discussed including:

- a) How are infrastructure services paid for?
- b) What options of services are available for the poor?

- c) Will competition reduce prices and expand access to target population?
- d) What are the quality regulations?
- e) What financing concerns are entailed?

The toolkit concludes by looking at the way forward which principally will involve; policy shifts favouring improved security of tenure to support financing of settlement upgrading projects, establishment of effective Public-Private Partnerships (PPP), application of relevant information systems and technologies in order to disseminate information on settlement upgrading so as to fill the outstanding knowledge gaps.

There is great hope and scope for further learning and dealing with financing infrastructure in Africa and merit in disseminating the emerging and interesting experiences. 

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# Sudan gears up to recovery and reconstruction – The labour-based route

By Stephen Muthua, ASIST–Africa, Kenya

## The long-running Sudanese conflict

Sudan, Africa's largest country, has been at war with itself for 37 of its 48 years of post-independence history. The conflict has resulted in massive disruption of life, with an estimated two million dead, 3-4 million internally displaced, and 570,000 refugees. In addition, a combination of the war and natural calamities has destroyed lives, livelihoods, infrastructure and institutions.

The conflict has been in two phases, the first started soon after independence in 1956, pitting the “Anyanya” movement against the Government of Sudan, and ended in 1972 with the signing a peace agreement in Addis Ababa. Following this was a period of relative peace up to 1983. The latter phase that started in 1983, with the main protagonists being the Government of Sudan (GOS) and the Sudanese Peoples Liberation Movement/Army (SPLM/A), reached a stalemate in 2000. A peace process under the Inter-Governmental Authority on Development (IGAD) resulted in the cessation of hostilities in 2002, occasioned by the Machakos Protocol<sup>1</sup>. This has been followed by five further peace protocols in quick succession, bringing to six the total number of peace protocols signed by May 2004. The peace protocols provide for a Central Government with Khartoum as the capital, and a semi-autonomous Government of Southern Sudan for a transition period of six years to be followed by a referendum on the full autonomy of the Southern part.



Source: ASIST - Africa

*Kisii Training Centre (KTC) instructor on site training with participants in Yei*

## Prospects for peace and recovery

During the years of war, a major humanitarian effort was under way, under the auspices of Operation Lifeline Sudan (OLS), a grouping of United Nations (UN) Agencies and about 45 NGOs. In recent years, particularly since the cessation of hostilities in 2002, the humanitarian effort has attempted to shift towards long-term development efforts. With the prospects for peace better than ever before, the international community's efforts have coalesced around a Sudan Joint Assessment Mission (JAM), a coordinated approach to common assessment led by the UN and the World Bank. The objective of the JAM is to prepare needs assessments for the envisaged recovery and reconstruction for Sudan, for submission to a multi-donor conference in Norway in late 2004.

The South<sup>2</sup> has already commenced a process of setting up a civilian authority to administer the proposed Southern Region.

## Training of road supervisors in labour-based technology

The Secretariat for Physical Infrastructure and Housing, Southern Section has identified labour-based technology as an important approach for the infrastructure development programme, aimed at supporting the reconstruction process while maximizing use of local resources. As a first step in the process, the Secretariat initiated a training and capacity development programme targeting road supervisors from the counties. The Kisii Training Centre (KTC), Kenya, using a modular training model developed by the ILO, designed the training programme, financed by the United States Agency for International Development (USAID) under the Sudan Recovery Project.

The first round of training was carried out shortly after the signing of the last three peace protocols in Yei Town, Equatoria Region from 31st May - 4<sup>th</sup> July 2004, in an environment of great expectation for lasting peace. From 8<sup>th</sup>- 10<sup>th</sup> June 2004, the SPLM/A Leader Dr. John Garang de Mabior accompanied by the top leadership

<sup>1</sup> The Machakos Protocol was the first of six peace protocols under the IGAD Parties Forum

<sup>2</sup> The Joint Assessment Mission has proposed the following terminology to describe the geographic areas – the North; the South; and the war affected states of the North, in place of previous terminology of the GOS and SPLM controlled areas.

made a historic visit to Yei, the first such visit to Southern Sudan after the signing of the Peace Protocols. During the visit, he addressed a meeting of local leaders and international community leaders active in Sudan, and a public rally. He explained in detail the six peace protocols signed so far, the prospects for the next stages (ceasefire agreement, implementation agreement and formal signing of the comprehensive peace agreement) and the anticipated challenges in reconstruction.

### Training organization and participants profile

The Roads Department of the Secretariat led by the Director, Jacob Marial, managed the training. It was officially opened by Cdr. Kuol Manyang, Chairman of the Economic Commission, and closed by Dr. Daniel Wani, Adviser to the Secretariat. The target group comprised of 29 trainees from 15 counties, ranging in age from 23 to 58 years and in basic education from primary level 8 to senior secondary. A few of the trainees had previous road maintenance experience, while several had been involved in the war. The diversity in basic education probably reflects the current reality in Southern Sudan, where the education system was seriously disrupted during the war.

The training programme was divided into 40 % classroom/theory and 60 % practical field training. During site practical training, most of the trainees grasped the technical aspects easily,

with evidently less disparity compared to the theoretical training. Reference materials were mostly drawn from Kenya, from the Rural Access Roads Programme (RARP), Minor Roads Programme (MRP) and the Roads 2000 Programme (under development).

### Key findings

There were a number of constraints in the organization of the training, selection of participants and conduction of the training. The first constraint in the organization of the training was lack of an institutional framework within the secretariat, as in other secretariats as they are all in formation. ASIST assisted the nascent Roads Department to organize the training, in particular the arrangements with the training service provider, KTC.

The second constraint was the lack of a pre-training needs assessment, which could not be carried out due to the prevailing security concerns. A post-training evaluation however, indicated that over 65 % of the trainees qualified in the essential skills necessary for first-line supervision.

Another shortcoming was lack of clear gender focus in the selection of trainees. As a result, there was only one female trainee out of 29.

### Recommendations

The following are some recommendations based on lessons from the first phase of training.

On institutional set-up:

- Develop the overall institutional set-up with clearly delineated roles between the national, regional and local (county) levels of government;
- Sensitise the leadership on policy and on employment-intensive approaches;
- Set-up and build capacity of a training unit;
- Analyse the infrastructure needs and concomitant capacity requirements for different cadre of personnel and private sector partners;
- Develop standards, planning, implementation and management procedures, and reporting systems, *etc*;
- Carry out a study on the operating environment with a view to recommending an appropriate initial match between force account and small scale contracting, and a process for incremental development from force account implementation to implementation by small scale contractors;

On capacity-building:

- Include special sensitisation packages on gender, environment and HIV/AIDS;
- Mentor some trainees to form part of a future nucleus training team;
- Increase the diversity and intensity of the practical training *i.e.* include additional training sites on urban works and environmental conservation and/or a substantial road project;
- Link trainees with routine maintenance projects. Currently there are two on-going road rehabilitation projects that should be reaching routine maintenance activities soon.

The next training phase is schedule to take place in October–November 2004, and is being adapted and revised based on the experience and lessons learned from the first phase. ©

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Source: ASIST - Africa

*Trainees on site with KTC instructor*

# POLICY FOR DEVELOPMENT- THE FULL MONTY

By Gamelilhe Sibanda, ASIST – Africa, Zimbabwe

Experience has shown that the need for policy and the policy development process are largely dependent on local situations. Although often a prerequisite for sustaining the development processes – it is not always necessary to have a policy or to go through a prescribed procedure to develop one.

This feature seeks to outline some pertinent aspects of policy and its development process based on experience in assisting a number of countries in defining, developing and implementing policy supportive of employment-intensive approaches.

## What is policy?

There is no agreed single definition of what policy is. Policy is better described in context. In the context of this article, the focus is on development-oriented “public policy.” Again, the definition of public policy is contentious.

Stated most simply, public policy is the sum of government activities, whether acting directly or through agents, as it has an influence on the life of citizens (B. Guy Peters).

Since this is not an academic paper a broad definition of policy will be used, as it relates to the desire to develop a country socially and economically; and reduce poverty through sustainable economic growth with equity.

## Who makes policy?

The definition above gives the impression that the government acts unilaterally in formulating policy. In reality, the government acts as a facilitator and custodian of the policy that has been developed due to a need identified by a certain group. The group can either be within government or individuals with common interests who get together and lobby the government to adopt a certain policy. Development policy is generally made by government in consultation with all stakeholders.

## Do we need policy?

Yes and No.

Yes, because sometimes we need a framework for example if we are to:

- share resources equitably — e.g. national investment on infrastructure funded from the fiscas,
- use resources efficiently — e.g. in order to minimise duplication of effort by various ministries with overlapping mandates,
- build on existing knowledge — e.g. avoiding “re-inventing the wheel” by searching for answers which others already have,
- share information — e.g. to coordinate efforts of various groups and achieve cross fertilisation of ideas about procedures, techniques, best practices, etc,
- demonstrate transparency in the allocation of resources or revenue collection.

No, as some interventions can be implemented without a policy; and because some policies impede development, for example:

- those that benefit a certain group at the expense of other groups,
- those that are too rigid and end up stifling creativity or innovation,
- when there are too many policies that end up conflicting and diminishing the benefits of having a policy in the first place.

## What should be contained in a policy?

A good policy has the following traits:

- Clear statements of intent – what are the interventions?

In South Africa, the Expanded Public Works Programme is a government-wide initiative designed to operationalise policy created to facilitate and create employment opportunities for the poor, vulnerable and alienated groups through integrated and co-ordinated labour-intensive approaches to government infrastructure delivery and provision of other services.

- Clear statements about the intended outcomes

The Kenya Economic Recovery Strategy for Wealth and Employment Creation 2003 - 2004 sets the goal of creating 500,000 new jobs, achieving a real Gross Domestic Product (GDP) growth rate of 4.6%, keeping the inflation rate below 5% and reaching an average annual level of investment of 23.3% of GDP.

- Identified role players

For example, in the case of an infrastructure delivery policy, it should be clear who designs, implements, monitors and evaluates.

- **Clear definition of the roles of the stakeholders**

Once upon a time there were four people. Their names were Everybody, Somebody, Nobody and Anybody. Whenever there was an important job to be done, Everybody was sure that Somebody would do it. Anybody could have done it, but Nobody did it. When Nobody did it, Everybody got angry because it was Everybody's job. Everybody thought that Somebody would do it, but Nobody realized that Nobody would do it. So consequently Everybody blamed Somebody when Nobody did what Anybody could have done in the first place.

- **Clearly defined beneficiaries**

If you want credit and acceptance for your effort, make sure the beneficiaries are well informed about what you are doing for them. If you provide infrastructure without involving the end users they may vandalise it because they do not fully appreciate the benefits accruing due to the asset.

- **Clearly defined target group(s)**

This is not necessarily the same as beneficiaries. The policy may target engineers in the creation of awareness about labour-based methods. However, the beneficiaries could be the people in underdeveloped areas.

- **Clear implementation strategy**

Inherent in a policy should be a strategy directing responsible line ministries and other implementing agents what to do and how. Whereas the private sector can also participate, if enticed with the right reward they will go the extra mile.

- **Appropriate institutional arrangements**

It is important to have an epicentre for policy implementation. A dedicated policy implementation unit may be useful to coordinate multi-sectoral policy, since line ministries tend to have vertical compartments, each not willing to be "under control" of another. In Namibia, an employment creation unit will be created and be driven by the stakeholders in a public-private sector partnership. To ensure full participation of the private sector, the unit will be physically located in a neutral place outside government offices.

- **Flexibility to respond to the environment but ensure the outcome is still achieved.**

In Botswana, the Government policy in the National Development Plan 8 states that "each Ministry should identify budgeted and planned maintenance and other recurrent activities as well as development projects that should be implemented using labour-based approaches". At this level, the policy gives each ministry flexibility to use their initiative. However, the danger is that some ministries may do nothing and claim that they could not identify suitable projects.

- **Mechanism for monitoring and evaluation.**

Experience from policy implementation should feedback into the implementation strategy. Impact assessment should also feedback into the policy review process.

### What are the steps in formulating a policy?

There is no set formula as the current status quo dictates the entry point. If a new issue is being considered e.g. an employment creation policy, the following checklist is useful for a national policy that requires a legislative framework.

- A champion or lobby group steps forward to spearhead the process
- Identification of key stakeholders
- Consultations and key stakeholders buy-in
- Development of a concept note
- Selling the idea to key policy maker e.g. Minister of Works
- Assembling a technical team to draft the policy (it may need to be multi-sectoral and/or include representation of certain interest groups)
- Mobilisation of seed funds e.g. from lobby group, government, donors
- Desk study and consultation with other interest groups
- Preparation of background studies/papers to justify need for a policy
- Consolidation of all studies into a Green Paper
- Stakeholder consultation regionally/nationally
- Refinement of the Green Paper into a draft White Paper incorporating feedback from all stakeholders
- Submission of the draft White Paper to the parliamentary committee dealing with legislation
- Refining the Draft White Paper and resubmitting to the National Assembly for discussion
- Adoption of the draft as a White Paper i.e. as a policy document (after some amendments, if necessary).

These steps provide a guideline to the process – depending on local circumstances some steps listed may not be required, or alternative steps not listed above may be relevant. The above process was largely followed in Namibia, leading to the adoption of a White Paper for labour-based technology which is now under implementation.

### Does policy require legislation?

Different countries have different legal procedures. Therefore, what is stated here is purely for guidance. Some policies require a legal framework, especially if they need funding from the fiscas or if certain people are given legal powers to do something, e.g. to access certain information. Others can be implemented without a legal framework.

If a legislative framework is required, it is usual to start with the drafting of a Draft Bill, which spells out the institutional structure, powers, composition of stakeholders and linkage to the fiscas, if necessary.

The Draft Bill is usually prepared by legal people, with input from the technical team that drafted the policy document. This ensures articulation of the legal issues without losing the background issues upon which the policy is built.

The Draft Bill also goes through a consultation process between the drafters and the parliamentary legislation committee before final submission. Once debated and approved by parliament the Draft becomes a Bill and then becomes an Act after assent by the Head of State. This process can take several months.

Policy that requires legislation usually has some elements that can commence even before the legal framework is in place.

### I now have a policy, what next?

Inherent in each policy should be an implementation, monitoring and evaluation strategy. Once a policy is in place secondary awareness creation (assuming primary awareness creation was done during policy formulation) upwards and downwards is usually one of the first activities.

If an employment creation unit (for instance in a public-private partnership arrangement) is the chosen arrangement, it may be necessary to setup the operational organs. These may include:

- A National Council of stakeholders which meets say once a year to hear progress and put a wish list of what they would like to see done.
- A Board of Directors who are the legal person and are responsible for the policy implementation.
- A Secretariat comprising professionals and support staff for the day-to-day work. Their work may include collecting information about policy implementation, acting as a relay centre for sharing information and best practices, lobbying for the creation of an enabling environment for stakeholders to reap more benefits, etc.

At this stage, it is important to identify issues that can commence and those that require certain structures or systems to be in place. A key ingredient to development-policy formulation and uptake is a champion; ideally somebody who is charismatic and commands reverence power. Go find your own Mandela!!!



## Why do some policies fail?

There are innumerable reasons why policies fail. The following is a sample of the ones associated with developing countries.

- **Incoherent policies** – e.g. a policy to develop local small scale contractors that is in contradiction with a procurement policy requiring all contractors wishing to bid for projects to have previous experience performing projects worth at least US\$5 million. Where would you find such a small-scale contractor in a developing country?
- **Policies that are driven by donors with minimal local ownership** – as soon as the donors leave initiatives associated with the policy tend to collapse.
- **Developing policies without stakeholder input** – high-flying consultants are brought in to craft policies behind closed doors and another group is expected to implement the policy in which they had no input.
- **Lack of awareness** – some good policies gather dust on shelves because of inadequate awareness creation about their existence.
- **Impractical policies** – such as a municipality that specifies building materials that are not available in the market.
- **Civil servants crafting business policy without input of business people** – For example, a number of regulations are crafted by civil servants who do not know how a business is run. Can you imagine how productive a country would be if all stakeholders worked together in policy formulation!
- **Policies developed with another agenda** – some critics of the World-Bank inspired Poverty Reduction Strategy Papers (PRSPs) argue that many developing countries developed these policy papers as a means to access future World Bank financial assistance rather than a genuine desire to pursue the strategies. True as this may be, one positive by-product of PRSPs is that some governments have now been exposed to a consultative process in policy formulation.

## Taking it further with policy add-ons

Looking ahead, the trend is to enhance delivery of policies by including policy add-ons, e.g. tagging incentives to policy implementation. However, it is important to note that whereas policy tends to be long term, incentives are generally intended to be a “quick-fix”. If maintained for extended periods of time, incentives tend to be viewed as part of the normal way of doing things.

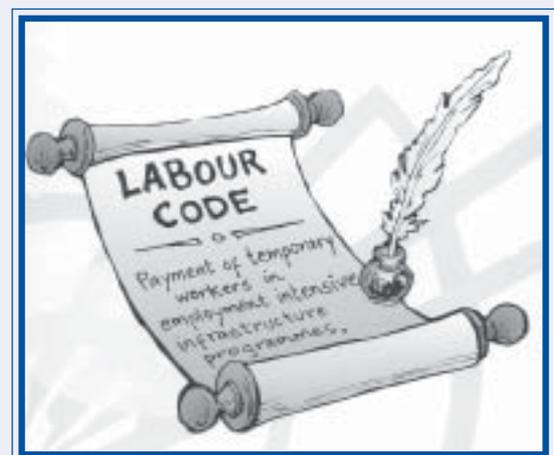
In Botswana, the government put incentives in place to assist emerging local civil works contractors to access work without the usual requirements for performance bonds, etc. After eleven years the contractors were complaining that their sector had no incentives to assist them. The incentives had become institutionalised and regarded as the norm.

Another example of a policy add-on is flexibility in the employment of vulnerable groups. It is common to have infrastructure delivery employment intensive programmes in which policy also targets vulnerable groups such as female-headed households and people living with HIV/AIDS. In order to ensure continuity of income to households of such vulnerable groups in the event of them being unable to work on particular days a policy add-on may be used. For example, other family members (excluding under age children) can act as substitutes. However, it is important for such substitutes to be employed in their own capacity i.e. as a separate employee with their own record and employment number. This avoids a number of potential complications such as:

- If the substitute is employed under the same contract/number as the main employee and gets injured at work it may be difficult for them to be compensated as they are not the legal employee,
- If the substitute misbehaves and is dismissed, the job for the main employee maybe safeguarded.
- Not paying the right dues to the right worker, i.e. paying the main employee for the days he was substituted instead of paying the substitute or vice versa.

Policy add-ons, like the main policy, will only succeed if there are mechanisms to monitor compliance and measures to deal with those who do not comply. However, this does not imply cracking the whip each time somebody deviates from policy – it is more of a balanced use of the carrot and a stick approach!

Many developing countries seeking to mainstream and institutionalise employment-intensive approaches to achieve development objectives such as employment creation, growth with equity, poverty reduction, etc. are seeking ways or in the process of policy formulation/reform. We hope the lessons we have learned and outlined here will be useful and also encourage those with experience (good and/or bad) and lessons to share to do so with us for wider dissemination.



# ASIST-Africa news

By the ASIST – Africa Team, Africa

Since the last issue a number of new initiatives have kicked off such as the work in Malawi and Sudan (see articles on pages 30 and 15 respectively), while progress continues to be made in on-going initiatives in other countries. Some of the highlights include:

## Kenya

Work commenced on the project developed by the United Nations Development (UNDP), Kenya Country Office and ASIST-Africa aimed at increasing employment opportunities through promotion of labour intensive public works programmes. The project supports the Poverty Reduction Strategy Paper (PRSP) and the new National Alliance Rainbow Coalition (NARC) Government's "Economic Recovery for Wealth and Employment Creation 2003-2007". Both list the rehabilitation of rural access roads through the Roads 2000 programme as key actions to support the productive sector and at the same time create employment. The project proposes to fill gaps in the Roads 2000 national systems, through development and application of tools for small scale contracting and training of practitioners. The project will be carried out within the framework of the Roads 2000 national steering committee – a multi-stakeholder grouping coordinated by the Ministry of Roads and Public Works and the Kenya Roads Board.

## Zambia

The ILO is implementing a new project, "Support to Roads Department Training School Labour-based Activities 2004-2005", funded by the Government of Norway, effective from June 2004. The ILO will provide a Labour-based Technology Technical Adviser while ASIST will provide technical backstopping support. This project follows on from previous support to Roads Department.



Source: ASIST - Africa

*Solid waste collection by a local enterprise in Kinondoni, Dar es Salaam - Public-private partnership's are promoted under the regional employment creation in municipal service delivery programme*

The objective of the support is to ensure that continued and sustainable training for labour-based approaches is available in Zambia. This will entail consolidating RTS as the main provider of quality training in labour-based techniques for the civil engineering sector, with special emphasis on roads. Courses currently run at the school will be further developed and strengthened, and most importantly fully institutionalised.

As the need for maintenance and maintenance training is huge and the relative benefits of training maintenance contractors have been proven, the School will focus on maintenance training. The School has also introduced and will further strengthen bitumen technologies for labour-based execution, as there is a great demand to include labour-based maintenance contractors to carry out maintenance work on paved roads as

well as developing low-cost sealing options for low-volume roads

## Regional Employment Creation in Municipal Service Delivery – Tanzania, Kenya and Uganda

The ILO is promoting public-private partnerships (PPP) to help local governments address the twin challenge of creating jobs for the poor while ensuring adequate basic infrastructure and services. The programme "Employment Creation in Municipal Service Delivery in Eastern Africa" which became operational in January 2004 is addressing these issues. The results of the project will help validate and disseminate a pro-poor approach to service delivery systems at municipal level which ensures job creation, social protection and adequate representation of poor women and men, and also improves the urban environment.

The programme is progressing well so far and has collected baseline information from several municipalities in Tanzania to be included in the programme. It has also explored entry opportunities in Kenya and Uganda and has so far identified two municipalities in Kenya. The programme approach has been well received and is likely to be well supported, as the demand for this type of intervention is very high.

The programme has initiated procedures and institutional arrangements with the municipalities for implementation and monitoring of pro-poor contracting and the social dimensions of PPPs, with a focus on provision/delivery of collection services of solid waste. Various training material and courses are under development/adaptation.

### Staff news

Tomas Da Vera Cruz joined the programme in July 2004 bringing a wealth of experience from previous ILO and other work assignments including at the Sub-regional Office in Dakar, where he worked for four year as a Senior Programme Officer and was responsible for regional technical programmes in Portuguese speaking countries and acted as focal point for EIIP in the Programming Unit. He has also worked in the ILO Regional Office for Africa and the ILO Headquarters for a number of years. Besides his technical expertise, Tomas brings on board another valuable asset, fluency in French, Portuguese and Spanish. This strengthens our capability to respond to the needs of Lusophone and Francophone countries, and to learn, share and cross-fertilise experiences and ideas across these language barriers.

## 11<sup>th</sup> Regional Seminar for Labour-based Technology

Last year during the 10<sup>th</sup> Regional Seminar held in Arusha, Tanzania hosted by the Ministry of Works, the Ministry of Roads and Public Works, Kenya successfully bid to host the next regional seminar. Preparations for the seminar are under way and the next seminar is to be held in Mombasa in October 2005. So mark your calendars and watch this space and the ILO ASIST web site for more details as they become available.

The regional seminars for labour-based technology have proved to be an extremely valuable knowledge sharing and networking event for both experienced practitioners, policy makers, researchers, academics, funding and development agencies, private sector players, *etc.* as well as those newly interested in the approach for infrastructure delivery.

You can download the past regional seminar proceedings and papers on the ILO ASIST web site: [www.ilo.org/asist/publications](http://www.ilo.org/asist/publications). You can also order print copies from the ASIST Information Services. These proceedings and papers offer a unique rich source of knowledge on the issues, challenges, best practices and research findings on and related to the practice of labour-based approaches.

## News from the Malawi Transportation Technology Transfer Centre

The Malawi Transportation Technology Transfer Centre (T<sup>2</sup>) is working to establish itself as a one-stop point for labour-based technology information and training in Malawi. In order to attain the above challenge, The Centre signed a Memorandum of Understanding (MOU) with ILO/ASIST to collaborate in disseminate and sharing of information and knowledge on labour based technology in October 2003. In order to reduce barriers to access of information and feedback by stakeholders/users, the Centre is working on turning the library to an e-library.

Malawi embraced labour-based technology in 1982 with the District Road Improvement and Maintenance Programme (DRIMP). The International Labour Organisation and the World Bank supported the programme. The programme developed standards that are still being used today in various projects aimed at enriching rural communities. The DRIMP Manual that specifies standards for all aspects of road construction stands out as a 'bible' for labour-based technology in Malawi. This is why projects supported both by local and donors' funds such as Malawi Social Action Fund (MASAF), European Union (EU) and Highly Indebted Poor Countries (HIPC) Public Works Programme have not hesitated to specify it.

Labour-based technology is environmental friendly and should therefore be encouraged.

*For further information contact: Ignasio Ngoma, The Director, Malawi Transportation Technology Transfer Centre, Civil Engineering Department, University of Malawi, The Polytechnic, P/Bag 303, Blantyre 3, Malawi. Tel. +265-1-674944; Fax. +265-1-674944; Email. Malawit2@poly.ac.mw; or ingoma@poly.ac.mw.*

# ASIST – Asia Pacific news

*By the ASIST – Asia Pacific (AP) Team, Thailand*

Initiatives and activities reported in the last issue of the Bulletin continue to progress smoothly. A number of new developments and activities have been initiated in the following countries.

## East Timor

ASIST-AP has defined a detailed training and demonstration programme for the development of labour-based consultants. It is hoped that this work will be funded from ILO's resources.

## India

A study of rural road maintenance in Madhya Pradesh is being finalised and will be discussed at a stakeholder workshop early in 2005.

Key areas for ASIST-AP's assistance have been identified for Himachal Pradesh with the State Government. This relates to an assessment of the gang labour system and support to rural road maintenance. The work is being done in collaboration with the World Bank as part of their support to the nationwide rural roads programme, the PMGSY (Prime Minister's Rural Road Programme).

A mission to Assam was carried out to discuss ASIST-AP support with the State Government. This was done in collaboration with the World Bank in relation to the formulation of a rural infrastructure project for the State of Assam. Whilst final details are yet to be worked out, it seems that the work will be related to local contractor development, maintenance and gang labour.

In August, a four-day training for Integrated Rural Accessibility Planning (IRAP) T2 took place with attendance by both Gram Panchayat officials and other community workers from various villages in Kalikhote District. The IRAP T2 training concentrated on sector scoring and mapping of access needs (both access to basic services and access to local economic needs).



Source: ASIST-AP

*Culvert works, Houaphanh Province, Lao PDR*

Work continues on developing a proposal for possible donor funding to mainstream IRAP state-wide.

## Laos

The final details related to ASIST-AP inputs towards labour-based small contractor development activities under the Asia Development Bank (ADB) funded Smallholder Development Project are being worked out. This will be similar to the earlier support to the rural road component of the ADB funded Shifting Cultivation Stabilization Project which is being completed.

A survey on the current rural road maintenance practices has been completed and will be discussed with the Government and donors in the near future.

## Nepal

IRAP T2 training took place in June 2004. This was a two-day course

attended by approximately 20 Village Development Committee officials and representatives of line ministries. The training focused on sector scoring and mapping at village development committee level. IRAP T3 training is provisionally set to take place in the second week of November 2004 in Kathmandu.

## Solomon Islands

The Japanese supported community Infrastructure Rehabilitation Project that commenced in May 2003 was recently completed and efforts are now being made to identify other donors to carry the work forward. The project was working with crisis-affected communities to rehabilitate rural infrastructure using labour-based technology.

*continued on page 24*

# Employment Intensive Investment Programme (EIIP) – Latin America News

By Serge Cartier van Dissel, ILO Lima, and Raul Fajardo, ILO/EIIP, Latin America

As a result of the continued presence of the EIIP projects in Latin America, interest and demand for technical assistance on labour-based technologies from governments and other ILO constituents has greatly increased. The two DANIDA<sup>1</sup> funded Andean projects have ended, leaving the Luxemburg funded Pro-EMPLEO<sup>2</sup> project in Nicaragua. Efforts are underway to obtain additional support for the programme in the region to respond to the demand.

## Andean countries

The process of adapting experiences and translating existing documents into Spanish is nearing completion resulting in over 20 new publications. Dissemination of these publications has raised interest in and the understanding of the employment-intensive approach and the work of the programme.

New manuals are currently being developed for routine maintenance of small-scale irrigation infrastructure and for stone paving of low volume roads using labour-based technologies.

In March, a sub-regional seminar on decent jobs and better services for the

urban poor was organised in Lima, in cooperation with the ILO International Training Centre (ITC), Turin, UN-HABITAT and AGFUND<sup>3</sup>. Participants from Peru, Bolivia and Ecuador discussed the impact of urban un- and under-employment and the possibilities of generating employment through investments in infrastructure and services. Action plans for national level were developed. National seminars are planned for Ecuador and Bolivia.

## Bolivia

In co-operation with the Federation of Municipal Associations (FAM), three Elements of Entrepreneurial Management (EGE) courses were held.

A study was carried out on sub-contracting, which will be presented later this year in a national seminar on the access of micro and small enterprises to public procurement.

## Ecuador

Following the sub-regional seminar in Lima on legal and institutional barriers to access by micro and small enterprises to public procurement, a national seminar was held in Quito in March. As a result of the seminar, provisions

for such enterprises are being incorporated into the new public contracting law under development. Participants also identified the need to develop a specific law for these enterprises as was done in Peru.

Start and Improve Your Business (SIYB) courses were organised with various public institutions, as were additional courses on Elements of Entrepreneurial Management (EGE) and Improvement of the Working Environment (MATYSE). A new course on Associative Microenterprises for Service Delivery (MAS) was held with the Ecuadorian Social Fund (FISE).

## Honduras

A joint mission was carried out with the World Bank in preparation of the new Rural Infrastructure Programme, with the objective of incorporating the EIIP focus.

## Nicaragua

The Pro-EMPLEO project, funded by the Government of Luxemburg, dedicated most of its efforts to community-led projects promoted by the Nicaraguan Social Fund (FISE). Works included water drainage systems; potable water supply (including aqueducts, intakes, storage tanks, pipes, break-pressure boxes, etc.); latrines with integrated water

<sup>1</sup> Danish International Development Agency

<sup>2</sup> Promotion of local employment and income through the use of labour intensive technologies and the development of small and micro enterprises (SMEs)

<sup>3</sup> Arab Gulf Programme For United Nations Development Organizations

continued from page 23

## Sri Lanka

A training needs assessment related to the capacity of the local governments to deliver rural roads services was conducted. On the basis of this and discussions with the Ministry of Local Government and the Sri Lanka Institute of Local Governance, a series of training modules are now being developed.

## Thailand

A study on decent work in the infrastructure sector has been completed and will be discussed with the Government in the near future.

## Vietnam

The ADB has asked ASIST-AP to collaborate on a rural infrastructure development project in central Vietnam.

## Staff news

Martin Sergeant has joined us in Bangkok as a Senior Rural Infrastructure Development Specialist, and Chloe Pearse as our Infrastructure Services Specialist. John van Rijn our Technical Adviser based in Nepal has left the programme. 

tanks, pumps, washing units, septic tanks and sewage filtering units; repair of school buildings; and bridge construction. More than 12,000 people benefited from these construction works. Those involved in the works were trained on various technical and administrative issues<sup>4</sup>. Workers interested in forming small and medium enterprises attended training courses on principles of administration and management training courses, Start Your Construction Business (SYCB) and Improve Your Construction Business (IYCB). Project engineers trained and provided technical assistance to technical personnel from the municipalities involved in the FISE projects. About 460 people were trained.

The project continues to carry out impact studies of all projects implemented, showing the positive

results that these projects bring in terms of employment and income generation, social infrastructure improvement, capacity building, and improved living standards. This has led to a new comprehensive document<sup>5</sup>, which is being used to convince other co-operative projects, municipalities and government organisations of the benefits of labour based approaches.

Agreements were reached with the National University of Engineering (UNI) and the Technological University of Nicaragua (UTN) on the inclusion of the labour intensive investment approach as part of the engineering and architecture curricula. The Civil Engineering and Architecture Faculties carried out a two-day seminar for 20 faculty members. The objective of this course was to acquaint professors with labour-based technologies.

## Peru

In corporation with the Ministry of Labour, the EIIP programme is working on the development of an employment intensive investment policy. A first step in this process is a study on the employment generation potential of existing investments in infrastructure and services, which will subsequently be used to promote the proposed policy with other ministries.

The study on the impact of using micro-enterprises for routine road maintenance was finalised and presented to the three PROVIAS programmes (national, departmental and rural roads). The study showed the importance of entrepreneurial training and adequate supervision by the contracting agency to ensure quality of the performance of the micro-enterprises.

<sup>4</sup> Issues covered included basic construction techniques, interpretation of construction drawings, construction standards, community works and administration for community led projects.

<sup>5</sup> "Successful experiences of public investment projects executed with local labour and resources in Nicaragua"

## EIIP News

*By Terje Tessem, EIIP, Switzerland*

ILO has been working with the African Union (AU) planning and organising the Summit on Employment and Poverty for African Heads of State, which was held from the 8<sup>th</sup> – 9<sup>th</sup> September 2004, in Ouagadougou, Burkina Faso.

As part of the preparatory work, stories were gathered from different development agencies and government partners to reflect positive experiences and best practices from the African continent of moving out of the poverty trap through employment. Of these, 30 were selected and published in a document entitled "Success Africa" in both English and French<sup>1</sup>. It is rewarding to note that four of the success stories come from the work of EIIP colleagues in Africa and at the headquarters.

Before the Summit, a Civil Forum was held, and negotiations took place

between labour/employment ministries, union and employer's representatives with the aim of producing a declaration. The African Heads of State present then met to analyse the preparatory work, and that of the previous summit meetings, and to agree upon the communiqué from the Summit. The communiqué greatly favours and supports employment-intensive approaches to work in different economic sectors, particularly agriculture and infrastructure, which are priority sectors for NEPAD (New Partnership for Africa's Development).

### Staff News

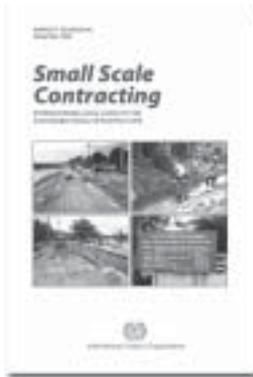
Our colleague Eric de Vries has retired. Eric joined the Branch in the 80's, before going on to work for the ILO in a regional capacity in Latin America where he held different posts including that of Director of the ILO Mexico Office. Since his return to Geneva some years ago, Eric has worked with Francophone countries in Africa, and was the EIIP focal point for Latin America. He was also responsible for

coordinating training material development (including the collation and publication on CD of most of the French training material developed over the years).

### Programming news

As some of our colleagues depart, we hope to have the opportunity to announce new arrivals soon. This is particularly important now following the recent ILO programming for the next biennium (2006-07) which places the EIIP as one of the four main pillars of its Employment Sector. So as far as influencing ILO policy, we have succeeded. The EIIP programme policy content and orientation are now fully recognised and endorsed. The Governing Body (GB) Committees on Employment and Social Policy (ESP) and on Technical Cooperation (TC) have repeatedly requested for this. This achievement can legitimately be considered as success. What remains now is the difficult task of ensuring implementation and, of course, the mainstreaming of the policy!

## New Publications



### Small scale contracting Strengthening local capacity for sustainable rural infrastructure

Aniruth Thongchai

CTP 167. ILO ASIST Asia Pacific. May 2004. ISBN 92-2-115705-9

This publication is based on a study conducted by ASIST – Asia Pacific (AP) to assess the present situation in Thailand relating to small contracting of infrastructure construction projects by local administrative bodies. The main objective of the study was to obtain information for developing training strategies to improve capabilities of personnel of the local administrative bodies and small-scale construction firms who are key players of the process. Information was collected by reviewing existing contract and construction supervision documents and interviewing personnel of a number of Tambon Administrative Offices (TAO) and construction firms.

Ongoing construction sites were visited to observe actual construction practices and interview workers on site. Chiang Mai Province in the Northern Region and Khon Kaen Province in the North-Eastern Region were selected as the study areas. Initial findings were compiled and reported for further feedback and confirmation in a one-day workshop for TAO and contracting firm personnel.

The study provides a good insight into the current challenges that local government institutions are now facing because of the recent move to decentralize authority and responsibilities for planning and implementation of rural infrastructure works from central agencies. Equally, it provides a good description of the work environment in which the local private construction industry operates, when carrying out public works. Finally, the report outlines some interesting solutions to capacity building at local level.



### Planning and implementing local infrastructure works Guidelines for Tambon Administrations

CTP 168. ILO ASIST Asia Pacific. 2004. ISBN: 92-2-115460-2

The Thai Government policy of decentralisation as defined under the Sub-district Council and Sub-district Administration Act of 1994 established the Tambon Administrative Organisation (TAO) in an effort to improve decentralized governance, and introduce participatory planning and decision-making at local level. The TAOs are now tasked with the provision of public utilities such as local roads, walkways, water transportation facilities, market places, recreation facilities, water supply, sanitation,

storm water drainage and other local infrastructure. The TAOs are expected to increase the capacity of the Tambons to generate income by the creation of jobs and promotion of economic development. One of the strategies to achieve this goal is by promoting the effective use of local resources and by creating opportunities for the local communities to participate in solving typical local problems with initiatives taken by and for the people.

The TAOs are the smallest unit in local government in Thailand. There are approximately 7000 Tambons, covering on average of 1000 households. Financial and human resources are therefore limited. Although Tambons have various sources for revenue collection, their annual income is limited. With the recent drive to transfer authority to this level of local government, there is obviously a strong demand for strengthening the capacity of the TAOs to carry out their newly acquired responsibilities. These guidelines have been prepared for the TAO engineers and technicians who are involved in the development and maintenance of local public facilities.

These guidelines attempt to provide TAO technical staff with an introduction to appropriate planning and works implementation methods. The first section introduces the basic concept of integrated rural accessibility planning, a set of tools that can be used by TAO officials to identify and prioritise interventions in a participatory manner. The second part of the guidelines introduces the concept of labour-based works technology and explains how this technology can be effectively applied to the type of works commonly carried out by the Tambon administrative organisations.

The guidelines are the result of a series of training courses carried out by the ILO for Tambon administrations in 2002. These guidelines are also available in the Thai language.

# The urgency in mainstreaming labour-based methods

It is likely that when the promotion of labour-based technology began in earnest, those involved thought that it would take only a few years to identify the benefits, teach the methods and witness its widespread adoption.

It is now many years later. The benefits are repeatedly being proven and the methods are well documented and widely taught. However, the technology is rarely found outside externally supported projects or in an open competitive environment and promoting organisations are still busy. Although much progress has been made, if the technology is to be seen as a viable long term alternative, the goal must be for labour-based operations to compete on equal terms with, and win

contracts from equipment based operations. This has not yet been achieved.

If a scientific experiment fails to achieve its goal, it may be concluded that although good in theory, the idea does not work in practice. The experiment is then stopped and something else is tried. Unless labour-based technology competes and wins contracts very soon, this experiment of ours will be stopped and its promoters dismissed as misguided.

There are many reasons why, despite all its undoubted benefits, labour-based technology has not become adopted into mainstream road construction and maintenance.

Rightly or wrongly, labour-based methods are seen as a sign of a backward economy and a trap for ambitious contractors, their productivity rates as low, the quality as low, the necessary supervision as excessively high, labour recruitment as laborious and prompt certification and payment as impossible. In addition, the wider social and economic picture is irrelevant to those letting the contracts, good hand tools are scarce and

contractors instinctively prefer an operator they know and trust to a labour gang they have not met. As a result, politicians and road authorities do not endorse the methods and contractors do not want to use them. The association with donor supported projects unfortunately reinforces the view that the methods cannot compete unsupported and, to some, suggests the deliberate introduction of primitive methods.

Let us not worry any more about evaluating the benefits of labour-based methods or recounting tales of contractor training from yet another non-competitive project environment. Let us address the reasons for the methods not being adopted; if we do not, even the open-minded will stop listening and it will all be over. Mainstreaming of labour-based methods could even be the focus for the next Regional Seminar for Labour-based Technology – it is important enough!

*Simon Done*  
TRL, UK  
Email: [sdone@trl.co.uk](mailto:sdone@trl.co.uk)



## Integrated rural accessibility planning at the Gram Panchayat level, India state of Orissa

**Chris Donnges, PK Pattanaik and John van Rijn**

RAPT 7. ILO ASIST Asia Pacific. 2004.  
ISBN: 92-2-115458-0

In India, Gram Panchayats (local governments) are responsible for identifying and prioritising development projects within their areas of jurisdiction. Gram Panchayats identify beneficiaries of projects and decide on project locations. Some of the projects identified are included in the Panchayat Raj “Shelf of Projects” (project action plan) and implemented with local resources, while others are forwarded to higher level institutions with a request for funding. Development projects are in the areas of education, health, water supply, transport, marketing and economic development.

Integrated Rural Accessibility Planning (IRAP) consists of a set of planning tools, which can help local government officials identify rural infrastructure projects and associated services. IRAP tools should be applied within the existing local level planning

process and augment regular planning activities. IRAP tools assist local officials in identifying investment priorities in the areas of education, health, water supply, transport and poor economic development.

This *Guideline* describes different planning tools based on IRAP for use at Gram Panchayat level. ASIST – AP in collaboration with a team of Orissa experts has applied the generic IRAP tools in a number of Panchayats and has modified the tools for use within the Orissa context. The *Guideline* has been prepared for planners at all levels to inform them about the existence and relevance of the planning tools developed. A how-to-do manual, in the local language, Oriya, will accompany this *Guideline*. This manual will consist of step-by-step instructions on how to apply the different tools at Gram Panchayat level.

# Forthcoming events

## Courses

### Kisii Training Centre (KTC), Kisii, Kenya

#### International course in labour-based road construction and maintenance

**Date:** 4<sup>th</sup> October – 13<sup>th</sup> November 2004

**Venue:** KTC, Kisii, Kenya

**Fees:** USD 5900 . Fees covers tuition, fieldwork, course materials, transport during the course, safe travel insurance, accommodation and meals.

**Details:** For engineers and managers of labour-based roadworks. University degree is a requirement. Covers choice of technology, all aspects of planning, implementation and management of labour-based construction and maintenance roadworks including the use of contractors.

#### Supervising labour-based roadworks contracts

**Date:** 8<sup>th</sup> March – 1<sup>st</sup> April 2005

**Venue:** KTC, Kisii, Kenya

**Fees:** USD 4,200 (course and subsistence)

**Details:** Targeted at engineers or senior technicians supervising labour-based road construction and maintenance contracts.

Course covers contract document preparation, tendering, evaluation, negotiation and awarding of contracts; contract implementation and supervision.

**Contact:** The Resident Instructor  
Kisii Training Centre (KTC)  
PO Box 2254  
Kisii, Kenya  
Tel: +254 58 30699  
Tel/Fax: +254 58 31440  
E-mail: courses@kihbt-ktc.com

#### Inter-regional workshop on employment-intensive investment policies and programmes

#### Putting employment at the centre of public investment and poverty reduction processes

**Date:** 22 – 26<sup>th</sup> November 2004 – For English speaking participants  
13 – 17<sup>th</sup> December 2004 – For French speaking participants

**Venue:** ITC, Turin, Italy

**Fees:** US\$ 2,385 comprising course fees and participant subsistence (excludes travel)

**Description:** The course aims at imparting knowledge on the concepts, tools and operational aspects for the

adoption and effective implementation of national investment policies favouring the use of employment-intensive techniques for employment creation and poverty reduction. It is targeted at high-level Government policy-makers and officials responsible for the development of macro-economic/sectoral policies and national investment plans, as well as those dealing with employment and poverty reduction strategies; international and national associations of workers and employers representing small contractors in the construction sector; donor representatives in charge of managing aid and determining criteria for its sector attribution; educational and training institutions in the development field; and managers of development programmes.

**Contact:** Employment and Skills Development Programme, International Training Centre of the ILO, Viale Maestri Del Lavoro, 10 - 10127 Turin (Italy).  
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Website: www.itcilo.org

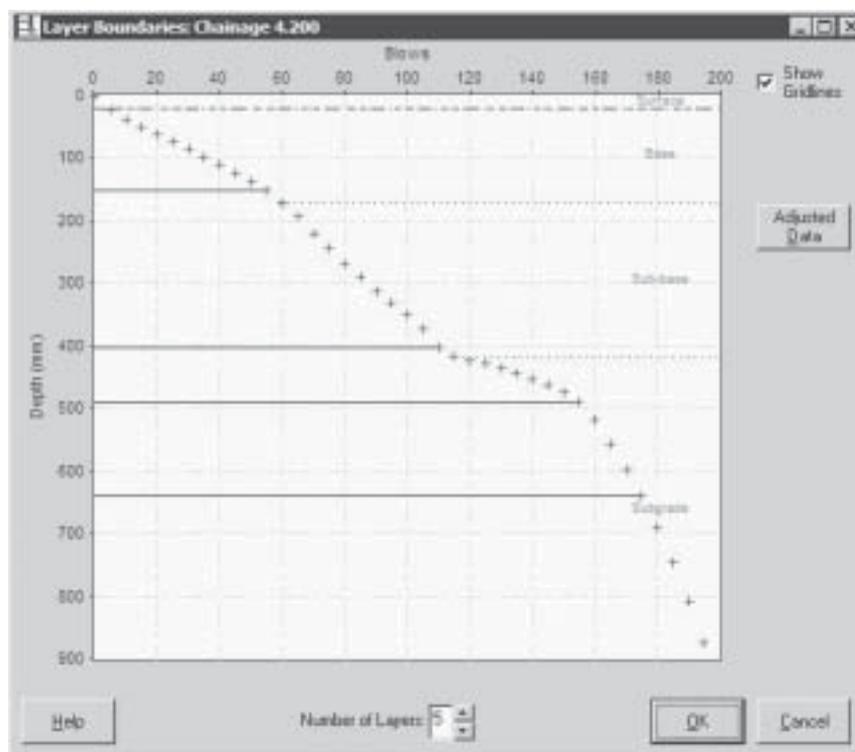
# New Dynamic Cone Penetrometer (DCP) analysis software

By Piouslin Samuel, Transport Research Laboratory (TRL), UK

Low volume sealed roads in developing countries often deteriorate because of poor material properties, poor construction or a combination of both. The most effective way of resolving these problems is by carrying out repair to the pavement, this often being necessary over only a short length and referred to as a spot improvement. Design of the repairs can be based on information obtained using simple, low cost techniques, the most suitable of which is the Dynamic Cone Penetrometer (DCP).

The DCP is an instrument that can be used for the rapid measurement of the *in-situ* strength of flexible pavements constructed with unbound materials. Where the pavement layers have different strengths, the boundaries between them can be identified and the thickness of each layer determined.

In 1990, Transport Research Laboratory (TRL) produced software to analyse DCP test data and a user manual – the Overseas Road Note 8<sup>1</sup>. However, new ways of using the results and improved software techniques dictated a need to upgrade the software. The Department for International Development (DFID), therefore, through its Knowledge and Research Programme, commissioned TRL to do this work. A pre-approved version of the new software called UK DCP 2.2, along with a User Manual and a Technical Information Note describing the use of the DCP, is available for free download from the DFID website [www.transport-links.org](http://www.transport-links.org).



UK DCP 2.2 allows a number of DCP tests to be entered for a single project. Individual tests can be analysed using two alternative methods. A ‘System’ method shown in the figure above automatically identifies changes in layer strength as shown in the figure, while a ‘User’ method allows the user to identify layers based on his or her engineering judgement.

Once the pavement layers have been identified, the software calculates the thickness and strength of each pavement layer, and then determines the Structural Number, Modified Structural Number and the Adjusted Structural

Number (used in HDM4) for the pavement at each test site.

The software then allows the user to verify the analysis by comparing the strengths and thicknesses along the project road using a Query facility.

Finally, the system allows the user to define homogeneous sections of road using thickness of layers and strength parameters. Design of the repair can then be based upon the calculated strength of each section.

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<sup>1</sup> A users manual for a program to analyse dynamic cone penetrometer

# Rural Accessibility and Mobility Pilot Activity (RAMPA) in Malawi

By Camilla Lema, ASIST – Africa, Zimbabwe

The Rural Accessibility and Mobility Pilot Activity (RAMPA) in Malawi started in July 2004. The project is being implemented in Ntchisi district and will run for 18 months. The goal of RAMPA is to contribute to the improved rural livelihood in Malawi through improved mobility and optimum location of socio-economic services and facilities.

RAMPA is being implemented under the Malawi Rural Travel and Transport Programme (MRTTP) in the Department of Local Government. MRTTP was set up in 1997 to facilitate the improvement of rural accessibility and mobility in Malawi, including the rural sub-sector of the ongoing Road Maintenance and Rehabilitation Programme. The goal of MRTTP is to contribute to poverty reduction through the improvement of rural accessibility to socio-economic goods and services in close collaboration with communities. Unlike the past similar initiatives by the Government of Malawi and its partners (e.g. the Pilot Integrated Rural Transport Project (PIRTP)), RAMPA will be implemented within the framework of the on-going decentralisation process, which started in 1998 and culminated with the promulgation of Local Government Act in March 1999. Within this framework, the Government of Malawi is committed to devolve responsibilities and authority (including measures for capacity building) to the District Assemblies. This environment is conducive for the sustainability of RAMPA interventions at local level.

The RAMPA will apply an integrated approach to rural travel and transport development, which includes the improvement and maintenance of rural roads, tracks and paths and the improvement of rural transport services through promotion of appropriate

Intermediate Means of Transport (IMTs). Participatory local level planning approaches that include the Integrated Rural Accessibility Planning (IRAP) tool will be used for identification and prioritization of interventions with communities. The re-introduction of IRAP within the framework of the District Development Planning System (DDPS) will strengthen the process of decentralization by contributing to capacity and skill development for local level planning as well as to facilitating multi-sectoral data collection to create a comprehensive database at the district level. Capacity building for local assemblies and communities has been given emphasis as well as facilitating multi-sectoral support for the planning and implementation processes and as a means to strengthen the DDPS.

The RAMPA initiative is intended to contribute to poverty alleviation by optimizing infrastructure works for job creation at local level. The District Roads Improvement and Maintenance Programme (DRIMP, 1975 - 95) experience showed that maintenance and improvement of rural roads could easily be done using employment-intensive approaches. Hence, through RAMPA the under-employed workforce available in the pilot District will be offered short- and long-term employment, and some will benefit from life-long skills development from the training programmes. The use of labour-based technologies will be strengthened and broadened with capacity building and development of appropriate skills for the district staff, small-scale and community contractors. This will include the necessary advice and support in organisational development, procurement procedures, legal and regulatory issues.

Lessons and case studies that are important for the development of an evidence base and to influence sustainability, institutionalisation and the scaling-up of RAMPA initiative will be documented during the planning and implementation processes. The lessons and knowledge obtained will also be disseminated widely to support policy dialogue and design of similar initiatives elsewhere.

IT Transport UK has been engaged as the Management Consultant (MC) for technical support in strengthening the capacity of the Department of Local Government and the selected District Assembly for RAMPA. This will be achieved through the development of a methodology for undertaking rural accessibility and mobility improvements and related sub-activities. Accordingly, the MC will develop mechanisms for propagating the lessons learnt to the rest of the districts in Malawi. The project started in July 2004 with an inception phase of one month. RAMPA will be subject to mid-term evaluation progress review after six to nine months of implementation, and to an external evaluation after 15 to 18 months of implementation to provide recommendations for replication. ☺

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# Kenya Rural Transport Services (RTS) Project – Good business looms for private sector as KENDAT leads the way

*By Pascal Kaumbutho and Eston Murithi, Kenya Network for Draught Animal Technology (KENDAT)— RTS Project, Kenya*

The Rural Transport Services (RTS) Project was founded at the East African Rural Transport Stakeholders Workshop of 1997 hosted in Kenya, by the Kenya Network for Draught Animal Technology (KENDAT). The overall objective of the project is to systematically assemble data, information and experience that can provide key policy and practice options for improved delivery of rural transport services, which improve livelihood systems of the poor men and women in the society.

The Project kicked-off in October 2001 and has had funding from British Department for International Development (DFID), Swedish International Development Agency (SIDA) and Natural Resources International Ltd (NRIL).

A coalition of organizations led by KENDAT is implementing the project. The other organizations are; Intermediate Technology Development Group (ITDG), International Forum for Rural Transport and Development (IFRTD), National Forum Group (NFG)– Kenya, International Labour Organization/ Advisory Support Information Services and Training (ILO/ASIST) and the Government of Kenya (GoK). The private sector is finding ground in the project, with private companies like Zuzuka Ltd, East African Growers Ltd. Seracoatings Ltd realizing the business potential that lies within the communities. The Government of Kenya (GoK) through various Ministries and Departments also plays a significant role in the project implementation.

Phase I of the project mainly consisted of research while the current



Source: KENDAT

*Farmers in Lari Division (Escarpment Area) – men and women alike communally construct a water pan. KENDAT in collaboration with Seracoatings Ltd will facilitate PVC lining of the pan.*

Phase II focuses on pilot development interventions and policy influencing activities. Pilot development interventions have mainly been implemented in four areas namely; Mwea Division in Kirinyaga District, Lari Division in Kiambu District, Matayos Division in Busia District and Kalama Division in Machakos District. In each of the areas the approach is that of “Community Parliaments”, which derives its strength from the fact that community groups with differing interests and activities come together at a forum, “Parliament”, to discuss strategies for implementation of community projects. The Community Parliaments have fostered the involvement of the private sector in RTS project.

## Business opportunities

The private sector is ever reluctant to participate in community development activities unless they foresee a bright future for their business in the

undertakings. This has been the scenario for RTS project for Kenya. However, the ground is set and there is hope for business for the private sector in the various KENDAT led RTS project areas.

Through the Community Parliaments in Lari Division, Water Pans are being constructed to ensure that farmers have adequate irrigation water throughout the year. This would enable them produce high value horticultural produce for local and export markets.

About 30 water pans with an estimated water holding capacity of 180,000 litres each have already been dug in the farmer’s smallholder plots in the area. Seracoatings Ltd, a private company involved in installation of Polyvinyl Chloride (PVC) dam lining in the region, has foreseen good business in the area and has forged

*continued on page 33*

# Involving communities in low-cost housing rehabilitation projects in Gujarat, India

By Deepak Dawar, Hydraform (India) Pvt. Ltd, New Delhi, India,

Following the earthquakes in Gujarat, India in 2001, large-scale rehabilitation and construction of housing was required. NGOs, funding agencies, local government bodies, Housing and Urban Development Corporation Ltd (HUDCO) and others involved in reconstruction and rehabilitation work got together to consider the social, cultural, environmental and economic implications of the work involved. Designs and technologies most suited to the various localities were considered and presented to the users and all stakeholders to decide on the best fit. For example, concrete block masonry, stone masonry, other compressed earth block masonry, red burnt bricks, rat-trap bond and Hydraform interlocking compressed earth block masonry, *etc.* were considered for their suitability to the various conditions in the different localities. In Kutch District for example, which is in zone V for earthquake vulnerability (*i.e.* highest risk as per Indian Seismic Authorities), the designs had to conform to stringent earthquake resistance standards and superior engineering expertise was required in the preparation of the structural designs.

## Hydraform interlocking blocks

Hydraform interlocking stabilized compressed earth block masonry was identified as one of the suitable technology. HUDCO, in consultation with Dr. AS Arya, a seismic expert arrived at a suitable structural design for the houses to be made with the Hydraform blocks. Hydraform India made a specially designed block to meet the earthquake resistant structural requirements of the Gujarat State Disaster Management Authority (GSDMA) Guidelines on construction practices and technologies.

The Hydraform block making machines have been used extensively in Gujarat for making soil-cement blocks for construction of houses, community centres, and schools, *etc.* In all, about 3500 houses have been made with Hydraform machine made blocks conforming to GSDMA guidelines and recommendations. Construction has been done by HUDCO building centres, NGO's like St. Xavier's Behavioural Science Centre, Eklavya Foundation, Self Employed Women Association (SEWA), UNNATI, *etc.* in various sites including Rajansar, Bachau, Naliya, Rapar, Bhuj, Dholavira, Amran, Ahmedabad, *etc.* These projects were funded as post-earthquake rehabilitation programmes by major funding organizations including HUDCO through Members of Parliament Legislature Development (MPLAD) funds, United National Development Programme (UNDP), TATA Relief Foundation and other international funding organizations.

Reputed architectural firms like Thakkar & Associates and HUDCO's design and development cell and others have since been consulting these projects and have opted for Hydraform against various available options.

## Advantages of Hydraform blocks to the community

Hydraform block making machines run on either diesel or electricity. The diesel machines on tyre mounted road worthy trolleys are versatile machines for works in interior/rural areas where no electricity is available and provides the advantage of making blocks on the



Women operating the hydraform block making machine

Source: Hydraform, India

construction site. This enables the involvement of local communities in block making as well as in construction and facilitates the adoption of the technology, the houses and the system by the local populace, which is vital for the success and sustainability of any alternative technology. Other benefits to the local community include skills development, higher employability and employment opportunities. On completion of the projects, the Hydraform machines are provided to local NGO's and community-based organisations and are operated as resource centres. The resource centres act as building material service banks to provide not only the blocks but also offer the services of local community who have become expert technicians in both block making and construction.

### Other experiences

While various housing rehabilitation projects are on going in Gujarat using a number of technologies, the Hydraform building system has emerged as one of the most versatile. The system is being replicated in other areas such as Bachau where St. Xavier's is implementing a 500-house project.

CARE India used the Hydraform building system for its Ashraya project in cyclone rehabilitation projects in Orissa to build over 900 core houses using similar community and local resources which involved beneficiaries and implementing partners.

Hydraform technology is being used in Afghanistan in conjunction with Tata

International for their reconstruction needs. Various NGOs and donor agencies working in Bam, Iran are looking for solutions for construction that meet the local social, cultural and environment needs. The success of the Hydraform interlocking stabilized earth block construction in Gujarat is being shared and provides a good case study for Bam.

### Conclusion

The Hydraform system provides not only an effective housing solution but also future employment opportunities for sustained livelihood to earthquake affected and other communities in an environment-friendly manner. The

houses constructed meet a one-time need but the livelihoods created provide for a perpetual one. The system facilitates involvement of the local community by NGO's in the construction of houses and community buildings.

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partnership with KENDAT. The company participates by training the farmers in water harvesting and subsequent storage in PVC-lined water pans. Installation of the PVC lining on each dam of the aforementioned capacity costs about Kshs. 15,000 (US\$ 188), meaning that if Seracoatings Ltd installed PVC lining on all the 30 water pans, they would make a gross income of Kshs. 450,000 (US\$ 5625). This is a good catch for the company within a Division like Lari considering that they are doing the business within the entire Eastern Africa Region.

In Mwea Division, the state of affairs is not different. The horticultural farmers have always experienced problems accessing reliable markets for their produce, regardless of quality. KENDAT, the Community Parliament in the area and East African Growers Ltd (private horticultural produce exporters) have entered into a Memorandum of Understanding (MoU), which provides for the farmer groups to enter into contracts with the company. The first lot of seven groups each with 20 members is ready to sign the contracts and have towards this end started preparing to plant their farms in September this year. This arrangement makes it easier for the private company to programme production and train the farmers to ensure that their production

meets the market specifications. This creates an opportunity for the private company to adequately meet its export targets, as the farmers benefit from a reliable market throughout the year.

Placement of technologically advanced Intermediate Means of Transport (IMTs) in the three project areas, Lari, Mwea and Busia is of great importance to the farmers. The three project areas are to receive motorcycle trailers procured from Zuzuka Ltd, a private company involved in importation of various types of IMTs into Kenya.

The IMTs will be operated on a pilot basis, but field reports indicate that a high demand looms for this specific IMT in Busia and Mwea.

Zuzuka Ltd already realizes the potential for their business and has proposed a partnership with KENDAT for Micro and Small Enterprise Rural Asset Leasing. This would provide lease financing and developmental support services to rural farmers in East and Central Africa.

Zuzuka Ltd now believes that the initiative would not only be a viable niche for the company but also infuse the much-needed technologically advanced IMTs to the productive and promising agriculture sector.

Limited capital to invest in purchase of IMTs, construction of water pans and



*The motorcycle trailer procured from Zuzuka Ltd for placement in Lari, Busia and Mwea.*

Source: KENDAT

purchase of inputs for agricultural production remains a big challenge for the small-scale rural farmers. However, in Lari, Busia and Mwea, KENDAT has gone a long way in helping the Community Parliaments set up a Savings and Credit Scheme through which farmers can access credits. The Community Parliaments will run the scheme with technical support from KENDAT.

Hopefully, RTS Project will, through partnerships, create a substantial impact at community level and significantly facilitate the process of poverty alleviation.

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# Labour-based job creation in Afghanistan – The National Emergency Employment Programme (NEEP)

By Seddiq Mossadeq, NEEP, Afghanistan

The National Emergency Employment Programme (NEEP) is one of the national priority programmes of the Transitional Islamic State of Afghanistan (TISA). It aims to generate approximately two million person-days of minimum wage employment through labour-intensive public works to support livelihoods of the poor. Through NEEP, access to local markets, schools, clinics and productive agricultural land is improved and developed, and natural resources protected. NEEP's specific objectives are:

- a) Increased social protection for 5 – 6 million vulnerable people through the provision of short-term employment opportunities.
- b) Increased economic livelihood opportunities for the poor through increased access to public and productive infrastructure services, facilities and assets.
- c) Increased technical and management capacity in the government and private sector for resource allocation, planning, designing, contracting, implementation and maintenance of projects executed within the framework of NEEP.

## The NEEP Structure

The Government of Afghanistan developed the strategy for NEEP with assistance from ILO. The NEEP structure comprises a National Inter-Ministerial Board<sup>1</sup> responsible for providing policy direction, resource allocation, and programme and project



Source: S Mossadeq

Consultant visits local contractors in Kunduz Province to assess training needs

approval. A Joint Programme Management Unit (JPMU), under the leadership of the Ministry of Rural Rehabilitation and Development (MRRD) (the lead Ministry for NEEP), is responsible for the daily management of NEEP and reports to the Inter-ministerial Board.

The JPMU is tasked to:

- a) Establish and maintain effective coordination systems;
- b) Manage the programme and resource allocation mechanisms;
- c) Develop functional and appropriate methods, standards and tools for programming planning, implementation, monitoring and evaluation; and

- d) Build capacity within the Government to implement projects within the overall NEEP framework.

The ILO technical assistance (TA) focuses on the development, institutionalisation and implementation of effective systems and procedures for coordination, resource allocation and programming, planning, reporting, monitoring and evaluation (M&E) within NEEP. The establishment of a functional Management Information System (MIS) and effective planning and monitoring and evaluation (M&E) procedures for NEEP is a high priority for the Government. Limited technical assistance is also provided in

<sup>1</sup> The board comprises the Ministries of: Rural Rehabilitation and Development (MRRD), Public Works (MPW); Irrigation, Water Resources and Environment (MIWRE); Agriculture and Animal Health (MAAH); Urban Development and Housing (MUDH); Martyrs and Disabled (MMD); Women's Affairs (MWA); Labour and Social Affairs (MLSA); Returnees and Repatriation (MRR); Public Health (MPH); Education (ME); Frontiers and Tribal Affairs (MFTA); Planning (MP); Reconstruction (MR); Finance (MF).

developing and introducing guidelines and methodologies that relate to social protection, civil engineering and contracting.

As NEEP is an evolving programme and its implementation in other sector ministries is still under development, ILO's TA services are restricted to ongoing and funded NEEP projects that are being, or will be, executed through the National Development Budget for NEEP through MRRD, MPW and MIWRE.

### Financial resources

The total budget of NEEP is US\$ 126,738,670, of which US\$ 65,752,000 is allocated for programme activities in 2004. The funding agencies include World Bank (WB), European Commission, United States Agency for International Development (USAID), United Nations High Commission for Refugees (UNHCR) and the Government of Japan. The programme requires an additional US\$ 150 million for expansion of activities in the coming years.

### The projects

NEEP successfully completed its first phase in 2003, creating five million labour-days and reconstructing 1050 km of roads. NEEP has also completed construction of 1500 bridges and culverts, 3000 shelter, 100 school, 15 clinics, 100 irrigation projects and 250 water supply projects.

In addition, draft guidelines and procedures for resource allocation / programming, planning, tendering and contracting, social targeting, M&E and reporting have been developed by NEEP JPMU with assistance from the ILO to ensure smooth operation of the programme. A pilot MIS has also been designed and is currently being tested within the MRRD.

The NEEP for Rural Access (NEEpra) project, financed by IDA/WB started in December 2003 and has three components:

- a) US\$ 14.8 million grant for the reconstruction, rehabilitation and maintenance of tertiary roads

(including appurtenant structures) executed by MRRD.

- b) US\$ 20.4 million credit for the reconstruction, rehabilitation and maintenance of secondary roads executed by MOPW.
- c) US\$ 4 million for technical assistance to the overall NEEP.

The United Nations Office of Project Services (UNOPS) is the implementing consultant for components A and B. The ILO has been contracted by MRRD for providing technical assistance (TA) services (US\$ 1.7 million) under component C. UNOPS is the implementing consultant for MRRD for the procurement of goods and equipment (US\$ 2.3 million) in support of the ILO TA.

The target for 2004 is to generate 13 million labour-days through the construction of 500 km of rural roads, 2500 bridges, 50 irrigation projects and 150 water supply projects around the country through labour-based approaches.

Plans to further scale up the NEEP delivery are being reviewed. The full implementation of the MIS and the mobilization of more communities will further enhance the capacity of NEEP to monitor and implement the projects.

### Capacity building

NEEP covers all 34 provinces of Afghanistan. Works are subcontracted to private contractors through competitive bidding. Besides capacity building of the ministry staff involved in the projects, NEEP also provides training for small local contractors to ensure construction works are of a good quality.

The engineering capacity of the organizations involved in NEEP projects need to be strengthened and improved. Priority areas include that of contractors for managing contracts; and for the development of national policies, technical standards and capacity for monitoring compliance.

According to the Afghanistan Transitional Authority (ATA), NEEP complements the National Solidarity Programme (NSP), which focuses on longer-term community-led development. In order to ensure that such programmes allocate resources equitably on a per-capita basis, NEEP will not be implemented in NSP locations and there will be a ceiling on funds to be allocated in each province.

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*A meeting session at the MRRD office in the Province of Kapisa on road planning, conducted by an ILO Technical Adviser working with the NEEP JPMU*

Source: R. Schaffner

# Advisory Support Information Services and Training (ASIST)

ASIST is a programme providing advisory support, information services and training on employment-intensive strategies and local resource utilisation in the provision of sustainable infrastructure. It is a programme of the Employment-Intensive Investment Branch (EMP/INVEST) of the International Labour Organisation (ILO).

The goal of the programme is to reduce poverty by mainstreaming employment-intensive strategies in the provision of infrastructure and services for improved and sustainable livelihoods and local economic development.

ASIST currently comprises two regional support programmes in Africa and Asia working within the framework of the EIIP. Their objective is to increase the use of cost-effective employment-intensive local resource based strategies in the provision of sustainable infrastructure, and in so doing create employment with fair working conditions for men and women.

## Advisory Support

ASIST provides comprehensive policy, planning, and technical advice. ASIST advises on project and programme design, co-ordination, monitoring, and review of urban and rural employment-intensive infrastructure programmes and local resource utilisation.

## Information Services

ASIST actively gathers, synthesises and disseminates relevant published and unpublished information on and related to employment-intensive approaches for infrastructure development and local resource utilisation. ASIST provides a Technical Enquiry Service to respond to specific requests for information. ASIST maintains a database of persons and institutions working towards the reduction of poverty through employment creation in the provision of sustainable infrastructure and services.

## Training

ASIST supports capacity building essential for the mainstreaming of employment-intensive strategies in infrastructure provision through a wide spectrum of training activities including: training needs assessments, curricula and training programme development, training material and technique development, as well as the evaluation of training activities. ASIST also supports and facilitates workshops, seminars and conferences to stimulate information sharing and networking.

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## Next issue

### March 2005 - Issue No. 19

Theme: Integrated/multi-sectoral application of employment-intensive approaches

Contributions on best practice and experience related to these theme areas, project news and letters are welcome. Write for more details on specifications and deadlines. We look forward to hearing from you!

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