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ILO'S EMPLOYMENT-INTENSIVE INVESTMENT PROGRAM (EIIP)

CHALLENGES OF SCALING UP

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Overview of presentation

- ◎ Brief on EIIP
- ◎ EIIP's assistance to Madagascar
- ◎ EIIP's special support to the the job crisis
 - Kenya
 - Indonesia



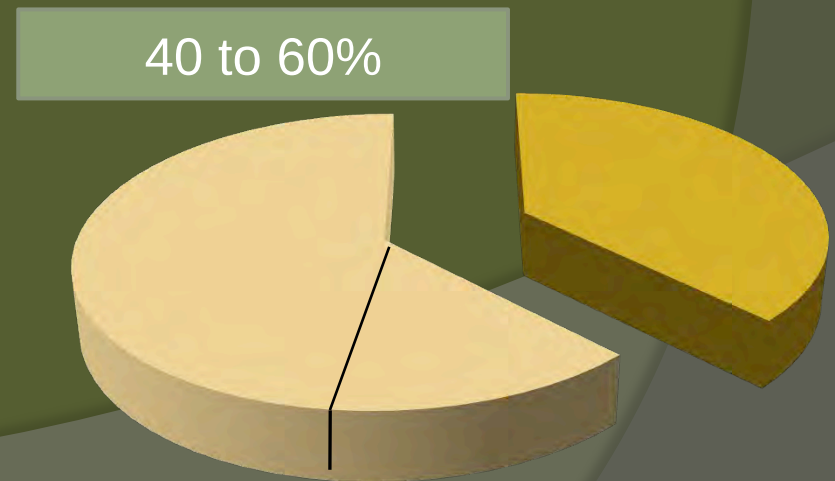
Brief on EIIP

- ◎ Branch within Employment Department of the ILO with over 30 years of experience in linking employment with infrastructure development
- ◎ EIIP is one of ILO's vehicles to promote full and productive employment as well as decent work
- ◎ EIIP currently engages in more than 40 countries world-wide



Brief on EIIP – Focus on public investment

- ◎ Public investments – an instrument still available to governments
- ◎ Infrastructure investments:
 - important share of total
 - major share of public
- ◎ In reconstruction work much larger



HIMO Programmes in Madagascar – example of gradual scale-up

- Launched late 80's with funding provided by UNDP and located in Ministry of Labour (demonstration, training, use of SME's)
- NORAD-funded project in Min. of PW moving from force account to road rehabilitation and maintenance using SME's



- 90's – Fonds d'Intervention pour le Développement (SF agency – WB demand-driven & CDD approach)
- AGETIPA (Public Works Agency working mainly in urban areas)
- GOM/UNDP/ILO Micro-projects (OPM)

HIMO Programmes in Madagascar

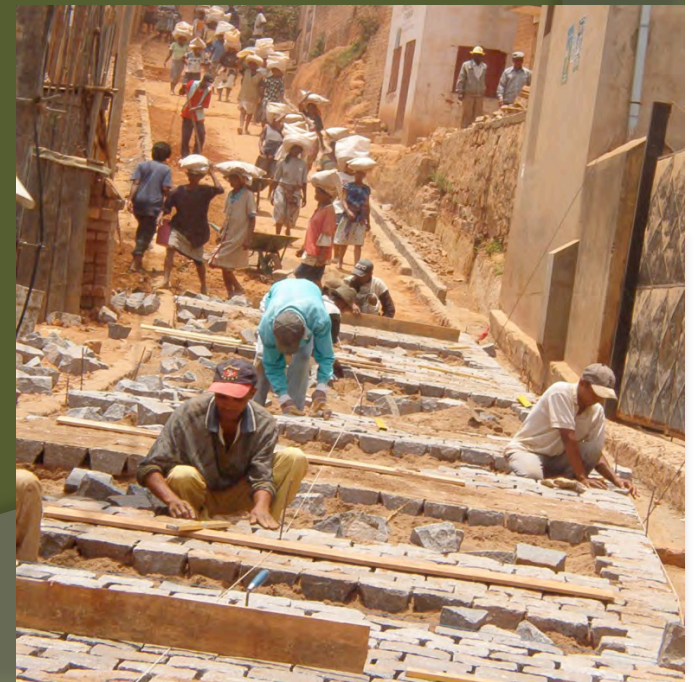
HIMO Training Centre in Antsirabé –
autonomous not-profit organization –
reference centre (SMEs, CBO's etc.)



- Education for all
- collaboration
GOK- UNICEF-
ILO.
- LRB approach

- HIMO Communal in support of
decentralisation in Madagascar

- Capacity building – local investments



Scaling-up during crises in Madagascar

- Results of investments in human capital and social & economic local infrastructure development :

- Raised capacity of SMEs, NGO's and CBO's
- Local agencies such as FID, AGETIPA and GoM/ ILO programmes
- Cope rapidly with seasonal crises (droughts in the South and hurricanes – for example **Elita and Gafilo** in 2004)



- How do they scale up during crises?
 - Channel funds through different agencies/programmes
 - Call on all categories of local actors
 - Simplify procurement rules

Case of Kenya – rapid scale-up

◎ FFF crisis

- Economic slump from a growth rate of 7% in 2007, to a mere 1.7% in 2008 > job losses
- Price of a maize meal has escalated by up to 133%, beans by 96%, vegetables by 55%, and oils and fats by 77%
- In 2008, up to 65% increase in fuel prices

◎ Youth unemployment

- Half of the population is aged less than 20 years, and they account for two thirds of the poor in Kenya;
- There is a disproportionately high rate of unemployment amongst youth. Youth unemployment rose from 60 to 72% (over the period 98-2005/06).



Case of Kenya - YEP

◎ Kazi Kwa Vijana

- Supplementary budget 2008/09: Ksh 3,4 billion (~ US\$ 45 millions)
- Budget allocation 2009/10: KSh 6,6 billion (~US\$ 88 millions), almost 1% of GOK budget
- Coordination unit in OPM
- Line Ministries responsible for implementation

◎ YEP (WB/ILO)

- Buy into KKV
- Work attachments
- Streamline YE



◎ Kazi Kwa Vijana

- Target: create 200,000 jobs (since April 30,000 jobs)
- Mainly direct labour operation
- Highly labour –intensive
- Decentralized (District and Project Implementation Teams)
- Supply-driven



◎ Challenges

- Trained manpower
- Contractual arrangements
- More demand-driven
- Community involvement
- Gender aspects
- Technical aspects (I RB)



Case of Indonesia

◎ Social impact of crisis

- Demand for labour has fallen
- Rising un- and underemployment
- Downward pressure on wage
- SME's have been hit hard
- Informal economy has been expanded

◎ Large stimulus

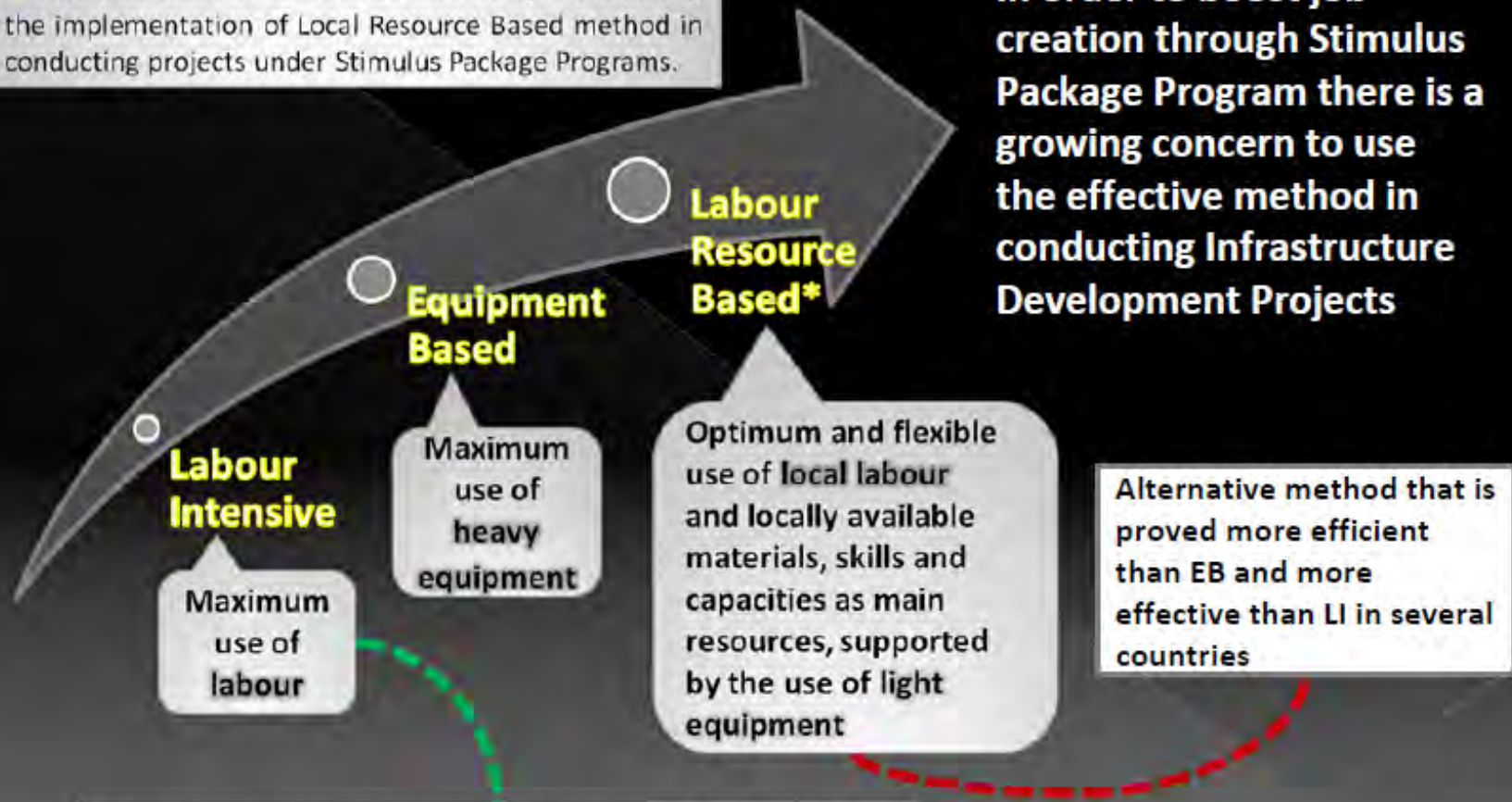
- Increasing purchasing power (price subsidies)
- Increasing competitiveness of enterprise and export
- Increase infrastructure budget (US\$ 1,03 billion)



Methods Used in Conducting Infrastructure Development

CMEA-ILO Jakarta has been collaborating in promoting the implementation of Local Resource Based method in conducting projects under Stimulus Package Programs.

In order to boost job creation through Stimulus Package Program there is a growing concern to use the effective method in conducting Infrastructure Development Projects



Government on Indonesia tends to use Labor Intensive Method to fulfill stimulus objectives, encouraging projects that will create jobs for society



ElIP special response to the job crisis

- ⦿ Provide analytical tools (I/O or dyn.SAM)
- ⦿ Help with design of the infrastructure component of stimulus package
- ⦿ Advice on delivery mechanisms and procedures
- ⦿ Provide training in LRB techniques, contract administration etc...
- ⦿ Assistance to set-up MIS



Elements – scaling up

- 1) Evaluate institutional set-up (line ministries, local government or agencies or a combination)
- 2) Assess capacity of local actors – add training whenever needed
- 3) Evaluate procurement and payment procedures
- 4) Keep overheads within a reasonable range
- 5) Build in mechanisms to assure accountability
- 6) Make appropriate technical choices





Thank you

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