

Working out of Poverty

Targeting Investments in Africa

The Challenges

Poverty on the rise

Without change in current trends, Africa will not achieve the overarching Millennium Development Goal to halve the population living in extreme poverty by 2015. Significant impact on poverty will only be achieved if poor people can participate in the growth for example through employment.¹ Over 140 million jobs need to be created in Sub-Saharan Africa by the end of the decade to lift half of the poor out of absolute poverty.²

Sustaining peace and rebuilding crisis-torn countries

With peace returning to many countries torn apart by decades of war including Angola, Congo, DRC, Somalia, Sudan and Sierra Leone, comes the task of reconstruction, reintegration and socio-economic recovery. Investing in development, growth and job creation is essential to the prevention and/or relapse into violent conflict.

Rapid urbanization

Rapidly growing urban populations outpace the capacity of cities and towns to provide basic needs such as work opportunities, housing and infrastructure services. Around 72% of urban dwellers in Africa live in slums and are in need of decent jobs, food, housing, clinics, schools and other services.

Youth unemployment

Escalating youth unemployment brings disillusionment and unrest that destabilizes peace and security. The number of young people seeking employment is expected to increase by 28% i.e. by about 30 million people, in the next 15 years in sub-Saharan Africa.

Africa's new resolve

African governments now recognize the centrality of employment as one of the major means to alleviate poverty and empower people to be part of the social, economic and political processes.

African Union Heads of State resolved in September 2004 to, among other things, "place employment creation as an explicit and central objective of their economic and social policies at national, regional and continental levels, for sustainable poverty alleviation and with a view to improving the living conditions of their people."

They further resolved to increase the allocation and mobilisation of resources to invest in high potential employment creation sectors including infrastructure, agriculture and rural development, environment conservation and transport among others.³

African Union Ministers responsible for transport declared in April 2005, to improve access to inputs, markets and employment opportunities by halving the proportion of the rural population living beyond 2km of an all-season mode of transport by 2015.⁴

The Commission for Africa Report – Our Common Identity, March 2005, identifies investment in infrastructure, particularly in agriculture (i.e. rural access roads and irrigation), rural development, urban upgrading and natural resource conservation as essential components for poverty reduction. The Commission recommends an additional investment of US\$ 20 billion a year in infrastructure. It further notes that public sector investments i.e. in road building, slum upgrading and irrigation have positive effects on employment that can be integrated into national poverty reduction strategies.⁵



"An important element of this programme is a large-scale expansion of the use of labour-intensive construction methods to build, upgrade and maintain the social and economic infrastructure in all the underdeveloped rural and urban areas of our country that do not have such infrastructure".

Thabo Mbeki, the President of South Africa at the launch of the Expanded Public Works Programme, 18 May, 2004

ASIST-Africa provides solutions that place employment creation at the centre

The ILO's Employment-Intensive Investment Programme (EIIP) through the ASIST-Africa has for many years been working with African governments on approaches that put employment creation in the centre of investments in infrastructure, which account for up to 60% of public investments. There are many clear indicators of the success of these approaches, both in terms of direct employment created through labour-based technology, and through the multiplier effect on the opportunities for local resource based support industries and the investment of the income earned into other ventures and local consumption. Such interventions have, in many instances, been the mechanism to kick start local economic activity and have proved to have important income distribution effects and impact on poverty reduction.⁶

Looking to the Future...

Targeting Investments for Working out of Poverty

The ASIST Programme has reoriented itself to respond more effectively to the challenges in the region. The Programme's new strategy "Targeting Investments for Working out of Poverty 2005-2007", builds upon years of experience, knowledge and partnerships gained from past years of the programme.

The strategy responds to current needs and calls to action against poverty made collectively by the African Heads of States and Ministers under the auspices of the African Union and NEPAD.

It leverages the Programme's comparative advantage of being uniquely designed to respond flexibly to provide integrated employment-focused interventions that target investments for better impact on poverty reduction. The strategy aims at reducing poverty by:

- Optimizing the employment creation potential of investments in infrastructure.
- Early intervention in post-crisis situations to link recovery with long-term development policies and programmes.
- Broadening the application of local resource based employment intensive approaches across other infrastructure sectors including slum upgrading, irrigation, environmental conservation in both urban and rural environments.
- Emphasising integrated and employment-focused local resource based planning approaches in investment planning and service delivery.



Low volume road sealing, Zimbabwe



Urban upgrading, Tanzania



Water supply kiosk in a low income urban settlement, Kenya

Implementation of the new strategy will involve:

- Supporting national and local governments, regional economic communities and bodies and their development partners to place employment at the centre of national and regional infrastructure development, employment and poverty reduction goals. For example, technical advice will be provided to the US\$3 billion South African government funded Expanded Public Works Programme; the US\$6.3 million Taking Labour Based to Scale National Programme in Tanzania, and to NEPAD through the recently formulated framework of agreement, which delineates areas of policy development, local resource optimization, entrepreneurship development, post crisis reconstruction and economic recovery.
- Expanding the evidence base to support the employment-intensive approach and demonstrate its impact on poverty reduction through joint research and study initiatives with national policy and economic research institutions, other research bodies such as the Transport Research Laboratory (TRL) and the Overseas Development Institute (ODI), as well as academic institutions.
- Leveraging knowledge sharing and learning, essential for the development of institutions and skills. The programme will partner with national training institutions and existing initiatives such as the Region's Transport Technology Transfer Centres, International Forum for Rural Transport and Development (IFRTD), Transport Knowledge Partnership (TKP) and the International Focus Group for Rural Road Engineering (IFG).
- Creating awareness, promoting and advocating local resource based employment-intensive strategies to ensure the uptake, impact and mainstreaming of the approach; and to build a groundswell of demand and support for the approach.
- Integrating more effectively with other ILO units and programmes. Employment-intensive interventions provide an entry point in many circumstances for the introduction of initiatives or dialogue around issues of decent work, *i.e.* fair working conditions, fair wages, gender equity, prevention of child labour, etc.
- Strengthening existing and building new partnerships such as with the African Union, the



Private sector participation in solid waste management, Tanzania



Block-making for low cost housing, Somalia



Local level planning, Malawi



Labour-based roadworks field site training, Zambia

African Development Bank, regional economic bodies, and other United Nations agencies to bring to bear the full impact of joint efforts and resources of partners on the fight against poverty.

Target group

The ultimate beneficiaries are the poor women, men and youth in the countries covered by the Programme.

The direct beneficiaries are national and local governments, regional economic communities, private sector enterprises and community groups, as well as national, regional and international development partners.

The ASIST programme team has years of collective knowledge, skills and experience to bring to bear in realising the full potential of investments in infrastructure.

ASIST has well established networks of national and regional partnerships that have been developed over time, providing it a vantage point from which to leverage and optimise resources. Knowledge of countries, their needs and capacities provides invaluable mileage in getting interventions going.

We work to ensure the positive effects of employment and infrastructure are integrated into national poverty reduction strategies and have a meaningful impact on the lives of the poor.

¹ *Our common interest - Report of the Commission for Africa. - March 2005*

² *Targeting investments for working out of Poverty Strategy 2005 - 2007. May 2004*

³ *Declaration of the African Union Heads of State's Extraordinary Summit for Employment and Poverty Alleviation, September 2004, Ouagadougou, Mali.*

⁴ *Draft Declaration of the African Union Ministers responsible for transport. Addis Ababa, April 2005*

⁵ *ASIST - Africa is a regional programme for Africa providing Advisory support information services and training*

⁶ *DFID. 2002. Making connections - Infrastructure for poverty reduction.*



Sharing knowledge through publications



Community maintained irrigation canals, Tanzania



A complete gravel road, Mozambique



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