THE DANIDA SUPPORT TO THE EMPLOYMENT-INTENSIVE INVESTMENT PROGRAMME (EIIP)

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This is an external independent desk-evaluation. The views expressed are those of the author and do not necessarily reflect those of the ILO.
PREFACE

The Danish International Development Agency DANIDA has been a very important partner in the development of ILO’s Employment Intensive Investment Programme (EIIP) and has contributed financially to the Programme through country, regional and interregional projects during almost the whole period of the Programme’s existence.

The “Desk-Evaluation of the DANIDA Support to the EIIP”, presented in this publication, aims at assessing how, and to which degree the DANIDA funded projects under the ILO/DANIDA Framework Agreement on Employment Promotion (1996-2000) contribute to the implementation and progress of the overall ILO Employment Intensive Investment Programme. The analysis concentrates on the Programme’s policies and structure; on programme development, including in the regions, and examines the effective and efficient use of DANIDA resources. The evaluation also makes specific recommendations on possible continuation and/or changes in the ILO/DANIDA Employment Promotion programme.

We thank the external consultant Mr. Kaj Thorndahl for his thorough and excellent work done in a short period of time.

Jean Majeres,
Head,
Employment-Intensive Investment Branch.
Evaluation of the DANIDA Support to the EIIP

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# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AsDB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ASIST</td>
<td>Advisory Support, Information Services and Training Programme</td>
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<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<td>DANIDA</td>
<td>Danish International Development Assistance</td>
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<td>DFID</td>
<td>Department for International Development (UK)</td>
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<tr>
<td>DKK</td>
<td>Danish Kroner</td>
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<tr>
<td>EIIP</td>
<td>Employment Intensive Investment Programme</td>
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<td>EMP/INVEST</td>
<td>Employment Intensive Investment Branch</td>
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<tr>
<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>ILO</td>
<td>International Labour Organisation/Office</td>
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<td>MDT</td>
<td>Multi-Disciplinary Team</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organisation</td>
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<tr>
<td>NORAD</td>
<td>Norwegian Agency for Development Cooperation</td>
</tr>
<tr>
<td>SDC</td>
<td>Swiss Development Cooperation</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Agency</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Advisor</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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</table>
INTRODUCTION

1.1 Purpose and Scope of the Evaluation

The objective of this evaluation is: “To assess how, and to which degree the DANIDA-funded Employment Intensive Programme (EIP) projects under the ILO/DANIDA Framework Agreement on Employment Promotion (1996-2000) contribute to the implementation and progress on the overall ILO Employment Intensive Investment Programme, as described in the above Policy Document’s objectives, strategies, priorities and means of action.” (See Annex 1 for TOR).

In 1996 the mode of cooperation between Denmark and the ILO changed from a project to a programme approach. This change has been gradual in terms of the actual project portfolio. DANIDA had previously supported a number of direct interventions in different recipient countries and regions with firm commitments, which reached into the period 1996-2000. In order to focus the evaluation, the projects included for closer study represent the programme approach, namely the following:

1. Project INT/95/M07B/DAN: “Planning and implementation of employment-intensive investment programmes: guidelines and training materials.”
2. Project INT/95/M06B/DAN: “Partnership for Employment in the Unorganised Sectors”
3. Project INT/96/M10/DAN: “Evaluation of the EIP programme and review of socioeconomic impact studies of employment-intensive projects”
4. Project RAF/94/M01/DAN: “Policy Advice and Information Dissemination to Member States on Employment-intensive Investment Programmes”, and
5. Project INT/95/M07A/DAN: “Support programme to employment-intensive investment strategies and private sector development in Francophone Africa”
8. Project RAS/97/M13/DAN: “Advisory Support, Information, Services and Training in Asia and the Pacific”
9. Project RLA/97/M08/DAN: “Promoción de Tecnologías Intensivas de Mano de Obra en Inversiones Públicas en Bolivia, Ecuador, y Perú”.

Only one country specific project has been initiated in the period under evaluation, namely the LAPPCOM project in Uganda (UGA/97/M02/DAN “Support to Labour-based Policy Promotion Initiatives”). It is a pilot project for a new approach to actively involving the social partners in the national decision making mechanisms related to infrastructure and choice of technology. This project is presently undergoing a separate evaluation and will not directly be part of this evaluation.

The evaluation is a desk study and will need to rely on documentation available with EMP/INVEST and the ILO combined with interviews with ILO staff. The evaluation was initiated in Denmark by studying the fundamental documentation and preparing an Inception Report. The consultant arrived in Geneva on December 3rd, 2000 and departed December 16th. The consultant had meetings with concerned ILO staff (of which two
previously were managing DANIDA-funded EIIP-activities in Anglophone Africa and Asia), with DANIDA officials and studied the available documentation material. The consultant would like to express his gratitude to the ILO officials particularly in EMP/INVEST, who arranged the work in a very efficient manner and contributed with valuable information, viewpoints and suggestions. This assistance made this Desk Evaluation possible in spite of the limited time. The evaluator presented a draft of this report to EMP/INVEST before departing and received valuable comments. This report contains the views of the evaluator, which do not necessarily correspond to the views of EMP/INVEST or the ILO.

The evaluation has attempted to present an overview of the DANIDA programme, but faced a double difficulty: i) the DANIDA financed activities are an integral part of the overall EIIP programme, and ii) the ILO filing and financial system is arranged according to individual projects and not to the programme. However, in the annual progress reporting does all the DANIDA-funded activities come together.

The whole EIIP programme was the subject of an independent evaluation in 1997, which included many of the DANIDA financed activities. This evaluation included a number of field visits to many different countries and the Evaluation Report needs to be consulted for more details. The East-African ASIST, which includes projects six and seven referred to above, had an independent Review undertaken by two consultants selected by NORAD and SIDA in late October 1999. The Review Report contains valuable additional information.

1.2 Context/History of the EIIP

EIIP Programme
The Employment-Intensive Investment Programme (EIIP) was created in the mid 1970's as part of the ILO's response to the deteriorating employment situation in developing countries. Since then the Programme has assisted ILO's member States in setting up and implementing labour-based sectoral and multi-sectoral works schemes as a major means of employment promotion and income generation. The programme has implemented infrastructure works in more than 35 countries and in total more than US $ 500 million has been invested in ILO-supported projects.

The Programme has grown over the years and taken on added dimensions. EIIP has evolved from carrying out relief, emergency and "special" public works programmes to a long-term employment generation programme. While the programme might still intervene in response to emergencies, linked to man-made or natural disasters, it focuses on introducing employment concerns into mainstream investment policies.

The EIIP attempts to respond to the needs of the poor and the unemployed by providing direct employment and income as well as skill development opportunities. EIIP also involves establishment of private sector capacities by developing small enterprises and consultancies able to apply employment-intensive construction and maintenance methods. Employment-intensive projects provide an opportunity to introduce ILO's fundamental standards and therefore contribute potentially to the improvement of working and living conditions. It is thus a policy and operational tool of direct interest to the workers and the employers in the construction sector. Finally, the EIIP programme promotes community empowering and democratisation at the grass-roots level.
To achieve its objectives, the EIP makes use of the following means of action:

- Policy promotion
- Advisory services
- Pilot/demonstration projects
- Training/Education
- Research
- Information collection and dissemination
- Liaison with ILO social partners/Networking

The programme is organised into four main groups of activities:

- Policy development (macroeconomic and employment potential and impact on poverty).
- Labour-based national public works. The greatest success has been the rehabilitation or construction of rural feeder roads;
- Area-based small infrastructure community works; and
- Local level, accessibility planning and subcontracting to small-scale contractors.

Many EIIP activities are implemented in the framework of broader development interventions financed/assisted by other development agencies or lending institutions. In a number of cases, the ILO is responsible for providing technical assistance to large scale programmes, e.g. related to institutional strengthening or training. This modality of intervention has actually become the norm due to two main reasons: (a) the shift to Government executed national level development programmes and (b) the fact that investment funds are channelled directly to Government agencies.

Currently, the EIIP Branch, EMP/INVEST, forms part of the Recovery and Reconstruction Department (EMP/RECON), which is located in the ILO’s Employment Sector.

EIIP Finance

EIIP activities are financed from both internal and external sources. The ILO regular budget allocates presently approximately US$ 1.5 Mn annually to the EIIP, mainly related to staff costs and other overheads. A limited amount of funds from the RBTC (Regular Budget Technical Cooperation) is also accessed. The bulk of the interventions of the EIIP is financed from external donors and financing agencies, as indicated in Table 1.2.

Table 1.2: Average Annual Expenditures* by the EIIP on Technical Cooperation Projects 1986-1999 (Mn US$)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>External Funding</td>
<td>19</td>
<td>19</td>
<td>10</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: ILO. *Incl. Associate Experts

The annual expenditure level increased from US$ 16 Mn in 1986 to 24 in 1992 but declined thereafter to reach a level at around US $ 13 Mn. The decline has so far resulted in a cut of the programme by about 50%. The 1997 Evaluation observed that, by the end of 1997, the delivery rate was very low. This situation was probably caused by a fast reduction in the
number of ILO staff positions involved in managing the EIIP. The situation has however improved with respect to delivery partly because the overall programme has been downscaled in terms of number of operational projects and turnover; partly because the number of staff positions was increased lately.

UNDP has traditionally been the largest donor, but their contribution has decreased lately due to the prioritisation of government execution. The largest contributor among the multilateral donors is presently Norway, while Denmark still remains important.

The EIIP is a conglomeration of policy/programme development and conceptual development, including training and training material, combined with a number of demonstration projects, where the approach is implemented and evaluated. The programme was in the 1980s and early 1990s characterised by having a large number of operational demonstration projects in 25-30 different countries at the same time. With the decrease in activity level experienced during the 1990s, the number has gone down to demonstration projects in some ten countries compared with a desired 12-16 projects. The balance in the programme is therefore somewhat disturbed, especially since most of the ongoing projects are in the roads’ sector only. The EIIP needs a certain number of demonstration projects in order to test the new developments in the approach, including private sector involvement, community participation and labour standards. Demonstration projects are also needed for the promotional initiatives, because decision makers often need to observe actual works to be convinced. Advisory services and other general programme activities are being provided to some 11 countries in Asia, 20 in Africa and six in Latin America.

2. THE DANIDA COOPERATION

2.1 Historical Overview

Denmark has a long history of supporting ILO’s technical assistance activities. In 1996, under the heading “Action Plan for Active Multilateralism”, the Ministry of Foreign Affairs formulated the basis for the relations between Denmark and the international organisations. Denmark has supported the strategy for technical assistance approved by the ILO Board in November 1994, which gave priority to more policy-oriented and capacity-creation interventions while downsizing direct project interventions. Recently, Denmark financially supported the study on the efficiency of the ILO’s technical assistance, which contributed to the restructuring of the organisation initiated by the new Director-General of the ILO.

The basis for Denmark’s financial support to ILO technical assistance is a rolling framework agreement with a four-year time perspective with allocations of approximately DKK 45 Mn annually. The assistance has gone to the following activities: i) employer activities, ii) workers’ education, iii) employment promotion (EIIP, gender and indigenous people), iv) cooperative development and v) occupational safety and health. Till 1996, the support was given to specific interventions for which project documents were sent to DANIDA for prior approval.
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<tbody>
<tr>
<td>EIIP</td>
<td>0.9</td>
<td>1.3</td>
<td>1.7</td>
<td>0.6</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>ILO Total</td>
<td>5.9</td>
<td>5.8</td>
<td>9.5</td>
<td>10.0</td>
<td>7.5</td>
<td>7.3</td>
</tr>
<tr>
<td>EIIP/ILO%</td>
<td>15</td>
<td>22</td>
<td>18</td>
<td>6</td>
<td>15</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: ILO - prepared for the evaluation

The overall DANIDA funding to the ILO’s technical cooperation has fluctuated in dollar terms but has remained stable in terms of the Danish currency since the mid 1980s. For the four years 1996-99, the total financial contribution was approximately US$ 34 Mn. The share received by EIIP been US $ 1-1.5 Mn annually, but will most likely be reduced in the immediate future due to the phasing out of old projects, the depreciation of the Danish currency and a front-loading of budget allocations. The share received by EIIP was 22 percent in 1991-95, but will most likely be dropping to a level of around 12 percent in 2000-2001.

2.2 The Programme Approach 1996-2000

In 1996, Denmark and ILO changed the collaboration form and entered into a programme approach, and a new Framework Agreement was signed. The same priority areas for collaboration as referred to above under 2.1 were identified. However, activities related to child labour were later added. The programme approach implies, that ILO decides on the exact composition and content of the programme in terms of interventions and budgets. Naturally, the decisions need to be in accordance with the overall frame established by the Agreement, the Danish financial commitment and the outcome of the Annual Consultations between the two parties. For each priority area a Policy Document is formulated by ILO and approved by DANIDA.

As background for a new Danish Development Strategy 2000, a short assessment has been made by DANIDA of the collaboration with ILO (in Working Paper No 16). A first purpose of the programme approach was to reinforce ILO by letting the organisation prioritise the assistance in accordance with its basic mandate. It is found that the individual interventions have been satisfactory but that the funds generally have been utilised on a project, rather than programme basis. A second purpose was to ease the Danish administrative involvement; this has been accomplished. A third purpose was to strengthen the coordination and collaboration between Denmark’s bilateral programme and multilateral programme. This has been achieved to a limited degree only; particularly at the country level where the Danish Embassies have given priority to the bilateral programme for which they have operational responsibilities. DANIDA would like this situation to be improved in the future. At the overall level Denmark is satisfied with the work of the ILO and wish to delegate even further responsibilities to the organisation.
The ILO/DANIDA Policy Document on Employment Promotion (p5) outlines the areas of intervention in relation to the EIIP as:

“...the ILO will concentrate its own resources on research, standards and policy advice and will use DANIDA provided inputs to complement this by providing training, technical assistance and other services to the local counterparts and grass root level organisations.” However, further on in the document this separation of DANIDA and ILO funding is eased, and it is stated that the joint programme will include the following means of action: A) Policy development and advice, B) Programme development; and C) Guidelines and training materials. See Annex V for more detail.

2.3 Relevance and Design of Programme Portfolio

Global Relevance
Judged on the basis of the individual projects and their objectives (See Annex VI for an overview) the EIIP/DANIDA programme is highly relevant in relation to the overall objective of Danish development assistance as expressed in the Agreement between Denmark and ILO of June 1996, i.e. poverty alleviation. Many developing countries have experienced severe economic and financial problems and a deepening of poverty. At the policy level, the relevance of introducing labour-based technologies and of involving the beneficiaries and civic society in the decision-making process has increased during the 1990s with the increased emphasis on poverty alleviation, decentralisation and good governance.

Design
The Policy Document on Employment Promotion contains, besides the EIIP, also sections on Women’s Employment and on Indigenous and Tribal People. The document outlines the major strategies and means of action for the collaboration and is a reflection of the innovative nature of a programme approach, since it is the first of its kind. A future Programme Document needs to be more specific in terms of outputs and needs to link up to indicative budgets. A future revision should take its starting point in the existing structure with one central and four regional programme components.

The evaluation has studied the individual project documents and found that they consist of three categories: i) a standard project document format according to the ILO Guidelines, ii) a programme format, where the funds have been utilised in direct combination with other donor funding and iii) a very short format with Background, Target Group, Objective, Outputs and Activities, and Input/Budget sections, resulting in documents of 2-3 pages as agreed between DANIDA and the ILO for the Programme.

The development of the programme approach resulted originally in a number of minor projects and interventions, but a more solid structure has developed adjusted to the ILO organisation with two main elements: development of policies, strategies and training material as a central responsibility, whereas programme development is taking place in the regions. EMP/INVEST is coordinating policy and training development whereas the decentralised ILO structures are responsible for programme development in Africa, Asia and Latin America. The present programme composition is in accordance with the Danish
intentions for the programme collaboration, which aims at a coherent programme rather than individual projects.

Only one country specific project has been initiated in the period under evaluation, namely the LAPPCOM project in Uganda (UGA/97/M02/DAN). It is a pilot project for a new approach to actively involve the social partners in the national decision making mechanisms related to infrastructure and choice of technology. This project is presently undergoing a separate evaluation and will not as such be part of this evaluation. Demonstration projects are often the best way of developing strategic programme elements. In this case the double purpose of involving the social partners and influence national decision making structures is definitely relevant in relation to the overall framework established in the Policy Document.

2.4 Main Conclusions

- The programme approach introduced in 1996 - jointly with the change of priorities in the ILO away from direct interventions in the EIIP - has meant that the annual DANIDA contribution to the EIIP has been reduced (See Section 3.3 for more information). With the structure established with one central policy oriented component and four regional components related to programme development, the resources available do not permit the establishment of demonstration projects in individual countries. This is definitely a drawback in the EIIP collaboration and alternative sources of financing from other donors must be sought. The existing programme structure is appropriate and the best possible within the resources presently available.

- The EIIP has expressed an interest in establishing direct contacts with DANIDA’s bilateral programme for the purpose of demonstration and training programmes in a limited number of countries. Such collaboration has been suggested but failed to materialise so far.

- The composition of the programme with one central and four regional components is healthy. The actual composition needs to be reflected in a revised Policy Document and five revised Project (or Component) Documents. DANIDA is planning a revision of the Programme Agreement with ILO for next year, which will anyhow result in a revision.

- In 1998, the ILO gave the EIIP a renewed mandate, adopted by the November Session of the Governing Body. This change in ILO priorities needs to be reflected in a revision of the Policy Document for Employment Promotion. The Policy Document should be flexible enough to permit re-allocations but should be specific enough to secure individual sub-programmes sufficient guarantees from sudden changes in ILO policies.
• The Project Documents might follow the very short format, but the relation between the activities and input/budget should be reinforced by including short job descriptions for staff and short TOR for consultancies. Since these categories account for substantial parts of the budgets, the central programme manager, i.e. EMP/INVEST, should be able to rationalise the use of the limited funds available.

3. COMPOSITION AND IMPLEMENTATION OF PROGRAMME

3.1 Programme Composition and Implementation

The change from a project to a programme approach has been gradual in terms of the actual project portfolio. DANIDA did previously support a number of direct interventions in different recipient countries and commitments had previously been made, which reached into the period 1996-2000. In 1996, there were ongoing construction activities in Burundi, Ghana, Nepal, India, and Uganda and interregional projects in South Asia and Southern Africa. These activities have been successfully concluded and the more important ones have undergone separate evaluations. The phasing out of these projects is in accordance with the overall programme approach, although demonstration projects are still required to cross-fertilise with policy and conceptual developments.

Table 3.1: Overview of Programme Composition by Project 1996-2000

<table>
<thead>
<tr>
<th>Project No</th>
<th>Period</th>
<th>Released US$ Mn</th>
<th>Main Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INT/95/M06/B</td>
<td>1996-</td>
<td>0.32</td>
<td>Studies, Pilot Activity, Workshop</td>
</tr>
<tr>
<td>INT/95/97/B</td>
<td>1996-</td>
<td>0.52</td>
<td>Training Material, Studies, Guidelines</td>
</tr>
<tr>
<td>INT/96/M10</td>
<td>1997-99</td>
<td>0.08</td>
<td>Evaluation, Socioeconomic Study</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Francophone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAF/94/M01</td>
<td>1995-2000</td>
<td>0.28</td>
<td>Policy Studies, Seminar</td>
</tr>
<tr>
<td>INT/95/M07/A</td>
<td>1996-</td>
<td>0.52</td>
<td>Training Development, Advisory Service, Network</td>
</tr>
<tr>
<td>Anglophone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INT/95/96/A</td>
<td>1996-</td>
<td>0.36</td>
<td>Guidelines, Training, Manual, Advisory Service</td>
</tr>
<tr>
<td>INT/97/M05</td>
<td>1997-</td>
<td>0.64</td>
<td>Studies, Guidelines, Network</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAS/97/M13</td>
<td>1998-</td>
<td>0.92</td>
<td>Information, Advisory Service, Training</td>
</tr>
</tbody>
</table>
Latin America
RLA/97/MO8 1998 0.48 Support to Programme development, Studies, Seminars, Translations
Total 4.12

Table 3.1 presents an overview of the core projects of the DANIDA-EIIP programme. One project started in 1995 and was phased out earlier this year, two projects started in 1996, two in 1997- of which one is phased out, and two initiated activities in 1998. In the period 1996-2000, a total of US$ 4.12 Mn has been released for the core activities compared with an estimated total amount released for all DANIDA financed EIIP activities of US 5.3 Mn. The difference is explained by the out phased country projects and by the LAPPCOM project in Uganda. The programme structure has developed over the period with a tendency towards one central component and four regional components.

The DANIDA funds have been utilised to reinforce the programme activities that were already established at central level and in Anglophone Africa, while the funds have permitted to initiate new programme activities in Francophone Africa, Asia and Latin America.

3.2 Institutional Arrangements

The technical and administrative backstopping of regional and country projects is undertaken by ILO’s Multi-disciplinary Advisory Teams (MDT’s), ASIST and Area Offices respectively. EMP/INVEST provides policy guidance and necessary technical back up for more general projects concerned with policy development, strategy and training methodologies and curricula.

The ILO policies with regard to development cooperation and to the EIIP has developed over the years. The EIIP expanded dramatically in the 1980s and accounted at the end of the decade for a considerable part of ILO’s turnover in technical cooperation. The priorities changed in the 1990s where the EIIP was given less priority with reduction in staffing as a result. The limited capacity of the then existing policy unit in ILO Headquarters gave serious constraints on the delivery capacity for technical cooperation programmes, including the one funded by DANIDA. However, the new ILO structure introduced in 1999 has strengthened the EIIP HQ unit and upgraded it to a Branch. The number of ILO professionals engaged in the EIIP was increased from six to eight, which will facilitate project delivery in future. It should be noted that one staff member temporarily is on detachment to the UN to follow up on the Social Summit.

The DANIDA programme did, to a limited degree, counteract the downscaling of the EIIP by limited financing of additional staff for differing periods, mainly as technical advisers: one in Asia, one in Africa, 0.5 in Latin America and 0.5 in Geneva.

The financial management of the DANIDA funds are done in accordance with the ILO procedures for technical cooperation projects. The technical support services of the ILO were decentralised during the 1990s, which may have caused some problems for the decentralised services. They include administrative questions related to procurement, personnel management and financial matters. The financial management is only partially decentralised and a dual structure persists, which may cause delays in processing of new projects. Both the permanent and
project staff involved in the EIIP are generally experienced managers and have found appropriate solutions.

### 3.3 Financial Aspects

Table 2.1 indicates that the Danish contribution to the EIIP from 1986 onwards ranged between US $1 Mn and 2 Mn, but with a downward trend. This drop is partly a result of the introduction of the programme approach, where the allocation of funds between the various ILO programmes is fixed. “Employment Promotion” receives 20 percent of the DANIDA allocation. Up to 1995 the whole allocation went to the EIIP, but the Employment Department decided to channel 40 percent to a woman’s programme, leaving EIIP with the remaining 60 percent. The older projects were phased out and delivery now relies on the projects approved under the programme approach. The result has been, that the expenditure level has experienced a gradual decrease.

**Table 3.3: Budget Releases, Commitments and Allocation Reserve for Core Projects (US$ Mn)**

<table>
<thead>
<tr>
<th>Budget Component</th>
<th>Released 1995-99</th>
<th>Released and Committed 2000</th>
<th>Allocation Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Staff Costs</td>
<td>1.89</td>
<td>0.87</td>
<td>0.20</td>
</tr>
<tr>
<td>-TA</td>
<td>1.06</td>
<td>0.50</td>
<td>0.15</td>
</tr>
<tr>
<td>-Consultants</td>
<td>0.80</td>
<td>0.35</td>
<td>0.05</td>
</tr>
<tr>
<td>-Other</td>
<td>0.03</td>
<td>0.02</td>
<td>-</td>
</tr>
<tr>
<td>2. Training</td>
<td>0.20</td>
<td>0.06</td>
<td>-</td>
</tr>
<tr>
<td>3. Equipment</td>
<td>0.14</td>
<td>0.02</td>
<td>-</td>
</tr>
<tr>
<td>4. Operations</td>
<td>0.07</td>
<td>0.10</td>
<td>0.01</td>
</tr>
<tr>
<td>5. Prog. Support</td>
<td>0.28</td>
<td>0.14</td>
<td>0.03</td>
</tr>
<tr>
<td>6. Cost Increase</td>
<td>-</td>
<td>0.10</td>
<td>0.02</td>
</tr>
<tr>
<td>Total</td>
<td>2.58</td>
<td>1.29</td>
<td>0.26</td>
</tr>
</tbody>
</table>

*) Source ILO, own estimates for staff-cost breakdown

Around US$ 4 Mn has been programmed for the core activities. More than 70 percent has been allocated towards staff costs, including technical advisors and consultants. Full-time experts have been employed to initiate ASIST activities in Asia and to expand ASIST into urban activities in Africa. Consultants, including both national and international, have been utilised for specific studies, elaboration of guidelines and manuals, specialised advisory services, development of training material and translations. Consultants have also been engaged to perform training activities, which may explain the moderate training allocation.

The General Agreement indicates that priority should be given to procurement of Danish goods and services. The equipments procured is negligible and do not deserve further comments. Danish citizens have been engaged to a limited degree as consultants but not as long-term technical assistance.
Since the programme approach is new to the ILO, the management of the funds has had to be developed along the way. The various programme managers, including EMP/INVEST, have therefore tended to front load the programmes - and have been permitted to do so. The DANIDA funds are presently over-budgeted for and reductions have been announced internally in the ILO. This problem has been aggravated by the depreciation of the Danish Kroner vis-à-vis the US dollar from an exchange rate of around DKK 6.5 in 1996 to DKK 8.5 in December 2000 for one US $. The Danish contribution is fixed in the Danish currency, while the budgeting for the technical cooperation of the ILO is utilising the US dollar as the currency. Most of the expenditures are fixed in dollars, such as salaries and consultancy fees. The ILO estimates that the expenditure level for the EIIP in the two coming years will need to be reduced to around US $ 0.4 Mn annually. This is a severe reduction and activity levels will need to be reduced or alternative sources of finance found. The Danish contribution to the ILO is paid regularly and according to the commitments made.

3.4 Physical Progress: Activities and Outputs

There are four immediate objectives related to the EIIP; the activities and outputs are presented accordingly.

Immediate Objective 1

promoting employment strategy by orienting investments towards employment-intensive infrastructure works schemes, based on local resources, which maximize employment and income generation for the poor;

Promotional activities are of a varied nature and are frequently difficult to quantify and report specifically on. The activities may include advisory services; general studies and documentation, general training, promotional initiatives of different kinds, pilot projects etc.

A. Advisory Services

In Francophone Africa the DANIDA financed activities have secured frequent consultations between the programme, the authorities of the involved countries (particularly the AGETIPs) and development agencies; in particular the World Bank. Several countries have requested ILO assistance for training of small contractors and government agencies related to infrastructure works. A targeted training programme has recently been designed for Senegal and is about to be implemented.

The projects in Anglophone Africa have increased the awareness of government officials, NGOs, CBOs and donor organizations on the important potential of alternative technologies to the alleviation of urban poverty. The catalytic effect of this programme begins to emerge in Tanzania, Malawi, Lesotho, Kenya and Zambia. This is reflected in an increased interest of governments, social partners and NGOs and the rise in demand for ILO/ASIST services.

The DANIDA-funded ASIST project in Asia has been crucial for establishing a full-fledged EIIP support programme for Asia. It has attracted additional donor funds from British DFID, which permitted contracting more technical staff for the ASIST team and expanding the activity level. Following the Asian crisis, the project has been requested to provide assistance to a considerable number of countries in Asia, to set up programmes to alleviate the negative
employment and poverty effects of the crisis. The project has provided policy advice and has
developed national programmes in countries, e.g. Indonesia, Vietnam, China, Thailand, the
Philippines and more recently in East-Timor. Support has also been provided to ILO
operational projects in Laos and Cambodia.

The Latin America project is working in Bolivia, Ecuador, Peru to promote EIIP concepts and
methods; it has now been operational for two years. This has led to the introduction of labour-
based techniques particularly in road maintenance activities at a decentralised rural level, and
will have an important permanent employment generating potential. The project has had
effect on other parts of the region. The ILO is now involved in a rehabilitation project in
Nicaragua, originally solely funded by the Netherlands Government but now under
consideration by Luxemburg. Possibilities for collaboration with bilateral DANIDA
programmes are being envisaged in Central America. ILO-funded consultancy services have
also been provided to Brasil for an urban slum upgrading programme in poor townships.

B. Documentation of EIIP

A number of studies have been financed by the DANIDA funds, mainly from the projects
managed at Headquarters, including:

Programmes, A review of ILO experience, April 1998

Publication of folders and guides, largely funded by ILO regular budget, but with important
inputs from DANIDA, including:

-brochures on the Employment Intensive Investment Programme (EIIP) were published in
English, French and Spanish;
-the Guide on EIIP Labour Policies and Practices was adapted and translated from English
into French and published in 1999, while the Spanish translation was finalised for publication
early 2000;
-the Guide on EIIP Capacity Building for Contracting in the Construction Sector was
published in English and translated in French and Spanish for publication early 2000;
-a first version of a “state of the art” paper was published in English and French and is being
reprinted in a slightly modified version, intended for a wide audience including policy
makers, under a modified title: Employment Intensive Investments in Infrastructure: Jobs to
Build Society.

C. Training Material

Training course and material on Labour-based Construction Methods in French has been
prepared and will be published early in 2001 in a CD-format. It is intended for technicians,
local government staff and small contractors in Francophone Africa. The material is
extensive and covers technical issues as well as business management. It includes detailed
training guides.
Training course and material for *Urban Upgrading*, intended for urban engineers and planners were developed for Anglophone Africa. A first regional course has been held and a second is planned for shortly.

Training course and material for *Urban Works*, intended for supervisors in Anglophone Africa. A first regional course has been held and a second is scheduled.

**D. Minor Demonstration Activities**

With the DANIDA funds some minor demonstration activities were initiated in Ecuador and Bolivia introducing a petty contractor system in the routine maintenance of rural roads. The first attempt in Bolivia failed, because the petty contractor system and the need of municipalities to disburse funds quickly and in quantities did not match. A new demonstration activity is scheduled in early 2001.

One year of technical support has been provided from the ASIST urban project to Hanna Nassif urban upgrading project on a cost sharing agreement with UNDP.

**Immediate Objective 2**

*upgrading the competitiveness, productivity and cost-effectiveness of private sector local contractors to compete in public works;*

Special efforts have been made by the programme to enhance an enabling environment and to promote capacity building for contracting, both at the global and at regional and country level. In particular the preparation of training material has been undertaken, including:

- the preparation of training curricula in French for small and medium-sized enterprises and their associations; the material should be finalised by end of 2000 with the involvement of international and local African consultants;
- the publication of the English version of the *EIIP Guide on Capacity Building for Contracting in the Construction Sector* and its subsequent translation in French and Spanish for publication in 2000;
- development and training programmes for small contractor development are operational in numerous countries, assisted by ILO’s support programmes.

**Immediate Objective 3**

*promoting participation and empowerment of the working poor by introducing innovative collective bargaining schemes;*

The EIIP has been active in this field during the last decade and the DANIDA funds have financed a major study. Contractual approaches for community participation in EIIP programmes were documented in a synthesis study prepared on the basis of seven country studies, which will be published shortly. A *Guide on Community Contracting* has been elaborated and will be published shortly.
**Immediate Objective 4**

the application of at least minimum levels of relevant labour legislation in EIP programmes, including the prohibition of child, forced and bonded labour and nondiscrimination of women.

The publication of the *Guide on Labour Management Policies and Practices for Employment Intensive Infrastructure Works* in English and French and its translation in Spanish for publication in 2000; the Guide and complementary promotional training material will be used in workshops and through other dissemination mechanisms for the promotion of at least minimum labour standards in employment intensive programmes, through inclusion of labour clauses in contract documents;

A study has documented the employment and labour conditions in the construction sector in three African countries (Burkina Faso, Ivory Coast and Rwanda). A Synthesis Study will derive conclusions with respect to prevailing conditions in the construction industry in Africa and should facilitate the formulation of recommendations to improve employment and labour conditions and practices on EIIP programmes.

### 3.5 Conclusions

- The EIIP has utilised the DANIDA funds in accordance with the General Agreement and the Policy Document. The DANIDA funds have been utilised to reinforce the programme activities that were already established at central level and in Anglophone Africa, while the funds have permitted to initiate new programme activities in Francophone Africa, Asia and Latin America. The result has been a reinforcement of the EIIP.

- In the period 1996-2000, a total of US$ 4.12 Mn has been released for the core programme activities compared with an estimated total amount released for all DANIDA financed EIIP activities of US 5.3 Mn. The difference is explained by the out-phased country projects and by the LAPPCOM project in Uganda.

- For various reasons the DANIDA funds are presently over-budgeted for and reductions have been announced internally in the ILO. The ILO estimates that as a result, the expenditure level for the EIIP in the two coming years will need to be reduced to around US $ 0.4 Mn annually from presently around US 1 Mn. This is a severe reduction and activity levels will need to be reduced or alternative sources of finance found.

- The programme structure has developed over the period with a tendency towards one central component and four regional components.

- The DANIDA programme did, to a limited degree, counteract the downscaling of the EIIP by limited financing of additional staff, mainly as technical advisers: one in Asia, one in Africa, 0.5 in Latin America and 0.5 in Geneva.
The activities undertaken and outputs produced correspond positively to the framework established in the Policy Document. Important outputs have been produced in large numbers in accordance with the Policy Document and the Project Documents.

4. EFFICIENCY, EFFECTIVENESS AND IMPACT

This chapter normally represents the core of an evaluation. This is where impact is analysed; i.e. the positive and negative changes produced by a programme, directly or indirectly, intended or unintended. For this desk evaluation this is also where the greatest problems arise, for several reasons: i) the evaluation is concentrating on the use of the DANIDA funds, however they have been utilised (as intended) in combination with other funds, thus making it difficult to separate, ii) the DANIDA-funded activities are all part of a much larger Programme - and to separate the two would result in an artificial result (and is against the intention of the programme approach) and iii) the evaluation has primarily had to rely on written documentation, which excludes deeper analysis. The following is therefore a mix of general observations combined with analysis of the cases, where the DANIDA funds have made a difference.

4.1 Strategy Level Impact

Global Level
The development of the EIIP programme concept has been ongoing for more than 25 years. During this period the programme has become more focussed, more detailed and improved in design. As it stands today the EIIP can deliver a detailed project design, complete with choice of technology parameters, equipment specifications, modules for small contractor and community involvement, application of labour standards, job descriptions, training material, monitoring and evaluation tools including indicators, and a pool of experienced project managers, technicians and consultants. This is a unique situation in the world of development and development assistance, where paradigms generally have changed significantly and rapidly in other development sectors.


Several international development agencies, including DANIDA, the World Bank, SIDA, NORAD, Swiss Development Cooperation and DFID -the major joint donors to ASIST-, have their own labour-based infrastructure works, but they all benefit - directly or indirectly, from the conceptual development work undertaken by ILO over the years.
Impact of the DANIDA Support

The DANIDA supported activities have been efficient (see Section 4.2) and have contributed to the overall objective achievement of the EIIP. The DANIDA support has reinforced EMP/INVEST’s efforts to further develop and promote the EIIP approach, and has done so during a period, where the EIIP was suffering from a down grading of priorities within the ILO. The DANIDA support has therefore been of additional assistance during the period 1996-2000. That this was the right decision has been confirmed by the renewed mandate given to the EIIP by the Governing Body in November 1998, by the reinstallment of the Programme as a Branch under the new Directorate, and by the recent renewed focus of the donor community’s policy on poverty, un- and underemployment and social exclusion.

The DANIDA support has especially permitted the EIIP to expand sector-wise into urban development and geographically into Latin America and Asia.

The DANIDA support has acted as a catalyst with regard to having labour-based approaches adapted as official government policies in the cases of the Philippines, Namibia and South Africa. These policies have been expressed in: The Executive Order No 94, April 1999, of the President of the Philippines: Establishing the Policy Direction and Institutional Framework to Implement Labour-based Equipment Supported Infrastructure Programme; White Paper on Labour-based Works Policy, Republic of Namibia, Ministry of Works, Transport and Communication, April 1999 and a subsequent Green Paper endorsed by the Namibian Government later that year; in South Africa the Government is currently introducing the use of targeted procurement for civil works as an instrument to promote socioeconomic policy and employment. Moreover, several West African Governments, including Guinea, Senegal, Mali and Togo, have requested EIIP support to prepare the establishment of Employment and Investment Policy Units at the level of Planning/Economic and Finance Ministries. With DANIDA funds such a unit has been established in Uganda. The purpose is to redirect an increasing share of the Public Invest Plan to labour-based programmes.

The EIIP presence in Latin America is new and the impact less spectacular. However, the programme has managed to join initiatives of the World Bank and the Inter-American Development Bank to promote decentralisation to lower level of government. This involves direct rehabilitation and maintenance of infrastructure, primarily roads at a decentralised level. The EIIP might provide the tools for maintenance through local contractors - and the potential exists to influence major decision-makers.

The DANIDA support has in a number of specific cases been able to attract additional donor funding. This has been the case in Asia, where ASIST received funding from AusAID to engage a team of specialists to prepare a comprehensive study in Indonesia, while DFID has become a regular contributor and is now financing an expert post.

The EIIP is, however in need of additional funds also in the future. The funds available with the ILO do not permit an activity level required to develop policies and strategies in parallel with promotional activities in the developing world. The ILO reassessed its priorities in 1998/99 and gave increased support to the EIIP in terms of upgrading the management unit to a branch and by creating additional staff positions for the programme.
4.2 Efficiency

Efficiency is a measure of the productivity of the implementation process of an activity - how well and economically inputs were converted into outputs. An efficiency analysis of the DANIDA programme might involve the following indicators and analytical tools:

- Delivery rate: budgeted versus actual expenditures
- Reliability and speediness of release of Danish funds
- "Fungibility" – has access to DANIDA funds reduced availability of ILO funds – in particular regular budget

However, a thorough analysis would require efforts which are outside the purview of this evaluation. There are two main reasons. Firstly, the DANIDA funds have been used in combination with other funds. In certain cases it might be impossible to establish a specific cost for an output. Secondly, the financial system of the ILO is not geared for such an exercise. Direct and detailed information on ILO internal budgets and expenditures have not been available. Budgets and accounts for donor funds are kept on a project basis, which for the DANIDA funds include nine different projects and budgets. The financial services of the ILO are focussed on accounting only and not on general management; this implies that project budgets annually (or more frequently) are revised and that the allocations for previous years are made to correspond with actual expenditures. A calculation of delivery rates is therefore complicated. A calculated delivery rate may also be misleading, since project managers, i.e. EMP/INVEST, wisely would wish to front-load budgets in order to secure availability of funds at all times.

This being said certain more rough indicators might be used. From Table 2.1 we know that the average annual expenditure of the EIIP in the period 1996-99 has been around US $ 1.1 Mn corresponding to around 13 percent of the total ILO expenditures. This level of expenditure is slightly higher than the programmed, which was 12 percent. This is an indication that the delivery rate has been satisfactory. Another indicator, is the fact that at the overall level the ILO has overcommitted the Danish trust funds. The ILO is presently operating with deficit financing in relation to the Danish contribution.

The list of outputs (Section 3.4) produced with DANIDA funds is impressive and indicates that real value has been created.

The financial management of the DANIDA funds is done in accordance with the ILO procedures for technical cooperation projects. The technical support services of the ILO were decentralised during the 1990s, which may have caused some problems for the decentralised services related to procurement, personnel management and financial matters. The financial management is only partially decentralised and a dual structure persists, which may cause delays in processing of new projects.

The analysis of “fungibility” is of concern for donors, which adopt a programme approach. Does the recipient as a consequence reduce its own financing to the activities in question? During the period under evaluation the EIIP has first experienced a very negative attitude from the ILO by having its central staff reduced and then from 1999 onwards the organisation
has again given priority to EIIP and has increased the staff and upgraded the former Management Unit to a Branch. The conclusion must therefore be that the ILO presently is not “diverting” funds away from EIIP.

4.3 Effectiveness

Effectiveness is a measure of the extent to which an activity achieves its objectives.

The overall development objective of Danish development assistance is focussed on poverty alleviation. This corresponds well with the development objective of the EIIP, which is employment-intensive growth and structural reduction of poverty with the ultimate target group being the urban and rural poor.

The DANIDA funds have not been used on direct interventions involving creation of infrastructure and employment of manual workers. In accordance with the intention, the funds have been used in an attempt to create an enabling environment for such works. The DANIDA-funded activities have done so in two major ways. Firstly, by developing tools, which are used in direct works, such as training material, guidelines, contract outlines etc. Secondly, by promoting such works through advisory services and by producing studies and other material analysing the approach. As documented above under 3.4 this has resulted in a number of specific projects/programmes, which have been initiated in the period under review with or without direct ILO involvement in implementation.

The General Agreement stipulates, that DANIDA funds should benefit countries with an annual gross national product per capita below US $ 2,500, and preferably low-income countries with a per capita income below US $ 695. The policy oriented aspects of the DANIDA financed EIIP may benefit any of the countries, where the EIIP presently is active. Most of these countries are low-income and none have incomes above the US $2,500. The regional programmes target the poorer countries in the regions concerned, in Latin America: Bolivia, Ecuador and Peru, as well as in Asia: Nepal, Laos, Cambodia, Thailand, the Philippines and Indonesia. Africa is the continent with most EIIP activities and where most countries belong to the category of low-income.

The General Agreement states that complementarity with DANIDA’s bilateral programme should receive priority. The EIIP has on several instances, i.e. in relation with projects in India, Nepal and Uganda, contacted the Royal Danish embassies for collaboration. Zimbabwe, where DANIDA has extensive activities in labour-based feeder roads rehabilitation and maintenance, and where the main office of ASIST, Africa is located, provides the only positive example of collaboration. ASIST is here providing - free of charge - technical auditing and monitoring of works, to the DANIDA financed activities.

Contacts have been attempted directly to DANIDA’s bilateral programme in Copenhagen. However, the result has been negative. DANIDA’s bilateral programme is apparently not responsive to such contacts and can only refer to DANIDA’s multilateral programme. These two main sections of DANIDA have their own programming and budgeting procedures and have difficulties of coordinating efforts.
DANIDA has nonetheless utilised a labour-based approach in several of its interventions in the road sector modelled around the EIIP concept. Table 4.3 indicates that the DANIDA activities are growing in the sub-sector. Several of the countries overlap with ILO activities in the same area, such as Nicaragua, Uganda, Kenya, Zimbabwe and Mozambique.

Table 4.3: Overview of DANIDA Intervention in Labour-based Road Construction

<table>
<thead>
<tr>
<th>No of Interventions</th>
<th>Total Funds Committed (DKK Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>7</td>
</tr>
<tr>
<td>1999</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>351</td>
</tr>
<tr>
<td></td>
<td>518</td>
</tr>
</tbody>
</table>

Source: DANIDA Aarsberetning 1996 and 1999

5. Conclusions and Recommendations

5.1 Strategy Level

The overall activity of the EIIP is to influence decision-makers in developing countries and in development agencies/donors to adopt labour-based methodologies, when circumstances are right. The ILO needs to rely on external funding for the majority of its development interventions. In the past this funding has primarily been aimed at specific projects with the result that the programme has developed in a patchwork fashion rather than in a coherent and planned manner. The mode of funding is changing. UNDP used to be the biggest donor but with government execution high on the agenda this source will most likely be even further reduced in the future. Many bilateral donors will follow DANIDA and rely on a programme approach in their collaboration with ILO. This will create a new situation and the EIIP should try and make the best of it. The big advantage of a general programme approach will be, that the resources available will be stable within a medium-term time horizon and, that the funds are not earmarked for a specific project, but may be pooled or split at the discretion of EIIP management. This will provide an opportunity for EMP/INVEST to manage the EIIP in a coherent way and rely on own priorities rather than on the goodwill of individual donors.

The downscaling of the EIIP, which took place from the early 1990’s to 1998, has now been followed by a reinforcement. However, EMP/INVEST might still need more staff positions to fulfill its mandate. At the regional level, the situation varies greatly. The EIIP is particularly strong in Anglophone Africa, primarily because of ASIST. ASIST is also present in Asia although in a more reduced manner. In the other regions, Latin America and Francophone Africa, the EIIP still relies on the established ILO structures for support. EMP/INVEST will need to consider the regional structure in the future. The established ILO structures are weak in comparison with ASIST.

The EIIP has established strong contacts with the Governments in the regions involved, however the links to the equal-minded development agencies and donors seem to be of a more sporadic nature and consist often of contacts established in the developing countries, where delegations and missions are seeking advice from the MDTs, ASIST and other established
ILO projects. The present level of links with other development agencies and donors is partly a result of the downscaling of the EIIP during the 1990s. Up to 1991, large annual meetings were held, where representatives of recipient countries, donors and development agencies came together to discuss labour-based approaches and programmes. At present the EIIP seems to be limited in its capacity to market its approach, with the ASIST programme being the strongest marketing agent. This creates undoubtedly a duplication of efforts and also failures. Each development agency frequently plans their interventions from scratch, i.e. manuals for labour-based road construction, training curricula, training material, procedures and formats for subcontracting, forms of community involvement, remuneration systems etc. do often become separate outputs of projects with engagement of specialists to develop these. The EIIP has developed these products and continues to refine them, and, supplementary to existing marketing mechanisms, special efforts should be made to market these products.

**Recommendations**

- **EMP/INVEST** should prepare for the change in multi-bilateral collaboration towards reliance on a programme approach. The EIIP should be on the forefront assuring that its interests are best served. From a management and administrative point of view, the ideal situation might be that all resources are pooled together and spend in accordance with one Programme Document. A Programme Document might have separate Component Documents, in the case of EIIP for ASIST, AGETIP and demonstration projects.

- The establishment of a core group of like-minded agencies might be a first step to open-up for more formal cooperation with other development agencies and donors.

- **EMP/INVEST** should be reinforced staff-wise at the central level. At the regional level, considerations should be given to, where possible, join the forces of the established ILO structures with those of ASIST in order to create a more efficient and forceful organisation. Initial steps undertaken in this direction by the ILO’s Regional Office in Bangkok in favour of ASIST-Asia, should be encouraged in all regions.

- The EIIP might expand the modes of collaboration with other development agencies and donors through provision of consultancy services against payment. The EIIP could offer to adapt manuals, could offer training packages, could offer specialist advice on project design, execution, monitoring and evaluation and assist in suitable equipment procurement etc. - and charge a market price for the services. ASIST, Africa has already initiated this approach and has presently contractual agreements with SIDA, NORAD and UNDP, as well as with several national governments (e.g. Botswana, Namibia, Tanzania).
5.2 Programme Level

In 1998 the ILO stressed the priorities of EIIP by giving the programme a new mandate, adopted by the November Session of the Governing Body. This change in ILO priorities needs to be reflected in a revision of the Policy Document for Employment Promotion. The Policy Document should be flexible enough to permit re-allocations, but should be specific enough to secure individual components’ sufficient guarantees from sudden changes in ILO policies.

The composition of the programme with one central and four regional components is sound. The actual composition needs to be reflected in a revised Policy/Programme Document and five revised Project (or Component) Documents. DANIDA is planning an evaluation of its collaboration with ILO and a revision of the Programme Agreement with ILO for next year, which would require revisions anyhow. DANIDA will probably not want a specific Programme Document elaborated for its support only, but would rather see a general Programme Document, to which different donors may subscribe. If other donors adapt this approach, it might greatly reduce the administration of donor funds.

The Project Documents might follow the very short format, but the relation between the activities and input/budget should be reinforced by including short job descriptions for staff and short TOR for consultancies. Since these categories account for substantial parts of the budgets the central programme manager, i.e. EMP/INVEST, should be able to rationalise the use of the limited funds available.

The programme approach introduced in 1996 - jointly with the change of priorities in the ILO away from direct support to national programmes in the EIIP - has meant that the average, annual DANIDA contribution to the EIIP has been and will be reduced in the future (See Section 3.3 for more information). With the structure established with one central policy oriented component and four regional components related to programme development, the resources available do not permit the establishment of demonstration projects in individual countries. This is definitely a drawback in the EIIP collaboration and alternative sources of financing from other donors, including DANIDA’s bilateral programme, should be obtained. The existing programme structure is appropriate and the best possible within the resources presently available.

Recommendations

- The Policy/Programme Document will need to be revised and prepared for the entry of other donors. The document should reflect the actual composition of the EIIP with one central and four regional components.

- The Project/Component Documents will need to be strengthened.

5.3 Relations with DANIDA

DANIDA is generally satisfied with the collaboration with ILO and with the programme approach. In the future DANIDA would wish to delegate even further responsibilities to the
ILO. The DANIDA contribution to technical assistance has been fixed at a level of around DKK 45 Mn annually; it is likely that this level will be maintained in the future. The EIIP will thus have to secure its share of these funds internally in the ILO.

Technical contacts between the EIIP and DANIDA are nearly nonexistent at the central level. The EIIP staff regrets that and inform, that this in spite of repeated requests made at the Annual ILO/DANIDA Consultations. Besides short presentations at the Annual Consultations and Progress Reports there are no contacts to DANIDA. Especially the contacts to the internal DANIDA consultants, who are responsible for the technical aspects of infrastructure programmes/projects, are missing. In spite of the opposite intention by DANIDA, the introduction of the programme approach has rather reduced than increased the level of contacts, since DANIDA has no formal involvement in the approval of individual projects. However, contacts have been made at the country level through ASIST or individual ILO projects. This has been done with individual DANIDA advisers, country offices and internal DANIDA consultants.

Cooperation with the Danish bilateral development programme is complicated as procedures and time schedules follow their own routines. Most DANIDA development interventions are subcontracted to consultancy companies. It is difficult to see the EMP/INVEST acting like a consultancy company and participate in public tendering procedures. Yet, it would be important that ways and means are sought that would enable the EIIP - which is not interested in tendering for projects, but aims at promoting precise policies - to provide its technical and policy advisory services to DANIDA’s bilateral programmes. However, ASIST has been engaged in smaller consultancy contracts with other bilateral donors than DANIDA.

Recommendations

- The EIIP’s performance, as assessed by this evaluation, speaks in favour of EMP/INVEST maintaining, and possibly increasing its share of DANIDA funds going to Employment promotion.

- Employment Promotion should be maintained as a high priority area of the ILO in order to maintain or possibly increase its 20 percent share of the total DANIDA contribution to the ILO.

- Ways and means of establishing internal ILO mechanisms for assessing the performance of programmes receiving DANIDA funds might be one way of securing fairness in the internal allocation of these funds.

- Continued efforts should be made to establish contacts with DANIDA officials- in particular the internal DANIDA consultants. The DANIDA multi-bilateral officials responsible for the relations with the ILO have expressed an interest in facilitating such contacts.

- The EIIP may, through ASIST or directly, offer services to DANIDA in return for consultancy fees. Such services might include expert participation in formulation, appraisal, monitoring, review and evaluation missions. It might include supervisory tasks or other longer term involvement.
adaption of guides, manuals, training material, contract formats etc. are other areas, where DANIDA might wish to collaborate.

- The EIIP might also wish to act as a subcontractor to a consultancy company in a tendering procedure for a DANIDA intervention in an appropriate field.
LIST OF ANNEXES

Annex I  Terms of Reference
Annex II  List of References
Annex III List of Persons Met
Annex IV  Programme of Mission
Annex V   Main features of EIIP Policy Document
Annex VI  Overview of Core EIIP Projects
Annex 1  Terms of Reference


1. Basis for the evaluation:

ILO/DANIDA Policy Document on Employment Promotion (attached), part I (Background and Context) and II.I (ILO’s Response and Strategies: The Employment Intensive Programme –EIP, pages 1 through 8).

2. The objective of the “Desk evaluation”:

To assess how, and to which degree the DANIDA funded Employment Intensive Programme (EIP) projects under the ILO/DANIDA Framework Agreement on Employment Promotion (1996-2000) contribute to the implementation and progress on the overall ILO Employment Intensive Investment Programme, as described in the above Policy Document’s objectives, strategies, priorities and means of action, and in particular:

-to the reinforcement of the ILO/EIIP’s programme policies and structure;
-as a catalyser for programme development, including in the regions (Asia, Africa and Latin America);
-the EIIP programme specific results;
-the effective and efficient use of DANIDA resources.

The evaluation should make recommendations on possible continuation and/or changes in the ILO/DANIDA Employment promotion programme and its specific components.
The share of the DANIDA resources in the overall funding of EIP (particularly in relation to the ILO Regular Budget share) should be taken into consideration.

3. Evaluation Modalities.

It is expected that a study, limited in scope (15-20 pages, plus, if necessary, annexes) can be produced by the end of January 2001.

The one month consultancy study will be carried out in December 2000 (a few days preparation in home country, and work in Geneva (arrival 3 December, departure 16 December) followed by around two weeks report writing (in the consultants home country) Total working days: 30. Documentation, including all EIP project documents funded during the last five years under the ILO/DANIDA Employment Promotion EIP programme, will be put at the consultant’s disposal in Geneva. The desk evaluation will be carried out in agreement with DANIDA’s and ILO’s procedures and be discussed with DANIDA.
Annex II  List of References

**ILO Official Documents**

**ILO/Governing Body 1998**  
*Job creation programmes in the ILO. a) Employment Generation for poverty reduction: The role of employment-intensive approaches in infrastructure investment programmes. 273rd session, Committee on Employment and Social Policy*

**ILO/DANIDA 1996**  
*Agreement Between The Ministry of Foreign Affairs of the Kingdom of Denmark and the International Labour Organisation Relating to Co-operation on Development Assistance, June 1996 (Referred to in the report as the “General Agreement”)*

**ILO/DANIDA 1996**  
*Policy Document on Employment Promotion (Referred to in the report as the “Policy Document”)*

**Project Documents**

1. **Project**  
   INT/95/M07B/DAN: “Planning and implementation of employment-intensive investment programmes: guidelines and training materials.”

2. **Project**  
   INT/95/M06B/DAN: “Partnership for Employment in the Unorganised Sectors”

3. **Project**  
   INT/96/M10/DAN: “Evaluation of the EIP programme and review of socio-economic impact studies of employment-intensive projects”.

4. **Project**  
   RAF/94/M01/DAN: “Policy Advice and Information Dissemination to Member States on Employment-intensive Investment Programmes”, and

5. **Project**  
   INT/95/M07A/DAN: “Support programme to employment-intensive investment strategies and private sector development in Francophone Africa”

6-7. **Project**  

8. **Project**  
   RAS/97/M13/DAN): “Advisory Support, Information, Services and Training in Asia and the Pacific”

9. **Project**  
   RLA/97/M08/DAN: “Promoción de Tecnologías Intensivas de Mano de Obra en Inversiones Púlicas en Bolivia, Ecuador, y Perú”

10. **Project**  
    UGA/97/M02/DAN “Support to Labour-based Policy Promotion Initiatives”

**Programme Document 1997**  
*ASIST III: Advisory Support, Information Services and Training Project for labour-base infrastructure construction and maintenance.*

**Progress Reports**


**ASIST-Asia** First and Second Annual report, 1999 and 2000.
Documents Prepared under the EIIP/DANIDA Programme


ILO 1999  Guide on EIIP Capacity Building for Contracting in the Construction Sector, Geneva was published in English and translated in French and Spanish for publication early 2000;


ILO 1999  Employment Intensive Investments in Infrastructure: a strategy for all seasons”


Other Reports
Hjelm & Hogset 1999  Review of ILO ASIST,

DANIDA Documents

DANIDA 1996  Aktionsplan for Aktiv Multilateralisme (with Annexes)

DANIDA  Aarberetninger 1996 and 1999 (Annual Reports)


Non ILO Documents


Annex III  List of Persons Met

ILO

EMP/INVEST
Mr Jean Majeres, Chief
Mr Terje Tessem
Mr Eric de Vries
Mr Phillippe Garnier

External Consultant
E. Bynens, Team leader: Evaluation of LAPPCom in Uganda

EMP/RECON
R. Islam, Director,
M. Shone

EMPLOYMENT SECTOR
P. Egger

ACTRAV
G. Kyloh,

COMBI
Henrik Møller

PROGRAM
P. Peek

Denmark

Danish Ministry of Foreign Affairs- Multi-bilateral Section

Lars Bredahl, Head of Section
A. M Tyndeskov Voetmann, Head of Section,

Permanent Mission of Denmark to the United Nations in Geneva
H. Ekman Jensen, Councillor
Annex IV  Programme of Mission

3/12  Arrival Geneva
4/12  Meeting EMP/INVEST Staff: Eric de Vries and Terje Tessem
    Meet E. Bynens
5-6/12 Study of available material, Prepare Inception report
7/12  Meeting Henrik Møller, COMBI
8/12  Meet Philippe Garnier, EMP/INVEST
9-11/12 Study material, Prepare report
11/12 Meeting J. Majeres Chief, EMP/INVEST
12/12 Meeting R. Islam, Director, EMP/RECON
    Meeting: Lars Bredahl & Tyndeskov, Danish Ministry of Foreign Affairs- Multilateral Section
13/12 Meet Mike Shone, EMP/RECON
14/12 Meet H. Ekman Jensen, Danish Permanent Mission to UN
    Meet G. Kyloch, ACTRAV. Debriefing with E. de Vries
15/12 Meet P. Egger, Meet: P. Peek.
    Meet E. Bynens, Final debrief: T. Tessem
16/12 Departure for Denmark
Annex V  Main Features of EIIP Policy Document

The ILO/DANIDA employment intensive investment and private sector development programme will operate at the request of member State's social partners and bi- or multilateral technical cooperation and financing organisations. Its means of action and outputs, to be realised with inputs from DANIDA and ILO, will include the following:

A. Policy development and advice:

(i) comparative analysis of labour-based and equipment-based investment options and macro-economic impact and potential;
(ii) preparation of technical and socioeconomic studies to define policy objectives and programmes of action (consultancy missions, technical reports, etc.);
(iii) design of action plans for labour ministries, employer's and worker's organisations to fulfil their role in the promotion of the social objectives of the programmes;
(iv) evaluations, socioeconomic and comparative studies to further the objectives of the programme at the international level (articles, publications, etc.).

B. Programme development:

(i) participation in country and subregional programmes to build a foundation for credible policy advice (demonstration or training projects, technical/training workshops, etc.);
(ii) collaboration with some African and Asian universities to strengthen their research and teaching capacities related to employment-intensive technologies;
(iii) support to ILO Multi-Disciplinary Teams on country programme management with regard to employment intensive programmes;

C. Guidelines and training materials:

(i) guidelines dealing with private sector development, labour legislation and application of standards, as well as community participation and empowerment;
(ii) training curricula for small and medium-sized enterprises and their associations.

For this purpose it is essential to foster ILO's Active Partnership Policies being implemented at the regional level through the MDT's and ILO Field Offices through the setting up or strengthening of organisational structures to support the programme directly in four subregions through selected initiatives:

a. East and Southern Africa, to complement the existing "ASIST"- team (Advisory Support, Information Services and Training for employment-intensive infrastructure) promoting employment intensive investments in the rural roads sector, funded by Norway, Sweden and Switzerland, through a DANIDA supported initiative for urban poverty alleviation;

b. a subregional support programme for Francophone Africa, covering fifteen countries, for which initial support has been provided by DANIDA. Here, a triangle collaboration is sought between ILO/EIP, the World Bank and the Social Fund Agencies
c. exploratory work and establishment of a subregional support programme for Asia;

d. exploratory work and missions to evaluate and support EIP related activities in
Latin/Central America and the Caribbean.

Close collaboration will be maintained or initiated with the ILO Multi disciplinary Teams, in
particular with its specialists on labour-intensive works programmes, employment policies,
workers and employers activities, international labour standards and enterprise development.
Collaboration is also being strengthened with the DANIDA bilateral programme. A good
example of this is the Uganda employment intensive programme, which is now being considered
for bilateral DANIDA funding as well.
ANNEX VI  Overview of Core EIIP Projects

**Headquarters**

A) INT/95/07B/DAN:  “Planning and Implementation of Employment-intensive Programmes: Guidelines and Training Materials”

**OBJECTIVE:**

Promotion of pro-employment investment policies and all related aspects (private sector development, poverty alleviation, use of local resources, etc.) and strengthening of national (public and private) capacities in planning and implementation of labour-intensive local resource based investment programmes and projects.

B) INT/95/M06B/DAN:  “Partnership for Employment in the Unorganised Sectors”

**OBJECTIVE:**

To develop and promote a framework for negotiation and consultation between workers in the rural and urban unorganized sectors and public authorities for the advancement of socio-economic rights at the grassroots level through employment-intensive works projects.

C) INT/96/M10/DAN:  “Evaluation of the EIP programme and review of socio-economic impact studies of employment-intensive projects”.

**OBJECTIVE:**

Promotion of employment-intensive investment strategies through an assessment of their effectiveness, efficiency and socio-economic impact.

**Francophone**

A) RAF/94/M01/DAN:  “Policy Advice and Information Dissemination to Member States on Employment-intensive Investment Programmes”

**DEVELOPMENT OBJECTIVE**

Employment Creation and poverty alleviation through the adoption of labour-based investment decisions by policy-makers and planners at national and sub-regional levels.

**IMMEDIATE OBJECTIVE**

Policy advice and information dissemination to policy-makers and planners on employment-intensive and local-resource-based investment policies and programmes as an important means for the alleviation of rural and urban poverty.
B) INT/95/07A/DAN: “Support programme to Employment-intensive investment strategies and private sector development in Francophone Africa”

OBJECTIVE:

Private sector development through the introduction of employment-intensive and local resource-based approaches into rural and urban infrastructure investment programmes and policies in Francophone Africa.

Anglophone


OBJECTIVE:

To create employment and alleviate poverty by introducing labour-intensive and community-based approaches into urban programmes in the East Africa sub-region.

Asia

A) RAS/97/13/DAN: Advisory Support, Information, Services and Training in Asia and the Pacific (ASIST - AP).

DEVELOPMENT OBJECTIVE:

Wide-scale adoption of employment-intensive approaches in national infrastructure policies and programmes in Asia and the Pacific.

IMMEDIATE OBJECTIVE:

Increased use of cost-effective labour-based methods with fair working conditions in the programme’s area of influence.

Latin America

A) RLA/97/M08/DAN: Promotion of employment-intensive technologies in public investment in Bolivia, Ecuador and Peru

DEVELOPMENT OBJECTIVE
Contribute to more intensive use of labour force in public investment in rural and urban infrastructure.
IMMEDIATE OBJECTIVES

1. Demonstrate the feasibility and benefits of labour intensive technologies, in terms of employment and income, in public infrastructure works.

2. Strengthen national and local governments’ capacities as well as small contractors’ capacities in designing and implementing labour intensive policies in public investment.

Country Project

UGA/97/M02/UGA: “Support to Labour-based Policy Promotion Initiatives”

OBJECTIVES

1) Co-ordination and integration of employment creation/labour-based approaches into the national planning process.

2) Initiate activities to strengthen technical and administrative capacity at the districts and within the private sector to plan for employment creation/labour-based works.

3) Conduct macro-economic studies for the purpose of increasing awareness about potential advantages of a wider application of labour-based works among decision-makers and the general public.

4) Facilitate further research into the use of labour-based techniques and use of local resources in universities and other tertiary institutions.