



**International Labour Organisation
Somalia Programme
Employment for Peace and Development**

**COMMUNITY CONTRACTING
APPROACH**



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COMMUNITY CONTRACTING APPROACH

Community contracting is a procurement tool empowering communities by ensuring they have an executive role in the identification, planning and implementation of development initiatives.

A community contract is an agreement between a funding agency and a community represented by a committee in which the community undertakes to implement an agreed development project according to mutually established processes and funding arrangements. In simple terms the community are the “contractor” and the funding agency the “client”.

However, in essence the nature of a community contract under this Programme is more of a partnership that acts as a means not only of delivering project outputs but of building capacity, credibility and confidence, and as a conduit for dialogue among people who may have been riven by the effects of war. It is a tool for rebuilding local governance as it grants a voice to people and a means to participate in initiatives impacting on their own development.

This approach represents a major change in the “prevailing development paradigm” where NGOs or other interlocutors may have played a more direct role in the implementation of projects, here the executive role of the community is emphasised. Of major significance is that communities decide needs, undertake works and manage resources with oversight from the local authorities. The communities gain confidence, organisational and negotiation skills enabling them to engage with external partners and the local authorities on an equal footing.

Equally important to the approach is both the “contractor” and the “client” come to a mutual understanding of how the agreement will operate and what organisational and administrative demands will be placed on the community. For example, communities will be required to open and manage their own bank accounts into which funds will be transferred.

The approach recognises the local nature of politics and the social environment within which sustainable development must fit and support. It has been successfully applied and accepted locally¹. The successful application is evident from the quality of the assets developed in the projects and in the sense of ownership nurtured through the empowerment process. This creates a solid basis for the development of future maintenance and operation arrangements involving the communities and the local authorities.

¹ In Somaliland the approach has been endorsed by the Ministry of Planning and Coordination and the Ministry of Labour as a procurement tool to be used in the implementation of community recovery and development projects.





Benefits and impact of this approach

Community Assets and Incomes

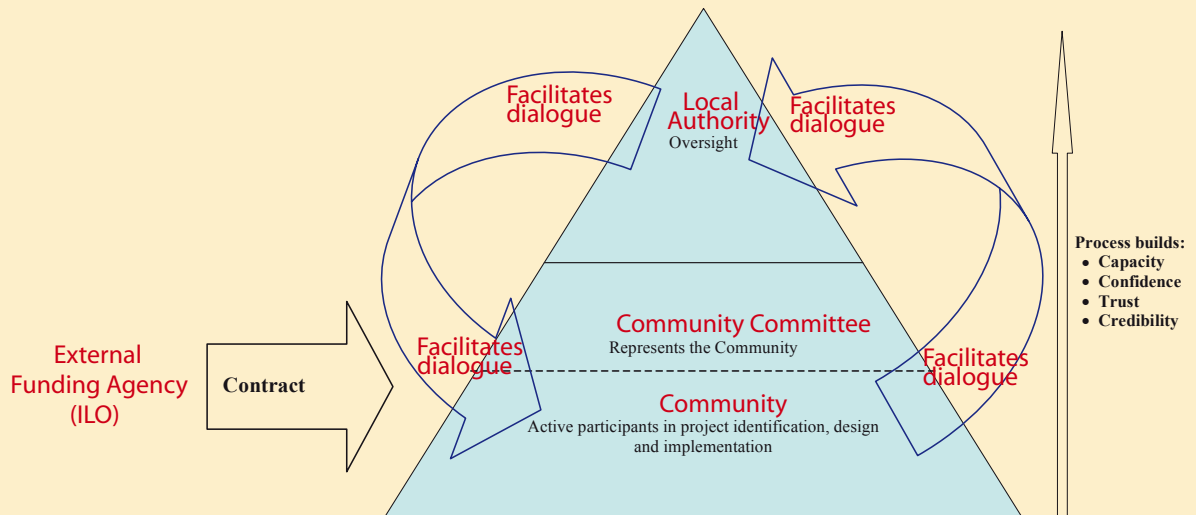
In addition to the community assets created with the funds channelled through the projects, community contracting provides an efficient means of injecting incomes directly into the pockets of local poor community members who obtain work opportunities; as well as into local enterprises through procurement and works contracted out locally. This has a tremendous impact on stimulating economic activity and improving access to social services such as education and health.

Capacity Building

The process develops capacity of all stakeholders involved, from the communities who gain work and organisational skills, and confidence to engage with external partners and the local authorities; to the local authorities whose management, oversight and monitoring skills are enhanced.

Governance and Transparency

From a governance perspective the approach supports and builds existing local governance structures. Its participatory nature and consultative processes support dialogue and accountability within communities, between communities and their leadership and the local authorities. At the onset the concept is shared with the community through mobilisation workshops, where the process and procedures are fully explained and discussed including ways to participate, recruitment, setting wage rates, procurement and costing. Social issues such as equity in recruitment and remuneration; health and safety (including wider societal concerns such as HIV/Aids) are also discussed. During implementation regular on-site meetings keep the community aware of progress.



Empowerment

Community contracting projects provide an entry point into communities. The projects enable, often for the first time, communities to be in the driving seat of the externally funded development projects. The approach has had a profound impact on the communities that have been involved with the ILO programme. There are immense psychological and empowering effects of providing communities, who have become dormant, resources to assume responsibility for their own development. The approach becomes a major catalyst in transforming a people who may have found themselves relegated to a passive/recipient role in supply driven humanitarian response situation to an assertive and empowered community who are confident in articulating their priorities and development plans. It is a process to influence attitudinal growth as much as delivery (community articulated) of tangible needs and demands.

Cross-Community Dialogue/Conflict Resolution

Different communities who have been supported and awarded community contracts are brought together in forums to learn from each other, which nurtures cross-community dialogue and helps ease past tensions where they have existed.





COMMUNITY CONTRACTING STEPS

Community contracting is a flexible process adaptable to local context as required. The following steps outline the process as has been carried out under this Programme.

Step 1: Initial Contact - Establishing Partnership

ILO, through the District Councils (DC), engages directly with the communities through the community development committees. The concept of the community contract is explained with emphasis on the fact the committees will be the main partner in the contract. They will control the resources; whilst the DC plays an oversight role.

Outputs

1. *The community understands they will drive the project management cycle and be responsible for the funds.*
2. *Necessary skills built allowing people to meet their responsibilities.*
3. *The community is motivated.*

Step 2: Identification of Community Employment Project

The objective of this exercise is to jointly identify a technically feasible project that will provide tangible benefits; address immediate needs while simultaneously build local capacities, credibility and trust.

This is a process of determining and matching needs with resources and building consensus as to what can be achieved guided by present resources.

The community contracted project should deliver tangible results impacting on as many members of the community as possible, whilst building skills, capacity and confidence. It should be process and outcome orientated and should not be too demanding in terms of organisational and administrative requirements.

Outputs

1. A project is identified addressing an immediate need i.e. employment, access road improvement, irrigation, environmental improvements, water harvesting, block making, low cost housing, etc.
2. The process builds confidence as well as credibility and trust between community and agency, between community and its leaders, and between the DC and community leaders.

Step 3: Project Design and Cost Estimation

Following agreement on the nature of the project a joint design and cost estimate exercise is carried out. The objective is to ensure the community is fully involved and aware of how the cost of the project is estimated, what factors have been included and what, how and when resources will be transferred.

Outputs

1. Project design and budget developed.
2. Capacity of the community leadership and community is built.
3. Transparency enhanced.
4. Partnership developed.

Step 4: Capacity Building and Account Opening

Administrative and Organisational Training

Following a skills audit, the committees and local authorities are provided with advice and basic training in organisation, administration, accounting and reporting procedures necessary for the successful implementation of the identified project. Training is also provided on issues such as recruitment and payment of workers. Agreement is reached on administrative and reporting arrangement.

Technical Training

Although the identified project will most likely be technically simple, there will generally be a need for certain technical skills training. This may include training of community identified persons in techniques such as block making, road, drainage, environmental or other civil works skills. However, it should be borne in mind there are skills available and vested interests in every community and these must be assessed before technical training takes place.





Opening of Bank Account

A community bank account is then opened. Three signatories usually consisting of the community chairperson and treasurer, and an official from the DC (usually the Mayor) are appointed by the community (sometimes the committee will decide to appoint more than two signatories). Training may be required on what a bank account is and how it operates.

Outputs

1. *Capacities of DCs and community committees are built.*
2. *A bank account is opened.*
3. *Administrative and reporting arrangements agreed and in place.*

Step 5: Awarding and Signing of Contract; Transfer of Funds

A simple contract is drawn up based on the project design and budget and is signed at a ceremony by the chair of the committee and witnessed by the DC (Mayor) and the community.

Details of the contract, including the works to be undertaken and the costs, are publicly displayed on a village notice board and if possible published in local newspapers.

The funds are then transferred. The funds are usually transferred in tranches linked to reporting and progress requirements.

Outputs

1. *Empowers committees who are responsible for the bank account.*
2. *Transparency and accountability.*

Step 6: Project Implementation

The committee implements the project. The community members are engaged in work opportunities through a transparent recruitment process for a fair and equal wage. Where specialist services are required e.g. engineering expertise, the committee may contract out this part of the contract to a local engineer or even an NGO. Similarly if tools or materials are required they are purchased according to agreed procurement procedures.

Outputs

1. *The committees gain skills in recruitment and wage setting.*
2. *Equal employment opportunities are created for women and men.*
3. *Incomes are injected into the local economy.*
4. *Local enterprises and service providers obtain work.*

Step 7: Reporting, Inspection and Payments

The project works are supervised by the committees. They are required to prepare and submit monthly reports and accounts. The funds are transferred as per agreed schedule of receipt and verification of reports. The DCs are involved in the general monitoring of the project.

On site monitoring meetings are held and inter-village visits organised between villages for learning and experience sharing. These also help the communities as a group to identify constraints and bottlenecks that may be caused by the funding agency or a third party.

Outputs

1. *Open accountable structures for the flow of funds are put in place, engendering local good governance.*
2. *Local community capacity is developed.*
3. *Cross-community dialogue facilitated and a forum for conflict avoidance and resolution created.*

Step 8: Project Completion

The project is completed and the operation and maintenance of the asset created discussed with the committee and DCs. A post project review (lessons learnt) with the communities is held to evaluate and make recommendations for improvement of the next round of activities.



Outputs

1. *A community asset or service is built, rehabilitated or improved for the benefit of all.*
2. *Incomes are injected into the community in wages and in the purchase of local goods and services.*
3. *The entire community is empowered and a community bond is established.*
4. *The capacities and skills of the DC and committees are enhanced; as well as those of the community members involved in the project.*
5. *Trust is earned by the funding partner and its credibility built. Similarly that of the DCs and committees amongst the community is enhanced.*

Step 9: Socio-Economic Mapping ¹

This exercise is basically a SWOT (strength, weaknesses, opportunities and threats) analysis of the local resources, institutions and realistic economic opportunities within the local community. It identifies resources for more long term employment and livelihood initiatives. It may be carried out during the implementation of the first project. It should only be done when a level of mutual credibility and trust has evolved. This may take some time as post conflict communities are usually suspicious of anyone external to their immediate community. The exercise involves all local stakeholders including civil society i.e. communities and their leadership/committees, social partners and interest groups, NGOs, private sector, local administration, other authorities and agencies; and is used to identify and prioritise further interventions.

Outputs

1. *The local community will have a structured inventory drawing out their intrinsic knowledge of resources and constraints and thus baseline information for a longer term community action plan.*
2. *Community empowered with a tool allowing them to direct and plan their future development.*
3. *Transparency and governance is enhanced.*
4. *Dialogue between the community and DC is further enhanced.*
5. *Dialogue between communities is encouraged and enhanced.*
6. *The exercise draws out the fact that communities, even those who may have been conflict in the past, have common needs and resource, and the realisation that cooperation is essential if their common economic and development goals are to be met.*

¹ An adaptable exercise, referred to as Territorial Diagnosis and Institutional Mapping (TDIM), for gathering information on local resources, institutions and realistic economic opportunities within the local community. A toolkit and training kit has been developed, adapted and translated into Somali by ILO.





ILO SOMALIA PROGRAMME

Lasting peace and economic recovery in Somalia depends on a wide range of measures critical among them is access to decent work and livelihoods. The ILO Somalia Programme contributes to peace, social justice and economic recovery through the creation of decent and productive work opportunities while developing community, public and private sector capacities to sustain equitable employment and livelihood opportunities.

The Programme strategy recognises the process of creating employment opportunities is as important as the jobs created as it can provide opportunity for empowerment and capacity building of communities, public institutions and private enterprise.

The Programme approach enables an immediate and positive development process addressing the prevailing infrastructure, livelihoods and employment crisis to be set in motion unlocking the economic recovery process. It involves:

- Employment intensive infrastructure projects,
- Building capacity for local economic development; and
- Support to small enterprise development.

Intrinsic to the Programme approach is the development of communities, public and private sector institutions, structures, capacities and tools that contribute significantly to equity, empowerment, transparency and local governance.

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