



**INTERNATIONAL LABOUR ORGANIZATION (ILO)
MULTI-BILATERAL PROGRAMME OF TECHNICAL
COOPERATION**

Terminal Evaluation

First Draft

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Project

“Capacity building for Employment Creation and Economic empowerment through ILO’s Local Economic Development Approach in Mozambique, South Africa and Angola”

Donor

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Composition of the evaluation team

An external consultant

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List of acronyms

ADB	African Development Bank.
ADEL	Portuguese for LEDA
ADELNA	Portuguese for LEDA Nampula.
APPI	Anti Poverty Partnership Initiatives.
CNRS	Portuguese for National Commission for Social Reintegration.
CPRS	Portuguese for Provincial Commission for Social Reintegration.
DEX	Direct Execution Modality.
DPLG	Department of Provincial and Local Government
DTI	Department of Trade and Industry
GDP	Gross Domestic Product.
GoM	Government of Mozambique
HIV/AIDS	Human Immunodeficiency Virus - Acquired Immuno Deficiency Syndrom.
INE	Instituto Nacional de Estatísticas.
ISAP	Instituto Superior de Administração Publica.
LED	Local Economic Development.
LEDA	Local Economic Development Agency.
MAE	Ministerio da Administração Estatal
MADER	Ministerio da Agricultura e Desenvolvimento Rural.
MREs	Micro Rural Enterprises
MINED	Ministerio Nacional de Educação.
MPD	Ministerio da Planificação e Desenvolvimento.
MPF	Ministry of Planning and Finance.
NEPAD	New Partnership Agenda for Development
PARPA	Portuguese acronym for Poverty Reduction Strategic Paper.
PPF	Project Preparatory Framework.
SA	Republic of South Africa
SABS	South African Bureau of Standard
SADC	South African Development Community
SEDA	Small enterprise development agency
TF	Task Force.
TORs	Terms of Reference.
UNCDF	United Nations Capital Development Fund.
UNDP	United Nations Development Programme.
UNDAF	United National Development Assistance Framework.

List of interviewed persons

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Ms. Sibongile Emily Mdluli LED NPC – LED Project	ILO – LED Project	Pretoria - South Africa
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Mr. Jan Lombard and Mss. Nomalanga Shogwe Investor/developer - Secretary	Matsamo Cultural Village	Pretoria - South Africa

1. Executive Summary

The present report is on the terminal evaluation of the Local Economic Development (LED) project. This Project had a timeframe of 21 months from May 2004 to February 2006 with a total budget of 1,601,013 US \$. The Dutch government allocated the total amount of the budget through the TCRAM process. The Project was implemented by a team of 6 people in the field: 1 CTA, 1 International Program officer, 3 NPC (Angola, SA and Mozambique) and 1 administrative and financial assistant. The National Input: In Mozambique, the government allocated for free an office space for the project team, 35.000 US\$ was locally mobilized (French Embassy and UNDP) for the development of the LEDAs Strategic Plans.

The main achievement of the project have to be broken down by their level of intervention; at the sub regional level, the project has strengthened the collaboration between the provinces of Mpumalanga (SA) and Maputo (Mozambique), and consolidated the partnership between these countries in the framework of SADC and the Maputo Corridor. At national level, the project has been able to mainstream LED, not only as a key strategy into national policies, PRSP and UNDAF of Mozambique, but also into the public administration curriculum (LED approach's training modules have been integrated in the official training curriculum schemes for public functionaries in Mozambique through the ISAP). In South Africa, the ILO has become a partner in the LED Steering Committee which advises the ministry of Provincial and Local Government. The possibility of institutionalize the LED national high level training through the University of Free State is also in progress (Piloting LSE new Modules). The project has been able to raise funds from a variety of donors for specific projects and activities carried out for, with or through the LEDAs in both countries. In addition the project at the local level carried out integrated PEETT pilot activities around the cultural industries, tourism and construction-material production. The capacity of LEDAs and of local entrepreneurs was strengthened through a comprehensive training programme.

These achievements are in line with the expectation stated in the project document (see annex), specially taking into account the difficulties faced at the start of the project which have delayed its initial implementation. However, we should bear in mind that LED is a long-term development process and that this Project allowed to create the enabling environment for the sustainability of the LED process, particularly in Mozambique.

The original project design was changed by the management team (during a workshop in which the log-frame was developed) in order to achieve the main objectives given the delays in the initial implementation of the project. In fact as a consequence the implementation of the project in Angola was postponed due to administrative and financial problems sets in section 4.4. The project was also proven to be relevant given the favourable context in the implementation countries where LED approach was identified as an adequate instrument for employment creation, poverty reduction and successful decentralization. Actually, after the strategic incorporation of LED in the national PRSP of both countries, and the LEDAs' collaboration in the production of Provincial Development Plans at local level, LEDAs are consolidating their possibilities to be considered by the government as instruments to support the decentralization's processes.

The institutional framework at all level need to be strengthened more than ever to influence the formulation of policies and strategies for employment and income generation, SME promotion, training, LED and gender, etc. Given the initial difficulties for the administrative management of the project (see management and coordination) it is possible to affirm that the results have been effectively produced with considerable efficiency.

Some of the outcomes of the Project are clear steps toward the **sustainability** of the gains from the LED process.

At Sub-regional level: LED was recognized as a catalytic of sub-regional integration (Moz-SA) through trans-border approach projects, promoting the territorial and partner's articulation and cooperation. This is a clear step towards the sustainability of the strategy.

At National level: the fact that LED is being coordinated at national level (Mozambique), mainstreamed in the public administration curriculum, integrated into the UNDAF 2006-2009 (in Mozambique) and recognized by international donors as an effective poverty reduction and employment creation strategy, is another sign of sustainability of the process.

At the local level. The identification of partnerships that could bring the necessary resources to ensure operations for a few years has been crucial. The capacity of LEDAs' Executive Directors (ED) in this respect as well as their ability to

develop the LEDA's Network is key for their success. The differences in the LEDAs development stages is a clear prove of the importance of the managers' skills and motivations.

Main Recommendations

At Sub-regional level (Mozambique and SA)

ILO should carry on the reinforcement of the sub-regional component beyond the local level results. The ongoing local project is being used as LED Learning Laboratory and showroom of implementation. However, the LED process and catalytic of sub-regional integration (Moz-SA) behind it, which through trans-border approach projects is promoting the territorial and partner's articulation and cooperations, should be sustained aiming to subsist.

The way in which the project support inter-provincial strategies of socio-economic and cultural integration, HIV/AIDS impact mitigation, youth and women employment promotion in the framework of SADC should be documented and methodologies should be developed to allow replication of the project

At National level

- The ISAP capacities and co-ordination mechanism with the ILO training centre should be reinforced to allow the ISAP to represent the focal academic point for LED methodologies, skills and tools transference, from LED centres (ILO/Turin), academia (LSE, etc.).
- The ISAP works with officials at national and provincial level, for the local level, they are starting to work with the IFAPAS. This initiative should be supported and accompanied to reinforce the creation of the critical mass as well as local capacities on training of trainers.
- The first two modules were tested in December and were very well received although it was pointed out the short time in which they were given (two days). Revise the possibility of giving these courses in two sessions to allow the participants to better internalise the course's contents. However, these courses are not easy to organise given the difficulties to agree upon a common agenda among the high level officials.
- ILO should reinforce south-south collaboration processes that ISAP has established with the ENAP (Brasil) and other African capacity building institutions, including the Free State University (SA). Some enriching results could come up from a joint encounter.
- The process of transference to the new ministry should be supported at least during its first phase, aiming the definition of the operative institutional framework and the relationship with the Inter-sectoral commission as well as the LEDAs
- The ILO should find a way to escort this process and ensure that the *ad hoc* institution in place (IC and LED unit) will survive and be strengthening in the new structure. When formally establishing the objectives and obligations of the IC members, the operative mechanisms and regulation should ensure the definition of:
 - ⇒ Roles of the IC and LED Unit (Who does what)
 - ⇒ Indicators of achievement should
 - ⇒ Marketing tools (based on the indicators)
 - ⇒ Capacity building at all levels so to ensure the response of local and provincial level.
 - ⇒ Training of trainers' strategies should be pursued.
- The capacities left behind in the MAE should no be lost. By ensuring their formal participation in the IC, the capacities built in the MAE could continue to support the LED process. In addition, training on LED strategy should be given to the official in the MDP, (two already have, as part of the IC). The oofficials in the MPD should be able to identify matching LED programs and donors to partner with LEDAs as well as define "vectors" for development.
- ILO should support the strengthening of capacities at district level to ensure the fully involvement of the LED instrument into the District strategies and operational plans (PESOD). The creation of sub-commissions at the district level should also be promoted.

Observation: Any LED model needs a financial system to support the implementation of activities. In Mozambique, despite several efforts realized in this respect (through previous programs, UNDP-FADEL) this has not yet been created. The model built by the SA government could be used as reference for Mozambique, promoting a financial system in coordination with the LED strategy. The ILO should keep working on this crucial aspect to ensure the sustainability and full implementation of the LED strategy.

Local level

- In general, LEDAs are still fragile and need to straighten their capacities to be able to respond to the new challenges of being considered axis of development. If they meet this target their sustainability would almost be ensured. Its role would become more pro-active, and the local actors will become natural promoters of the process. The critical mass would have been established and the perspective of the implementation of LEDAs in the remaining provinces could be foreseen.
- In addition, the newly created micro-enterprises or the already existing ones used to local demands are quite fragile and work with very low gain margins. The training and support may be provided in coordination with their needs to reinforce the synergies of the learning process.
- Many of the micro enterprises, even if constituted as such are working in practice as associations based on earnings redistribution mechanisms that are not in line with a profit-led entity. This goes in line with the lack of entrepreneurial spirit among the rural population given the high level of risk aversion. This can harm the enterprises' chances of success. In consequence, enhanced effort should be made to monitor the managerial capacities of the entrepreneurs in charge of the micro enterprises as well as escort at list during the first period to control their ability to deliver.
- Special attention must be given to ensure the support provided to the provincial government for the "procurement law" reforms, essentials to allow local contracting.
- In particular, some Executive Director (ED) are not strongly supportive of the sustainability model based on service provision on which the LEDAs were constituted. They expect to gain revenues from small businesses the LEDA will implement by creating a stock sharing system¹. This view is certainly inspired in the way LEDAs are managed in developed countries, however, in Mozambique LEDAs are non profit institutions and, even if their mandate will be changed, small businesses will be in an embryonic stage and should not fund the LEDA. Much attention should be paid to the sustainability model of the LEDAs.
- The LEDAs' Network ILO should give support to find an implementation mechanism at this level. The Network should work in direct coordination with the IC to avoid direct government interventions but to ensure monitoring instruments.
- However, this process has just started and the partnerships have to be reinforced, LEDAs need to be accompanied to be able to prove their capacities and so to ensure their sustainability. Until now, the ILO has been a continuous mediator between local actors, international donors and national and provincial authorities. In fact the Project has been the LEDAs' network. Given the fact that the network is not operational, the retreat of the ILO can negatively affect these partnerships in this embryonic state.

On other issues

On the design

In general there is still a huge dependence on the ILO, even if the training and seminar are successful, the lack of experience of "walking alone" delays the implementation of independent initiatives. At the local levels, the LEDAs declared to be insecure and needs the presence of the ILO to be reassured. At the National Level, a Member of the Inter-sectorial Commission stated that "there is an important receptivity and political conditions for the implementation of the LED strategy, but existing institutions lack the maturity to be able to take advantage of the present cooperation"

On the administration

All the administrative problems faced by the project imposed a big challenge for the team that have overcome them fairly well. When administrative decentralization is planned it should be taken into account the regional dependencies and languages constraints.

¹ From an interview held with the NPC, he stated that they are not strongly supportive of the implementation of projects funded by international agencies, more in line with the NGOs modalities giving that LEDAs are not NGO. When a LEDAs support the creation of a micro-enterprise, it has to ensure at least a participation of the 30% of this enterprise's stock.

2. Introduction

2.1 Background

Local Economic Development (LED) is a participatory development process that encourages partnerships between the main private and public stakeholders in a defined territory. Its final objective is to create decent jobs and stimulate economic activity. The LED process enables the joint design and implementation of a common development strategy, by making use of local resources and competitive advantages in a global context. LED reinforces back and forward linkages between national and local levels. LED forums or agencies can raise awareness on local priorities and needs for youth employment among national policy makers. On the other hand, LED is a way to implement national policies and strategies locally. Indeed, the overall objective of an ILO LED approach is to base economic activity on social conditions and local resources, rather than vice-versa. LED makes use of regional capabilities and local competitive advantages in a global context. This holistic approach creates linkages across conventional policy areas and integrates local, national and international levels.

In order to alleviate poverty through the creation of decent employment mainly among vulnerable groups (youth and women) and stimulation of economic activity, the ILO through its LED Programme promotes a participatory development process. It encourages partnerships between the main private and public stakeholders and enables the joint design and implementation of a common development strategy.

In Mozambique, Angola and South Africa, the APPI² program was built on the experience of Local Economic Development Agencies³ (LEDAs) developed under the Human Development Programme at Local Level (PDHL), which was implemented from 1998 to 2002. LEDAs were considered by the government as a strategic mechanism to support the decentralization process as well as the implementation of a National Framework for local economic development, as per the experience carried out in the provinces of Manica, Sofala and Maputo.

Since 1998 the ILO has provided technical assistance to Local Economic Development initiatives in Mozambique within the framework of the UNDP PHDL program. When PDHL phased out, the inter-regional ILO project "Employment creation at the local level through ILO's LED approach" (October 2003 - February 2004) funded by the NPP provided technical assistance to the Commission and provincial stakeholders with the aim to integrate the Decent Work concept, employment creation measures and methodologies into the national LED policy.

The ILO has been implementing a two years Dutch-funded program Sub-regional program (March 2004 to February 2006) that intervened at provincial, national level and sub-regional levels. The overall objective was to contribute to poverty reduction in Mozambique, South Africa and Angola through the reinforcement of capacities of local and national stakeholders in formulating and implementing integrated and comprehensive local economic and employment creation strategies.

The main outputs of the project at Sub-regional level was the recognition of the LED approach as a catalytic of sub-regional integration (Moz-SA) through trans-border projects, promoting the territorial and partners articulation and cooperation. At national level the LED approach was identified as an adequate instrument for economic development, poverty reduction and successful decentralization in the three countries. In Mozambique a National LED Platform was

² **Anti-Poverty Partnership Initiatives (APPI)**. The program was a Trust Fund Agreement between UNDP and the Italian Government, which aimed at supporting developing countries in their poverty reduction strategies.

³ The LEDAs (Local Economic Development Agencies) in Mozambique, Angola and South Africa operate at provincial level and have a socio-economic mandate. Their main objective is to create the right conditions for income generation and employment promotion. The LEDAs contribute to prepare young people for the labour market through basic education, vocational training and entrepreneurship development, targeting youth with little schooling, from vulnerable groups and from low-income families and those subject to discrimination.

formulated with the ILO's technical support and the inclusion of the LED strategy in the PRSPs and UNDAF 2006-2009 (Mozambique). Finally at local level technical assistance was provided to support the implementation of several pilot projects (one trans-border) as a means to test LEDAs' ability to develop local capacities; fund raising; partnerships agreements and support their sustainability as well as to study the extent to which this project could be replicated.

2.2 Objectives and Methodology of the Evaluation

Objectives of the Evaluation

The purposes of the terminal evaluation are to draw lessons learned from the implementation of the project in Mozambique and South Africa with a view to also assess whether the project goals and objectives are still relevant, and if so, take the findings of the evaluation into account in the development of a new proposal to address LED in Southern Africa. No field mission to Angola has been organized in the framework of this evaluation due to the fact that the implementation of the project was postponed as stated in section 4.4, however a restitution meeting is foreseen at the end of the mission in Luanda with the participation of the NPC from Angola.

Finally, draw conclusions in terms of the progress made and make recommendations for the phasing out of the Project, fore s possible second phase of the Project and future actions beyond the end of the Project.

Methodology of the Evaluation

This evaluation, as stated in the TORs, will review to what extent the immediate objectives and major outputs were achieved taking into account the relevance of the LED Project in the general context of each country. It will also paid attention to the performance of the Project in terms of the efficiency and effectiveness of the project implementation framework, administrative procedures, monitoring system and internal communication mechanisms. It will also assess if the project is likely to reach a state of maturity at the end of the current project phase so that project-initiated activities may be sustained without further external financial and technical support.

A 3 weeks mission was undertaken by the evaluator between January 8th and 27th. During the 12 days spent in Mozambique which included two field trips to visit the Maputo's and Nampula's LEDAs and its projects, the evaluator could meet with the main stakeholders of the LEDAs. In Maputo she held interviews with the Project staff and with representatives of the Inter-Ministerial Commission; Ministry of Labour, MEA and MDP, as well as with the pedagogic director of the ISAP and members of UN agencies such as SGP, APPI and UNDP. During the field trip she also met with the executive directors of the LEDAs in Maputo and Nampula, as well as the President and Vice-president of the advisory board and the technical team. Also in Nampula she met the executive secretary of UCODIN who was involved in the creation of the LEDA and with the PPDF (Provincial Government – Financial decentralisation program) representative with whom the ILO and the LEDA are implementing a PEET pilot project. During both field trips some in place activities were visited and the evaluator had the chance to talk to the members of the associations. Upon return to Maputo, a final 1 week stay in Pretoria with field trips to Limpopo and Mpumalanga had to be suspended and rescheduled to two days meeting in Pretoria due to an unpredicted event beyond our control.

This final report is then based on the interviews hold during the mission⁴, an exhaustive examination of the original Project document and all reports that were produced over the implementing period. It is addressed mainly to the ILO Office and to the Project Managers at all level. It contains a summary description of the Project, the evaluation findings and analysis on its relevance, results and management, and lastly the conclusions and recommendations.

In addition, this report wishes to reflect not only the views of the evaluator but also the analysis of ILO officers and the views of the main stakeholders of the project.

The structure of the report is as follows: 1. Validity of design; 2. Implementation; 3. Performance; 4. Special concerns; 5. Conclusions and recommendations. It has been elaborated accordingly to the ILO's evaluation guidelines.

⁴ For a complete list of interviewed people see annexes

3. Validity of Design and Relevance

3.1 General Context of the Project

In accordance to the widespread development approach that places the main responsibility for policy design and implementation in the hands of the developing countries' Governments, the Government of **Mozambique** embarked in the formulation of a Poverty Reduction Strategy paper (PRSP). The Government's Action Plan⁵ for the Reduction of Absolute Poverty (PARPA) 2001-05 aims to substantially reduce the levels of absolute poverty in the country from 70% of total population (1997) to 50% in 2010. The ILO assists the Ministry of Labour, the Social Partners and other stakeholders in the elaboration of an Employment and Vocational Skills Development Strategy. It is intended that this strategy will contain a chapter on local level implementation that links up with the national LED policy.

The Government of **Angola** has adopted the LED approach as developed through the PDHI at national level and has started the replication of the approach to other provinces. The LED approach is considered as a way of implementing the PRSP and addressing PRSP priorities such as pro-poor growth through rural development, decentralisation and human capital development.

The Government of **South Africa** has given itself a "LED mandate" which is translated through its support to LED strategies involving community based development; linkage; human capital development; infrastructure and municipal services; leak-plugging in the local economy; and retaining and expanding local economic activity. The South African Government has recognised the developmental and pro-poor responsibility of municipalities in the 2002 paper "Refocusing Development on the Poor" and, after extensive internal studies the Government categorised six developmental LED strategies which it made a commitment to support: community-based development; linkage; human capital development; infrastructure and municipal services; leak-plugging in the local economy; and retaining and expanding local economic activity.

Also the governments of **Mozambique** and **Angola** have adopted the LED approach as a means for local employment creation and poverty reduction. In Mozambique, a national LED policy is currently being formulated through an extensive dialogue with local and national stakeholders. In Angola a Cabinet in support to Regional Development has been set up in order to facilitate the replication of LED experiences to other provinces and national funds have been reserved for this purpose.

Decent Work and ILO's technical cooperation in the field of LED: From 1997 on, the ILO has provided technical assistance to LED initiatives in Mozambique, South Africa and Angola. These initiatives were and are carried out within the framework of the UNDP/UNOPS implemented Human Development at the Local Level Programmes, financed by the Italian cooperation to which the ILO was/is Associated Agency for the LED component. Also, the Dutch funded (NPP) inter-regional project for Employment creation at the local level through the ILO's Local Economic Development (LED) Approach supported LED activities in Mozambique.

In **Mozambique**, the ILO's technical assistance within the framework of the Programme for Human Development at the Local Level (PDHL, 1998-2003) acted at three levels:

- a) **Informal economy** operators: Reinforcement of the productive assets and conditions in the selected territories, through the organisation building, training and technical assistance to cooperatives, micro and small enterprises and local governments.
- b) **Institutions**: Creation of three Local Economic Development Agencies (LEDAs⁶) in the provinces of Maputo, Manica and Sofala, where representatives of the public and private sector as well as civil society set the priorities for economic development, develop a LED strategy and implement development projects. The LEDAs support the communication

⁵ The Government of Mozambique in "The Action Plan" has identified education, infrastructure, rural and employment development as fundamental areas of action for the Reduction of Absolute Poverty 2001-2005 (PARPA).

⁶ LEDAs are not an ordinary NGO or Association. They have a key role in Local Economic Development and in reinforcing decentralization. It is a platform that all civil society's organizations have to agree upon and support.

between district-provincial-national levels, and should organize a Network.

c) **Policy:** at national level, PDHL assisted the creation of an inter-ministerial commission on LED and its LED Unit with the participatory and bottom-up formulation of a national LED policy.

When PDHL phased out, the inter-regional ILO project "Employment creation at the local level through ILO's LED approach" (October 2003 -February 2004) funded by the NPP provided technical assistance to the Commission and provincial stakeholders with the aim to integrate the Decent Work concept, employment creation measures and methodologies into the national LED policy.

In **South Africa** the ILO is the associated agency to the UNDP/UNOPS Small Enterprise and Human Development Programme (SE-HD, 1997-2004) assisting in co-operative legislation and development as well as training and capacity building in LED. LEDAs have been created in the Provinces of Limpopo, Mpumalanga, Northern Cape and Eastern Cape. A start has been made in supporting LED initiatives at national level, promoting LED and implementing bodies such as LEDAs and therefore reinforcing national-local linkages. The ILO has provided assistance to local stakeholders in Prince Albert (Western Cape Province), Victoria West (Northern Cape Province) and Acornhoek (Limpopo Province) to address local decent work deficits through the Small Towns Local Economic and Employment Development (ST-LEED) Project.

In **Angola**, the Program for Integrated Human Development (PDHI, 1998-2003) resulted in the adoption of the LED approach by the national government. The government has set aside national funds to promote the replication of the LED experiences from the provinces where PDHI was operating, to all provinces.

The present project was created to build upon the experiences of the above mentioned programmes and seeks synergies with other relevant international and national development initiatives. A special focus was put upon sharing lessons learnt between the three countries and reinforcing cross-border cooperation in the case of South Africa and Mozambique.

3.2 Problem analysis

Despite these promising national initiatives, the impact in terms of income generation and job creation locally is still limited. Decentralisation offers a great opportunity for better matching of employment creation and development strategies with local needs and an increased participation of communities, NGOs and private sector representatives in decision making processes. However, decentralisation is still young and local capacities not yet fully in place. Local governments are faced with new responsibilities but these are not sufficiently accompanied with the necessary transfer of capacities and resources to the local level, especially in the remote and rural areas. Informal economy operators and rural producers are often weakly organised and not prepared to take part in decision making on the development of their territory. Lack of entrepreneurship spirit has also been an obstacle to the creation of local business. Organisations providing support in enabling access to financial services, business support services and other forms of economic empowerment encounter difficulties in reaching out to the producers, workers and entrepreneurs most in need such as youth, women, people affected by HIV/AIDS and disabled persons.

Within each of the three countries, development discrepancies between regions, rural and urban areas and different population groups become more prominent. A weak coherence and coordination of development initiatives affects negatively their impact. On the other hand, economic regionalization within Southern Africa facilitates cooperation and joint development initiatives, for example within the overall framework of the SADC and the "Maputo Development Corridor Initiative" in South Africa and Mozambique. However, it remains difficult for micro, small and medium sized enterprises to benefit directly from such important investments.

3.3 Development of immediate objectives

This project intended to assist national governments, workers' and employers' organizations and a wide range of local stakeholders representing the public and private sectors in making international development goals (MDGs, SADC) and national development policies and strategies (incl PRSPs) more meaningful at the local level through ILO's integrated and participatory Local Economic Development approach. In return, LED experiences in the selected pilot Provinces should feed into these development strategies and policies in the three countries.

In this context, the main objective of the Project was to facilitate *Capacity building for Employment Creation and Economic Empowerment through ILO's Local Economic Development Approach in Mozambique, South Africa and Angola*

The project had three levels of intervention. In the **Provinces** the project should result in coherent LED strategy responsive to the needs, opportunities and priorities aiming at poverty reduction through employment creation and decent work. At **national** level the project will reinforce the capacities of stakeholders involved in the formulation and implementation of poverty reduction strategies through decent work and local economic development policies by linking them up with the local realities in the pilot provinces, and responding to requests for improving outreach and service provision at the local level.

The Project has also a **sub-regional** coverage; at the macro level, in order to promote mutual learning, ex-change and reinforcement processes in the field of local approaches for poverty reduction and employment creation. At the micro level, as Mpumalanga and Limpopo provinces share borders with Mozambique some cross border development opportunities has been identified, such as the public-private partnership for the development of the transport network "Maputo Development Corridor" in Mpumalanga, and are being pursued.

In addition, the project will facilitate linkages with and become an advocate on the decent work dimension of poverty and local approaches for employment creation and economic empowerment with other international development organizations and communities such as SADC, UN Agencies (UNDP, UNCDF, FAO, HABITAT, UNESCO).

Immediate objective: more in details: (See log-frame in Appendix I)

At Sub-regional level:

- 1.1 LED approach integrated into NEPAD and SADC agenda.
 - 1.1.1 Platform LED formulated between the three Countries (South Africa, Angola and Mozambique).
 - 1.1.2 A sub-regional network of LEDAs is created
- 1.2. Resources are mobilized for an sub regional integrated program (Phase II)
 - 1.2.1 Marketing tools are developed and promotional events are organized (also for 1.1)
 - 1.2.2 Internal ILO partnerships are reinforced in order to ensure a decent work integrated approach in each country
 - 1.2.3 Partnership with international community and Latin American and European networks (EURADA) are promoted

At National level

- 2.1 LED approach integrated into national policies and PRSPs in the 3 countries
 - 2.1.1 National high level policy-decision makers trained on LED, with particular emphasis on regional integration and globalization
 - 2.1.2 Marketing tools are developed and disseminated (also for 2.2.and 2.3.) :
 - Within national stakeholders
 - Within the international community
 - Within the ILO (TC programs and AO)
 - 2.1.3 Capacities of the national LED commissions reinforced through technical assistance
- 2.2 LEDA'S Network reinforced
 - 2.2.1 New resources are mobilized (also contribute to 2.1.)
 - 2.2.2 Knowledge are shared

At Local level

- 3.1. LEDAs are reinforced
 - 3.1.1. LEDAs developed their DW Business plan (territorial diagnosis + strategy)
 - 3.1.2. Pilot projects are implemented
 - 3.1.3. Partnerships developed and consolidated
 - 3.1.4. Marketing products are developed and used (study case, web...)

- 3.1.5. Knowledge and experiences are shared with other LEDAs
- 3.1.6. Stakeholders capacities and knowledge on the ILO's LED approach (with specific focus on DW and gender) are strengthened.

This multi-level capacity building project for Local Economic Development aims to contribute to poverty reduction at the local level through integrated employment creation strategies.

3.4 Overall validity of design and relevance of the Project

The overall design of the project is relevant with the actual situation in each country's Poverty Reduction strategies. Local Economic Development is an integral part of the poverty reduction strategy and is being incorporated in the provincial and district's social, economic and operational plans (i.e. In Mozambique's PESODs).

This capacity building Project is essential in ensuring the sustainability of this process by creating a local critical mass and capacities at all levels of intervention.

However, the project team had to redesign the original version in order to produce the most important results. The original project document didn't take into account the time and timing restriction that a process of capacity building needs and the administrative problems that it faced. Still the original Project is very well designed and would have been perfect in a 21-month timeframe, sorrowfully, the actual operational life time of the project was a lot shorter (less than one year). The idea of working with three countries was based on strong countries similarities, not only on their approach to the LED process, and their integrated approach of LED into their PRSPs strategies but also on the creation of LEDAs and its network influenced the original project design in this aspect.. In fact, as South Africa and Mozambique are sharing borders, some development problems are closely linked.⁷ Historic and cultural (incl. linguistic) similarities in Angola and Mozambique offered also scope for further promotion of development cooperation.

Concluding, the original project **design** was changed by the management team (during a workshop in which the log frame was developed) in order to achieve the main objectives given the delays in the initial implementation of the project. The project was also proven to be **relevant** given the favourable context in the implementation countries where LED approach was identified as an adequate instrument for employment creation, poverty reduction and successful decentralization. Actually, after the strategic incorporation of LED in the national PRSP of both countries, and the collaboration in the production of Provincial Development Plans at local level, where LEDAs are producing outputs which consolidate the possibility to be considered by the government as an instrument to support the decentralization's processes, the institutional framework at all level need to be strengthened more than ever, to influence the formulation of policies and strategies for employment and income generation, SME promotion, training, LED and gender, etc.

4. Implementation

This Project had a timeframe of 21 months from May 2004 to February 2006 with a total budget of 1,601,013 US \$. The Dutch government allocated the total amount of the budget through the TCRAM process. The Project was implemented by a team of 6 people in the field 1 CTA, 1 International Program officer, 3 NPC (Angola, SA and Mozambique) and 1 administrative and financial assistant.

It has been operational in two countries acting at national, provincial and sub-regional level.

The implementation of the project in **Angola** was postponed due to administrative and financial problems sets in section 4.4.

At **national** level, according to the national poverty reductions strategies (PRSP where existing), the project has reinforced the capacities of stakeholders involved in the formulation and implementation of poverty reduction strategies, employment

⁷ For example, local economies in Mozambique don't benefit much in terms of employment creation from important South African investments in the country. Another example is the flow of young male migrant workers leaving the Mozambican communities in search for work in South African mines. The departure of this specific segment of the labour force in Mozambican communities and the migrants' exposure to HIV/AIDS distort local labour markets and affect the communities' health and demographic set-up.

creation, SME development, human resource development and local economic development policies by linking them up with the local realities in the pilot provinces.

At **sub-regional** level, the project has initiated and facilitated a mutual learning and ex-change process among local and national stakeholders from the countries (particularly between South Africa and Mozambique) through, among others, exchange of experiences, study and business visits, international training events and networking, facilitating linkages with and become an advocate on the employment dimension of poverty and local approaches for employment creation and economic empowerment with other international development organizations and communities.

At **local** level, the project has assisted local governments, LEDAs, cooperatives, and other organizations with a stake in the local economy in establishing a dialogue around the socio-economic development of their territory. The project has reinforced capacities and provided tools and methodologies to implement the LED strategy.

4.1 Project description

The project's **Immediate Objectives** at the three levels of intervention have been related with the local economic stakeholders capacities in the pilot provinces, increased capacities in formulating and implementing integrated and decent employment creation strategies; the institutional framework at national level in Mozambique, South Africa and Angola able to support local employment creation strategies and promote poverty reduction strategies and policies that take into account the employment dimension of poverty and are adapted to local realities; as well as the creation of sub-regional linkages and synergies among local, national and sub-regional actors (SADC) through a dynamic mutual learning and ex-change process intervened at three levels: local, national and, sub-regional.

The final beneficiaries of the project are the inhabitants of the selected districts and more in particular the self-employed and micro- and small entrepreneurs operating in the informal economy, rural producers, youth, women, disabled persons and their organizations.

Institutional Framework for project implementation

National Counterparts: In Mozambique at **national** level, the counterpart was the Ministry of State Administration, MAE, who appointed a National Coordinator and a National Technical Assistant to the Local Economic Development Unit of MAE. A national Inter-sectoral Commission was also installed in order to support the development of the LED National Platform. Both, the LED Unit and the Commission are being moved to the Ministry of Planning and Development (MPD) to improve coordination between the decentralization process and the implementation of local projects. The ultimate objective of this transfer is to transform LEDAS into the axes of local development. LEDAS will provide implementation and business services while the MPD will provide the national programs (i.e. PPDF, PAMA, PAR/IFAD credit lines, etc..)

At **local** level, five LEDAs (ADELS in Portuguese) were developed under the Human Development Program at Local Level (PDHL), and reinforced during the APPI program with the technical support of the ILO. These LEDAS are Maputo, Manica, Sofala, Nampula and Zambezia. Nampula and Zambezia were recently created (December 2004) and are still dependent on external support. In order to evaluate the project's actions' impacts no visits were scheduled to the LEDAs of the first generation (Maputo was from the first generation). Attention was paid to the new ADELNA and the reconstituted ADEL Maputo. The Zambézia ADEL was not visited given that it is still in the process of creation and maturation. During the field trip I had access to most of the documentation that has been produced and I could hold long conversations with the main actors, executive directors, technical staff and the main people involved in the whole process. From these visits, it could be stated that **Maputo**, is very weak. It has implemented few projects in partnership with SGP/PNUD: through UNDP Mozambique – Small Grant Program/World Bank/Global Environment Facility, as well as the sub-regional pilot project, but still has no revenues in sight for the next few months.

Nampula and Zambézia: were created in January 2005 under APPI (UNDP funded) and with ILO technical assistance. Both benefited from ILO technical assistance and capacity building activities. In both cases, their creation was supported by the institutions responsible for provincial plans, UCODIN and CIDEZA. The collaboration of these 2 LEDAs in developing Provincial Development Plan was supported by the ILO regional project. Despite being very new, ADELNA (Nampula) has established a partnership with PPDF that intend to place the LEDA in the center of the provincial development strategy. On the other hand, LEDA Zambézia, is still in a very early development stage. One possible reason is that the Director never

showed great interest and lacked capacities. The reports to UNDP were never sent on time and the planned activities were not planned. After a joint ILO/UNDP/inter-ministerial commission mission, it was agreed that the LEDAs Zambezia lacked institutional capacities and the ILO will not give institutional funds until the governing/directive body improve this situation. But it was agreed that the LEDA should continue to exist. The LED process has in fact received great provincial political support. But their internal structural problem was not solved yet.

All the LEDAs, received support for the development of their strategic plans and in Sofala and Zambezia the executive directors are following the ILO's University of Turin training on Local Economic Development.

At provincial level, the LED strategy is being introduced in the district's social, economic and operational Plans (PESODs) and LEDAs are collaborating in the production of Provincial Development Plans. In addition, in the context of the sub-regional cultural project (Maputo-Mpumalanga) provincial government have created *ad hoc* sub-commission for the LED promotion.

The LEDA Network plays a critical role for its members in terms of representation and link with the government and the donors and as a key mechanism for inter-agency knowledge shearing and cooperation. It should also act as the monitoring unit to control if the LEDAs' statutes based on DW are being respected. However, despite its legalisation, it still is a very fragile structure that has shown problem to become operational.

In **South Africa** a LED steering committee was established under the responsibility of Department of Trade and Industry (DTI) and the Department of Provincial and Local Government (DPLG) which has drafted a LED policy and strategy document. External partners participated on an ad-hoc basis to the steering committee such as other Ministries and the international community active in LED (EU, GTZ, UNOPS, ILO, etc.) In addition, at the end of the UNOPS program, the LEDAs were institutionalized into the National Marketing Advisory Centre (Namac Trust) the agency of the Department of Trade & Industry. In December 2004, the government created a new national structure SEDA8 (Small enterprise development agency) in charge for supporting the development of small business in South Africa. SEDA incorporates the previously existing small business support institutions (Ntsika Enterprise Promotion Agency and the Namac Trust) and will have representation at all levels of government. Its footprint will follow that of local government, making local SEDA offices easier to find and more accessible. The LEDAs as part of Namac Trust were also migrated to the new structure. SEDA's role is to replicate LED's experiences to other regions and to develop a common methodology. It should therefore ensure a coordinated approach to the design and implementation of development support programs and the creation of a service delivery network for small business throughout South Africa. In other terms, SEDA is the equivalent of a LEDA national network. At the provincial level, the DTI is represented by the Department of Finance, Economic Affairs and Tourism and the DPLG by the local government entities (District and Municipalities). The new model developed by SEDA is to have one Provincial SEDA which will coordinate the activities of all the SEDAs at District Level (LEDA per district). Mpumalanga is an exception since the LEDA is at the Municipal level, however the agency might be merged with another SEDA agency to broaden the services and the area of operation. The Project provided training to both Limpopo and Mpumalanga LEDAs' staff and stakeholders. Local elections will be held in the 1st Semester of 2005 (1 March). The executive councils will change; therefore ILO work should focus at the LEDA management level and the Technical Units (LED Units as they are not influenced by elections) of the municipalities in order to ensure sustainability.[E]. The LEDAs at local level present projects for funding through a committee of selection, taking advantage of the existing financial services, that are separated from SEDA, but falls under DTI such as "Khula" facilities (credit facilities) or the National Economic Fund (NEF).

4.2 Activities and Outputs

Many of the initial activities planned had to be postponed (e.i. Angola activities) giving the fact that the actual operational time frame of the project was reduced from 21 to 6 month (training activities and seminars started in September 2005). See **Annex II** to have a clear understanding on the Activities and outcomes in the framework of the project.

One of the planned development tools stated in the project document was the creation of indicators and monitoring and evaluation mechanism. Some steps were taken with this intention (emails and monitor and evaluation forms were distributed) however, given the delays in the starting of the activities and the following lack of information to fill up the forms, there is a lack of proper indicators to evaluate the project. Nevertheless, there many activities and achievement that have been

⁸ www.seda.co.za

documented, and taking into account the time and administrative restrictions, the project has produced more than its share of positive results.

4.3 Main achievements

Sub-regional level (Mozambique and SA)

a) LED was recognized as a catalytic of sub-regional integration (Moz-SA) through trans-border approach projects, promoting the territorial and partners articulation and cooperation:

- LED (through community development, local entrepreneurship and cooperative development) was declared as an effective tool for youth employment promotion at the sub-regional Conference by the member-states and social partners of the Region.
- Both Provincial governments (Maputo/Mozambique and Mpumalanga/South Africa) have recognized LED and tourism project as a way to consolidate their partnership and promote decent jobs along the Maputo Corridor. This project and initiative is inserted in the framework of SADC, specifically the inter-provincial agreement Mpumalanga-Maputo. This project aims to support inter-provincial strategies of socio-economic and cultural integration, HIV/AIDS impact mitigation, youth and women employment promotion considering the particular impact of migration and social exclusion.
- In the context of the inter-provincial agreement regulation's mechanisms, the provincial governments have created *ad hoc* sub-commission for the LED promotion. Exchanges were organized between the 2 provinces; the governors visited the project sites and even allocated public funds.

National level:

a) LED coordination at national level (Mozambique)

LED has a new official Ministry of coordination, which is the Ministry of Plan and Development. This is the result of the government assumption of LED as strategy for poverty reduction, moving from a traditional counterpart (Ministry of State Administration, as per previous projects) to a mechanism of inter-sectoral coordination (as per national policy).

b) LED Mainstreamed in the public administration curriculum (Mozambique)

LED approach's training modules have been integrated in the official training curriculum schemes for public functionaries in Mozambique through the ISAP (High Institute for Public Administration), creating a critical mass for LED promotion, which involves national directors of ministries, provincial governors, districts administrators, functionaries of municipalities and districts. The result has a direct influence in the creation of capacities by functionaries and decision-makers and it will mean that the design of sectoral policies and local (provincial and districts) strategic development plans will include LED in a sustainable way (planning and budgeting). The implementers of the local development will have the capacity to create the enabling environment for the LED implementation.

c) LED is mainstreamed into the PRSP and national priorities (Mozambique):

- One of the indicators of success at the national level was that LED will be integrated in the PRSPs II as a tool for economic development, poverty reduction and successful decentralization. This output was achieved through active participation to the PRSP review working groups, submission of papers and participation of our partners (LEDAs) to the civil society groups at the provincial level.
- LED has been introduced in the Policy of Population, through the Ministry of State Administration.
- The institutional linkage between local experiences on LED and the national level, through the formulation of a LED national platform (political framework in process of approval in Moz) and a LED inter-sectoral commission (bridge between local dimension and central level of decision-making)

d) LED integrated into the UNDAF 2006-2009 (Mozambique)

Through participation to the UN working groups and joint activities with UN agencies, LED process was integrated as an effective UN response strategy to fight poverty

e) Resources were mobilized and International community recognises LED as an effective poverty reduction and

employment creation strategy

Indeed the LEDAs, with ILO support were able to mobilise funds from different donors at the local level: UNDP, World Bank, DANIDA, French Embassy, SNV, UNC, UNCDF, etc.. Now NORAD has also expressed their interest to fund the creation of a new LEDA in Cabo Delgado (Mozambique).

Local level

a) Small enterprises in construction (local material) created and have access to district funds for infrastructure development (Mozambique)

- The PPFD⁹ (UNCDF) and ILO agreed to join forces or assist the LEDA Nampula (ADELNA) to contribute to poverty reduction and youth employment creation in the Province, through the creation of community small enterprises for infrastructure construction and production of local material. A MOU was signed in February 2005 between ILO, PPFD and (ADELNA). In this framework, the different partners agreed to design and implement a joint pilot project¹⁰ for the strengthening of the local capacities for the promotion of LED. (see Annex on PEET pilot project)
- The main strategic line of the project are **1) Creation of local enterprises (employment intensive) that will be sub-contracted access public work funds:** There is window of opportunity to reinforce the capacity of small entrepreneurs¹¹ to access public works funds. **2) Boosting the use of local material products.** The province and public works will be less reliant on external products for infrastructure development and local products enterprises and markets will be developed. **3) Improved access to market through an infrastructure development planning exercise:** introduction of the Integrated Rural Accessibility Planning (IRAP) approach within the framework of the LED process. **4) At the national level, this show-case will feed the debate on the reform of the procurement rules.**
- **Implementation:** 10 micro rural enterprises (MREs) were created, 5 in civil constructions and 5 construction's material producers of which 8 are legally constituted and 2 are in progress. They have already received training on management and specific on local material use. The **PPDF**, through the UNCDF, has facilitated a United Nations Volunteer to assist the ADELNA in technical management. In addition, at the **provincial and district level capacity building of technical assistant on subjects linked to LED is planned** ADELNA, on the other hand has (a) produced sustainability studies at the selected district levels for the creation and selection of micro enterprises; (b) Facilitate both the capacity building and creation of local micro enterprises in: Production of local material for civil construction, Civil construction using local labour intensive methods, Start and improve your Business (SIYB) and local contracting; an ILO expert was being contacted while I was there and the confirmation of his contribution had still to be ensured. In addition, (c) LEDAs leaders and staff were trained as SIYB trainers to be able to trained future entrepreneurs. (d) Proceeded to the capacity building of the public technicians at the provincial and district level in curricula linked to LED; and (e) Elaborated project proposals of income generation activities in the districts. **Finally, at national level** procurement law changed to facilitate local contractors. The ILO is advising local authorities on how to do the same at district and provincial level as well as advocate for donors (EU, WB, NORAD etc..) to include in their contracts guidelines conditions to sub-contract local contractors.

b) Pilot trans- border Project "Tourism and Culture Promotion" (SA and Mozambique)

- An integrated pilot PEETT experience was implemented in South Africa and Mozambique through the Project "Tourism and Culture Promotion". The project has strategic characteristics which lead to act at the local level articulating with national and regional initiatives, using as axis of development the tourist and cultural potentialities existing in the two countries. In this case, South Africa plays an important role for the level of development achieved by the touristy sector and, specifically, the touristy activities at the inter-border area with Mozambique (Kruger Park). Mozambique has an extensive touristy potentiality linked with the beach of Ponta de Ouro (Matutuine district) and Macaneta (Marracuene district) in the inter-border areas. The two potentialities have been combined in reference

⁹ District Planning and Finance Program (PPDF – funded by UNCDF) is in charge of decentralized allocation of funds for infrastructure.

¹⁰ **PEET PILOT PROJECT**: This project will pilot the extent to which the promotion of community contracting can boost the local economy and promote the creation of decent jobs for the young people.

¹¹ To date, most public works are conducted by foreign companies. Mainly due to: (a) lack of local capacities; (b) national and international rules for procurement are restrictive (i.e. enterprises need to have past contract experience of at least 100.000 USD)

with small joint projects, which can represent in the future a sustainable process for local communities involved.

- The main strategic line of the project is centered on the promotion of the articulation of the Local Initiatives (projects) with the Provincial Initiatives in the framework of the Inter-Provincial Mapumalanga –Maputo Agreement, as well as with the National Initiatives, like the “Maputo Development Corridor” in this specific case. The project involves strategically the provincial government and the local government (district and or municipalities) as protagonists of the processes carried out, as well as CSOs, cooperatives, women and youth groups and other stakeholders organizations interested to participate in this project.
- The project has been implemented with the participation of SIYB, ASSIST, STEP (social protection), COOP, the sub-regional office and Turin.
- The Project serves as **Laboratory** of LED experience in Mozambique.

c) Partnerships developed and consolidated

LEDAs increased their capacities to establish private/public partnership that will facilitate their sustainability. In many cases LEDAs are starting to be considered axis of development at local level. This is the case in both partnerships:

- (a) SGP/PNUD: through UNDP Mozambique – Small Grant Program/World Bank/Global Environment Facility: the project employment creation through environmental protection's projects (follow up Rio Summit)
- (b) PEET Pilot Project and the joint partnerships with UNCDF/PPFD – ADELNA and ILO

d) Capacity of the LEDAs and entrepreneurs were strengthened (SA and Mozambique):

LEDAs in other provinces and South Africa where given a set of tools (culture entrepreneurship, SIYB, project elaboration and implementation, strategic plan development, etc.) that allowed them to reinforce their internal capacities and to deliver quality service to their members. In the longer term it contributes to the creation of decent jobs at the local level.

e) Gender was mainstreamed (SA and Mozambique)

Gender balance was carefully addressed in all seminar and conference organized by the project. Indicators and Monitoring tools are sex-disaggregated. Specific gender equity activities are planned for a second phase now that the ground work (sensitization) with the LEDAs have been done.

On internal management mechanism and Knowledge sharing of the project:

f) Experiences are shared and integrated approach implemented

With the LEDA in Nampula, we are piloting an integrated project on infrastructure development, use of local material, creation of small enterprises and cooperatives. Its is a successful internal ILO integrated experience and knowledge sharing (through PEETT effective participation) and inter-agencies: UNCDF, UNDP, UNV, ILO. Local/national linkages: this project would be a show-case to be experiences in other provinces and to change national procurement and decentralization policies. The Project through the LEDAs was able to mobilize decentralized funds for the implementation of different components of the project. The objective is also to mobilize more debt relief funds that will be decentralized at the district level. (see pilot project)

g) Laboratory for LED implemented (SA and Mozambique)

A “LED Learning Laboratory for Decent Employment Creation and Income Generation” is conducted that is based on the following characteristics: Public, Private and Community Partnership (PPCP); South - South Cooperation; trans-border activities; Valorization of endogenous potentialities through existing experiences of community development; Sustainability; Territorial Approach of Intervention; Participation; Articulation of the local practice with national initiatives and sub-regional ones. The Laboratory includes learning visit to projects and institutions and serves as model for knowledge and practices sharing, ex-change of experiences.

h) Internal ILO partnerships are reinforced in order to ensure a decent work integrated approach in each country:

Coordination and collaboration agreement were established with:

- (a) The LED project offered a concrete platform for the implementation of a decent work country program at the local level through its integrated approach to job creation (PEETT)
- (b) Harare ILO Sub regional office, Poverty Employment and Empowerment Task Team (PEET, ILO Geneva):

reinforcement of synergisms between the sub-regional project and ILO programmes/expertise; providing technical assistance to the sub-regional project

(c) ILO International Training Centre – Turin (Italy): some coordination was established to design modules and material for training courses addressed to different stakeholders.

In order to consolidate an integrated approach to the decent work approach in the sub-region, several synergies and bridges were identified with the ILO ASIST program on labour intensive programs, the STEP program on the promotion of social protection to the excluded, with the Community based training initiatives, with a project for the promotion of women entrepreneurship and the knowledge sharing component of the TCRAM process.

Tables 1: Main Results

Type of Activities	Country / Place	Level of application	Description	Objective activity
Capacity Building	Mozambique - Matalane	Local - stakeholders	Training on SIYB – 30 participants (13 women; 17 men)	In Matalana: reinforcement of micro enterprises members on business management
Capacity Building	Mozambique	Local for LEDAs	Training on Project Management – 20 participants: (7 w; 13 men)	Reinforcement 5 LEDAs capacities to formulate projects
Capacity Building	Mozambique	National	LED Training in Turin - 2 women	Capacity building of ISAP (Public Administration High Institute) teaching staff on LED to introduce LED modules in ISAP curriculum for public functionaries
Capacity Building	Mozambique	Local for LEDAs	Training of Trainers on SIYB – 15 participants (3 women; 12 men)	Capacity building of 5 LEDAs on a services provision's package
Capacity Building	Mozambique-Matalane	Local	Training on Cultural development – 5 participants (2 women; 3 men)	Create a pull of trainers on cultural development techniques
Capacity Building	South Africa Mpumalanga	Local - stakeholders	Cooperatives Development – Mpumalanga Province Male = 14 Female = 13	Reinforcement capacities of public technical assistance to cooperatives
Capacity Building	South Africa Limpopo	Local - stakeholders	Cooperatives Development – Limpopo Province Male = 10 Female = 14 Disabled Group (1)	Reinforcement capacities of public technical assistance to cooperatives
Capacity Building	S.A and Mozambique	Local - stakeholders	Cultural Entrepreneurship – TOB <i>Male = 10 Female = 10</i> Disabled Group (2)	Promoting cultural development activities at community level
Capacity Building	S.A and Mozambique	Local - stakeholders	Cultural Entrepreneurship – TOT <i>Male = 12 Female = 5</i> Disabled Group (1)	Create a pull of trainers on cultural development techniques
Capacity Building	Mozambique	National	Testing LED modules - 14 national directors	Testing LED material produced by LSE, for its institutionalization in ISAP curriculum
Instit. reinforcement	Seminar ILO at Maputo	ILO internal	ILO departments (Mozambique, Geneva, Harare) and partners 35 participants	Exploring possibilities of partnership between projects/departments of ILO
Instit. reinforcement	Mozambique	Local/national international - partnership	Partnership ILO project/LEDAs network/LED Inter-sectoral Commission - CI/UNDP. 9 participants: LEDAs Executive directors 5; CI members; ILO	Exploring ILO – UNDP partnership supporting specific LEDAs necessities

			staff; UNDP staff	
Instit. reinforcement	Mozambique	Local/ national international - partnership	LEDAs Network, CI, UNDP, ILO Coordination: 15 participants 5 LEDAs presidents, members CI, staff ILO and UNDP, ILO consultant	Determinate mechanisms of inter-institutional coordination in the framework of LEDAs
Instit. reinforcement	Mozambique - LEDAs Network	Local	Executive directors of 5 LEDAs, LEDAs Network president, ILO staff. 7 participants	Situation point of LEDAs Network development and ex-changes between LEDAs
Institutional reinf.	Cooperatives Movement in Mozambique	Local - national	Cooperatives representatives, ILO staff Maputo and Geneva and partners. 29 participants	Development study on Cooperative Movement in Mozambique
Instit. reinforcement & partnerships	South Africa	Local	Small Enterprise Development Agency	Research; Capacity Building; (SIYB Programme) Local Economic Development; Cooperatives.
Instit. Reinforc & partnersh.	South Africa	National	University of Pretoria (Chair in Entrepreneurship)	Cultural Entrepreneurship
Instit. Reinforc & partnersh.	South Africa	National	University of Free State (Centre for Development Studies)	Local Economic Development
Instit. Reinforc & partnersh.	South Africa Limpopo	Local	European Commission (Limpopo LED Programme)	Training Programme (Turin Centre) LED Fund (LEDAs)
Instit. Reinforc & partnersh.	South Africa and Mozambique	Local/ sub regional	Mpumalanga /Maputo Government	Matalana Centre/Matsamo Cultural Village Transborder Project
Contracts	Mozambique LEDA Maputo	Local and sub - regional	Projects already on execution	Institutional reinforcement to: (a) Projects implementation in the framework of the partnership with SGP/PNUD (b) Support to SME creation in Matalana (c) Assistance to LED Maputo Provincial Government sub-commission and LED Trans-Border project implementation (Maputo/Mpumalanga) in

				collaboration with LEDA Nkomazi (South Africa)
Contracts	Mozambique LEDA Nampula	Local	Local enterprises creation's project on-going	Institutional reinforcement to: Implementation of laboratory projects in the framework of the partnership with UNDP-UNCDF/PPFD project, to create local enterprises for improved building local material (10 enterprises in 3 districts)
Contracts	Mozambique Matalana	Local and sub - regional	CCM : Matalana Cultural Centre	Supporting replication of the Community/Public/Private partnership (CPPP) strategy, with the assistance of the Matsamo Cultural Village (Mpumalanga/SA), in the framework of the LED Laboratory Project of ILO.
Contracts	Mozambique R. Matavele (consultant)	National and local	Discussion on intervenient participation in the CPPP(LEDA-Maputo, C.C.M. private and local community)	Supporting formulation of an operationalization and sustainability strategy for LEDAs Network
Contracts	Mozambique R. Matavele (consultant)	National	First draft discussed with LEDAs Network	Training of 30 members of micro-enterprises in Matalana
Contracts	Mozambique ISAP	National	Realized	Testing LED training modules
Contracts	Mozambique	National	Realized with the UEM – University Eduardo Mondlane	Study promoting support for cooperative movement in Mozambique
Contracts	Mozambique Matalana	Local	First seminar realized with cooperatives representatives, government and partners, receiving inputs. Matalana Cultural Centre	Reinforcement of government institutions promoting LED
Contracts	Mozambique	National and local	Realized with LED technical Unit and Inter-sector LED commission.	Supporting formulation 5 LEDAs strategic plans
Contracts	Mozambique	National	Realized. Gaetan Blais (Consultant)	Translation <i>paper</i> on LED National Platform formulation process
Contracts	Mozambique	National	Realized. Consultant	LED modules formulation for training of high level technicians and policy makers
Contracts	International	National and local	Realized. LSE (Consultant Andres Rodriguez-Pose)	Training of Trainers on SIYB for 5 LEDAs
Contracts	SIYB - Harare	Sub regional	Realized	Supporting replication of the Community/Public/Private partnership (CPPP) strategy, with the assistance of the Matsamo Cultural Village (Mpumalanga/SA), in the framework of the LED Laboratory Project of ILO.
Contracts	South Africa Limpopo	Local	Realized. LEDA Limpopo (VHEDA USD 223, 880.60. Mutale Municipality	Supporting institutional capacities of LEDA

	(VHEDA)		<i>(Infrastructure)</i>	
Contracts	South Africa Mpumlanga	Local	Realized. LEDA Mpumlanga (NKEDU) USD 223, 880.60 Dept. of Tourism <i>(Disabled Group)</i>	Supporting institutional capacities of LEDA
Resources mobiliz.	Mozambique Nampula	Local	Enterprises creation	Partners: UNDP-UNCDF/PPFD
Resources mobiliz.	Mozambique Maputo	Local	Environment protection and income generation	Partners: SGP/UNDP
Resources mobiliz.	Mozambique Manica	Local	Environment protection and income generation	Partners: SGP/UNDP
Resources mobiliz.	Mozambique Nampula Zambézia	Local	Institutional reinforcement	Partners: UNDP
Resources mobiliz.	Mozambique Nampula	Local	Technical assistance (1 UNV)	Partners: UNV
Enterprise supported	Mozambique Nampula		In process. training of members and enterprises constitution	10 local enterprises Promotion: 5 on civil construction 5 on construction materials production, using local material
Enterprise supported	Mozambique Maputo		In process enterprises promotion	Promotion of cultural and tourism enterprises in Matalana
Document	Mozambique and South Africa		Project mid term report	Situation point of initial phase of the project
Document	Mozambique	National	LED situation in Mozambique	Systematization and documentation of positive experiences developed in Mozambique by LED
Document	Mozambique	National	Justification of LED in Mozambique for the different ministries part of the LED inter-sectoral commission	Document supporting the decision making on LED process
Document	South Africa	National	Resume of LED situation in South Africa	Situation point of LED in SA
Document		National	LEDAs strategic plans	Support to LEDAs elaborating its strategic plans 2006/2008
Document	Mozambique	National	Study Case on LED National Platform formulation's process	Systematization and documentation of the LED National platform elaboration's process
Document	Mozambique	National	Study on present cooperative movement's situation in Mozambique	Cooperative promotion for local economy dinamization

Document	Mozambique	Local	Operative proposal for the constitution of a LEDA in Inhambane province	LEDA creation for LED promotion, in the framework of the LED national platform
Document	Mozambique	Local	Operative proposal for enterprises promotion in the refugees camp of Nampula	Inter-agency partnership ILO/UNHCR
Document	Angola	Local	Project proposal for LED promotion in Angola, Moxico province (reinsertion).	Support of LED for social reinsertion
Document	Mozambique	Local	LEDAs Network strategic plan	Promotion of sustainability of LEDAs network and LEDAs in Mozambique
Document	Moz. S. A. and Angola	National	Operative plans Mozambique, South Africa and Angola	Document for implementation, follow up and monitoring
Document	Mozambique, South Africa and Angola	Local	Missions reports: a)Mpumalanga b) Limpopo c)Nampula d) Zambézia e) Manica Sofala, Maputo f) Angola.	Mission report for follow up and file
Document	Mozambique and South Africa	Sub Regional	Proposal of Laboratory trans border project Mapumalanga – Maputo and Nampula.	- Project execution on LED with tourism and culture as axis of development for regional integration - Creation of local capacities of local economic dinamization through the creation of local enterprises of local material production and building
TOTAL	14 documents	86 trained p.	95 participants to seminars	14 contracts

4.4 Management and coordination

The project was initially decentralized to ILO Pretoria, as it targets three countries covered by different ILO offices in Southern Africa (ILO Pretoria, ILO Lusaka under the umbrella of SRO Harare and SRO Yaounde). However, as administrative delays for the effective implementation of the project were encountered, the project management team agreed to re-centralized the project's administrative management in Geneva. However, the centralization of the project partially solved the problem given that the implementation of the newly adopted IRIS administrative system was slowing down the whole process at the HQ. These administrative problems also considerably delayed the contracting of the National Coordinators of Angola, and consequently delayed the running of activities in South Africa (see in Annex II postponed activities) and the setback of activities in Angola. Angola is covered by the SRO Yaounde while SA and Mozambique by Harare. Communication was very difficult (Language, telephone lines, etc...) and so the project was never implemented. The dependence of UNDP offices, where ILO sub-offices are not present (like Mozambique and Angola) also contributes to some delay in the capacity of disbursement.

The initial struggling in the put in place of the project (the physical installation) and the implementation of the activities (organization of seminars and trainings) required a fair amount of flexibility from all the people in the management team at all levels. These procedures are time consuming and they aim at ensuring the transparency of the whole process. The project was fully operational with all its equipment at the beginning of 2005. In order to achieve the main objectives the original project **design** was changed by the management team (during a workshop in which the log frame was developed), and the budget re-profiled. Taking into consideration these constraints it is not surprising that reporting was not regular. Despite the lack of clear indicators, there are many activities and achievement that have been documented, and taking into account the time and administrative restrictions, the management team has produced with success a fair share of the expected outputs.

At local level, the priority is to ensure the sustainability of the LEDAs. The identification of partnerships that could bring the necessary resources to ensure operations for a few years is crucial. The capacity of LEDAs' Executive Directors (ED) in this respect as well as their ability to develop the LEDA's Network will be key for their success. As stated before, Zambezia ED never showed great interest and lacked capacities, in contrast with the ED of ADELNA that is a full time dedicated Director who has enhanced its capacities and works in close relation with the local stakeholders. The differences in the development stages reached by the LEDAs is a clear prove of the importance of the managers' skills and motivations.

5. Impact Assessment

Impacts are the overall long-term effects of a development intervention. They are the positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended. Impact assessment is a type of assessment that focuses on measuring the broad, long-term effect of a development intervention; positive or negative, primary or secondary, direct or indirect, intended or unintended.

Not every outcome of a project will have an immediate impact on the ultimate beneficiaries, in general these outcomes are a first step or a component of the final impact that the LED strategy is expected to have. Here some of these initial impacts derived from the LED project's outcomes.

Table 2: Outputs and Impact of the Project

LEVEL OF INTERVENTION	OUTCOMES	IMPACT
Sub- regional level (Moz. and SA)	LED was recognized as a catalytic of sub-regional integration (Moz-SA) through trans-border approach projects, promoting the territorial and partners articulation and cooperation	Promoting of Social Dialogue, sub-regional integration and cooperation at regional, provincial and local levels (Macro dimension)
		Youth employment
National level	The Ministry of Plan and Development (MPD) is formally including a LED unit and a mechanism of inter-sectoral coordination (the Commission) into its Platform	LED recognized as a transversal developing instrument based on the participation, coordination and multiple integration of interested stakeholders
	LED is mainstreamed into the PRSP and national	LED is considered as a tool for economic

	priorities	development, poverty reduction and successful decentralization.
	LED integrated into the UNDAF 2006-2009 (Mozambique)	LED process was integrated as an effective UN response strategy to fight poverty
	LEDAs, with ILO support were able to mobilise funds from different donors at the local level: UNDP, World Bank, DANIDA, French Embassy, SNV, UNC, UNCDF, etc.. LED Mainstreamed in the public administration curriculum through the ISAP	Strengthening the conditions for decent work creation in line with LEDAs' decent work business plans Contributing to the development of a critical mass for LED promotion
Local level	Pilot projects : PEET project : ADELNA/PPDF/ILO : Small construction enterprises, specialized in local material products, are being created and have access to funds for infrastructure development (Mozambique)	Strengthening LEDAs sustainability and local employment creation by fostering public/private partnerships Internal ILO partnership reinforced through decent work integrated approach
	Pilot trans- border Project "Tourism and Culture Promotion" (SA and Mozambique)	Identification of a local axis of development articulated to national and regional initiatives. Promotion of Social Dialogue, sub-regional integration and cooperation at regional, provincial and local levels (micro dimension)
	LEDAs' partnerships developed and consolidated Partnership with : (a) SGP/PNUD (b) UNCDF/PPDF	Improving LEDAs sustainability Youth employment
	LEDAs' and stakeholders' capacities were strengthened : Training and direct technical support (SA and Mozambique)	Improving LEDAs sustainability
	Gender balance was carefully addressed in all seminar and conference organized by the project	Gender mainstreaming

5.2 Effectiveness

LEDAs have been gaining in visibility, in credibility and in their capacities to deliver business administrative and technical services. Some of their concrete results will directly contribute to the Vulnerability Reduction in the long term.

Ownership of the LED strategy has also increased at all levels. At the local level, the stakeholders are actively participating in the process to increase their capacities in formulating and implementing integrated and decent employment creation strategies, through their participation as members of the LEDAs. The participation is guaranteed through their organisations (CSOs, NGOs, cooperatives, associations), targeting the intended beneficiaries of the project which are in particular the self-employed and micro- and small entrepreneurs operating in the informal economy, rural producers, youth, women, and their organizations.

In the case of women and youth groups, priorities are given to guarantee their involvement at LEDAs level, including a vision for HIV/AIDS impact mitigation (prevention activities, employment alternatives, inclusion of PLWHA's members of communities). The mechanisms to give priority to these groups are included in the LEDAs strategic plans, and the LEDAs composition is encouraged to actively involve women organisations.

The institutional framework for LED implementation at the local level has and is being strengthened, through training and technical assistance to the communities' organisations, as well as the structures of organisations' networks, like LEDAs.

The institutional framework at national level has and is being strengthened with the purpose of achieving their capacity to

support local LED activities, aiming to the strategic incorporation of LED in the national PRSP. In Mozambique this process is of particular relevance, considering the contingency of the post-electoral phase (December 2004) and the process of PRSP's revision (2005-2009). In Angola the LED approach has been incorporated in the national strategy for poverty reduction (2004).

The process to create sub-regional linkages and synergies between the three countries has started during the project's implementation, through the pilot project (Matalana- Mpumalanga cultural village) putting together local (trans-border projects) and national as well as sub-regional actors (SADC), through a dynamic mutual exchange of experiences process.

5.3 Efficiency

Given the initial difficulties for the administrative management of the project (see management and coordination) it is possible to affirm that the results have been produced with considerable efficiency.

Financial management

The total budget for the Project was 1,601,013 US \$. The break down of the budget allocations is a good indication of the performance in terms of financial management:

The budgetary allocation (as direct institutional support) was distributed as follow:

Mozambique: 20.000 US\$ as contract for each following: LEDA Maputo, LEDA Nampula and the Matalane Center. Therefore a total of 60.000 US\$. Those funds were used as institutional support, funding the core activities of the LEDAs. Until July 2005 the UNDP was giving the core funding and ILO agreed to take over in order to ensure the long-term LEDAs sustainability and allow them to implement the pilot projects.

South Africa: 20.000 US\$ each: Mpumalanga and Limpopo. Those funds were used for the implementation of the pilot projects.

Angola: 0 US\$

The project also co-funded with the UNDP the publication of the Strategic Plan of the LEDA Maputo and LEDA Nampula (10.000 US\$)

In addition, each LEDAs capacity were reinforced through trainings:

Mozambique: Project Cycle Management (10.000 US\$); SIYB (30.000 US\$); LED (10.000 US\$)

South Africa: Cooperative development (40.000 US\$); Cultural Entrepreneurship (with participation of Mozambican LEDAs) - 35.000 US\$; LED Training (20.000 US\$)

5.4 Sustainability

Some of the outcomes of the Project are clear steps toward the sustainability of the gains from the LED process.

At Sub-regional level: LED was recognized as a catalytic of sub-regional integration (Moz-SA) through trans-border approach projects, promoting the territorial and partner's articulation and cooperation. This is a clear step towards the sustainability of the strategy.

At National level: the fact that LED is being coordinated at national level (Mozambique), mainstreamed in the public administration curriculum, integrated into the UNDAF 2006-2009 (in Mozambique) and recognized by international donors as an effective poverty reduction and employment creation strategy, is another sign of sustainability of the process.

At the local level The most important question to be discussed remains the sustainability and replicability of the Local Economic Development Agencies, the LEDAs.

Many factors can ensure the sustainability of the LEDAs. But two key factors are essential to fulfil this goal: process and environment. The creation of a LEDA is a process that takes time and in LEDAs as in any other association, the process never ends. Organizations change, they have different evolution. Each of the LEDAs is living in a different environment and their survival and success is directly linked to their capacity of using the potentialities and capacities of their environment. The LEDAs have supported each other up to the present and the new ones took profit from the lessons learned especially from Manica and Sofala. LEDAs remain private organizations which main challenge is to generate income to survive. Up to now, the main sources of revenue, after the support from PDHL, UNDP and ILO, came from projects funded by international organizations. Those contracts are useful at the beginning of LEDAs' existence as they bring the necessary resources to ensure operations for a few years. Those contracts also give good visibility to the organization and its members. The LEDAs in **Manica** and **Sofala** will be sustainable over the next 4 years and they have the institutional and human capacity to develop a large and diversified portfolio of projects and services that can guarantee

their independence. **Maputo's** sustainability is questionable and the projects are in the process of developing should not bring them any revenues before a few months. They would need a strong support from the Network in order to develop a stronger strategy and re-centre their objectives on more realistic targets. As for **Nampula** and **Zambezia**, they have the support in capacity building of the ILO project.

LEDAs have been created and supported during their first years and even though many show clear signs of sustainability, it should not be forgiven that a mayor part of this sustainability is based in international funds. Support should not disappear, but continue to accompany this long term process.

In **South Africa** all the four LEDAs established under the UNOPS Program (including Limpopo and Mpumalanga) are funded by the national government through SEDA. The funding is linked to a business plan, which is approved by the board and SEDA annually. The business plan is based on the priorities of government and the Provincial Growth Strategy as set out by the Provincial Department of Finance, Economic Affairs and Tourism and the Integrated Development Plans (IDPs) of the Municipalities. The funding includes their operational expenses and more importantly it is linked to projects. The agencies are also involved in other income generating activities which mostly are implementation of projects on behalf of other institutions e.g. Umsovumbu Youth Fund (UYF), National Development Agency (NDA), etc. The LEDA in Limpopo is also eligible for funding from the European Union LED Project; on condition they submit good proposals for economic support to the municipalities in Vhembe district.

6. Special concerns

6.1 International labour standards

The Project is supporting the “education for work” scheme, specifically addressed to the most vulnerable groups (women, youth and unemployed), which aims to increase these groups’ employability by straightening their capacities. The project actively intervene in the “education for service delivery” that support capacity building for individual and institution to increase the quality of response to the community’s technical assistance demand for LED promotion.

6.2 Equality and gender issues

In Mozambique the Project is collaborating in the revision of the LED National platform to mainstream the gender vision. In addition, the national director of women affairs was incorporated to the Inter-sectoral Commission. At local level, LEDAs awareness have been raised in giving priority to the incorporation of women’s organisations as well as to prioritise the identification an implementation of projects addressed to women and youth organisations. In fact more than 33 % of the projects supported and implemented by the LEDAs are with and by women. Micro-credit is mainly targeting women.

Nevertheless, it has to be noticed the absolute necessity to strengthen the HIV/AIDS components in all the activities, internal and external, of the LEDAs. There can be a very strong and influential forum for advocacy and to support training on HIV/AIDS prevention.

7. Conclusions recommendations and lessons learned

Even though the primary objective of this project was the reinforcement of building capacities, its final purpose is to ensure the sustainability and continuity of the LED process in each country. The impact this project is having is definitively going in that direction. This can be better observed in each level of intervention.

At Sub-regional level (Mozambique and SA)

The Pilot trans-border Project is a key opportunity for LED to promote a territorial approach to development and integration. Not only at local level through the project, but also at provincial through the Inter-provincial Mpumalanga-Maputo Agreement and at national through the Maputo development Corridor. The trans-border LED approach involves all the strategic territorial actors.

Recommendations (R): ILO should carry on the reinforcement of the sub-regional component beyond the local level results. The ongoing local project is being used as LED Learning Laboratory and showroom of implementation. However, the LED process and catalytic of sub-regional integration (Moz-SA) behind it, which through trans-border approach projects is promoting the territorial and partner’s articulation and cooperations, should be sustained aiming to subsist.

The way in which the project support inter-provincial strategies of socio-economic and cultural integration, HIV/AIDS

impact mitigation, youth and women employment promotion in the framework of SADC should be documented and methodologies should be developed to allow replication of the project.

Lessons (L): The focus of the impact analysis should be placed on the learning process and opening of opportunities that the project has developed and supported. In addition the territorial dimension of LED and the impact on building local capacities can be well tested at all levels of intervention, in fact local experiences are useful inputs for policy making processes at national level.

National level:

The creation of a critical mass for LED promotion is being consolidated by the agreements the project has established with the ISAP (Mozambique) and the University of Free State University (SA). Both institutions are working with the LED approach's training modules. In Mozambique these have been integrated in the official training curriculum schemes for public functionaries by the ISAP (High Institute for Public Administration), that is also in charge of the translation of the material. These modules have specific contents according to each level of government the course will be directed to. In addition to the articulations done with the ENAP (Brazil), the ISAP has attended the African trainers Conference in Ghana where they have established contact with other African institutions.

R: The ISAP capacities and co-ordination mechanism with the ILO training centre should be reinforced to allow the ISAP to represent the focal academic point for LED methodologies, skills and tools transference, from LED centres (ILO/Turin), academia (LSE, etc.).

R: The ISAP works with officials at national and provincial level, for the local level, they are starting to work with the IFAPAS. This initiative should be supported and accompanied to reinforce the creation of the critical mass as well as local capacities on training of trainers.

R: The first two modules were tested in December and were very well received although it was pointed out the short time in which they were given (two days). Revise the possibility of giving these courses in two sessions to allow the participants to better internalise the course's contents. However, these courses are not easy to organise given the difficulties to agree upon a common agenda among the high level officials.

R: ILO should reinforce south-south collaboration processes that ISAP has established with the ENAP (Brasil) and other African capacity building institutions, including the Free State University (SA). Some enriching results could come up from a joint encounter.

LED coordination at national level is being formalised in Mozambique through the transfer of the CI and the LED Unit to the MDP with the consequent MOU and national assigned budget to ensure their sustainability. This, in addition to the integration of LED in the PRSPS and the UNDAF 2006-2009 (Mozambique), is a result of the government assumption of LED as strategy for poverty reduction, economic development and successful decentralization. This is a critical moment to ensure the sustainability of the LED process¹², the MAE has been the national institution accompanying the whole process, with a high appropriation of LED vision and very well trained officials (critical mass). The way the IC and the LED unit will be integrated in the MDP will be crucial for the future creation of new LEDAs and the promotion of sub-commissions.

R: The process of transference to the new ministry should be supported at least during its first phase, aiming the definition of the operative institutional framework and the relationship with the Inter-sectoral commission as well as the LEDAs

R: The ILO should find a way to escort this process and ensure that the ad hoc institution in place (IC and LED unit) will survive and be strengthening in the new structure. When formally establishing the objectives and obligations of the IC members, the operative mechanisms and regulation should ensure the definition of:

- Roles of the IC and LED Unit (Who does what)
- Indicators of achievement should
- Marketing tools (based on the indicators)
- Capacity building at all levels so to ensure the response of local and provincial level.
- Training of trainers' strategies should be pursued.

R: The capacities left behind in the MAE should not be lost. By ensuring their formal participation in the IC, the capacities built in the MAE could continue to support the LED process. In addition, training on LED strategy should be given to the

¹² Some members of the IC stated that "ILO has created a strong receptivity toward LED strategy among the ministries, but the process have not yet reached a maturation point to be able to fully take advantage of the ILO's cooperation."

official in the MDP, (two already have, as part of the IC). The officials in the MPD should be able to identify matching LED programs and donors to partner with LEDAs as well as define “vectors” for development.

L: The work done by the project and the ILO in general would be more visible with the formalisation of the process. Many of the *ad hoc* institutions will be formally established and their work documented with specific objectives and obligations of each member.

L: In a second phase of the project, the LED unit in the MDP could be used as the ILO-LED counterpart..

In terms of decentralisation process, the legal and political steps have been made, now is the time for the implementation at the local level. Districts have to be prepared to meet the challenge in found administration and policy making.

R: ILO should support the strengthening of capacities at district level to ensure the fully involvement of the LED instrument into the District strategies and operational plans (PESOD). The creation of sub-commissions at the district level should also be promoted.

L: The LED approach's implementation with nation-wide coverage is more feasible when a framework of a national decentralisation policy is already in place. LED mechanisms of implementation, like LEDAs, are instruments which support the decentralization's process, reaching an added-value in term of political sustainability. LED coordination's instances at national level (LED inter-sector commission) are very useful to support the LED debate at national and sub-regional level and the relative influence in the sectoral policies and strategies, as well as in the PRSPs.

Observation: Any LED model needs a **financial system** to support the implementation of activities. In Mozambique, despite several efforts realized in this respect (through previous programs, UNDP-FADEL) this has not yet been created. The model built by the SA government could be used as reference for Mozambique, promoting a financial system in coordination with the LED strategy. The ILO should keep working on this crucial aspect to ensure the sustainability and full implementation of the LED strategy.

Local level:

At the local level, the capacities of the LEDAs and entrepreneurs were strengthened (SA and Mozambique) through a set of tools (culture entrepreneurship, SIYB, project elaboration and implementation, strategic plan development, etc.) that reinforced their internal capacities and improved their capacity to deliver quality service to the members. The pilot projects in place are being used as showrooms to test their capacities.

The PEET pilot project is supporting the creation of local micro- enterprises in order to address infrastructure district fund into the local economy. This is a unique opportunity for ADELNA to prove its ability to reinforce local entrepreneurship and partnership development and consolidation.

R: LEDAs are still weak and need to straighten their capacities to be able to respond to the new challenge. If they meet this target their sustainability would almost be ensured. In addition, the newly created micro-enterprises or the already existing ones used to local demands are quite fragile and work with very low gain margins. The training and support may be provided in coordination with their needs to reinforce the synergies of the learning process.

R: Many of the micro enterprises, even if constituted as such are working in practice as associations based on earnings redistribution mechanisms that are not in line with a profit-led entity. This goes in line with the lack of entrepreneurial spirit among the rural population given the high level of risk aversion. This can harm the enterprises' chances of success. In consequence, enhanced effort should be made to monitor the managerial capacities of the entrepreneurs in charge of the micro enterprises as well as escort at list during the first period to control their ability to deliver.

R: Special attention must be given to ensure the support provided to the provincial government for the “procurement law” reforms, essentials to allow local contracting.

LEDAs are starting to be considered axis of development at local level and this is reflected in each of the partnership they have achieved (PEET/ADELNA; SGP/Maputo; EU/Limpopo; etc..).

R: However, this process have just started and the partnerships have to be reinforced, LEDAs need to be accompanied to be able to prove their capacities and so to ensure their sustainability. Until now, the ILO has been a continuous mediator between local actors, international donors and national and provincial authorities. In fact the Project has been the LEDAs'

network. Given the fact that the network is not operational, the retreat of the ILO can negatively affect these partnerships in this embryonic state.

L: LED has to be seen as a process, linking the local activities directly addressed to the beneficiaries with the national level, where the local experiences can support the policy-making. This process can't be planned in the short term, because the sustainability of results calls for a medium term implementation in order to produce an impact.

L: Capacity building is a critical element of development, however if the capacity building process is not accompanied by the practical application of this newly acquired knowledge, the synergies of the process may be lost.

L: Until mechanism of trust based on evidence of the LEDAs' efficiency are in place, the ILO role is crucial to ensure and support the ongoing partnerships and joint projects.

L: The identification of partnerships that could bring the necessary resources to ensure operations for a few years has been crucial.

L: It is important to prioritise strategies and activities to maintain the effective involvement of the local actors and reinforce their empowerment. Specific strategies have to be implemented to guarantee an affirmative action for women participation, access to and control of resources.

The capacity of LEDAs' Executive Directors (ED) as well as their ability to develop the LEDA's Network is key for their success. As stated before, Zambezia ED never showed great interest and lacked capacities in opposition of ADELNA ED that is a full time dedicated man very well trained and who works in close relation with the local stakeholders. In Zambezia and Nampula, the creation of the LEDAs was supported by the institutions responsible for provincial plans, UCODIN and CIDEZA. However, ADELNA was able to find synergies between the provincial's institutions in place for the promotion of decentralization (as the Investment window "Balcao unico"). In Zambezia, this was one of the main obstacles for the LEDA's development as the ED failed in give evidence of the existing synergies among these two entities instead of their overlaps. Finally, Maputo's ED has a good understanding of the challenge, and has some business strategy in mind as well as produced some interesting ideas for projects.

R: In general, LEDAs are still fragile and need to strengthen their capacities to be able to respond to the new challenges of being considered as axis of development. If they meet this target their sustainability would almost be ensured. Its role would become more pro-active, and the local actors will become natural promoters of the process. The critical mass would have been established and the perspective of the implementation of LEDAs in the remaining provinces could be foreseen.

In particular: the **Maputo's** ED and the NPC are not strongly supportive of the sustainability model based on service provision on which the LEDAs were constituted. They expect to gain revenues from small businesses the LEDA will implement by creating a stock sharing system¹³. This view is certainly inspired in the way LEDAs are managed in developed countries, however, in Mozambique LEDAs are non profit institutions and, even if their mandate will be changed, small businesses will be in an embryonic stage and should not fund the LEDA. Further analysis should be paid to the sustainability model of the LEDAs.

L: The differences in the LEDAs development stages is a clear evidence of the importance of the managers' skills and motivations.

L: The survival and success of LEDAs is directly linked to their capacity of using the potentialities and capacities of their environment, and so is important that the LEDAs executive directors to be from the region. One of the conditions for sustainability for the LEDAs is to be rooted in their human, institutional and physical environments. This is how they will be able to provide useful and profitable services.

The LEDAs' Network: The LEDA Network plays a critical role for its members in terms of representation and link with the government and the donors and as a key mechanism for inter-agency knowledge shearing and cooperation. It should also act as the monitoring unit to control if the LEDAs' statutes, based on DW, are being respected. However, despite its legalisation in Mozambique, it is still a very fragile structure that has shown problem to become operational. In SA, is the SEDA that acts as Network, and as a Government unit, has a defined function and ensured sustainability.

¹³ From an interview held with the NPC, he stated that they are not strongly supportive of the implementation of projects funded by international agencies, more in line with the NGOs modalities giving that LEDAs are not NGO. When a LEDAs support the creation of a micro-enterprise, it has to ensure at least a participation of the 30% of this enterprise's stock.

In Mozambique there is an ongoing debate on how the Network should be implemented:

On the one side, the Network presidency is seen as revolving among the LEDAs. Executive Director of the LEDA in charge for that period will be nominated the Network secretary and will have the obligations to carry on the NET activities. This strategy aims to avoid extra expenses in the constitution of the Net that will be shared among all the LEDAs given its revolving nature. On the other hand, the Network is expected to play a role in the coordination of national and local actions and as a mechanism to monitor and balance individual LEDAs' initiatives. In the actual structure there are no monitoring mechanisms in place. According to this view, the main problem is to ensure that the LEDAs' independence will not go against the main governmental strategies and that should be stated in their mandate. A permanent secretariat should be established with a permanent staff. Only the president should rotate among the LEDAs presidents. In addition each LEDAs should nominate permanent staff that would be in charge of the contact with the NET (knowledge sharing initiatives, advocacy tools i.e. newsletters, and exchange of experiences i.e. seminars etc..). Finally, many see the ILO as fundamental to the implementation of the Network as the ILO is nowadays acting as the Network.

L: The lack of interest in putting in place the Network is a result of the different development stages of the LEDAs. The ones that are more developed don't see the need or the advantages of belonging to the Network.

L: To ensure the sustainability of this process the development of a LEDA Network has to be a priority.

R: ILO should give support to find an implementation mechanism at this level. The Network should work in direct coordination with the IC to avoid direct government interventions but to ensure monitoring instruments.

Regarding integrated approaches and internal and external partnerships

Through participation in the UN working groups and joint activities with UN agencies, LED process was integrated as an effective UN response strategy to fight poverty, at the same time the LEDAs, with ILO support, were able to **mobilise funds** from different donors at the local level: UNDP, World Bank, DANIDA, French Embassy, SNV, UNC, UNCDF, etc.. Now NORAD has also expressed their interest to fund the creation of new LEDAs.

Through the pilot project, the LED Project is piloting an integrated project that has been a successful internal ILO integrated experience and knowledge sharing (through PEETT effective participation) and inter-agencies: UNCDF, UNDP, UNESCO, UNV, ILO. Local/national linkages: this project would be a show-case to be experiences in other provinces and to change national procurement and decentralization policies.

In order to consolidate an integrated approach to DW in the sub-region, several synergies and bridges were identified with ILO ASIST program (on labour intensive programs), with STEP program (on the promotion of social protection to the excluded), with the Community based training initiatives, with a project for the promotion of women entrepreneurship and the knowledge sharing component of the TCRAM process.

Coordination and collaboration agreement were established with:

- (a) The LED project offered a concrete platform for the implementation of a decent work country program at the local level through its integrated approach to job creation (PEETT)
- (b) Harare ILO Sub regional office, Poverty Employment and Empowerment Task Team (PEET, ILO Geneva): reinforcement of synergisms between the sub-regional project and ILO programmes/expertise; providing technical assistance to the sub-regional project
- (c) ILO International Training Centre – Turin (Italy): some coordination was established to design modules and material for training courses addressed to different stakeholders.

L: The synergies between ILO programs and between ILO sub regional project and projects of other agencies facilitate the optimisation of resources, increase the impact of results while facilitating fund raising (joint programming, sharing of expertise and experiences, add value to the single initiatives/projects).

Finally, gender issues were mainstreamed (SA and Mozambique) as gender balance was carefully addressed in all seminar and conference organized by the project. Indicators and Monitoring tools are sex-disaggregated. Specific gender equity activities are planned for a second phase now that the ground work (sensitization) with the LEDAs have been done.

On other issues

On the design

Concluding, the original project **design** was changed by the management team (during a workshop in which the log frame

was developed) in order to achieve the main objectives given the delays in the initial implementation of the project. The project was also proven to be **relevant** given the favourable context in the implementation countries where LED approach was identified as an adequate instrument for employment creation, poverty reduction and successful decentralization. Actually, after the strategic incorporation of LED in the national PRSP of both countries, and the collaboration in the production of Provincial Development Plans at local level, where LEDAs are producing outputs which consolidate the possibility to be considered by the government as an instrument to support the decentralization's processes, the institutional framework at all level need to be strengthened more than ever, to influence the formulation of policies and strategies for employment and income generation, SME promotion, training, LED and gender, etc.

R : In general there is still a huge dependence on the ILO, even if the training and seminar are successful, the lack of experience of “walking alone” delays the implementation of independent initiatives. At the local levels, the LEDAs declared to be insecure and needs the presence of the ILO to be reassured. At the National Level, a Member of the Inter-sectorial Commission stated that “there is an important receptivity and political conditions for the implementation of the LED strategy, but existing institutions lack the maturity to be able to take advantage of the present cooperation”

L: The implementation of any LED project has to be done bearing in mind that the LED strategy is a process difficult to frame into a program structure. It is very common that the project's time-constraints will be in discordance with the maturation periods needed by the institutions the project aims to support in a capacity building project. Is again a problem of (short term) outcomes and (long term) impacts, the only way of making sure that the later will be positive is by accompanying the whole process

On the administration

All the administrative problems faced by the project imposed a big challenge for the team that have overcome them fairly well.

(R): When administrative decentralization is planned it should be taken into account the regional dependencies and languages constraints.

8. Annexes

LIST:

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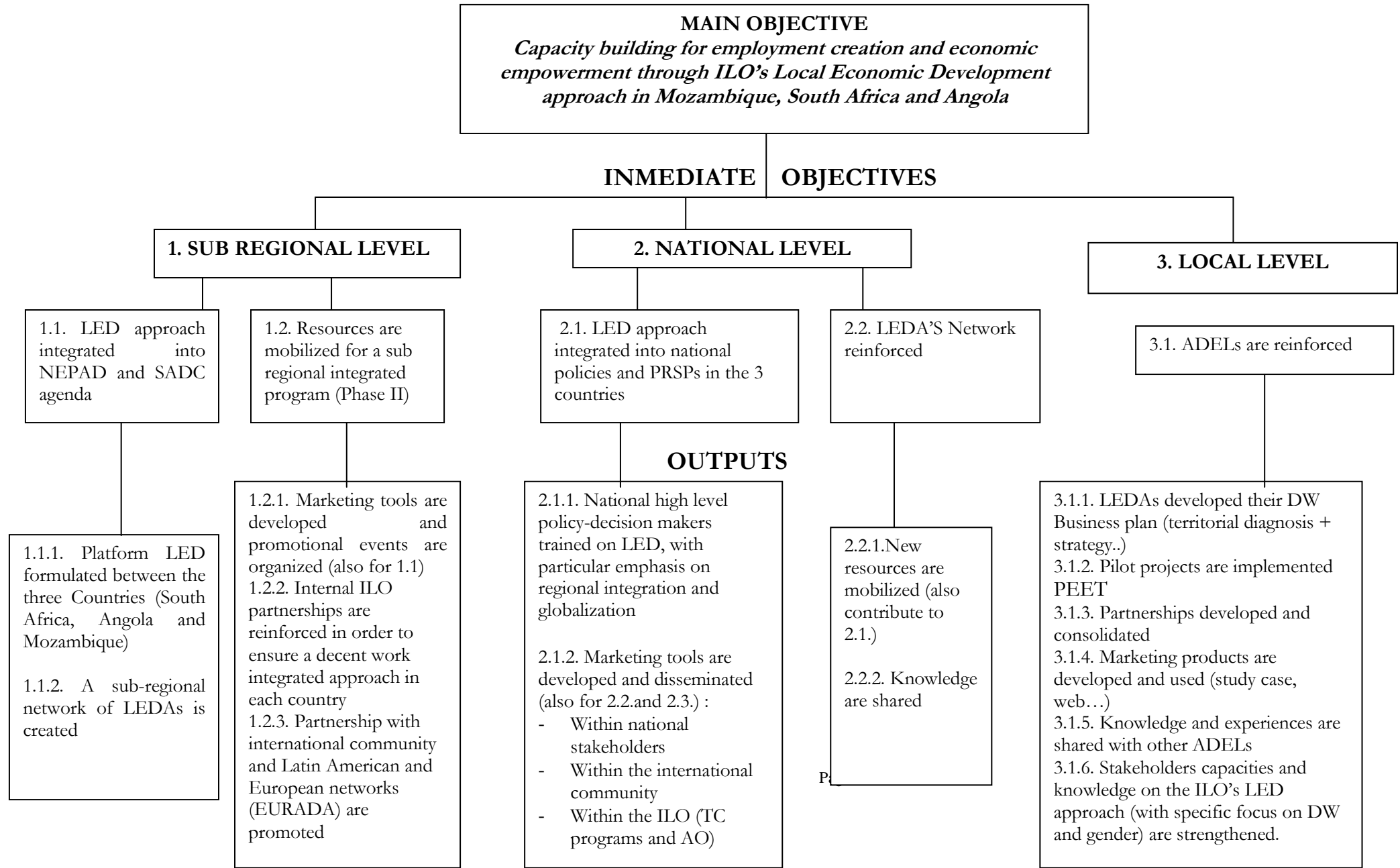
ANNEX IV - PEET PILOT PROJECT

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ANNEX I - SUB-REGIONAL PROJECT LOGICAL FRAMEWORK



ANNEX II – ACTIVITIES AND OUTCOMES

Level of Intervention	Immediate Objectives	OUTPUTS	Planned ACTIVITIES	INPUTS	Country	Resp.	OBSERVATIONS
1. Sub-regional level	1.1. LED approach integrated into NEPAD and SADC agenda	1.1.1. Platform LED formulated between the three Countries (South Africa, Angola and Mozambique)	Follow-up paper J. Soeiro SADC	M. J. Soeiro paper	MOZ	WU	<i>Completed</i>
			Position paper South Africa and Angola		SA, A		<i>Postponed indefinitely due to financial constraints (04/05)</i>
			Consolidated paper		SR		<i>Postponed</i>
			Meetings with the national SADC representatives		SR	WU	<i>Completed</i>
			Mission to SADC HQ to present first conclusions		SR	WU	<i>Postponed</i>
			Organisation Seminar on SADC and LED (with donors) - Chair by SADC				<i>Postponed untill rest of the region is ready</i>
		1.1.2. A sub-regional network of LEDAs is created	Mpumalanga-Maputo Project	Exchange meetings were undertaken (SA delegation to Moz) in 2005.	SA/MOZ	WU	<i>Completed. Paper produced (systematisation of project)</i>
			Institutional workshops at provincial level	Nelspuit Meeting	SA	WU	<i>Postponed</i>
				Follow-up meetings	SA/MOZ	WU	<i>Postponed</i>
			Sub-regional conference on LED (Closure seminar)	Program	SA/MOZ		
				Logistics			
				Venue and report			
	1.2. Resources are mobilized for an sub regional integrated program (Phase II)	1.2.1 Marketing tools are developed and promotional events are organized (also for 1.1)	Publication of SADC and LED position paper with case study	(Mpumalanga/Maputo)	MOZ		<i>Postpones. Position Paper on SADC/LED was not developed in SA. (Financial Constraints).</i>
			Laboratory/observatory	Brochure	SA/MOZ		<i>Postponned</i>
				Best practices publication	SA/MOZ		<i>Postponned</i>
				Final Workshop-KS	SA/MOZ		<i>Postponned</i>
				Newsletter (sub regional level) (see 2.1.2. and 3.1.3	SA/MOZ	NT	<i>Postponned (lack of info)</i>
				LED Web page at sub regional level	SA/MOZ		<i>Postponned (lack of info)</i>

		1.2.2 Internal ILO partnerships are reinforced in order to ensure a decent work integrated approach in each country	PEETT meetings	Workshop on poverty reduction and DW promotion through LED	MOZ	NT	March 2005
			PEETT Paper produced on "Youth employment and LED promotion"				
			Joint Pilot project STEP/LED	Training modules	MOZ	WU	Done
				Follow-up/Closure	MOZ	NT	Done
			National cooperative Seminar	Study and seminar	MOZ -SA		Done
			National cooperative law	Guide to the South Africa Cooperatives Act. 51 Cooperative Development Officers trained on different ILO Cooperatives Programmes.	SA		Final Seminar
		1.2.3 Partnership with international community and Latin American and European networks (EURADA) are promoted	Donors meetings	Partnership created with the EU LED Project in SA.			In progress
			Participation to the LED (Brazil) meeting	International seminar on ec & territorial development			SA could not participate due to language constraints.
			Individual meetings		SA/MOZ	NT	Held
2.National Level	2.1. LED approach integrated into national policies and PRSPs in the 3 countries	2.1.1. National high level policy-decision makers trained on LED, with particular emphasis on regional integration and globalization	High-Level LED training	Testing of first modules for Imp Strat Policies. Adaptation in portuguese LSE modules - by the ISAP	MOZ	WU	The testing was done in Dec 2005. A second course is planned for Feb 2006, when the adaptation of modules will be ready
			High-Level LED training	Piloting LSE new Modules in collaboration with local Free State University.	SA	EM	25 high level technician were trained. To be completed, Feb 2006. A proposal for 2 courses was send to the Center for Dev Support in May 2005, but it did not progressed.
			High-Level LED training		ANG	A	Posponed
		2.1.2. Capacities of the national LED commissions reinforced	Inter-sectorial commission meetings	Documents production on relevance of LED in Moz. Dec 2005	MOZ	WU/PR	Done at ILO LED Project

		through technical assistance	Inter-sectorial commission visits to the Provinces		MOZ	PR	Done
	2.2. LEDA'S Network reinforced	2.2.1. New resources are mobilized (also contribute to 2.1.)	Evaluation	Int. Consultant	MOZ/SA	WU/NT	
			PRODOC	LED staff	MOZ/SA	WU/NT	The strategic plan for the network was created by December 2005
		2.2.2. Knowledge are shared. Joint meetings (held in June 2005)	Newsletter	Article included UNCDF...	MOZ	NT	
			Laboratory/observatory	See above	MOZ		
			Database and institutional mapping/ Website	National Consultant	MOZ	PR/NT	
3.Local level	3.1. ADELs are reinforced	3.1.1. LEDAs developed their DW Business plan (territorial diagnosis + strategy)	Workshop organized in the LEDAs in order to develop Business plans	In MOZ with support of an international consultant.	MOZ + SA		MOZ Done (Apr-May 05). LEDAs in SA have their business plans, which are in line with priorities of government (DTI/SEDA)
			Publication Business plan	Editing, translation, mise en page...	MOZ + SA	NT	MOZ In Progress SA Case Study on Matsamo to be developed with the University of Pretoria. Feb. 2006.
	3.1.2. Pilot projects are implemented - Sub regional Maputo-Mpumalanga cultural project - Nampula PPDF/ADELNA/PEET	3.1.2. Pilot projects are implemented - Sub regional Maputo-Mpumalanga cultural project - Nampula PPDF/ADELNA/PEET	PCM and projects elaboration trainings delivered	Joint visits to Mpumalanga. LED project staff and provincial authorities from Maputo and Mpumalanga	MOZ	NT	Done
			Sub-contracts with LEDAs	Backstop. Institutional support/ Monitoring.	MOZ + SA	EM/PR /NT	Contracts signed in Nov 2005.VHEDA & NKEDU in SA
				Finacial reporting	MOZ + SA	NT	
			LEDAs train members in SIYB	SIYB Material	MOZ	NT	Done
				Coop Development Training given by Sam Mushui (ILO-Tanzania) Desabled Groups	SA (MPU&LI MP)	EM	Training has been given to 50 Coop dev officers (master trainers)
		3.1.3. Partnerships developed and consolidated	MOZ: Partnership with SGP/PNUD Partnership with UNCDF/PPFD SA: Limpopo and EU	Projects implementation in those framework SA: Support to the LEDAs to develop Project Proposals.	MOZ + SA		In place. ADELNA is doing a territorial diagnosis in 3 districts. SA in place

		3.1.4. Marketing products are developed and used (study case, web...)	Network develop their website	financial support			
		3.1.5. Knowledge and experiences are shared with other ADELs	Field visits & meetings	Interprovincial meetings between LEDAs from Maputo, Mpumalanga and Limpopo	SA+MOZ		In Progress SA Delegation visit to Mozambique, 21 to 23 September 2005.
		3.1.6. Stakeholders capacities and knowledge on the ILO's LED approach (with specific focus on DW and gender) are strengthened.	IRAP/local contracts	ASSIST Harare	SA	NT	
			SFP	Mission & SIYB Harare	MOZ	NT	
			STEP activities	Pilot project Sofala	MOZ	NT	
			ASSIST technical assistance	Mission	MOZ	NT/W U	
			SIYB micro entrepreneurs	Pilot project Nampula	MOZ	NT/W U	
			Coop training for stakeholders	TOT & TOB Desabled Groups	SA + MOZ		
			Cultural SIYB	ITC + SIYB Desabled Groups	SA	NT	TC + SIYB. Training of Trainers (17) and Training of Beneficiaries (20) completed in December 2005.
			LED training	International consultant + delivery	cf up		

ANNEX III – MAIN ACHIEVEMENTS

Type of Activities	Country / Place	Level of application	Description	Objective activity
Capacity Building	Mozambique - Matalane	Local - stakeholders	Training on SIYB – 30 participants (13 women; 17 men)	In Matalana: reinforcement of micro enterprises members on business management
Capacity Building	Mozambique	Local for LEDAs	Training on Project Management – 20 participants: (7 w; 13 men)	Reinforcement 5 LEDAs capacities to formulate projects
Capacity Building	Mozambique	National	LED Training in Turin - 2 women	Capacity building of ISAP (Public Administration High Institute) teaching staff on LED to introduce LED modules in ISAP curriculum for public functionaries
Capacity Building	Mozambique	Local for LEDAs	Training of Trainers on SIYB – 15 participants (3 women; 12 men)	Capacity building of 5 LEDAs on a services provision's package
Capacity Building	Mozambique-Matalane	Local	Training on Cultural development – 5 participants (2 women; 3 men)	Create a pull of trainers on cultural development techniques
Capacity Building	South Africa Mpumalanga	Local - stakeholders	Cooperatives Development – Mpumalanga Province Male = 14 Female = 13	Reinforcement capacities of public technical assistance to cooperatives
Capacity Building	South Africa Limpopo	Local - stakeholders	Cooperatives Development – Limpopo Province Male = 10 Female = 14 Disabled Group (1)	Reinforcement capacities of public technical assistance to cooperatives
Capacity Building	S.A and Mozambique	Local - stakeholders	Cultural Entrepreneurship – TOB <i>Male = 10 Female = 10</i> Disabled Group (2)	Promoting cultural development activities at community level
Capacity Building	S.A and Mozambique	Local - stakeholders	Cultural Entrepreneurship – TOT <i>Male = 12 Female = 5</i> Disabled Group (1)	Create a pull of trainers on cultural development techniques
Capacity Building	Mozambique	National	Testing LED modules - 14 national directors	Testing LED material produced by LSE, for its institutionalization in ISAP curriculum
Instit. reinforcement	Seminar ILO at Maputo	ILO internal	ILO departments (Mozambique, Geneva, Harare) and partners 35 participants	Exploring possibilities of partnership between projects/departments of ILO
Instit. reinforcement	Mozambique	Local/ national international	Partnership ILO project/LEDAs network/LED Inter-sectoral Commission - CI/UNDP. 9 participants: LEDAs	Exploring ILO – UNDP partnership supporting specific LEDAs necessities

		- partnership	Executive directors 5; CI members; ILO staff; UNDP staff	
Instit. reinforcement	Mozambique	Local/ national international - partnership	LEDAs Network, CI, UNDP, ILO Coordination: 15 participants 5 LEDAs presidents, members CI, staff ILO and UNDP, ILO consultant	Determinate mechanisms of inter-institutional coordination in the framework of LEDAs
Instit. reinforcement	Mozambique - LEDAs Network	Local	Executive directors of 5 LEDAs, LEDAs Network president, ILO staff. 7 participants	Situation point of LEDAs Network development and ex-changes between LEDAs
Institutional reinf.	Cooperatives Movement in Mozambique	Local - national	Cooperatives representatives, ILO staff Maputo and Geneva and partners. 29 participants	Development study on Cooperative Movement in Mozambique
Instit. reinforcement & partnerships	South Africa	Local	Small Enterprise Development Agency	Research; Capacity Building; (SIYB Programme) Local Economic Development; Cooperatives.
Instit. Reinforc & partnersh.	South Africa	National	University of Pretoria (Chair in Entrepreneurship)	Cultural Entrepreneurship
Instit. Reinforc & partnersh.	South Africa	National	University of Free State (Centre for Development Studies)	Local Economic Development
Instit. Reinforc & partnersh.	South Africa Limpopo	Local	European Commission (Limpopo LED Programme)	Training Programme (Turin Centre) LED Fund (LEDAs)
Instit. Reinforc & partnersh.	South Africa and Mozambique	Local/ sub regional	Mpumalanga /Maputo Government	Matalana Centre/Matsamo Cultural Village Transborder Project
Contracts	Mozambique LEDA Maputo	Local and sub - regional	Projects already on execution	Institutional reinforcement to: (a) Projects implementation in the framework of the partnership with SGP/PNUD (b) Support to SME creation in Matalana (c) Assistance to LED Maputo Provincial Government sub-commission and LED Trans-Border project implementation (Maputo/Mpumalanga) in collaboration with LEDA Nkomazi (South Africa)

Contracts	Mozambique LEDAs Nampula	Local	Local enterprises creation's project on-going	Institutional reinforcement to: Implementation of laboratory projects in the framework of the partnership with UNDP-UNCDF/PPFD project, to create local enterprises for improved building local material (10 enterprises in 3 districts)
Contracts	Mozambique Matalana	Local and sub - regional	CCM : Matalana Cultural Centre	Supporting replication of the Community/Public/Private partnership (CPPP) strategy, with the assistance of the Matsamo Cultural Village (Mpumalanga/SA), in the framework of the LED Laboratory Project of ILO.
Contracts	Mozambique R. Matavele (consultant)	National and local	Discussion on intervenient participation in the CPPP(LEDAs-Maputo, C.C.M. private and local community)	Supporting formulation of an operationalization and sustainability strategy for LEDAs Network
Contracts	Mozambique R. Matavele (consultant)	National	First draft discussed with LEDAs Network	Training of 30 members of micro-enterprises in Matalana
Contracts	Mozambique ISAP	National	Realized	Testing LED training modules
Contracts	Mozambique	National	Realized with the UEM – University Eduardo Mondlane	Study promoting support for cooperative movement in Mozambique
Contracts	Mozambique Matalana	Local	First seminar realized with cooperatives representatives, government and partners, receiving inputs. Matalana Cultural Centre	Reinforcement of government institutions promoting LED
Contracts	Mozambique	National and local	Realized with LED technical Unit and Inter-sector LED commission.	Supporting formulation 5 LEDAs strategic plans
Contracts	Mozambique	National	Realized. Gaetan Blais (Consultant)	Translation <i>paper</i> on LED National Platform formulation process
Contracts	Mozambique	National	Realized. Consultant	LED modules formulation for training of high level technicians and policy makers
Contracts	International	National and local	Realized. LSE (Consultant Andres Rodriguez-Pose)	Training of Trainers on SIYB for 5 LEDAs
Contracts	SIYB - Harare	Sub regional	Realized	Supporting replication of the Community/Public/Private partnership (CPPP) strategy, with the assistance of the Matsamo Cultural Village (Mpumalanga/SA), in the framework of the LED Laboratory Project of ILO.
Contracts	South Africa Limpopo (VHEDA)	Local	Realized. LEDA Limpopo (VHEDA USD 223, 880.60. Mutale Municipality (Infrastructure)	Supporting institutional capacities of LEDA
Contracts	South Africa Mpumalanga	Local	Realized. LEDA Mpumalanga (NKEDU) USD 223, 880.60	Supporting institutional capacities of LEDA

			Dept. of Tourism (<i>Disabled Group</i>)	
Resources mobiliz.	Mozambique Nampula	Local	Enterprises creation	Partners: UNDP-UNCDF/PPFD
Resources mobiliz.	Mozambique Maputo	Local	Environment protection and income generation	Partners: SGP/UNDP
Resources mobiliz.	Mozambique Manica	Local	Environment protection and income generation	Partners: SGP/UNDP
Resources mobiliz.	Mozambique Nampula Zambézia	Local	Institutional reinforcement	Partners: UNDP
Resources mobiliz.	Mozambique Nampula	Local	Technical assistance (1 UNV)	Partners: UNV
Enterprise supported	Mozambique Nampula		In process. training of members and enterprises constitution	10 local enterprises Promotion: 5 on civil construction 5 on construction materials production, using local material
Enterprise supported	Mozambique Maputo		In process enterprises promotion	Promotion of cultural and tourism enterprises in Matalana
Document	Mozambique and South Africa		Project mid term report	Situation point of initial phase of the project
Document	Mozambique	National	LED situation in Mozambique	Systematization and documentation of positive experiences developed in Mozambique by LED
Document	Mozambique	National	Justification of LED in Mozambique for the different ministries part of the LED inter-sectoral commission	Document supporting the decision making on LED process
Document	South Africa	National	Resume of LED situation in South Africa	Situation point of LED in SA
Document		National	LEDAs strategic plans	Support to LEDAs elaborating its strategic plans 2006/2008
Document	Mozambique	National	Study Case on LED National Platform formulation's process	Systematization and documentation of the LED National platform elaboration's process
Document	Mozambique	National	Study on present cooperative movement's situation in Mozambique	Cooperative promotion for local economy dinamization
Document		Local	Operative proposal for the constitution of a LEDA in Inhambane province	LEDA creation for LED promotion, in the framework of the LED national platform
Document	Mozambique	Local	Operative proposal for enterprises promotion in the refugees camp of Nampula	Inter-agency partnership ILO/UNHCR

Document	Angola	Local	Project proposal for LED promotion in Angola, Moxico province (reinsertion).	Support of LED for social reinsertion
Document	Mozambique	Local	LEDAs Network strategic plan	Promotion of sustainability of LEDAs network and LEDAs in Mozambique
Document	Moz. S. A. and Angola	National	Operative plans Mozambique, South Africa and Angola	Document for implementation, follow up and monitoring
Document	Mozambique, South Africa and Angola	Local	Missions reports: a)Mpumalanga b) Limpopo c)Nampula d) Zambézia e) Manica Sofala, Maputo f) Angola.	Mission report for follow up and file
Document	Mozambique and South Africa	Sub Regional	Proposal of Laboratory trans border project Mapumalanga – Maputo and Nampula.	- Project execution on LED with tourism and culture as axis of development for regional integration - Creation of local capacities of local economic dinamization through the creation of local enterprises of local material production and building
TOTAL	14 documents	86 trained	95 Sem participants	14 contracts

ANNEX IV - PEET PILOT PROJECT

This project will pilot the extent to which the promotion of community contracting can boost the local economy and promote the creation of decent jobs for the young people.

Background information

main stakeholders

- The ILO's LED program is implementing a sub-regional project for the promotion of Local Economic Development (LED) through national and local capacity strengthening, mainly through the LEDAs in the provinces of Nampula and Zambezia, for the promotion of decent work, gender mainstreaming, promotion of opportunities for the youth and other vulnerable groups.
- The PPF (District Planning and Finance Program supported by UNCDF) is supporting the creation and consolidation of local economies through participatory planning as a territorial instrument to fight poverty and reduce vulnerabilities. It will be based on public investment through the use of labour intensive and improved local material and sustainable management of natural resources.
- The ADELNA (Nampula's Local economic Development Agency) is a catalytic agent of the Nampula's local economy. It has the responsibility to identify local economic development potentialities, to collaborate in the implementation of interventions and to promote: protection of the environment, community participation, public-private partnership and in the inclusion of poor groups.

In this framework, the different partners agreed to design and implement a joint pilot project for the strengthening of the local capacities for the promotion of LED through the identification of local potentials, promotion of partnerships, capacity building, technical assistance, support and/or creation of associations, cooperatives, small and medium enterprises, etc.

An MOU was signed in February 2005 between ILO, PPF (UNCDF) and LEDA Nampula.

ADELNA provides a forum to encourage dialogue on LED among representatives of the local government, civil society and the private sector. ADELNA operates as a network of affiliated organizations throughout the Province of Nampula. This enables an exchange of information regarding needs, priorities and economic potential. Using the scope and strength of each organization in the local institutional and social fabric, LEDAs increase the negotiating capacity of all the members. They also make it possible to share management costs for the implementation of initiatives and projects.

In this framework, PPF and ILO agreed to join forces or assist the LEDA to contribute to poverty reduction and youth employment creation in the Province, through the creation of community small enterprises for infrastructure construction and production of local material. Those small enterprises could then implement local infrastructures.

Immediate objectives:

1) Creation of local enterprises (employment intensive) that will be sub-contracted access public work funds:

To date, most of the public works are conducted by foreign companies. This is mainly due to the fact that 1) there is a lack of local capacities and local enterprises are often non-existent; and 2) national and international rules for procurement are restrictive (enterprises need to have past contract experience of at least 100.000 USD, or in some cases, compulsory to use a company from the donor country...). Therefore, with all those funds coming at the district level, on top of many infrastructures funds allocated by external donors, there is a window of opportunity to reinforce the capacity of small entrepreneurs to access public work funds. Using decentralized allocation of funds for infrastructure development could allow to pilot improved and innovative systems and procedures for their planning and management, allowing institutional development and on-the-job learning by local bodies.

2) **Boosting the use of local material products.** The province and public works will be less reliant on external products for infrastructure development and local products enterprises and markets will be developed.

3) **Improved access to market through an infrastructure development planning exercise:** strengthening capacities for local level investment planning in the districts by introducing the Integrated Rural Accessibility Planning (IRAP) approach within the framework of the LED process. IRAP is a multi-sectoral, participatory and gender inclusive local level planning tool that enables objective prioritization of social and economic interventions. The link between good accessibility and LED is apparent as basic access is a necessary pre-condition to facilitate and stimulate the LED activities on the ground to create direct impact on poverty alleviation. On the other hand, it is very important to assess availability of LED opportunities when making decisions for investments in rural accessibility improvement. This will enable the intended beneficiaries to maximize and sustain the benefits of improved access to sustain their livelihoods as well as to be able to effectively contribute to development and maintenance of their own infrastructure and services. In the framework of the District Planning and Finance Program (PPDF – funded by UNCDF), was implemented an infrastructure component as a demonstration/show-case of the benefits of participatory planning.

4) **At the national level, this show-case will feed the debate on the reform of the procurement rules. It will also monitor by the decentralization donors group in charge of the PRSP revision. The pilot projects could therefore also change donors' priorities for infrastructure development and promote local development.**

The young entrepreneurs will be given support in order to reinforce their capacities to improve construction of local material (tiles, bricks, wood, and others);

1. Public work training on the use of local material for tiles production (Training delivered by ECOSUR, Swiss NGO, funded by UNCDF)
2. Business development training for the creation of productive units of local construction material (SIYB);
3. Business development training for local micro enterprises in construction (public and private buildings; bridges, road maintenance; wheels) using local labour intensive methods and local material, respecting the requisites and technical specificity for buildings and public works.

Effective creation of 10 small enterprises, specialized in local material through :

1. Training on public work – methods
2. Assessment of needs and markets – LED (through LEDAs)
3. Mapping of entrepreneurs – LED
4. SIYB Training (training of trainers - LEDA) – LEDA then deliver training
5. SFU – How to access micro credit to launch small business
6. ASIST – Local contracting (at district level)

Ministry of public works and District will be trained in local contracting procedures (ASIST) and participatory planning (IRAP and LED).

The Province, through its PPDF (UNCDF) will :

1. Elaborate a sustainability study for the creation of public construction micro enterprises and improved local construction material production in three pilot districts (Mecuburi, Ribaue and Erati) and management of natural resources in two other districts (Memba and Nacala-a-velha)
2. Based on the result of the study, elaborate and implement a capacity building and training program for the creation of local micro enterprises.
3. Assist the effective creation of local public work construction micro enterprises (10 in 3 pilot districts) and promotion of improved local material and management of natural resources.
4. Capacity building of technical assistant at the provincial and district level on subjects linked to LED.

5. A United Nations Volunteer to assist the ADELNA in technical management, financial, administrative and strategic, under the supervision of PPF and ILO.

The LEDA (ADELNA) will:

1. Produce sustainability studies at the selected district levels for the creation of micro enterprises counting on the support and orientation of the ILO experts to guarantee high quality studies;
2. Conduct consultancies on thematic areas for training taking as reference the ILO models and its technical assistance;
3. Facilitate both the capacity building and creation of local micro enterprises in:
 - a) Production of local material for civil construction
 - b) Civil construction using local labour intensive methods
 - c) Start and improve your Business (SIYB)
 - d) Local contracting
4. LEDAs leaders and staff will be trained as SIYB trainers to be able to train future entrepreneurs.
5. Elaborate a management and monitoring system of the micro enterprises and **works** created to guarantee its development sustainability;
6. Proceed to the capacity building of the public technicians at the provincial and district level in curricula linked to LED;
7. Elaborate project proposals of income generation activities in the districts.

2) An ILO Integrated approach to poverty reduction and employment creation through Local development (PEETT):

- The Employment Sector of the ILO has developed different actions and strategies in contributing to poverty-reducing employment creation. From these they know that coordinating their action will result in improved employment generation performance on the ground, and produce more poverty reduction for the effort and resources invested. Accordingly, they have been exploring possibilities for working more closely together:
- The PEETT team has such a range of tools for delivering their approaches that the emphasis should be on adding value to key tools currently available, more than on thinking of creating new ones. The issue is to get the tools out there in a way where a broader audience can use them, provide some sort of a road map to guide local development actors, so that they know what tools are appropriate for their situation and where to find these.
- The LEDAs in Mozambique are developing their strategic plan for 3 years with specific emphasis on their decent work gaps and needs to build their capacities. A detailed capacity building programme to improve the local level relevance and outreach of employment creation and poverty reduction strategies and policies is being developed.

In this framework, this pilot project is a concrete PEETT experience at the field level. Different tools and approaches will be integrated and tested. The objective of the collaboration is to articulate and optimize all the capacities and experiences of ILO: SRO Harare, ASIST Africa, PEETT-Geneva, LED Sub-regional project. The territorial integrated and articulated vision will support the establishment of collaboration's agreements with the governments, as well as, national and international institutions at sub-regional, national and local level.

EXPECTED RESULTS

Effective creation of 10 small enterprises through:

- The combination of SIYB training to small entrepreneurs with local contracting tools given to the district official will contribute to local development through creation of decent jobs
- The importance to put in place process for SME to have access to financial services (SFP component)

- A participatory planning process such as IRAP and LED territorial diagnosis ... markets and need assessment

Public-private partnerships are reinforced through the district sub-contracting small enterprises for public work:

- Infrastructure as a catalysis of local economic development and public/private partnership
- IRAP tool and participatory planning contribute to the empowerment of local community. (etc...)
- Does it make a difference when districts official are trained on local contract procedure
- Can the LEDA, through its forum and networks, contribute to more local contracts
- Can more Local contracts be delivered to local enterprises using local material

Sustainability of the LEDAs:

- Political and social recognition: LEDAs are recognized as representative organizations, operating in the interest of the province and trusted by its inhabitants.
- Technical capacity: They have the required expertise to provide demand-driven services to a wide range of clients from the public and private sectors.
- Financial autonomy: LEDAs are not donor dependent, nor donor driven. They can generate income through fee-based services to clients, management of a credit fund, contracting arrangements with international organizations or governmental structures, membership fees, joint ventures and cost effective partnerships. Given its legal status, the LEDA remains a non-profit organization investing surplus income in development projects.

At the National level:

Decentralisation policy is reinforced:

- How to mobilize debt relief funds at local level?
- Can local authorities create growth and decent jobs ?
- How local agency (LEDA...) can make a difference in local economic development?
- Linkages between decentralization process, Poverty Reduction - Leveraging the innovations piloted at local level as real-time policy experiments so as to influence national decentralization policy and support wider replication.

Public/Private partnership are seen as priority in government procurement rules

- How to mobilize debt relief decentralized funds ?
- Can a pilot project contribute to the reform of the procurement national law?
- How to influence donors to prioritise local entrepreneurs for infrastructure development?
- How to change Procurement rules?

INDICATORS

At district/community level:

- 40% of district budget for infrastructure (in 3 pilot districts) allocated to local small enterprises
- 20% of material used for infrastructure development is local material (produce in the province)
- Rate of unemployment in district reduced (gender disaggregated)
- Local government staff understanding of the decent work approach and local economic development for their province (Interviews)

- Replication of this pilot experience to other provinces : Zambezia, Cabo Delgado
- Local community perceptions and degree of satisfaction of projects (interviews)
- Capacity of the community to operate and maintain the services and facilities
 - The contribution of the community projects on national and donors priorities
 - Satisfaction derived by the communities (levels of service and facility utilization);
 - Replication of experiences in other projects and training institutions

At national level:

- Decree/Procurement law changed, streamlined
- Donors (EU, WB, etc..) include in contracts guidelines conditions to sub-contract local contractors

Factors to be taken into considerations:

- Level of enterprise before training
- Access to financial services to start their business
- Technical assistance provided after the training

IMPLEMENTATION

Institutional reinforcement to: LEDA Nampula

Implementation of laboratory projects in the framework of the partnership with UNDP-UNCDF/PPFD project, to create local enterprises for improved building local material (10 enterprises in 3 districts). Local enterprises creation's project on-going

Resources mobilization through LEDAs

Enterprises creation: **20,000. Partners:** UNDP-UNCDF/PPFD

Institutional reinforcement: **52,000. Partners:** UNDP

Enterprises supported/promoted

Promotion of 10 local enterprises:

a) 5 of construction b) 5 of construction materials production, using local material : In process training of members and enterprises constitution

ANNEX V- SOCIO ECONOMIC CONTEXT

Mozambique is one of the few African countries moving clearly away from a « relief » towards an economic « development » phase. The country's economic performance has been supported by the transformations of the peace process and the market liberalization strategy of the Government of Mozambique since 1987. With an average growth rate of 9% between 1995-2001 in a non-inflationary environment, Mozambique seems to overcome 17 years of armed conflict (UNDP: Mozambique – Report on the Millennium Development Goals, August 2002). The country achieved significant success in stabilising the economy and a relatively diversified export structure points to a favourable position for future development. Also the fact that Mozambique has qualified for debt relief under HIPC II by the IMF and World Bank is a promising sign.

However, Mozambique remains one of the poorest countries in the world with human development index rank of 170 of out 173 countries in 2002. On the micro-level, there is a slow response of poverty to Mozambique's high rate of macro-economic growth. The 1997 Population Index indicates that more than 70% of the population lives below the poverty line (0,40\$/day). Factors that influence the incidence of poverty are the significant urban/rural and provincial disparities. Poverty ranges from between 87,9% in Sofala and 47,8% in Maputo City. The incidence of poverty is largely rural, due to the unbalanced growth and differences in access of health and education.

Poverty in Mozambique can be attributed to several key determinants: poor education levels, low agricultural productivity, lack of employment opportunities and infrastructural constraints with poor access to markets and communication. The situation in the labour market is characterized by the fact that 80% of workers are employed in the agricultural sector and the majority of the population of working age having only very limited formal qualifications. The actual illiteracy rate is about 60,5% in average with a female illiteracy in rural areas of over 85% (Ministry of Education, Report of Literacy and Adult Education in Mozambique 2000).

The Government of Mozambique in "The Action Plan" has therefore identified education, infrastructure, rural and employment development as fundamental areas of action for the Reduction of Absolute Poverty 2001-2005 (PARPA). The overall objective is the reduction of poverty to 50% in 2010.

Angola is a potentially wealthy country with substantial natural resources. The country has enormous resources of oil, gas and diamonds as well as considerable prospects for hydroelectric power, adequate rainfalls and high agricultural and fishing potential. However, civil war over the past 25 years has dramatically retarded economic development. After the formal ceasefire agreement signed in April 2002, Angola is faced with the challenge of post-war reconstruction and a difficult double transition: from war to peace and from a state-controlled to a market economy with greater popular participation.

The prolonged conflict in Angola has had profound impact on all aspects of social and economic life. It has contributed to the mismanagement of natural resources, widespread poverty, corruption, postponed elections, and regional destabilization. Angola is one of the poorest countries in the world; with over two thirds of the population living in poverty, it ranks 13th from the bottom on UNDP's Human Development Index for 2002. Lack of substantial economic activity other than oil and diamond extraction, and low agricultural productivity due to uncertain land tenure policies and the presence of landmines, has left most Angolans without access to sustainable incomes and basic services. In 2002, only 38% of the population had improved access to water sources. Illiteracy among Angolan men is 64% and among women 77%. UN data indicate that the HIV prevalence rate in expectant mothers rose from 3,4% in 1999 to 8,6% in 2002. Actually, the Angolan Government spends 1,4% of GDP on health as compared to 33,3% on Dept servicing. Available data indicates that urban and rural living conditions have worsened also due to the massive influx of returning refugees and internally displaced persons (IDPs). By end-2002, some 120,000 refugees and 1,100,000 IDPs had returned to their areas of origin, with an average rate of return holding steady at about 10,000 per day.

The Angolan government is pursuing its development goals with several policies addressed in the Poverty Reduction Strategy Paper (PRSP). Priorities are the promotion of pro-poor growth through rural development, the delivery of health and education services in order to expand the human capital base and the rehabilitation of social and economic infrastructure. A number of steps towards institutional reform, particularly towards decentralization of the state administration, are also taken.

Since the end of apartheid, and the installation of a democratic government, **South Africa** has made significant progress toward closing the gap between historically privileged white and disadvantaged non-white groups through major institutional changes. South Africa's economic growth averaged a small 1,8% from 1980 to 2000, but has accelerated recently and displays positive trends.

Despite South Africa being an upper-middle-income country, inequality ranks among the highest in the world. South Africa is ranked as the third most unequal society in the world, surpassed only by Brazil and Guatemala. South Africa's rate of poverty is 45%, with nearly 60% of the black population living below the poverty line compared to 3% of whites. The richest of all South Africans earn 53% of income, while the poorest 20% earn only 3,1% of total household income (Unisa BMR 2000). Between 1991 and 1996, the incomes of the poorest 50% fell by 21%, while the richest 10% held roughly constant. (UNDP Human Development Report, South Africa, 2000). South Africa's high poverty rate and inequality are primarily due to apartheid's legislation with its rural landownership pattern. 86% of the best land is held by white farmers. In 1994, the government introduced a land-reform programme, including redistribution, restitution and a tenure reform promising to redistribute 30% of agricultural land by 1999. However, less than one percent of farmland has changed hands from white to black so far. Rural poverty is rooted in landlessness, but sharply worsened by the related lack of basic services such as clean water, sanitation and healthcare. 33% of South African children are stunted due to malnutrition, the country has the biggest population living with HIV/AIDS in the world and as well as the international leading position in crime rates. The priority public concern of the South African population, however, is the remarkably high unemployment (Afrostat Survey 2003). In 1998 it was measured at 39% (StatsSA, 2000) and officials acknowledged that the rate was as high as 47% in some rural areas. The informal sector in South Africa absorbs only a very small 19% of the workforce by developing country standards (StatSA, October Household Survey 1999). The South African Government has clearly recognised the developmental and pro-poor responsibility of municipalities in the 2002 paper "Refocusing Development on the Poor". It includes the Reconstruction and Development Programme LED mandate which emerged in the African National Congress campaign platform during the 1994 first democratic election in South African history. After extensive internal study, the South African Government categorised six developmental LED strategies which it made a commitment to supporting: community-based development; linkage; human capital development; infrastructure and municipal services; leak-plugging in the local economy; and retaining and expanding local economic activity.

Also the governments of Mozambique and Angola have adopted the LED approach as a means for local employment creation and poverty reduction. In Mozambique, a national LED policy is currently being formulated through an extensive dialogue with local and national stakeholders. In Angola a Cabinet in support to Regional Development has been set up in order to facilitate the replication of LED experiences to other provinces and national funds have been reserved for this purpose.

Despite these promising national initiatives, the impact in terms of income generation and job creation locally is still limited. Decentralization offers a great opportunities for better matching of employment creation and development strategies with local needs and an increased participation of communities, NGOs and private sector representatives in decision making processes. However, decentralization is still young and local capacities not yet fully in place. Local governments are faced with new responsibilities but these are not sufficiently accompanied with the necessary transfer of capacities and resources to the local level, especially in the remote and rural areas. Informal economy operators and rural producers are often weakly organized and not prepared to take part in decision making on the development of their territory. Organizations providing support in enabling access to financial services, business support services and other forms of economic empowerment encounter difficulties in reaching out to the producers, workers and entrepreneurs most in need such as youth, women, people affected by HIV/AIDS and disabled persons.

Within each of the three countries, development discrepancies between regions, rural and urban areas and different population groups become more prominent. A weak coherence and coordination of development initiatives affects negatively their impact. On the other hand, economic regionalization within Southern Africa facilitates cooperation and joint development initiatives, for example within the overall framework of the SADC and the "Maputo Development Corridor Initiative" in South Africa and

Mozambique. However, it remains difficult for micro, small and medium sized enterprises to benefit directly from such important investments.

ANNEX VI: ACTIVITIES WORKPLAN BY ADELS

MOZAMBIQUE

ADELNA

Local capacity building activities workplan:

	Calendar	Partner	Implementation	Target group	Content training/Input	Budget
Baseline survey in the 3 districts	October 2005	LEDA	ILO (local consultant)	Households		4500 \$US
1) Needs and market assessment – IRAP ??	June 2005	UNCDF	LEDA Nampula		LEDA will make a market needs assessment and prepare a database with all the needed information.	LEDA contract
2) Capacity Building on Project elaboration, monitoring and evaluation	July 2005	ILO	LED Program	LEDA Nampula	Allow LEDA to assist its members to formulate project proposal and to mobilize resources	5.000 \$US
2) Training on public work	July/August 2005	UNCDF	ECOSUR (Swiss NGO)	Entrepreneurs	Use of local material for production of tiles	UNCDF
3) Capacity building on creation and management of micro enterprises	October 2005	ILO	LEDA Nampula	Entrepreneurs	SIYB Training modules	2000 \$US
4) Capacity building on procedure and conditions to access micro-credits	November 2005	ILO (SFP)	ILO (SFP)	LEDA Nampula/Entrepreneurs	A workshop will be organized introducing the modalities to access financial products from MFI.	1000 \$US
4) Capacity building on local contracting procedures	November 2005	ILO	ILO (ASSIST)/UNV	District Entrepreneurs LEDA		10000 \$US
5) Ongoing technical assistance to the small enterprises	Up to February 2006	ILO/UNCDF/PPDF/LEDA	LEDA	LEDA Entrepreneurs District	LEDAs	2000 \$US
6) Staff Monitoring	Up to February					
7) Steering committee	3 times					3000 \$US

meeting						
8) Knowledge sharing workshop	February 2006	ILO/UNC DF/LEDA				8000 \$US
TOTAL						

SOUTH AFRICA

MPUMALANGA – MAZAMO CULTURAL VILLAGE: August 2005 to February 2006

Activities	Justification	Expected Outputs	2005					2006		Comments
			A	S	O	N	D	J	F	
Project Implementation: Cooperative Members Awareness Raising	Inform the members about the benefits and the legal requirements.	Members have knowledge of cooperatives and they participate in the project.	Not be implemented.							The business is already registered and the Employees have a Trust.
Skills audit of the beneficiaries	To determine the availability of skills and determine the needs.	To evaluate the availability, needs and gaps of their skills.						●		Delay in signing the contract (Nov. 05)
Skills training	To capacitate beneficiaries	Capacity Building							●	Delay in signing the contract (Nov. 05)
Registration of the Cooperative for staff members	Compliance with the Cooperative Law	Registered service cooperative	The business is already registered and the Employees have a Trust.							Not be implemented.
Research on Swazi Culture and Language	To market the products of members	Document and Promote the culture							●	Delay in signing the contract (Nov. 05)
Training on story telling or narration	To capacitate beneficiaries	Capacity Building							●	Delay in signing the contract (Nov. 05)
Training on traditional music instruments	To capacitate the beneficiaries	Capacity Building							●	Delay in signing the contract (Nov. 05)
Cultural Entrepreneurship Training by the University of Venda.	To capacitate beneficiaries	Members are trained on cultural entrepreneurship					●			Completed, training was done by ILO SIYB Master Trainer.
HIV/AIDS training	Cooperatives in the fight against HIV/AIDS	Members understand the impact of HIV/AIDS					●	●		HIV/AIDS component was included in the above training. In the 2 nd Phase more work will be done in collaboration with the ILO HIV/AIDS in the Workplace Project.
Project Implementation: Management	Enable the representative of	Capacity Building							●	To be done, however there are

Corporate Governance Training	the staff to participate in the board of the company									time constraints.
Cooperative Management Skills Training	To capacitate the institution	Staff representative can manage the cooperative	No longer required, irrelevant to the current legal framework of the project.							The resources will be used for skills training, to be defined during the skills audit.
Samora Machel Commemoration	Promotion of Culture and marketing	Marketing of the cultural village			●					Was not done as the contract was signed in Nov 05, and the commemoration is done on the 16 th of October annually.
Launch of the Cultural Village – Transborder Project linking projects in Limpopo and Maputo Province.	Promotion of Culture and marketing	The cultural village is launched linked with other initiatives					●			To be defined, however there are time constraints
Project Management Fee and Mentoring post implementation phase (6 months)	Capacity Building and to ensure sustainability	The project is implemented	●	●	●	●	●	●	●	Ongoing, post the project implementation.

LIMPOPO: TSHANDAMA ARTS AND CULTURE CENTRE: August 2005 to February 2006

ACTIVITY	JUSTIFICATION	2005				2006			Comments
		A	S	O	N	D	J	F	
Project Implementation: Cooperative Members Awareness Raising	Inform the members about the benefits and the legal requirements.						●	●	To be completed.
Skills audit of the beneficiaries	To determine the availability of skills and determine the needs.						●		In progress.
Skills training	To capacitate beneficiaries			●	●	●	●	●	To be completed.
Adult literacy training	To capacitate beneficiaries	●	●						To be completed.
Registration of the Cooperative – Service Cooperative	Compliance with the Cooperative Law	Not to be completed.							The Business is already registered as a Cooperative, with the assistance from Limpopo Government (Cooperatives Unit).
Establishment of an Art Gallery at Tshandama Arts & Culture Centre	To market the products of members			●					To be completed, however there are time constraints.
Organize the cultural groups to be part of the centre	Promotion of culture and marketing	●	●						In Progress, started in December 2005.
Cultural Entrepreneurship Training by the University of Venda.	To capacitate beneficiaries					●			Completed, the course was done by the ILO SIYB Master Trainer.

HIV/AIDS training	Cooperatives in the fight against HIV/AIDS					●			HIV/AIDS component was included in the above training. In the 2 nd Phase more work will be done in collaboration with the ILO HIV/AIDS in the Workplace Project.
Project Implementation: Management Appointment of the Arts & Culture Centre Manager by the Municipality	Management of the Centre	●							Completed, the LED Officer at Mutale Municipality has been seconded to assist the Centre as the Manager.
Cooperative Management Skills Training	To capacitate the institution	●							Completed, the management has participated in the Cooperatives Training offered by the ILO (SAM Mshiu) in Limpopo Province.
Business Skills Training	To capacitate the institution	●	●	●	●	●	●	●	To be completed, however there are time constraints.
Export Orientation Course – Course offered by SEDA and NAFCOCOJCCI	To capacitate the institution and assist in developing markets							●	To be completed, awaiting the date from SEDA.
Heritage Day celebration hosted by the Centre	Promotion of Culture and to pilot the capacity of the centre		●						Was not done as the contract was signed in Nov 05, and the celebration on the 24 th of September annually.
Launch of the Arts and Culture Project – Transborder Project linking Mpumalanga and Maputo Province and official hand over of the project to the beneficiaries	Promotion of Culture					●			To be defined, however there are time constraints.
Project Management Fee and Mentoring post implementation phase (6 months)	Capacity Building and to ensure sustainability								Ongoing, post the project implementation.

ANNEX VII – PROJECT DOCUMENT

INTERNATIONAL LABOUR ORGANIZATION TECHNICAL COOPERATION SUMMARY PROJECT OUTLINE

Capacity building for Employment Creation and Economic Empowerment through ILO's Local Economic Development Approach in Mozambique, South Africa and Angola

1. Background and justification

1.1 Problem analysis

Mozambique is one of the few African countries moving clearly away from a « relief » towards an economic « development » phase. The country's economic performance has been supported by the transformations of the peace process and the market liberalization strategy of the Government of Mozambique since 1987. With an average growth rate of 9% between 1995-2001 in a non-inflationary environment, Mozambique seems to overcome 17 years of armed conflict (UNDP: Mozambique - Report on the Millennium Development Goals, August 2002). The country achieved significant success in stabilizing the economy and a relatively diversified export structure points to a favourable position for future development. Also the fact that Mozambique has qualified for debt relief under HIPC II by the IMF and World Bank is a promising sign. However, Mozambique remains one of the poorest countries in the world with human development index rank of 170 of out 173 countries in 2002. On the micro-level, there is a slow response of poverty to Mozambique's high rate of macro-economic growth. The 1997 Population Index indicates that more than 70% of the population lives below the poverty line (0,40\$/day). Factors that influence the incidence of poverty are the significant urban/rural and provincial disparities. Poverty ranges from between 87,9% in Sofala and 47,8% in Maputo City. The incidence of poverty is largely rural, due to the unbalanced growth and differences in access of health and education.

Poverty in Mozambique can be attributed to several key determinants: poor education levels, low agricultural productivity, lack of employment opportunities and infrastructural constraints with poor access to markets and communication. The situation in the labour market is characterized by the fact that 80% of workers are employed in the agricultural sector and the majority of the population of working age having only very limited formal qualifications. The actual illiteracy rate is about 60,5% in average with a female illiteracy in rural areas of over 85% (Ministry of Education, Report of Literacy and Adult Education in Mozambique 2000).

The Government of Mozambique in "The Action Plan" has therefore identified education, infrastructure, rural and employment development as fundamental areas of

action for the Reduction of Absolute Poverty 2001-2005 (PARPA). The overall objective is the reduction of poverty to 50% in 2010.

Angola is a potentially wealthy country with substantial natural resources. The country has enormous resources of oil, gas and diamonds as well as considerable prospects for hydroelectric power, adequate rainfalls and high agricultural and fishing potential. However, civil war over the past 25 years has dramatically retarded economic development. After the formal ceasefire agreement signed in April 2002, Angola is faced with the challenge of post-war reconstruction and a difficult double transition: from war to peace and from a state-controlled to a market economy with greater popular participation.

The prolonged conflict in Angola has had profound impact on all aspects of social and economic life. It has contributed to the mismanagement of natural resources, widespread poverty, corruption, postponed elections, and regional destabilization. Angola is one of the poorest countries in the world; with over two thirds of the population living in poverty, it ranks 13th from the bottom on UNDP's Human Development Index for 2002. Lack of substantial economic activity other than oil and diamond extraction, and low agricultural productivity due to uncertain land tenure policies and the presence of landmines, has left most Angolans without access to sustainable incomes and basic services. In 2002, only 38% of the population had improved access to water sources. Illiteracy among Angolan men is 64% and among women 77%. UN data indicate that the HIV prevalence rate in expectant mothers rose from 3,4% in 1999 to 8,6% in 2002. Actually, the Angolan Government spends 1,4% of GDP on health as compared to 33,3% on Dept servicing. Available data indicates that urban and rural living conditions have worsened also due to the massive influx of returning refugees and internally displaced persons (IDPs). By end-2002, some 120,000 refugees and 1,100,000 IDPs had returned to their areas of origin, with an average rate of return holding steady at about 10,000 per day.

The Angolan government is pursuing its development goals with several policies addressed in the Poverty Reduction Strategy Paper (PRSP). Priorities are the promotion of pro-poor growth through rural development, the delivery of health and education services in order to expand the human capital base and the rehabilitation of social and economic infrastructure. A number of steps towards institutional reform, particularly towards decentralization of the state administration, are also taken.

Since the end of apartheid, and the installation of a democratic government, **South Africa** has made significant progress toward closing the gap between historically privileged white and disadvantaged non-white groups through major institutional changes. South Africa's economic growth averaged a small 1,8% from 1980 to 2000, but has accelerated recently and displays positive trends.

Despite South Africa being an upper-middle-income country, inequality ranks among the highest in the world. South Africa is ranked as the third most unequal society in the world, surpassed only by Brazil and Guatemala. South Africa's rate of poverty is 45%, with nearly 60% of the black population living below the poverty line compared to 3% of whites. The richest of all South Africans earn 53% of income, while the poorest 20%

earn only 3,1% of total household income (Unisa BMR 2000) Between 1991 and 1996, the incomes of the poorest 50% fell by 21%, while the richest 10% held roughly constant. (UNDP Human Development Report, South Africa, 2000). South Africa's high poverty rate and inequality are primarily due to apartheid's legislation with its rural landownership pattern. 86% of the best land is held by white farmers. In 1994, the government introduced a land-reform programme, including redistribution, restitution and a tenure reform promising to redistribute 30% of agricultural land by 1999. However, less than one percent of farmland has changed hands from white to black so far. Rural poverty is rooted in landlessness, but sharply worsened by the related lack of basic services such as clean water, sanitation and healthcare. 33% of South African children are stunted due to malnutrition, the country has the biggest population living with HIV/AIDS in the world and as well as the international leading position in crime rates. The priority public concern of the South African population, however, is the remarkably high unemployment (Afrostat Survey 2003). In 1998 it was measured at 39% (StatsSA, 2000) and officials acknowledged that the rate was as high as 47% in some rural areas. The informal sector in South Africa absorbs only a very small 19% of the workforce by developing country standards (StatSA, October Household Survey 1999). The South African Government has clearly recognised the developmental and pro-poor responsibility of municipalities in the 2002 paper "Refocusing Development on the Poor". It includes the Reconstruction and Development Programme LED mandate which emerged in the African National Congress campaign platform during the 1994 first democratic election in South African history. After extensive internal study, the South African Government categorised six developmental LED strategies which it made a commitment to supporting: community-based development; linkage; human capital development; infrastructure and municipal services; leak-plugging in the local economy; and retaining and expanding local economic activity.

Also the governments of Mozambique and Angola have adopted the LED approach as a means for local employment creation and poverty reduction. In Mozambique, a national LED policy is currently being formulated through an extensive dialogue with local and national stakeholders. In Angola a Cabinet in support to Regional Development has been set up in order to facilitate the replication of LED experiences to other provinces and national funds have been reserved for this purpose.

Despite these promising national initiatives, the impact in terms of income generation and job creation locally is still limited. Decentralization offers a great opportunities for better matching of employment creation and development strategies with local needs and an increased participation of communities, NGOs and private sector representatives in decision making processes. However, decentralization is still young and local capacities not yet fully in place. Local governments are faced with new responsibilities but these are not sufficiently accompanied with the necessary transfer of capacities and resources to the local level, especially in the remote and rural areas. Informal economy operators and rural producers are often weakly organized and not prepared to take part in decision making on the development of their territory. Organizations providing support in enabling access to financial services, business support services and

other forms of economic empowerment encounter difficulties in reaching out to the producers, workers and entrepreneurs most in need such as youth, women, people affected by HIV/AIDS and disabled persons.

Within each of the three countries, development discrepancies between regions, rural and urban areas and different population groups become more prominent. A weak coherence and coordination of development initiatives affects negatively their impact. On the other hand, economic regionalization within Southern Africa facilitates cooperation and joint development initiatives, for example within the overall framework of the SADC and the "Maputo Development Corridor Initiative" in South Africa and Mozambique. However, it remains difficult for micro, small and medium sized enterprises to benefit directly from such important investments.

1.2 National Development Context

1.2.1 National Development Frameworks

In accordance to the widespread development approach that places the main responsibility for policy design and implementation in the hands of the developing countries' Governments, the Government of **Mozambique** embarked in the formulation of a Poverty Reduction Strategy paper (PRSP). The Government's Action Plan for the Reduction of Absolute Poverty (PARPA) 2001-05 aims to substantially reduce the levels of absolute poverty in the country from 70% of total population (1997) to 50% in 2010. Strong and broad-based growth with poverty reduction is then the main goal of Mozambican's economic policy. To attain this objective, the Government is committed to maintain financial discipline, improving the environment for the expansion of private sector activities, and fostering development of a strong export base through liberal trade and investment policies. Key elements of the Government strategy include: an increase in public savings through mobilisation of revenue and rationalisation of expenditures; improvement in the efficiency of public-sector operations; further development of the financial system; and finally, a legislative reform aimed at increasing economic security and reducing the cost of conducting business.

Awareness of the need for integrated approaches made agricultural, agro-industrial and industrial policies to be considered within a broader setting of territorial economic development strategies given that their economic impacts are so closely related. The Mozambican economy is mainly rural; agriculture is a main source for employment and income generation. Consequently, agriculture still remains the starting point for any development strategy. The promotion of agro-industry is an enabling factor for agriculture and rural development and the growth of employment. It is a key element given that it expands the market for agricultural products, contributing to the expansion of agricultural investment and employment, in addition agro-industries, in themselves, can create many rural and urban jobs.

The poverty reduction strategy is based on six priorities that should ensure an inclusive

development process: education and health basic infrastructure provision; agricultural and rural development; transport and communications infrastructure, including roads, railways and ports, coastal shipping services and postal services and telecommunications; enabling environment for enterprises through fiscal reforms and investment promotion policies; good governance; and macroeconomics and financial stability.

The ILO assists the Ministry of Labour, the Social Partners and other stakeholders in the elaboration of an Employment and Vocational Skills Development Strategy. It is intended that this strategy will contain a chapter on local level implementation that links up with the national LED policy.

The Government of **South Africa** has given itself a "LED mandate" which is translated through its support to LED strategies involving community based development; linkage; human capital development; infrastructure and municipal services; leak-plugging in the local economy; and retaining and expanding local economic activity.

The Government of **Angola** has adopted the LED approach as developed through the PDHI at national level and has started the replication of the approach to other provinces. The LED approach is considered as a way of implementing the PRSP and addressing PRSP priorities such as pro-poor growth through rural development, decentralization and human capital development.

1.2.2 Decent Work and ILO's technical cooperation in the field of LED

From 1997 on, the ILO has provided technical assistance to Local Economic Development initiatives in Mozambique, South Africa and Angola. These initiatives were and are carried out within the framework of the UNDP/UNOPS implemented Human Development at the Local Level Programmes, financed by the Italian cooperation to which the ILO was/is Associated Agency for the LED component. Also, the Dutch funded (NPP) inter-regional project for Employment creation at the local level through the ILO's Local Economic Development (LED) Approach supported LED activities in Mozambique.

In **Mozambique**, the aim of ILO's technical assistance within the framework of the Programme for Human Development at the Local Level (PDHL, 1998-2003) was to contribute to the reduction of poverty through increasing the empowerment, representation and voice of poor people in Mozambique working in the informal economy, coherently with the national strategy for poverty reduction (PARPA). LED capacity was built at three levels:

a) Informal economy operators: Reinforcement of the productive assets and conditions in the selected territories, through the organisation building, training and technical assistance to cooperatives, micro and small enterprises and local governments, including the construction and rehabilitation of basic economic infrastructure such as market places.

b) Institutions: Creation of three Local Economic Development Agencies (LEDAs) in the provinces of Maputo, Manica and Sofala, where representatives of the public and private sector as well as civil society set the priorities for economic development, develop a LED strategy and implement development projects. The LEDAs support the communication between district-provincial-national levels, and are organized in an Network.

c) Policy: at national level, PDHL assisted the creation of an inter-ministerial commission on LED and its LED Unit with the participatory and bottom-up formulation of a national LED policy.

When PDHL phased out, the inter-regional ILO project " Employment creation at the local level through ILO's LED approach" (October 2003-February 2004) funded by the NPP provided technical assistance to the Commission and provincial stakeholders with the aim to integrate the Decent Work concept, employment creation measures and methodologies into the national LED policy.

In **South Africa** the ILO is associated agency to the UNDP/UNOPS Small Enterprise and Human Development Programme (SE-HD, 1997-2004) assisting in co-operative legislation and development as well as training and capacity building in LED. LEDAs have been created in the Provinces of Limpopo, Mpumalanga, Northern Cape and Eastern Cape. The first two provinces share borders with Mozambique and cross border development opportunities, such as the public-private partnership for the development of the transport network "Maputo Development Corridor" in Mpumalanga, are being pursued. A start has been made in supporting LED initiatives at national level, promoting LED and implementing bodies such as LEDAs and therefore reinforcing national-local linkages. The ILO has provided assistance to local stakeholders in Prince Albert (Western Cape Province), Victoria West (Northern Cape Province) and Acornhoek (Limpopo Province) to address local decent work deficits through the Small Towns Local Economic and Employment Development (ST-LEED) Project.

In Angola, the Program for Integrated Human Development (PDHI, 1998-2003) resulted in the adoption of the LED approach by the national government. The government has set aside national funds to promote the replication of the LED experiences from the provinces where PDHI was operating, to all provinces.

The present project will built upon the experiences of the above mentioned programmes and seek synergies with other relevant international and national development initiatives. A special focus will be put upon sharing lessons learnt between the three countries and reinforcing cross-border cooperation in the case of South Africa and Mozambique.

2. Target group and Partners

The direct recipients of the project are:

- Stakeholders at national level involved in the formulation and implementation of poverty reduction strategies, employment creation, SME, human resource development and local economic development including the Inter-ministerial Commission on LED in Mozambique, the Department for Trade and Industry in South Africa, the Cabinet for Support to Regional Development in Angola, Workers' and Employers' Organizations and Cooperative Umbrella Organizations;
- Stakeholders at local level including local governments, Local Economic Development Agencies staff and members¹⁴ in the Provinces of Nampula and Zambesia in Mozambique, Limpopo and Mpumalanga in South Africa and in the Provinces of Kwanza Sul and Huambo Provinces in Angola..¹⁵

The intended beneficiaries of the project are the inhabitants in (still to be selected districts /areas within) these provinces, and more in particular the self-employed and micro- and small entrepreneurs operating in the informal economy, rural producers, youth, women, disabled persons and their organizations.

3. Strategy and Logical Framework

3.1 Project strategy

The project has a sub-regional coverage in order to promote mutual learning, ex-change and reinforcement processes in the field of local approaches for poverty reduction and employment creation. South Africa, Mozambique and Angola are all engaged in complex transition processes aiming at equal, cohesive and democratic societies. Social exclusion, lack of quality jobs and decent work, regional imbalances, low levels of literacy, basic education and work skills, HIV/AIDS and a weak institutional framework at the local level to address these and other development challenges, are common poverty features of the three countries although the degree and intensity of these problems vary. As South Africa and Mozambique are sharing borders, some

¹⁴ . Local Economic Development Agencies (LEDAs) are member-based organizations which elaborate a shared and common development strategy for the territory they cover. The members are institutions and organizations representing the local public and private sectors such as local government, Chambers of Commerce, business and producer associations, (women) cooperatives, vocational training institutes, banks, or micro-finance institutions etc. The staff (technical experts) of the LEDAs assist the members and other stakeholders in the implementation of the LED strategy through a wide range of coherent projects and activities in the field of the promotion of micro-, small and medium enterprises, vocational training and basic management skills, cooperatives and organization building, attraction of public and private investment, coordination of development initiatives in the region in order to maximize investments, and advocacy and lobby for local priorities at national and international levels.

¹⁵ . These provinces have been designated by the government as pilot provinces in the case of Mozambique, and have been proposed by interlocutors during recent mission and contacts in respectively South Africa and Angola. The final selection of the pilot provinces will be made in consultation with the governments, social partners and other relevant stakeholders at national and provincial level.

development problems are closely linked.¹⁶ Historic and cultural (incl. linguistic) similarities in Angola and Mozambique offer also scope for further promotion of development cooperation. Recently, the Governments of Mozambique, South Africa and Angola have adopted and institutionalized Local Economic Development as an approach for employment creation and economic development in poor areas.

Despite shared development challenges and common experience in promoting LED, so far little has been done in establishing synergies, ex-change of experiences and local economic linkages between the countries. This project seeks to assist national governments, workers' and employers' organizations and a wide range of local stakeholders representing the public and private sectors in making international development goals (MDGs, SADC) and national development policies and strategies (incl PRSPs) more meaningful at the local level through ILO's integrated and participatory Local Economic Development approach. In return, LED experiences in the 6 pilot Provinces will feed into these development strategies and policies.

The objective of LED is to create decent jobs through stimulating social and economic development at the local level. Being a participatory development process, LED encourages social dialogue and public-private partnerships between the main private and public stakeholders of a defined territory. LED makes use of local and external resources as well as local competitive advantages in a global context through enabling the joint design and implementation of a common development strategy for a defined territory. LED approach is characterised by the following elements:

- LED is a bottom up approach that fosters participatory processes and decision making;
- LED is a long-term approach, fostering the ownership of the development process by the local actors;
- LED fosters public-private partnerships, deterring local stakeholders from ineffective do-it-alone approaches while supporting the legitimacy and sustainability of the development process;
- LED brings local stakeholders around one table, helping to build trust, encouraging innovation, promoting the creation of social networks and contributing to conflict resolution;
- LED is area-based and thus focuses its actions on a defined territory;
- LED territories may be confined by administrative, economic, historical or social-cultural borders and thus vary from initiative to initiative;
- LED is a means to achieve the effective mobilization of local resources by encouraging investments with the highest rate of socio-economic return;

¹⁶ For example, local economies in Mozambique don't benefit much in terms of employment creation from important South African investments in the country. Another example is the flow of young male migrant workers leaving the Mozambican communities in search for work in South African mines. The departure of this specific segment of the labour force in Mozambican communities and the migrants' exposure to HIV/AIDS distort local labour markets and affect the communities' health and demographic set-up.

- LED initiatives make use of endogenous resources, maximising, at the same time, the competitive advantage for the attraction of investments to the territory;
- LED is a comprehensive approach that integrates many disciplines and relies on ILO's broad-based expertise in fields such as basic skills development, cooperative and entrepreneurship development, employment intensive investment methodologies, social finance, community based health schemes and social dialogue.
- LED enhances networks between local, national and international stakeholders, facilitates the integration of local priorities and development strategies in national policies and legislation such as PRSPs and international development frameworks (MDGs, SADC).

The project intervenes at provincial, national level and sub-regional levels. In the six identified Provinces the project will assist local governments, Local Economic Development Agencies (if existent), cooperatives, business associations, workers' organizations, training institutes, micro-finance institutions and other organizations with a stake in the local economy in establishing a dialogue around the socio-economic development of their territory. This dialogue will result in coherent LED strategy responsive to the needs, opportunities and priorities and aiming at poverty reduction and employment creation in the Province. The project will reinforce capacities and provide tools and methodologies¹⁷ to implement the strategy and bring in national and international experiences and expertise, where possible from the sub-region.

At national level the project will reinforce the capacities of stakeholders involved in the formulation and implementation of poverty reduction strategies, employment creation, SME development, human resource development and local economic development policies by linking them up with the local realities in the pilot provinces, creating awareness on ILO Conventions (for example 159) and Recommendations (in particular 189, 193 and the forthcoming Human Resource Development Recommendation) and responding to requests for improving outreach and service provision at the local level.

At sub-regional level, the project will initiate and facilitate a mutual learning and exchange process among local and national stakeholders from the three countries through, among others, exchange of experiences, study and business visits, international training events and networking. The project will facilitate linkages with and become an advocate on the employment dimension of poverty and local approaches for employment creation and economic empowerment with other international development organizations and communities such as SADC, UN Agencies (UNDP, FAO, HABITAT, UNESCO), etc.

¹⁷ . Depending on the needs and priorities these could include: community-based training, training manual on local employment in the informal economy, MATCOM , ACOPAM training material, SBA training guide, etc.

This multi-level capacity building project for Local Economic Development aims to contribute to poverty reduction at the local level through integrated employment creation strategies. These strategies will vary from province to province depending on the specific characteristics but will be fully in line with operational objectives 2b and 2c of the P&B 2004-2005.

The project seeks also to document lessons learnt and adapt existing tools and/or develop new ones in response to the needs identified. Experiences and information (for example on business and investment opportunities in the provinces, training events and project activities) will be shared among the project staff, partners and beneficiaries through internet modalities (websites, databases, newsletters, etc.).

The project will build upon past and ongoing ILO technical cooperation projects and activities in the three countries including: Programme for Human Development at the Local Level (PDHL) - Mozambique; Employment creation at the local level through ILO's LED approach - Inter-regional/Mozambique; Small Enterprise and Human Development (SE-HD) - South Africa; SIYB-Inter-regional /Angola ,Mozambique; Small Towns Local Economic and Employment Development (ST-LEED) - South Africa; Small enterprise development and job creation in the cultural sector of the SADC region (Inter-regional/South Africa, Mozambique), Strategies for skills acquisition and work for people with disabilities in Southern Africa, Micro-Save Programme for the promotion and strengthening of savings and credit collectives - South Africa; Upstream: micro-finance capacity building- Mozambique. The project will also seek synergies with other development initiatives such as the UNDP Anti Poverty Partnership Initiative in Mozambique and the UNDP programme for the reintegration of ex-combatants and other conflict-affected groups in Angola.

3.2 Development Objective

The project will contribute to poverty reduction in Mozambique, South Africa and Angola through the reinforcement of capacities of local and national stakeholders in formulating and implementing integrated and comprehensive local economic and employment creation strategies. This will support the achievement of the objectives set out in the PRSPs in Angola and Mozambique and support the developmental and pro-poor responsibility of municipalities and the national LED strategy in South Africa.

3.3 Immediate Objectives

1. By the end of the project, the local economic stakeholders in the pilot provinces will have increased capacities in formulating and implementing integrated and decent employment creation strategies.
2. By the end of the project, the institutional framework at national level in Mozambique, South Africa and Angola will have the capacity to support local

employment creation strategies and promote poverty reduction strategies and policies that take into account the employment dimension of poverty and are adapted to local realities.

3. By the end of the project, sub-regional linkages and synergies will have been created among local, national and sub-regional actors (SADC) through a dynamic mutual learning and ex-change process

3.4 Outputs and Activities

Output 1.1

An inclusive and continuous dialogue through an officially recognized forum on local employment and socio-economic development issues has been established in each of the 6 pilot provinces¹⁸

Activity 1.1.1

Carry out institutional and organizational mapping of the territory in order to identify additional forum members

Activity 1.1.2

Assess needs and reinforce those groups in society (for example: disabled persons, self-employed, women workers, unemployed youth, internally displaced persons, rural producers, ethnic groups) in order to become represented in the forum and in local decision making processes.

Activity 1.1.3

Assist the forum in operational matters and official recognition (if necessary).

Activity 1.1.4

Train forum members in setting the local decent work agenda, animating the debate (for example awareness raising on decent work, facilitation and dialogue skills, partnership building, networking, advocacy, project development and resource mobilization)

Activity 1.1.5

Carry out a SWOT analysis of the local (informal) economy, focussing on decent work deficits/ opportunities.

Activity 1.1.6

Assist the forums in formulating decent employment creation strategies and projects.

¹⁸ . In some provinces some sort of forum may already exist, sometimes as part of (future) LEDAs. In these cases, the project will try to reinforce the existing set-up, ensuring an informed debate and inclusive membership.

Output 1.2

The service delivery of forum members and other public and private service providers in the Provinces¹⁹ will have been improved in terms of accessibility, quality and quantity.

Activity 1.2.1

Assess the demand and supply side of existing (business development, financial, basic skills and vocational training, public utility) services.

Activity 1.2.2

Develop capacity building programmes with national consultants (making use of a broad set of interventions such as seminars, workshops, study visits, on the job training, distance learning, networking, and other types of technical assistance)

Activity 1.2.3

Reinforce capacity of service providers (where possible through national consultants)

Activity 1.2.4

Link up local service providers with institutions at the national level or with similar organizations from other Provinces or countries

Output 1.3

Awareness and understanding of decent work issues has been improved among workers, employers, government, NGOs, service providers, etc. in the Provinces

Activity 1.3.1

Carry out a study on the most urgent and pressing decent work deficits (in combination with activity 1.1.5) in the Provinces

Activity 1.3.2

Develop an awareness raising campaign

Activity 1.3.3

Develop awareness raising products (brochures, posters, radio programmes)

Activity 1.3.4

Assess impact through interviews and visits at the workplace, group meetings, integration of decent work concerns in project documents and strategies, etc.

Output 1.4

An impact measurement methodology will be designed and applied in order to assess the

¹⁹ . Such as municipalities, decentralized ministries, training institutes, cooperatives, small business associations, NGO's, private business consultants, credit institutions, LEDAs, etc.

changes brought about by the project at the level of the direct recipients and intended beneficiaries in the Provinces in terms of process / "means" (dialogue, policies, strategies, resource allocation) and poverty reduction ("end")

Activity 1.4.1

Develop an impact measurement methodology sensitive to gender imbalances and social exclusion

Activity 1.4.2

Built capacity of local and national partners in carrying out the assessments

Activity 1.4.3

Assist the local and national partners in carrying out the impact assessments on a regular basis

Activity 1.4.4

Inform relevant project partners on the outcomes of the assessments

Activity 1.4.5

Re-adjust where needed the project interventions in order to increase impact

Activity 1.4.6

Document lessons learnt

Output 2.1

An assessment of existing initiatives, strategies, policies and the legal and regulatory framework relevant for the promotion of decent employment creation and poverty reduction at the local level has been made

Activity 2.1.1

Make - in each country- an inventory of **national** initiatives, strategies, policies, legal and regulatory framework concerning decentralization, poverty reduction and employment creation (incl. for example: human resource development, micro, sme and cooperative development, income generation, social inclusion)

Activity 2.1.2

Map out -in each of the project **provinces**- existing initiatives, development strategies and plans, employment creation and poverty reduction measures and programmes carried out by local organizations and institutions

Activity 2.1.3

Assess -in each country- overlap, gaps, and responsiveness to local priorities and needs of the initiatives, strategies, policies, rules and regulations

Output 2.2

National stakeholders have increased their capacities in creating a conducive environment for decent employment creation and poverty reduction at the local level

Activity 2.2.1

Organize a workshop with the national stakeholders-in each country- where the outcomes and insights of the assessment study (activity 2.1.3) are shared and recommendations on improving the delivery of national strategies and policies at the local level are formulated

Activity 2.2.2

Develop -in each country- and in close consultation with the national stakeholders a capacity building programme to improve the local level relevance and outreach of their employment creation and poverty reduction strategies and policies

Activity 2.2.3

Develop and/or adapt where needed relevant tools that will support the capacity building programme (see output 3.2)

Activity 2.2.4

Carry out- in each country- the capacity building programme (incl. study visits to Provinces, national training workshops and seminars, participation in relevant distance learning and /or residential training courses delivered by ITC Turin, etc.)

Output 2.3

In each country a consultation & cooperation mechanism enabling national and local stakeholders to ensure an integrated and comprehensive approach towards the decent employment promotion and poverty reduction, is operational (see also national commissions under 4.1)

Activity 2.3.1

Consult -in each country- potential members of the national project commissions on their participation, views and expectations of this commission.

Activity 2.3.2

Develop -in each country- with the members of the national project commission the terms of reference and modus operandi of the commission

Activity 2.3.3

Assist the project commissions in their activities, facilitating local-national exchanges (study visits, involving national resource persons and experts in local project activities, etc.)

Activity 2.3.4

Assist national stakeholders in documenting (existing and developed by the project) successful experiences

Output 3.1

A dynamic sub-regional network supporting the ex-change of experiences and lessons learnt among the project recipients and partners has been set up and become fully operational

Activity 3.1.1

Initiate a demand driven and relevant documentation of existing experiences and policies, making use of the materials developed at national and local levels (see output 2.1)

Activity 3.1.2

Develop appropriate ways for dissemination and sub-regional dialogue (virtual forum & e-mail groups, website, electronic databases)

Activity 3.1.3

Organize study visits between national and local stakeholders from the different countries in order to promote economic/business linkages, learning and replication of experiences

Output 3.2

A set of new or adapted tools and methodologies will be have been developed and made accessible to a wide range of users (related to outputs 1.1, 1.2, 2.2 and 1.4)

Activity 3.2.1

Assist - in close consultation with the HQ working group- project partners and recipients in the development and/or adaptation of capacity building tools and methodologies

Activity 3.2.2

Disseminate the results and experiences on the pilot use of these tools and methodologies among stakeholders in other project countries

Activity 3.2.3

Make the tools, methodologies and generated expertise accessible to stakeholders in other project countries through translations, adaptations, generic guidelines, training of trainers events, website, etc.

Output 3.3

The integrated approach to local decent employment creation will have been promoted at sub-regional and international development forums (SADC, AU, NEPAD) through extensive lobbying and advocacy

Activity 3.3.1

Carry out a study on above mentioned and other relevant international organizations and their approaches towards employment creation and poverty reduction at the local level

Activity 3.3.2

Elaborate a work plan for participation in international and sub-regional events (incl. the AU special summit on Employment and Poverty Reduction in Ouagadougou, September 2004)

Activity 3.3.3

Identify and assist national and local ambassadors of the integrated approach to local decent employment creation

3.5 Indicators

The indicators below will be used for monitoring purposes of the project. The list is not exhaustive as part of the indicators will be developed as a project activity (see outputs 1.3 and 1.4).

Indicators related to the achievement of immediate objective 1 and outputs 1.1 - 1.4:

- After 9 months of project duration, organizations representing disabled persons, women workers and employers, rural producers and youth participate in the dialogue
- After 12 months of project duration, the 6 forums have an officially recognized (eventually legal) status (reflected in official government documents)
- After 12 months of project duration, each province has a decent employment creation strategy document that functions as a framework for the development of employment creation projects and initiatives
- After 18 months of project duration, the 6 forums function independently from the project interventions and convoke regular meetings, share minutes of the meetings with relevant structures and initiate lobby, networking, coordination and resource mobilization activities.
- After 20 months of project duration, each forum has mobilized resources and/or influenced resource allocation for the implementation of at least two of their projects/ initiatives.

Indicators related to the achievement of immediate objective 2 and outputs 2.1 - 2.3:

- After 12 months of project duration, national and local stakeholders²⁰ in the three project countries are systematically consulted in the formulation and implementation of poverty reduction strategies / initiatives
- After 12 months of project duration, coherent and integrated approaches towards decent employment creation and poverty reduction at the local level are developed.
- After 18 months of project duration coherent and integrated approaches towards decent employment creation and poverty reduction at the local level are applied in each of the pilot Provinces
- After 18 months of project duration, each country has documented at least 4 relevant experiences in decent employment creation at the local level

Indicators related to the achievement of immediate objective 3 and output 3.1 - 3.3:

- After 12 months of project duration, the total number of website visits including updates and contributions to the electronic forum will be at least 100 per month
- After 12 months of project duration, a delegation of each country will have received and participated in one study tour, business visit or joint training event
- Each study tour or business visit results in at least one new initiative (cross border cooperation, partnerships, business linkages, etc.)
- Every adapted or new tool and/or methodology developed in a pilot setting has been replicated or used at least one other setting
- National and local ambassadors of the integrated approach to local decent employment creation participate in at least 2 international or sub-regional events a year

²⁰ . As mentioned under 2 « Target group and partners »