

FINAL EVALUATION REPORT
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REPUBLIC OF MADAGASCAR
INTERNATIONAL LABOUR ORGANISATION (ILO)
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION
AGENCY (SIDA)



CROISSANCE ECONOMIQUE
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ACRONYMS

CNSPERP	<i>Conseil National de Suivi de la Promotion de l'Emploi et de la Réduction de la Pauvreté</i> National Committee for Monitoring Employment Promotion and Poverty Reduction
CREAM	Centre for Research, Studies and Support to Economic Analysis in Madagascar <i>Centre de Recherche, Etudes et Appui à l'Analyse Economique à Madagascar</i>
EIU	Employment-Investment Unit
ICOPE	Information and Advice on Professional Orientation and Employment <i>Information et Conseil en matière d'Orientation Professionnelle et d'Emploi</i>
ILO	International Labour Organisation
INSTAT	National Institute for Statistics
MAP	Madagascar Action Plan
MECI	Ministry of Economy, Commerce and Industry
MGF	Malagasy Franc
MPF	Ministry of Public Function, Labour and Social Laws
INSTAT	National Institute for Statistics
MSE	Micro and Small Enterprises
NCL	National Council of Labour
NPE	National Employment Policy
NPSE	National Programme to Support Employment
OECD/DAC	Organisation for Economic Cooperation and Development/Development Assistance committee
MOEPT	Malagasy Office for Employment and Professional Training <i>Observatoire Malgache de l'Emploi et de la Formation Professionnelle</i>
MOEP	Malagasy Office for Employment Promotion <i>Office Malgache de Promotion de l'Emploi</i>
OPPG	Operationalizing Pro-Poor Growth through the Promotion of Decent Employment
PRSP	Poverty Reduction Strategy Paper
SIDA	Swedish Agency for International Development Cooperation Agency
SME	Small and Medium Entreprises
UNDP	United Nations Development Programme
UNCDF	United Nations Capital Development Fund

EXECUTIVE SUMMARY

1. **Project rationale.** Project Operationalizing Pro-Poor Growth through the Promotion of Decent Employment (OPPG) was launched in March 2006 to promote the integration of employment in national policies for economic growth and poverty reduction. Project immediate objectives were organised in two levels. *At the national level*, the project would “build a common strategic vision and develop action tools to support both the implementation of the National Employment Policy (NPE) and sustainable poverty reduction” (Objective 1). It would benefit the Ministry of Public Function (MPF), other ministries involved in the programming and implementation of public policies and public investment programmes, as well as worker organisations, employer organisations and the civil society. *At the local level*, the project aimed at “promoting perspectives for poverty reduction and decent job creation through professional training and the support to the creation and development of micro and small enterprises” (Objective 2) and at “contributing to improving decent job opportunities in the sector of rural infrastructure through the use of labour-intensive approaches” (Objective 3). Project targets at the local level included rural community groups and microenterprises of two rural communes to be selected in the region of Vakinankaratra. They also included youth, women and other vulnerable groups in the capital of Vakinankaratra, Antsirabe, and surroundings, as well as microenterprises operating in the area. The project was designed for one year duration. The total budget amounted to USD 486,000, of which USD 175,200 were allotted to Component 1, USD 194,000 were for Component 2 and USD 116,800 were for Component 3.

2. **Purpose, scope and methodology of evaluation.** SIDA and the ILO decided to undertake an independent final evaluation of OPPG, with a view to assess to what extent project objectives and expected outputs were met, to identify lessons learnt and to make recommendations for the future to the government of Madagascar, to SIDA and to the ILO.

3. Evaluation issues and evaluation criteria were identified in accordance with OECD/DAC Evaluation Quality Standards and with ILO Quality Checklist for Evaluation Reports, building on a preliminary desk review of available project documentation. The output of this first phase was a draft report outline identifying the issues to be reviewed by the mission for five main evaluation criteria, i.e. (i) relevance, strategic fit and validity of project design; (ii) project effectiveness; (iii) adequacy and efficiency of the resource use; (iv) project effects and likelihood to have longer term impact; and (v) sustainability. The second phase consisted in a field mission in Madagascar from November 2 to 9, 2008. The mission was composed of Agnès Deshormes, team leader, Mamy Ratolojanahary, economist and Kaj Thorndahl, geographer. It carried out interviews with main project stakeholders in Antananarivo and the Vakinankaratra region where two of the project components are implemented. A final wrap-up meeting was organised by the Ministry of Public Function, Work and Social Laws with most of the persons interviewed in Antananarivo, where the mission’s preliminary conclusions and recommendations were presented and discussed.

4. **Main findings.** Project design was aligned with national policies as well as with ILO and SIDA priorities, and it was also relevant to the prevailing socio-economic context marked by extensive under-employment. However the project document did not describe any common strategy to orient the project as a whole or to develop synergies between the various components, which were designed as three self-standing projects. Implementation arrangements were not adequately described, which also contributed to the lack of an overall project implementation strategy and global coherence.

5. Despite shortfalls in project design, the project has globally achieved its objective at the national level. It has definitely contributed to including employment as a priority in the country’s development strategies. With support from the project, NPSE was approved by the parliament and substantially reflected into the Madagascar Action Plan, which now includes employment as one of its priority sector, and into sector programmes. Studies conducted on the impact that employment-intensive construction of public infrastructure do generate not only on employment but also on macro-economic variables have contributed to pushing forward the idea of substantially increasing the portion of the public investment programme that is implemented through employment-intensive

approaches. Yet by focusing activities on a smaller range of areas and by integrating them into a comprehensive process combining studies, training, development of methodological tools and sustained capacity-building, it would probably have had a more significant and sustainable impact at the national level.

6. Both components 2 and 3 contributed to the achievement of the development objective by generating employment for the poorer segments of the target population. Such contribution however remained minimal: component 2 may result in gainful employment for around 150 people, while component 3 created around 26,000 workdays. Compared with the extent of poverty in Madagascar, such numbers are insignificant.

7. Both components were designed as pilot with the intent of providing implementation lessons to feed into policy making supported in component 1. However overall project design does not adequately match this global purpose. The project size was too small and its duration too short to make an effective demonstration for possible upscaling. In addition, there was no central management nor any information/reporting system in place to secure that lessons learned were capitalised at the policy-making level.

8. Project cost efficiency is hard to measure because overall financial management remained the responsibility of ILO headquarters and financial information is only partly available in-country. It seems however that overhead costs were very high for component 2 (which was also related to the small project size) and, whereas they were very low for component 3, this was essentially due to the fact that they were borne by another ILO implemented projects, *Cellule d'appui aux projets HIMO*.

9. Overall project achievements were found to have potential to become sustainable. Under component 1, the National Programme for Supporting Employment (NPSE), prepared with project support, has been approved by the national parliament as a law and the overall policy context is favourable to its implementation as well as to translate the set of studies carried out by the project into an operational method to integrate employment into public investment planning and budgeting. Economic activities at community level (component 2) are still in a very initial phase – they will be sustainable if the beneficiaries continue to find them interesting and profitable. The sustainability of project built infrastructure (component 3) will depend on communes' ability to maintain them, for which they received capacity building assistance from the project along a well experienced approach.

10. **Main conclusions.** The project coincides with a turning point in the way employment is taken into consideration in national policies and programmes. Employment, which was not mentioned at all in the first version of the MAP, is now a national development priority that is reflected not only in the MAP but also in the programmes of major line ministries. The project has certainly contributed to such an evolution, by providing support to the preparation and adoption of NPSE. In this new favourable context, other activities promoted by the project assume particular relevance, specifically the set of studies on integrating employment in public investment programmes and the development of new approaches to promote employment at the local level. However, while these activities lay down important building blocks in setting up a national framework to promote decent employment, they did not lead to full-scale sustainable impact. The reason for this largely lies with initial weaknesses in the project design, including the inappropriate duration and size of the project, incomplete project strategies and lack of a national project implementation agency. Because of the new interest for developing decent employment, there is scope however to give continuity to project activities, particularly to the set of studies carried out in component 1.

11. Main project strengths include: (i) the alignment with and contribution to national policies; (ii) the ability to build on ILO's ten-year experience in promoting an approach for developing employment through an increased use of local resources in the construction of public infrastructure; (iii) the introduction of a new approach that has potential to generate employment and income at the local level; (iv) the collaboration with a network of local service providers, which took advantage of

local resources, favoured local ownership and contributed to keeping costs down; (v) the connection to ILO's *Cellule d'appui aux projets HIMO*.

12. **Main project weaknesses** include: (i) its project design, which lacked of a global strategy, and which planned for too small a size and a duration; (ii) limited cost-effectiveness; and (iii) weak knowledge management.

13. **Main lessons learnt.** Main lessons learnt out of project experience can be summarised as follows: (i) national ownership is a necessary condition to bring about institutional change and to contribute to policy development; (ii) piloting new approaches requires that they be tested at a sufficiently significant scale to demonstrate that they can be replicated at a larger scale, and that they be documented through a knowledge management system to contribute to national policy making; (iii) studies, training activities or workshops are not sufficient to bring about institutional changes, but they rather need to be integrated within a global strategy with clear objectives, coupled with a well-defined support package to get there and backed up by a strong knowledge management system – this requires sufficient time and commensurate resources, which were not adequately planned in the case of this project.

14. **Main recommendations.** The main recommendation is to create an Employment-Investment Unit, whose mission would be to facilitate the creation of decent employment through public investment programmes, by helping public administrations to select employment-intensive investments and to monitor their outcomes. The mission recommends that ILO mobilise financing as soon as possible for a project in support to setting up EIU, modalities of operation, methodologies and tools. The project should be formulated along a participatory process to ensure national ownership of the new unit.

15. Other recommendations include: (i) implementing NPSE by establishing priorities within the current list of objectives, identifying appropriate methodologies, related activities, success indicators, resources needed and timeframes; (ii) supporting quick installation of the Malagasy Office for Employment Promotion and equipping it with the tools needed to make it a reference institution in the provision of information and guidance on employment and on professional training; (iii) taking stock of the experience gathered in component 2 by preparing a well-documented, easy to grasp document, explaining the process, drawing lessons learnt and making recommendations as to how and under what conditions the operation should be prolonged or expanded.

I. INTRODUCTION

16. Project Operationalizing Pro-Poor Growth through the Promotion of Decent Employment (OPPG) was launched in March 2006 to promote the integration of employment in national policies for economic growth and poverty reduction. OPPG built on lessons learnt from past and ongoing projects already implemented by the International Labour Organisation (ILO) as well as on activities led by the government of Madagascar further to the 2004 Ouagadougou Summit of African Heads of State and Government on Employment and Poverty Reduction. The project, which will come to an end in December 2008, was mainly financed by the Swedish Agency for International Development Cooperation Agency (SIDA) and is implemented by the ILO.

17. **Purpose and scope of the evaluation.** SIDA and the ILO decided to undertake an independent final evaluation of OPPG, with a view to assess to what extent project objectives and expected outputs were met, to identify lessons learnt and to make recommendations for the future to the government of Madagascar, to SIDA and to the ILO. The evaluation should also assess the coherence between OPPG's approach and SIDA's and ILO's priorities, identify possible synergies and, if appropriate, formulate overall recommendations on the collaboration between Sweden and the ILO with regard to promoting pro-poor growth policies that support employment and decent work¹.

18. **Composition of the mission.** The mission was composed of Agnès Deshormes, team leader, Mamy Ratolojanahary, economist and Kaj Thorndahl, geographer. Mr Thorndahl is also responsible for drafting an apex report, summarising the experiences of OPPG and of its twin project in Ethiopia.

19. **Methodology.** Evaluation issues and evaluation criteria were identified in accordance with OECD/DAC Evaluation Quality Standards and with ILO Quality Checklist for Evaluation Reports. They also build on a preliminary desk review of available project documentation, including the project document, project progress reports, ILO mission reports and studies undertaken by the project. The output of this first phase was a draft report outline identifying the issues to be reviewed by the mission for five main evaluation criteria, i.e. (i) relevance, strategic fit and validity of project design; (ii) project effectiveness; (iii) adequacy and efficiency of the resource use; (iv) project effects and likelihood to have longer term impact; and (v) sustainability (see Annex 3). The same outline was also adopted for the evaluation of the twin project in Ethiopia. Evaluation norms, standards and ethical safeguards have been followed in accordance with UN Evaluation Norms and Standards and with OECD/DAC Evaluation Quality Standards.

20. The field part of the mission took place in Madagascar from November 2 to 9, 2008. It included interviews in Antananarivo and a field trip to Antsirabe and the Vakinankaratra region where two of the project components are implemented. Both in Antananarivo and in Antsirabe, the mission was briefed on project activities by project staff and by related ILO-managed projects. It also received extensive briefing and continuous assistance from Mr. Christian Ntsay, ILO Director for Madagascar.

21. In Antananarivo, the mission met with the Minister of Public Function, Work and Social Laws (MPF) conducted interviews with main project stakeholders. These included officials from the Ministry of Public Function, the Ministry of Economy, Commerce and Industry, the Ministry of Public Works and the Ministry of Education. They also included members of advisory boards and parastatals dealing with employment promotion, including the National Labour Council (NLC - *Conseil national du Travail*), the *Comité National de Suivi de la Promotion de l'Emploi et de la Réduction de la Pauvreté* (CNSPERP - National Committee for Monitoring Employment Promotion and Poverty Reduction), the Malagasy Office for the Promotion of Employment (*Office Malgache de Promotion de l'Emploi* - MOEP), the Malagasy Observatory of Employment and Professional Training (*Observatoire Malgache de l'Emploi et de la Formation Professionnelle*). The mission also

¹ Terms of reference are attached in Annex 1.

had encounters with representatives from the World Bank and from UNDP, two agencies that are involved in activities supporting employment promotion.

22. Mr. Kaj Thorndahl undertook the field trip to Vakinankaratra region, where he had meetings with stakeholders and beneficiaries involved in income-generating activities and the construction and management of physical infrastructure, including the Head of Region, the President of the Chamber of Commerce and Industry, *Centre de formation HIMO* and ILO's *Cellule d'appui aux projets HIMO*. He also visited all infrastructure constructed.

23. A final wrap-up meeting was organised by the Ministry of Public Function, Work and Social Laws with most of the persons interviewed in Antananarivo, where the mission's preliminary conclusions and recommendations were presented and discussed.

24. A complete list of persons met is attached in annex 2. To all of them, the mission would like to extend its warmest thanks for their availability, their readiness in sharing valuable information and their contribution to the mission's work.

II. BACKGROUND AND PROJECT DESIGN

A. Context at the time of project design

25. **Poverty and underemployment²**. At the time of project design, Madagascar was ranked 146 over 177 countries on the Human Development Index (UNDP, 2005), only one position short from becoming a medium human development country (which it became in 2006). The economy was recovering from the 2002 crisis with an average annual 4% growth, and the poverty rate was slowly decreasing from the 80.7% peak reached in 2002. Yet two-thirds of the population (68.7%) were still living in poverty in 2005.

26. Until today, whereas the unemployment rate is estimated at a low 2.8%, underemployment remains widespread, especially hitting the rural population. Small farmers, who make up for 82% of the active population, are unable to develop their activities because they lack access to land, markets, financing and basic services. While the rural population constitutes 77% of the population (DSRP, 2005) and is almost entirely occupied in the agriculture sector, the primary sector accounts for only a quarter of GDP. And whereas the urban poverty rate was at 54% in 2004, it reached 80% in the rural areas where the economic growth has had little effect on poverty reduction. In addition, with a 2.8% demographic growth rate (DSRP, 2005), it is estimated that 380 000 persons³ arrive on the job market every year and are faced with very limited employment opportunities, particularly in the rural areas.

27. **PRSP**. The Poverty Reduction Strategy Paper (PRSP), formulated in 2003 and updated in 2005, aimed at reducing poverty by half in ten years, based on an annual 8% growth rate and on an annual investment rate of 20% of the GDP. This objective was to be reached through the promotion of a wide-base economic growth. While the formulation of a public investment policy in coherence with the poverty reduction objective was mentioned as a priority, the PRSP did not make any explicit reference to the necessity to develop forceful employment policies.

28. **A favourable context**. Nevertheless there was an overall favourable context to support the integration of employment in the national political and institutional framework. In 2004, the Extraordinary Summit on Employment and Poverty Alleviation organised by the African Union in Ouagadougou had adopted a declaration calling upon member states to place employment at the centre of their economic and social policies and to set up national plans of action defining key

² Except where mentioned, figures are quoted from Ratolojanahary and Raberinja, 2007.

³ Sector programme on the public function and employment, in Primature, June 2008.

priority. In accordance with the summit recommendations, a *Comité National de Suivi de la Promotion de l'Emploi et de la Réduction de la Pauvreté* (CNSPERP - National Committee for Monitoring Employment Promotion and Poverty Reduction) was appointed in Madagascar in May 2005.

29. In May 2005, the national parliament voted the National Policy on Employment (NPE) with the objective of promoting an economic growth that could generate jobs and benefit the poor, and of providing an overall coherent framework to orient all public initiatives aiming at developing employment. In October 2005, the Ministry of Public Function, Work and Social Laws (MPF) prepared a first draft of the National Programme to Support Employment (NPSE), with a view to promote decent employment and implement NPE. MPF requested ILO's support to help in finalising the Programme.

30. Besides, at the operational level, ILO had gained a long and successful experience with the use of employment-intensive techniques in the construction and maintenance of public investment in a variety of sectors, including roads, social infrastructure, watershed protection and urban street paving. Through a series of projects financed by Norway and by the government of Madagascar for the education sector, ILO had built a comprehensive methodology for building the capacities of small enterprises and consulting firms to carry out labour-intensive works in accordance with professional quality standards and in the respect of applicable social laws. The methodology also fostered the competences of investment owners – be they line ministries or municipalities - to program, oversee the implementation and ensure the maintenance of labour-intensive public investments. With Norwegian financing, a training centre had been created in Antsirabe to support the whole process. After a few years, it had reached financial autonomy and was providing training throughout the country. To support the approach, an independent study⁴ had been committed to compare the costs and benefits of labour-intensive and capital intensive methods, which had demonstrated that labour-intensive works were 30 to 80% less expensive, generated two to five times more jobs and saved 30% of the foreign exchange consumed by capital-intensive works.

31. Building on this experience and on fresh government interest to develop public action in favour of employment, ILO and SIDA decided to jointly formulate a project that would support the implementation of the National Policy for Employment, both by strengthening institutional capacities at the national level and by developing innovative approaches for job creation at the local level.

B. Project design

32. The project finds its origin in a set of three regional projects, financed by the government of Sweden and implemented by ILO, aiming at promoting employment in both Madagascar and Ethiopia⁵. An ILO Headquarters mission was sent to Madagascar to gather information and a specific project document was formulated in April 2006, in accordance with the overall framework set by the regional projects. However, as the three fields of action were related to three different ILO Headquarters departments, each component was designed by the relevant department as a self-standing sub-project.

33. **Development goal.** As a consequence of the segmented design and the lack of a global strategy, the project development goal was very general: to contribute in “making operational an economic growth that can favour sustainable poverty reduction through the promotion of decent employment.”

⁴ Razafindrakoto, May 1996.

⁵ RAF/05/62/SID - “Building a common policy understanding at country level on operationalizing pro-poor growth”; RAF/05/63/SID - “MSEs and Skills Development in Value Chain Upgrading”; and RAF/05/64/SID - “Creating decent and productive employment opportunities through local resource-based investment policies and practices for agriculture”.

34. **Immediate objectives.** Immediate objectives were organised in two levels:

- *at the national level*, the project was to “build a common strategic vision and to develop action tools to support both the implementation of the National Employment Policy (NPE) and sustainable poverty reduction”;
- *at the local level*, the project aimed at “promoting perspectives for poverty reduction and decent job creation through professional training and the support to the creation and development of micro and small enterprises’ (Objective 2) and at “contributing to improving decent job opportunities in the sector of rural infrastructure through the use of labour-intensive approaches” (Objective3).

35. **Beneficiaries.** At the national level, the project was to benefit MPF, other ministries involved in the programming and implementation of public policies and public investment programmes, as well as worker organisations, employer organisations and the civil society.

36. At the local level, project targets included rural community groups and microenterprises of two rural communes to be selected in the region of Vakinankaratra. They also included youth, women and other vulnerable groups in the capital of Vakinankaratra, Antsirabe, and surroundings, as well as microenterprises operating in the area.

37. **Implementation arrangements.** Implementation arrangements were very skimpy. No national institution was to be involved in project execution. The project document only mentioned a tripartite steering committee composed of representatives of ministerial departments (without specifying which ones), organisations of employers, trade unions and civil society, which was to meet at project start-up, mid-term evaluation and final evaluation. Implementation of component 2 was entrusted to a national expert to be based in Antsirabe, while component 3 would be “directly coordinated with [ILO-implemented] labour-intensive projects in Antsirabe”. There was no mention of how component 1 was to be implemented at the national level.

38. **Duration and budget.** The project was designed for one year duration. The total budget amounted to USD 486,000, of which USD 175,200 were allotted to Component 1, USD 194,000 were for Component 2 and USD 116,800 were for Component 3.

C. **Main changes in project environment since design**

39. **Madagascar Action Plan.** The adoption of the Madagascar Action Plan (MAP) is the main event that modified the project environment, turning it yet more favourable to the promotion of employment as an essential piece in securing a broad-base economic growth. The MAP is a five-year development strategy that sets priorities, strategies, goals, and benchmarks for the period 2007-2012. It identifies eight major development goals called commitments. Promoting full employment is one of the priorities (called challenges) identified to promote a rapid economic growth. Projects listed to achieve full employment include the integration of employment in the programming and M&E mechanisms of the line ministries, which is pursued by component 1, and the promotion of professional training and of SMEs, which is addressed by component 2.

40. The MAP was translated into twenty sector programmes, which were presented to the Round Table of Madagascar Development Partners in June 2008. The Programme on Public Function and Employment makes specific reference to NPSE.

41. **Growth and employment.** The government is however getting concerned that economic growth, which has reached an annual average of 5% from 2004 to 2007⁶, has not generated a significant decrease in the poverty rate, which is estimated to go down by an annual 1%. There is

⁶ Primature, June 2008.

therefore a renewed government interest in developing employment as a priority in the combat to poverty, which will need well-thought and successfully experimented strategies.

III. EVALUATION FINDINGS

A. Relevance, strategic fit and validity of project design

42. **Overall relevance and alignment with national policies.** Yet project was indeed relevant considering the high level of underemployment and it was aligned with national policies. Although the PRSP did not specifically mention employment, it did make a priority of the formulation of a public investment policy in coherence with poverty reduction objectives, which was addressed by component 1. Component 2 supports professional training and promotes micro and small enterprises (MSEs) along profitable value chains, which is in line with activities planned under PRSP objective to develop sectors that have a comparative advantage. Component 3 was in alignment with PRSP programme for infrastructure development, which included the construction of labour-intensive roads. Project alignment with national policies was further strengthened with the approval of the Madagascar Action Plan, which recognizes employment as a priority challenge to achieve a strong economic growth.

43. **Coherence with ILO's and SIDA's priorities.** The project is aligned with ILO's priorities to advance opportunities for women and men to obtain decent and productive work and to strengthen dialogue on employment-related issues. In addition, component 3 builds on ILO's successful experience in developing an economically sound approach for road construction based on local human resources, local building materials and the development of SMEs in the construction sector, in Madagascar and other countries. The project is also coherent with SIDA's overall goal to contribute to making it possible for poor people to improve their living conditions.

44. **An incomplete overall project strategy.** The project document does not describe any common strategy to orient the project as a whole or to develop synergies between the various components. According to ILO Headquarters, the overall strategic objective of the project was to show how sectoral strategies can be used to link policy to actions, by working at micro, meso (component 2 and 3) and macro (component 1) levels, in order to improve coherence and create links between policies and investments, and between employment and economic growth. Rather, in the project document, the three components are designed as self-standing projects that have no linkages between them. To reflect ILO Headquarters purpose, good practices and lessons learnt at the local level should have been channelled to feed into policies supported at the national level. But the project did not include any knowledge management system to share information with national stakeholders, so this did not happen. In the course of project implementation, project experts did actually develop linkages between the two local-level components: the sites for building the roads in component 3 were chosen in connection with the economic activities developed under component 3. As will be seen later in the report, this approach however fell short of an economic justification because of the very small size of component 2.

45. **Lack of an overall strategy for component 1.** Similarly, there is a lack of strategy to drive the implementation of the national-level component. Component 1 consists of a number of eclectic activities that seem to be self-standing. Each single output should indeed contribute to developing a national framework for promoting employment. However there is an absence of continuity between the various activities and the lack of linkages between them prevents from developing synergies and from gaining a higher impact. Besides, in the case of output 2 ("sector ministries involved in public investment programming and social partners equipped to integrate employment in the national planning of poverty reduction"), planned activities (a series of studies) were not sufficient to achieve what was expected. In addition, no support was provided to ensure that plans, studies and institutions

promoted by the project would be adequately implemented, thereby carrying the risk that, once in place, they would remain at a standstill. To a large extent, this is actually what happened.

46. **Pilot project.** Although this is not clearly spelled out in the project document, the overall project architecture is to have two pilot components at the local level, which should provide implementation lessons to feed into policy making supported in component 1. However overall project design does not adequately match this global purpose. First, the project size is too small (four villages covered) and its duration too short (one year) to make an effective demonstration for possible upscaling. In addition, there are no central management nor any information/reporting system in place to secure that lessons learned are capitalised at the policy-making level.

47. **Implementation arrangements.** Implementation arrangements are not adequately developed in the project document, which was not shared with national authorities. An agreement on project execution was signed between ILO and the Ministry of Foreign Affairs only in October 2008, upon the government's request and when the project is almost completed. The project document did not designate any national implementing agency or hosting institution. It did mention a tripartite committee, but its composition was not specified and it was never put in place. There is also no overall management structure to coordinate and monitor project implementation. This lack of a unified structure also contributed to the lack of an overall project implementation strategy and global coherence. There is no clear division of management responsibilities between ILO headquarters and the Malagasy parties.

48. The only specific implementation arrangements that are mentioned in the very short chapter devoted to the project institutional framework are that component 2 will be implemented by a national expert based in Antsirabe (but the expert profile is not specified, nor are his functions or the kind of relationships that s/he should develop with local institutions), and that component 3 is to be "directly coordinated with ILO projects in Antsirabe" (without specifying how this should be done). There are no implementation arrangements mentioned for component 1.

B. Project effectiveness

Component 1

49. **Expected outputs.** Component 1 aimed at building a common strategic vision and at developing action tools to support the implementation of the National Employment Policy (NPE) and sustainable poverty reduction. To this effect, component 1 had three expected outputs:

- *an action plan to support the implementation of NPE, called National Programme to Support Employment (NPSE), finalised and validated by national stakeholders;*
- *line ministries involved in public investment programming and social partners equipped to integrate employment in the national planning of poverty reduction;*
- *institutions responsible for the implementation of the National Employment Policy set up and/or strengthened.*

50. **Overall achievement.** Despite shortfalls in project design, the project has globally achieved its objective at the national level. It has definitely contributed to including employment as a priority in the country's development strategies. With support from the project, NPSE was approved by the parliament and substantially reflected into the Madagascar Action Plan, which now includes employment as one of its priority sector, and into sector programmes. Studies conducted on the impact that employment-intensive construction of public infrastructure do generate not only on employment but also on macro-economic variables have contributed to pushing forward the idea of substantially increasing the portion of the public investment programme that is implemented through employment-intensive approaches. Yet by focusing activities on a smaller range of areas and by integrating them into a comprehensive process combining studies, training, development of

methodological tools and sustained capacity-building, it would probably have had a more significant and sustainable impact at the national level.

51. **National Programme to Support Employment (NPSE).** At the time of project formulation, a first version of NPSE had already been drafted further to the Ouagadougou Summit. MPF had requested ILO for assistance in finalising the document, and this request had been incorporated in the project document. A consultant was then hired to assist in developing a participatory process whereby national stakeholders would be associated in the finalisation and validation of the plan. After a series of meetings and consultations, a new version was drafted and approved in a national workshop held in October 2006. Over 90 representatives from ministerial departments, regional administrations, employer organisations, trade unions, civil society and donors participated in the workshop. NPSE was then voted as a law in the national parliament.

52. NPSE covers a five-year period (2007-2011) and aims at developing decent employment for poverty reduction by: (i) developing local competences, (ii) promoting economic sectors that can generate employment; and (iii) improving the legal and institutional framework for employment.

53. The programme is very ambitious, in the sense that it covers a wide range of sectors, some of which fall only partly or not at all under the direct competence of MPE, such as professional training (which is also the competence of the Ministry of Education), support to SMEs (which is the responsibility of the Ministry of Economy, Commerce and Industry), microfinance (Ministry of Finance), agriculture productivity (Ministry of Agriculture, Livestock and Fisheries), etc. The challenge is therefore to develop inter-institutional collaborations and to carve out a role for MFP that allows it to orient sector policies while having only a limited role in implementing them. However these issues are not addressed in NPSE.

54. A number of NPSE priorities were directly or indirectly supported by the project, including:

- *the creation of a system for Information and Advice on Professional Orientation and Employment (ICOPE), by supporting the creation of MOEP - which should implement it - in component 1, and by testing an approach in component 2;*
- *promoting professional training for rural communities lacking access to formal employment, by testing an approach in component 2;*
- *prioritising job creation in the public investment programme and in development projects, by carrying out a number of studies showing how this objective could be implemented and the benefits it could bring in component 1.*

55. **Integrating employment in national planning for poverty reduction.** According to the project documents, two sets of activities were to be developed to achieve this output. Two studies had to be conducted to show how public investment programmes could generate employment through a larger use of local resources (both manpower and building materials) in the construction of public infrastructure, and how the public investment programming system should be adapted to this effect. In addition, the National Labour Committee (NLC) and CNSPERP had to be strengthened to be able to support the integration of employment into the MAP and employment policies.

56. Globally, these activities were implemented. However there was an initial discrepancy between the expected outputs and the limited range of activities (two studies and two training events) designed to attain it. These, particularly the studies, provide important building blocks to reach the expected output, but additional efforts are still required to turn it effective. Proposals in this respect will be made in the chapter on recommendations.

57. **Country studies.** Actually five studies were financed by the project to explore how employment-intensive approaches could contribute to poverty reduction and employment-intensive growth. The studies were piloted by the *Cellule d'appui des projets HIMO* (Support Unit for Labour-

Intensive Projects), which is based in Antsirabe and coordinates all ILO-implemented projects in the country. This arrangement provided the necessary coordination and overall orientation to ensure consistency and synergies across the set of five studies, and compensated for the lack of a project unified management structure. It also allowed taking stock of the wealth of experience accumulated by ILO over the last ten years. The studies, which are based on real data extracted from national public accounts and from selected development projects, are briefly reviewed hereafter.

58. Comparative analysis of different approaches used for building basic infrastructure.

Using available data, the study⁷ compares employment-intensive methods (based on manpower and on the use of local resources) and capital-intensive (mechanised) approaches used to build infrastructure in different sectors. It demonstrates that in the road sector:

- employment-intensive approaches generate three times as much direct jobs than the mechanised approach, and twice as much indirect jobs;
- unit costs for employment-intensive investments are five and a half times lower than for capital-investment methods;
- they save 20% of the foreign currency spent for capital-intensive works.

59. Figures are less impressive for other sectors, where the portion of mechanisation and/or of imported building materials is less important, but they are nevertheless significant. For example employment-intensive approaches for the construction of irrigated schemes (which constitute a major priority in the rural development sector) create three times more jobs and save 40% of foreign currency.

60. A complementary study was carried out in 2008⁸ to quantify the number of indirect jobs that are created by the employment-intensive construction of a range of different infrastructure (rural roads, urban paving, irrigation schemes, small-scale public buildings and wells). Indirect jobs derive from the production and transport of local building material and locally manufactured tools. The study is based on data available in a project financed by Norway and implemented by ILO in Tolagnaro, “HIMO communal”. It shows for example, that employment-intensive construction of rural roads has generated the creation of an equivalent of 1,505 persons / day in indirect jobs per km.

61. Macro-economic impact of employment intensive approaches. The study builds on a similar analysis that was carried out for ILO in 1996⁹ and applies a mathematical model that was adapted by the Centre for Research, Studies and Support to Economic Analysis in Madagascar (CREAM), in conjunction with the National Institute for Statistics (INSTAT). Using simulations based on national public accounts, the study concludes that employment-intensive approaches generate a higher positive impact on macro-economic variables than capital-intensive ones. For instance, taking as a reference the total public investment in construction and public works between 2001 and 2005 (i.e. MGF 2,521 billion), the study shows that the exclusive use of employment-intensive approaches would have led to:

- *double annual growth rate*, i.e. 2.13% instead of 1.06% if only capital-intensive methods had been applied;
- *double job creation*, i.e. 755,451 new jobs as opposed to 372,262 additional jobs with exclusively capital-intensive methods;
- *double household consumption* (and therefore a higher increase in global demand), i.e. an increase of MGF 1,256 billion as opposed to MGF 619 billion using capital-intensive approaches;

⁷ Van Imschoot, 2006.

⁸ Rakotoniaina, 2008.

⁹ Razafindrakoto, 1996.

62. The study also shows higher impact on public revenue and on domestic savings, but lower impact on the public deficit. It concludes that the use of employment-intensive approaches should be upscaled and that national policies should favour their application wherever possible, so that public investment programmes could generate increased benefits for the poor and the underemployed.

63. The study recommends increasing the portion of the public investment programme devoted to public infrastructure implemented with employment-intensive approaches. It stresses that this would require capacity-building for planners at the national and regional level, but also for SMEs and consulting firms in the construction sectors. It also recommends setting data bases that could generate updated data on employment-intensive construction projects, so as to sustain economic analyses and assist in orienting policy-making and public investment programming.

64. **Integration of employment in the public investment programming.** The third study¹⁰ shows how the methods and models used in the previous studies can be adapted to facilitate the integration of employment objectives in the selection, budgeting and implementation of public investment programmes and projects. It also shows how this will require new mechanisms and modalities, including with regard to: (i) selection criteria; (ii) programming tools and methodologies; (iii) technical norms; (iv) knowledge management and information systems both at the central and decentralised level; and (v) mechanisms for piloting and coordinating the implementation of public investment programmes.

65. **Validation workshop and plan of action.** A workshop was organised in July 2007 to discuss and validate the three main studies on integrating employment in public investment programmes to. Participants in the workshop endorsed a plan of action, which included: (i) the setting up of a policy unit called Employment Investment Unit, whose main mission would be to assist public administrations in programming and implementing public investments that can generate job creation and the use of local resources; (ii) the development of several planning tools adapted to the specific needs of a number of priority sectors; and (iii) to start implementing the new approach in some line ministries/executing agencies as well as in five pilot regions. The plan was to be implemented over a period of 8 months starting August 2007. To this day however, none of the actions planned has been implemented.

66. A fifth study was carried out in 2008¹¹ to identify the role and organisation of the Employment-Investment Unit (EIU). The study makes interesting proposals that should however be reviewed in light of a thorough institutional analysis. The distribution of competences between the Unit and line departments also needs to be clarified, and the Unit's organisation and composition should be adapted to be much lighter and less costly.

67. **Strengthening the capacities of the National Labour Committee (NLC) and CNSPERP.** According to the project document, the capacities of NLC and CNSPERP had to be strengthened so that they would acquire a better command of tools that could turn employment into a strategic development priority. Such tools however do not yet exist and, while the studies reviewed above do provide building blocks for their development, the project document did not include tool development as an activity. The only capacity-building activities that were carried out with CNSPERP members were three training workshop, organised in Antsirabe in 2007 and 2008. Other public institutions, employer organisations, trade unions and civil society organisations were also represented. It seems however that NLC members were not associated in these activities.

68. **Setting up/strengthening the institutions responsible for the implementation of the National Employment Policy.** The only activity planned by the project document in this respect was the preparation of a document setting the role, organisation and functioning of the Malagasy Office for Employment Promotion (MOEP). This was done through an expertise provided by ILO's office in

¹⁰ Ratolojanahary, 2007.

¹¹ Ravelosoa, 2008.

Dakar (Senegal) in June 2006, which was financed by ILO's office in Antananarivo and not by the project budget. The mission could not get any feedback on the impact of ILO expertise, as it seems that there is no trace left of it and the head of MOEP did not recall it taking place.

69. The decree creating MOEP was approved in March 2008. MOEP is the national agency for the implementation of NPE and NPSE. Its mission is "to promote decent employment and full employment through increasing the access of vulnerable populations to jobs that can generate stable and sustainable income"¹². MOEP functions include improving national strategies for NPSE implementation; informing, orienting and developing the capacities of entrepreneurs and businesses; contributing to setting up and managing an employment data base; and "initiate any other activity aiming at the promotion of decent employment".

70. MOEP was formally created in March 2008 and is still in the process of installation. It is receiving support from UNDP's project Promotion Emploi (2008-2011) in setting up regional departments in the two priority areas for the UN system, i.e. Atsimo Andrefana and Vatovavy Fitovinany. ILO is scheduled to provide local expertise to support project implementation as of 2009.

71. In addition, the project organised three training workshops for the members of National Committee for Monitoring Employment Promotion and Poverty Reduction (CNSPERP), MOEP, the Ministry of Public Function and the Malagasy Office for Employment and Professional Training (MOEPT). The first training addressed general notions in relation to the labour market, the implementation of NPSE and employment-intensive approaches. The other two dealt with the role of participating institutions in implementing NPSE and with the setting up of an information system to monitor NPSE implementation. A fourth event, for members of CNSPERP and of the National Labour Council, dealt with the integration of decent employment in national development policies. With these workshops, ILO intended to support the development of capacities in the Ministry of Public Function, MOEP, MOEPT, CNSPERP and the social partners to facilitate a better understanding of employment issues, and to support exchange of information, coordination and an integrated approach among the various stakeholders.

72. These workshops may have provided useful basic information to the participants and likely contributed to the adoption of employment as a national priority. However, as isolated events that were not matched by any follow-up or consolidating activities, they could not suffice to create sustainable capacities with regard to piloting/monitoring NPSE implementation. No information system has been put in place so far. CNSPERP has not met once in the three months since the workshops were held and is awaiting MPF's signals in this respect. Neither MOEP's nor MOEPT's head could recall their participating in the workshops.

Component 2 and 3

73. **Overall assessment.** Both components 2 and 3 contributed to the achievement of the development objective by generating employment for the poorer segments of the target population. Such contribution however remains minimal: component 2 may result in gainful employment for around 150 people, while component 3 created around 26,000 workdays. Compared with the extent of poverty in Madagascar, such numbers are insignificant.

74. Component 2 appears to be too modest in size to constitute an efficient model for the government to replicate it: it covers around 150 beneficiaries in 4 rural villages. In addition, there is still limited capacity at the regional level to take over and to link employment offers and seekers. The component is organised with a project approach, and therefore relies on a parallel structure for its management. The component manager has made a commendable effort in networking with existing public and private institutions. However there is no obvious national institution that can manage

¹² MPF, Decree n°2008- 405 of 31 March 2008, article 4.

similar activities at a larger scale. MOEP has potential to fulfil the role but it is still being set up and has only very limited financial resources available.

75. ILO has been involved in relatively large scale labour-based construction projects over the last 10 years, and component 3 does not really add to the experience. However ILO-implemented *Cellule d'appui aux projets HIMO* has been instrumental in contracting and directing the set of studies undertaken in component 1.

Component 2

76. **Expected outputs.** Component 2 aimed at “promoting poverty reduction and decent job creation through professional training and supporting the creation and development of micro and small enterprises (MSEs)”. To this effect, component 2 had three expected outputs:

- strategies and tools based on local economic development are elaborated and implemented to build the capacities of vulnerable groups and facilitate their access to productive jobs;
- strategies and tools are developed and implemented to allow MSEs in selected value chains to increase their productivity, competitiveness and potential for job creation;
- in the town of Antsirabe and surroundings, strategies and tools are developed and implemented to facilitate youth and women access to employment and SME creation.

77. **Sub-components.** The component was initiated in July 2006 with the recruitment of a national expert who is the component manager reporting to ILO Geneva. It is due to conclude in December 2008. Component 2 includes two main sub-components:

- direct support to rural, vulnerable groups of four villages in terms of identification and initiation of income-generating activities based on value chain analysis and on a participatory approach;
- support to peri-urban employment seekers and employers by supporting the development of a regional network of employment agencies called Information and Advice on Professional Orientation and Employment (ICOPE).

78. A detailed description of achieved outputs and work plan is attached in Annex 4.

79. **Sub-component 1 – Overall approach.** The first sub-component is based on the TREE approach developed by ILO, in which local TREE Committees are composed of representatives of target groups, local government, local NGOs and key members of the community. Membership varies according to the context -- in this project members have been drawn from the communal administration, local associations, local role models and representatives of beneficiaries, both men and women. As the subcomponent is active in two municipalities, two committees were formed. They cooperate with the national expert and other stakeholders with regard to:

- contributing to assessing economic opportunities and needs to identify employment and income-generating opportunities and constraints at the community level;
- contributing to gender analysis;
- contributing to feasibility analysis of potential employment and income-generating projects;
- contributing to the assessment of training needs;
- promoting participation in training and contributing to the selection of the trainees;
- assessing the need for other technical support;
- assisting in the mobilisation of local associations.

80. This participatory approach should ensure that decisions are agreeable and in the interest of the beneficiaries and their communities. Value chain analysis supplements the exercise to identify: (i) economic activities that have a potential for generating employment; (ii) specific groups of beneficiaries interested in developing income-generating activities, with specific priority given to

women; (iii) market outlets and economic agents. The whole approach results in training activities and in the development of specific linkages to economic agents.

81. **Beneficiaries.** Following the application of this process, a total of 137 persons were trained in textile production, green bean production and stone quarrying, as is reflected in Table 1. A total of 17 were trained as trainers of which 12 were women. One of the criteria for selection of the value chains was whether women were active in the activity; this may explain why 114 out of the 137 people trained are women.

Table 1: Overview of training modules

Value Chain	Training Modules	Trainees			Trainers		
		TOTAL	Women	Men	TOTAL	Women	Men
Textiles	Embroidery	7	7	-	1	1	-
		18	18	-	3	3	-
	Embroidery (Advanced)	4	4	-	2	2	-
	Cutting and Stitching	29	26	3	2	2	-
	Sewing Machine Operator	17	16	1	1	-	1
	Sewing Machine Operator (Advanced)	13	12	1	1	-	1
Vegetable production	Green Beans	14	4	10	1	-	1
	Green Beans	12	8	4	1	-	1
Quarrying	Quarrying	12	8	4	2	1	1
Total for all value chains	9 training modules	137	114	23	17	12	5

Source: Project Annual Progress Report 2007, Component 2.

82. In terms of targeting the vulnerable rural poor, the component has been successful. A study of the beneficiaries reveals monthly cash incomes for the involved families of US\$ 4-10 a month. Women form the majority of the beneficiaries and are generally more vulnerable than men.

83. **Value chain development.** However, the approach applied appears to be of limited value for the larger scale a national employment programme must operate at. Whereas the component is focusing on the community level, value chain development should rest on a larger basis, such as a whole production area or a region. Embroidery, which is one of the specialisations under textiles, bears limited perspectives for development because of the limited market. Green bean production (for export in this case) may have a much larger potential and a value chain analysis maybe appropriate at the regional level. In fact the Head of Vakinankaratra Region informed the mission that the region's development priority is to develop vegetable production for export. The airport would be expanded and the main focus would be on linking small producers with economic agents, probably in the form of contract farming. Support from the ILO in terms of value chain analysis would be appreciated.

84. It should however be noted that a gender consultancy was organized to Madagascar with a view to develop a manual based on the experience of component 2.

85. **Sub-component 2.** Sub-component 2 was to provide support to young and vulnerable urban job seekers through a network of public and private organisations offering Information and Advice on Professional Orientation and Employment (ICOPE). By March 2008, potential agencies had been identified and an agreement had been reached with each of them to define their role. Training was then organised for 14 future trainers, of which 8 women. Trainees were drawn from six organisations in both the public and private sector, i.e. the Regional Communications Centre (CCR¹³ Vakinankaratra), the Regional Employment Office (*Service Régional de l'Emploi et de la Formation Professionnelle du Vakinankaratra*), Chamber of Commerce (*Chambre de Commerce et d'Industrie du Vakinankaratra*), Chamber of Trades (*Chambre des Métiers du Vakinankaratra*), an NGO, Vahatra, involved in training young people for the labour market, and the Centre for Technical and Economic Information (CITE¹⁴ Vakinankaratra). Each organisation plays a role in relation to the labour market.

¹³ Centre de Communication Régionale.

¹⁴ Centre d'Information Technique et Economique.

Out of the 14 persons; 5 had previously been trained by an ILO initiative as employment advisors. However, none of the 5 had utilised the training in their jobs.

86. Six months later, the project reports that around 80 persons have found a job in and around Antsirabe through the project-assisted network. There is no information available as to how many of them belong to the target group.

87. The mission met with some of the trainees who expressed their appreciation. However, every single organisation in the network has its own agenda and there is no formal collaboration between them in this area. There is no joint roster of jobs or potential candidates. The project should have had a key partner identified from the onset.

Component 3

88. **Expected outputs.** Component 3 aimed at contributing to job creation through the development of rural socio-economic infrastructure using employment-intensive approaches. To this effect, component 3 had three expected outputs:

- construction programmes based on communal development plans in pilot municipalities;
- officials from the pilot municipalities able to implement their responsibilities with regard to construction ownership, taxation and budget management;
- officials from the pilot municipalities and community associations trained in managing and maintaining infrastructure.

89. **Overall approach.** Component 3 worked in collaboration with component 2 to rehabilitate rural roads securing access to the four villages targeted under component 2, and to construct socio-economic buildings. In addition, the two communes involved and the communities along the rehabilitated roads were assisted in the management, finance and maintenance of infrastructure. The component was managed by *Cellule d'appui aux projets HIMO*, an ongoing ILO project financed mainly by Norwegian funds.

90. Component 3 was initiated in May 2006 and is scheduled to end in December 2008. It was divided in two phases: the first one was financed by the project budget as planned, and the second one was made possible by an additional allocation of around USD 360,000, corresponding to unspent funds from other ILO-managed projects.

91. Component 3 includes two sub-components: (i) the rehabilitation/construction of rural roads and buildings; and (ii) the strengthening of capacities within the two communes involved and within the communities along the roads with regard to the management, finance and maintenance of infrastructure.

92. **Sub-component 1.** Main outputs achieved in sub-component 1 will include (by the end of the year) 36 km of rehabilitated roads, 30 km of improved roads and 3 new buildings -- one kindergarten and two buildings (one for each of the participating municipalities) where project-supported associations can develop their activities, each including an exhibition hall.

Table 2: Component 3- Main physical outputs

Phase	Outputs achieved	Remarks
Phase 1 Rural road rehab Building	30 km 1 building (53 m ²)	Spot improvements on mountain roads Kindergarten for children of quarry workers
Phase 2 Rural road rehab Road improvement Building	6 km 27 km 2 buildings (224 m ²)	In part construction of new road Partially on phase 1 road Work/exhibition space for women groups

Source: *Cellule d'appui aux projets HIMO*

93. Phase 1 activities are completed, including the one-year guarantee period on the road works. For Phase 2, road works are almost finished and provisional work commission to project/municipalities already took place. The guarantee is to run till end of 2009 and the contractual management will be handled by the other ongoing ILO project. The two buildings are getting completed and will most likely be finished before the end of December 2008.

94. Works were contracted out to consulting engineers for design and supervision and to small and medium sized contractors for the actual works. The Training Center for Labour-based Infrastructure (*Centre de formation HIMO*) based in Antsirabe was the contractor for around 15 km of roads as well as for the buildings. This has had the additional benefit of providing training for small contractors, communal technical staff and for the beneficiaries. The evaluation team does not have engineering expertise; however works appear to be of good quality. The first road was in good condition one year after completion, despite a complex configuration as roads in the project area are traversing mountainous areas with steep slopes and serious drainage challenges.

95. **Sub-component 2.** Communes will own and manage rural infrastructure constructed under the project. However, as they do not possess much experience in this field, five officials from each commune (including the mayors) received training with regard to infrastructure management, financing and maintenance at the Training Center for Labour-based Infrastructure in Antsirabe. In each commune a maintenance committee has been established with members from the communal council, the technical service and community representatives. All members have been exposed to a three-week course in planning and budgeting of maintenance. The length-man system has proven sustainable in Madagascar and has been introduced in the project. A total of 11 senior length-men were appointed by the communes and were also trained.

96. Communes are also weak with regard to fiscal management, and taxes collected are below expectations. As road maintenance is an expensive activity, staff from the two communes was trained in this field by "Entreprendre a Madagascar", an organisation that was created with ILO. As a follow-up, trainees have also received on-the-job training.

97. Commune officials expressed satisfaction with the training received and believed they would be capable of undertaking routine maintenance in the future.

C. Adequacy and efficiency of the resource use

98. **Project cost efficiency and financial management.** Project cost efficiency is hard to measure because overall financial management remained the responsibility of ILO headquarters and financial information is only partly available in-country. The original budget of USD 486,000 was increased through several additional contributions, including from Norway (on component 3), UNDP (component 3), ILO Geneva and ILO Dakar (component 1). However the mission did not have access to a breakdown of allocations and expenditure by funding sources. The only global information

available is for component 3, where the original budget of USD 116,800 was increased to USD 656,597 equivalent to a 562% increase.

99. In the absence of a unified management unit, component managers manage the component budget, prepare budget revisions and send them directly to ILO Headquarters (components 2 and 3). Component 1 had no coordinator, neither on the part of ILO nor on the part of the government. Local expenditure were authorised by Geneva upon the request of the ILO office in Antananarivo. The latter never received any financial report presenting a consolidating financial situation of project execution. Cost efficiency could therefore not be reviewed.

100. There is no financial report available for component 2. According to the original budget of USD 194,000, around USD 95,000 are for overhead costs. Of this amount, USD 55,000 were for international consultants and monitoring missions from ILO Geneva. In 2007 alone two missions from Geneva of two persons each visited the project, which represents quite a financial burden for such a small project, which apparently had encountered no serious problems at the time of the visits. On the contrary, the national expert seems to be in good control of the project, has excellent relations with the various stakeholders and has relied on local service providers for training and studies. His approach has contributed to keeping costs down. However high overhead costs have limited the portion of the budget that was directly spent for the beneficiaries. Assuming that total expenditures tally with the allocation and that sub-component 1 has consumed around 75% of the budget, the cost per beneficiary would amount to USD 1,653. This extremely elevated amount, which cannot be replicated at a higher scale, is however also determined by the very small size of the project.

101. Component 3 has had very low overhead costs – these were actually supported by *Cellule d'appui aux projets HIMO*, i.e. the project managing the component.

102. Component 3 has a detailed breakdown of the actual budget, as shown in table 3.

Table 3 – Implementation budget for component 3

Funding source	Amount phase 1 (USD)	Amount phase 2 (USD)
SIDA	90 548	330 035
Total SIDA	90 548	330 035
Norway – unspent balance from...		-
... Project HIMO Routes	53 032	-
... Project HIMO Urbain	45 488	-
... Project HIMO Communal	56 908	-
... Project HIMO Bâtiments	20 586	-
Total Norway	176 014	-
UNDP	60 000	-
Total UNDP	60 000	-
GRAND TOTAL	326 562	330 035

Source: Progress report for component 3, May 2006-October 2008

103. The rehabilitation and improvement of rural roads as well as the building construction used employment-intensive methods, which have proven their cost efficiency as also demonstrated in the studies carried out in component 1.

104. Rural roads did not undergo a complete rehabilitation, which was not justified by traffic, but rather benefitted from spot improvements, with due consideration for the problems relating to mountainous roads. The total cost for 36.1 km of rehabilitation was USD 387,000, corresponding to a cost per km of USD 10,720; while the cost for improvement of 27 km was USD 43,000, or a cost per

km of USD 1,592. Both costs are competitive as shown in the comparative study on different approaches used for construction of infrastructure financed under component 1¹⁵.

105. With regard to building construction, the unit cost amounts to USD 327 per m², which is low cost for storm resistant buildings.

106. **Organisation and management.** As already noted, the project document did not designate any national implementation agency for the project and an agreement specifying the roles of ILO and the government was signed only in October 2008. There was also no unified management structure on ILO's side, and each project was implemented as a stand-alone sub-project. Component 1 had no project coordinator. This reflects on the way activities were programmed as isolated events, except for the set of studies on integrating employment that received strong support from EMPINVEST in Geneva and from ILO's HIMO coordination unit.

107. **Information management.** The project document made no mention of a unified project monitoring and evaluation system. Separate progress reports for each component were prepared according to disparate frequencies and at different moments. These reports do not include thorough financial information as expenditure directly borne by ILO headquarters were not communicated locally. They were not distributed to traditional ILO's partners from the government, trade unions and employer organisations, but only to the Director of Employment and of the Public Function, upon his own request. The government complained to the mission that it had received no information on financial execution, which is not in accordance with the Paris Declaration. Development partners were recently reminded by the Prime Minister's office that complete project financial information must be forwarded to the government and that transparency on project implementation must be ensured.

108. One single report was prepared for component 1, which is merely a description of activities carried out in the component. It does not analyse the extent to which project objectives and outputs were achieved, nor does it address management issues.

109. **Tripartism.** Tripartism has been absent at the time of project formulation, which failed to associate national stakeholders altogether. With regard to component 1, tripartism was applied in the preparation process of NPSE and in the training workshops. It is also reflected in the composition of NPSE steering committee. In contrast, it was not reflected in the participation in the studies validation workshop, which only gathered government and public agencies representatives.

110. **Relations with SIDA.** In the absence of a SIDA representation or Swedish embassy in Madagascar, no relations with SIDA were developed on the occasion of project implementation. Apart from humanitarian assistance channelled through NGOs, Sweden does not have direct development cooperation with Madagascar.

D. Effects and likelihood to have longer term impact

111. **Component 1.** The impact of component 1 on the creation of decent employment can hardly be measured. There are no information systems in place that can provide comprehensive and reliable data on employment – it is precisely one of NPSE priorities to set up an information system that could support NPSE implementation. On the other hand, it would be hard to correlate global impacts on employment or on poverty reduction to a series of isolated events as promoted by the project.

112. Yet most of the activities carried out under component 1 have induced positive effects in the employment sector:

¹⁵ Van Imschoot, June 2007.

- *support to NPSE*: project support to NPSE formulation has resulted in the adoption of the Programme at the highest level – the national parliament. In addition, the participatory process that generated NPSE likely contributed to the adoption of a consensual plan, but also to the promotion of employment as a priority both in the MAP and in the sector programmes designed to implement it. In particular the sector programme for the public function and employment reflects the operational part of NPSE -- however mainly through a list of disconnected activities. The adoption of employment as a national priority is a new, important development. It should however be noted that while NPSE rightly stresses that the problem for the poor is not so much to secure employment, than to secure decent employment, i.e. one that generate sufficient income to keep out of poverty, the MAP focuses on promoting full employment. Yet the issue is less to reach full employment per se (the unemployment rate is estimated at a low 2.8% in 2005¹⁶), but rather to create remunerative jobs and to raise productivity, particularly among smallholder producers and the informally self-employed, who make up for the vast majority of the working age population¹⁷;
- *studies on integrating employment in public investment programmes*: studies reviewed above together contribute to designing a coherent and comprehensive conceptual framework to generate increased decent employment through public investment programmes. The next step is now to outline the conceptual framework in a unified document and, more important, to turn it operational. Although none of the measures included in the plan of action has been implemented yet, a more favourable context is developing to make employment a priority in poverty reduction efforts. Importantly, the Ministry of Economy, Commerce and Industry has included in its draft 2009 work plan “the integration of a better distribution of income and employment in the public investment programming” through the creation of an Employment-Investment Unit and the development of appropriate tools. This can be considered as a direct effect of activities carried out in component 1;
- *creation of MOEP*: the expertise provided by ILO contributed to creating MOEP. The agency is now getting organised and starts developing its activities with support from UNDP.

113. One activity has had little impact so far, i.e. the training of CNSPERP members. CNSPERP, which is chaired by the minister in charge of Employment, has not met at all since the training workshops were held. It appears that its members (including the ministry, which has not called for any meeting) are still not very clear about CNSPERP responsibilities and, particularly, about the distribution of responsibilities between CNSPERP and the National Council of Labour. The latter expressed similar doubts.

114. The limited success of these trainings, as well as the lack of implementation of the plan of action to follow-up on the studies, both tend to demonstrate that isolated events (trainings, a stakeholder workshop) cannot suffice to build institutions and develop their capacities. Other supporting activities are needed to develop new relationships (such as between the Ministry of Public Function and CNSPERP) or new behaviours (such as integrating employment in public investment programmes). To bear fruits, training/workshops need to be included in more comprehensive support strategies, that should also include the provision of methodological and/or technical tools (including manuals, sets of procedures, plans of actions...) as well as technical support and coaching.

115. **Component 2.** Some 77 persons are still applying their newly acquired skills to an economic activity, as shown in table 4.

¹⁶ Ratolonjahary, June 2007.

¹⁷ Epstein, 2008.

Table 4: Number of beneficiaries trained and continuing with the activity

Activity	Total trained	Women trained	No and % of trained persons continuing activity as of November 2008	
Textile	69	66	36	52%
Green bean	36	20	32	89%
Quarrying	9	5	9	100%
TOTAL	115	88	77	67%

Source: National expert, component 2

116. This is a fairly good success rate for introducing new activities into rural communities. Beneficiaries met by the evaluation mission indicated that they intended to continue applying their skills in economic activities. The project has thus shown that the approach has potential for developing the rural economy.

117. At community level, all activities are still in their first year of implementation and have not yet borne full revenue. Expected impact on the cash revenue of the 88 families involved is an increase from USD 4-10 to a level of USD 14-60 per month. The highest increase would be for green bean production, while granite quarrying would have the lowest. These increases can be put in perspective with the official minimum wage which amounts to USD 39. It should be remembered that, except for quarrying, the activities are not full-time occupations; for example women involved in embroidery use 3-4 hours a day on the activity. Besides, except for quarrying, beneficiaries rely on one or two economic agents for marketing their produce, which creates a certain dependency: if the agent fails and/or the market drops, beneficiaries will also lose their income.

118. At the urban level, no detailed information is available with regard to the conditions of employment of the 80 beneficiaries that could get a new job. The creation of supporting capacities with the organisations called to provide information and advice on professional orientation and employment remained limited and its impact is yet unknown.

119. **Component 3.** Roads rehabilitated by the project connect the seat of the communal administration with villages in fertile valleys that have a potential for agricultural production. They are in use, but motorised traffic is limited. And although they do open up market access to the four villages targeted by the project, their impact remains too limited to justify the investment.

120. The kindergarten is in use and hosted some 30 children when visited by the evaluation mission. It has reduced the exposure of the children to hazardous conditions in the granite quarry, where usually both parents are working, and has freed the latter from attending to their children to concentrate on their work.

121. In addition, a total of around 45,000 workdays were generated by construction through the use of local labour. About 26,000 workdays were generated by road rehabilitation works and around 2,000 by building construction, mainly benefitting the population bordering the roads and around building sites. This created an additional income for construction workers for a period of 2-4 months.

122. Table 5 shows the portion of rehabilitation costs that went into wages and corresponding job creation.

Table 5: Road rehabilitation - Cost of works, wages and direct employment creation

Road	Cost of works (USD 000)	Wages (USD 000)	Works/wages %	Direct employment workdays
Ibity-Sahamalaza	125.3	24.9	20	10,008
Mangarano-Sahatany	49.2	11.3	23	6,695
Vinaninkarena- Belazao	62.7	16.9	27	9,298
Total	237.2	53.2	22	26,001

Source: Project progress report, component 3, May 2006-October 2008

123. Rehabilitation works show a labour intensity of around 22%, which is normal for mountain roads with costly drainage canals in stonemasonry. They generated around USD 53,200 in wages paid to local labour. Gender distribution of workers is not available as it is not a requirement to report on this issue in standard road contracts used for such works in Madagascar.

124. Unskilled workers were paid a daily salary of around USD 3, which is about 60% higher than the official minimum wage. Contracts contain clauses that secure decent work conditions, including health and accident insurance. Contractors are paid only once they can provide evidence of such insurance.

E. Sustainability

125. Institutional changes require a well-thought supporting strategy, which in turn also requires time to implement it. One year, as originally planned, is too short a duration to induce a sustainable implementation of the methods and tools developed by the project.

126. **Component 1.** With regard to component 1, the most sustainable outcome is NPSE. It was voted as a law and the consensual process through which it was adopted has developed a sense of ownership on behalf of the ministry of Public Function, Labour and Social Laws. This has probably contributed to employment becoming a national development priority in the MAP and in sector programmes designed to implement it. NPSE now remains to be implemented, for which additional methodological support would probably be needed.

127. The set of studies on better integrating employment in public investment programmes offers good potential to facilitate the inclusion of employment in sector policies and public investment planning. This however would require, as indicated in the action plan that was adopted at the validation workshop, the setting up of a policy unit to assist line ministries in integrating employment in their policies and investment programmes. There is a very favourable context for creating such a unit: the government is increasingly aware that growth, in order to benefit to the Malagasy population, needs to be coupled with decent employment. Making tools and knowledge available to line ministries to implement a substantial part of their investment programmes through employment-intensive approaches might bring visible and quick returns in terms of job creation, including permanent ones. The mission therefore believes that there is a window of opportunity to upscale the approaches successfully developed with ILO's support in the past decade and to mainstream them into programming and budgeting at the national, regional and communal level. To this effect technical and methodological assistance should be made available to set up the policy unit as soon as possible, in the framework of a new project. Proposals in this respect are made in the next chapter.

128. **Component 2.** Economic activities at community level will be sustainable if beneficiaries continue to find them interesting and profitable. All the beneficiaries questioned by the evaluation mission expressed their interest in continuing. They are however presently dependent on one or two buyers. These were identified by the project and they do appear to be good and solid enterprises.

However if they disappear or if markets shrink, beneficiaries will see their income shrink as well. One exception is the stone quarry, which functioned before the project and has diversified local market.

129. **Component 3.** The sustainability of project built infrastructure will depend on communes' ability to maintain them. Capacity-building within the communes and the communities has given them the technical capacity to undertake routine maintenance for both roads and buildings. A system is now in place whereby length-men are organised to perform routine maintenance. Communal technical staff was trained in managing and budgeting maintenance operations. Communes and communities expressed their commitment to maintaining infrastructure and they were confident that they possess the technical and administrative capacity to do so.

130. With project support, the financial position of the communes has improved and the amount of taxes collected has increased. The communes are contractually committed to cover maintenance costs of approximately USD 89 per km per year. They both opened bank accounts specifically for that purpose and deposited considerable amounts.

131. The running and maintenance costs for the kindergarten are also borne by the communes. USD 83 were deposited on an account for maintenance and two child assistants and a guard have been employed by each commune at a cost of around USD 80 a month.

132. While the communes are technically and financially capable of taking care of routine maintenance, major works and repairs are beyond their capacity. Roads are located in mountainous areas and drainage is a continuous challenge. Medium to long term sustainability may therefore be at risk. However, this is a general problem for all roads under communal management that needs to be resolved at another level than that of a project.

IV. CONCLUSIONS

133. **A general conclusion.** The project coincides with a turning point in the way employment is taken into consideration in national policies and programmes. Employment, which was not mentioned at all in the first version of the MAP, is now a national development priority that is reflected not only in the MAP but also in the programmes of major line ministries. The project has certainly contributed to such an evolution, by providing support to the preparation and adoption of NPSE. In this new favourable context, other activities promoted by the project assume particular relevance, specifically the set of studies on integrating employment in public investment programmes and the development of new approaches to promote employment at the local level. However, while these activities lay down important building blocks in setting up a national framework to promote decent employment, they did not lead to full-scale sustainable impact. The reason for this largely lies with initial weaknesses in the project design, including the inappropriate duration and size of the project, incomplete project strategies and lack of a national project implementation agency. Because of the new interest for developing decent employment, there is scope however to give continuity to project activities, particularly to the set of studies carried out in component 1.

134. **Relevance, strategic fit and validity of project design.** Project design was in line with PRSP orientations. It was aligned with ILO's priorities to advance opportunities for women and men to obtain decent and productive work and to strengthen dialogue on employment-related issues. Project design was also coherent with SIDA's overall goal to contribute to making it possible for poor people to improve their living conditions. Several weaknesses in project design however affected project outcomes and sustainability, namely:

- *lack of a strategic approach:* the project document did not describe any common strategy to orient the project as a whole or to develop synergies between the various components, which were designed as three self-standing projects. Similarly, there was a lack of strategy to drive

the implementation of the national-level component, which consists of a number of eclectic and disconnected activities. This shortcoming was partially compensated for by project actors at the local level. However, although there would have been scope to link activities at the national and at the local level, this opportunity was missed in the absence of a global strategy;

- *inadequate project size*: component 2 is too modest and its duration too short to make an effective demonstration for possible upscaling. In addition, community or even communal level is too small to envisage value chain development – this should rather be based at a larger level such as for example a producing area or a region (as is the case in regional development plans for example);
- *lack of a unified management structure*: the absence of a unified management structure aggravated the lack of an overall strategy. In the absence of a coordinating structure, components were implemented as self-standing projects and, even within component 1, there was no internal coherence or continuity between the different activities. This situation was compounded by the fact that there was no hosting national agency and that the project was steered by different departments at ILO headquarters.

135. **Project effectiveness.** Despite shortfalls in project design, the project has globally achieved its objective at the national level (component 1). It has definitely contributed to including employment as a priority in the country's development strategies. With support from the project, NPSE was approved by the parliament and substantially reflected into the Madagascar Action Plan, which now includes employment as one of its priority sectors, and into sector programmes. Studies have contributed to pushing forward the idea of substantially increasing the portion of the public investment programme that is implemented through employment-intensive approaches. Yet by focusing activities on a smaller range of areas and by integrating them into a comprehensive process combining studies, training, development of methodological tools and sustained capacity-building, the project would probably have had a more significant and sustainable impact at the national level.

136. Both components 2 and 3 contributed to the achievement of the development objective by generating employment for the poorer segments of the target population. Compared with the extent of poverty in Madagascar, such contribution however remains minimal. Component 2 introduces a new approach to employment and income-generation that has good potential. However it appears to be too modest in size to constitute an efficient model for the government to replicate it. In addition, there is still limited capacity at the regional level to take over and to link employment offers and seekers. Component 3 led to the rehabilitation of access roads and built social facilities in support to activities implemented in component 2 along well proven approaches that ILO has developed in Madagascar for the past decade.

137. **Adequacy and efficiency of the resource use.** Project cost efficiency is hard to measure because overall financial management remained the responsibility of ILO headquarters, particularly with regard to component 1. It appears however that high overhead costs for component 2 were not commensurate with project benefits accrued to beneficiaries, which is also a consequence of the project being too small. In contrast, overhead costs for component 3 remained very low because of the existence of another ILO project to bear their costs. With regard to project organisation, there was no unified management structure and no hosting national institution to pilot the project. Each project was implemented as a stand-alone sub-project. The only exception to this situation was brought about by the national expert in component 2 and the coordinator of the Support Unit for Labour-Intensive Projects, who coordinated the selection of road sites in component 3 to suit access needs in component 2 – however this solution lacks economic justification. With regard to knowledge management, there was no mention of a unified project monitoring and evaluation system in the project document. Separate progress reports for each component were prepared according to separate timings and were not shared with the whole range of ILO's traditional partners. Financial information remained with ILO Headquarters and was never made available to the government.

138. **Effects and likelihood to have longer term impact.** Most of the activities carried out under component 1 have induced positive effects in the employment sector: project support to NPSE formulation has resulted in the adoption of the Programme by the parliament; studies contributed to designing a coherent and comprehensive conceptual framework to generate increased decent employment through public investment programmes; and the expertise provided by ILO contributed to creating MOEP, which is now getting organised and starts developing its activities with support from UNDP. In contrast, the training of CNSPERP members has had little effect, which tends to demonstrate that isolated events cannot suffice to build institutions and develop their capacities. Through component 2 activities, some 77 persons are still applying their newly acquired skills to an economic activity. The project has thus shown that the approach has potential for developing the rural economy. Roads rehabilitated under component 3 connect the seat of the communal administration with villages in fertile valleys that have a potential for agricultural production. Although they do open up market access to the four villages targeted by the project, their impact remains too limited to justify the investment. The kindergarten is in use and hosted some 30 children when visited by the evaluation mission. In addition, component 3 generated a total of around 45,000 workdays through the use of local labour.

139. **Sustainability.** With regard to component 1, the most sustainable outcome is NPSE, which was adopted as a law and has probably contributed to employment becoming a national development priority in the MAP and in sector programmes designed to implement it. NPSE now remains to be implemented, for which additional methodological support would probably be needed. The set of studies on better integrating employment in public investment programmes offers good potential to facilitate the inclusion of employment in sector policies and public investment planning. This would require setting up a policy unit to assist line ministries in integrating employment in their policies and investment programmes, for which there is a very favourable context.

140. For component 2, economic activities at community level will be sustainable if beneficiaries continue to find them interesting and profitable. They are however presently dependent on one or two buyers, which puts their activities at risk. For component 3, sustainability of project built infrastructure will depend on communes' ability to maintain them. Capacity-building within the communes and the communities has given them the technical capacity to undertake routine maintenance for both roads and buildings and communes are contractually committed to cover routine maintenance and management costs. However important road works and repairs are beyond communal capacity -- this is a general problem for all roads under communal management that needs to be resolved at another level than that of a project.

V. LESSONS LEARNT AND RECOMMENDATIONS

A. Lessons learnt

141. Main lessons learnt out of project experience can be summarised as follows.

142. **Promoting institutional change and policy development.** National ownership is a necessary condition to bring about institutional change and to contribute to policy development. ILO can bring technical expertise and share experience gained in Madagascar and elsewhere¹⁸, but the government has to be in the driving seat to take full advantage of ILO's support and to mainstream lessons learnt out of project experience into national policies. In addition, project implementation has to be closely linked to national institutions (which includes appointing a hosting institution responsible for overseeing overall project implementation) that can adopt successful project approaches and take over project activities once the project is over. NPSE formulation and adoption, which responded to a

¹⁸ For example, the government would likely be very interested in learning more about how employment-intensive programmes were developed in other countries, and particularly in medium-income countries such as India.

government's request and followed a participatory process in which all national stakeholders took part.

143. **Pilot project.** The justification for including components 2 and 3 was that they would inform policy development at the national level. However, in the absence of a common organisation and of a joint monitoring and evaluation system, either component has hitherto contributed very little to the national process. Component 2 appears to be too modest in size as to be an efficient model for the government to replicate it. In addition it relies on a project structure for its management and who could take over from such a parallel structure in case of replication is unclear.

144. Combining alternative economic activities for the disadvantaged in rural areas (component 2) and opening up access roads for the same population /component 3) may be mutually supportive as beneficiaries get easier and cheaper access to markets on the one side and the roads constructed get more traffic as a consequence. However, the scale of the activities under Component 2 can hardly justify the road investment costs. This is not to say that the development of economic activities cannot justify infrastructure investment, however they need to be of a much higher scale.

145. **Comprehensive support package.** Studies, training activities or workshops are not sufficient to bring about institutional changes, such as the development of a new relationship between MPF and CNSPERP, or the integration of employment in public investment programmes. They rather need to be integrated within a global strategy with clear objectives, coupled with a well-defined support package to get there. Such a package should include technical assistance and training, but also the provision of methodological instruments, manuals and procedures. It should be backed up by a strong knowledge management system (see below). Such a comprehensive approach requires sufficient time and commensurate resources, which were not adequately planned in the case of this project.

146. **Knowledge management.** Projects expected to develop new approaches that should feed into national policies, such as the one under evaluation, need a good knowledge management system to track results, identify difficulties and constraints and make timely corrections in project implementation as needed, but also to capitalise on successes and lessons learnt and to disseminate information to national stakeholders and decision-makers. In the absence of such a system, the risk is that positive project outcomes remain unknown and are not sustained once the project is completed.

B. Recommendations

147. As the project is now coming to an end (December 2008), recommendations will focus on measures that should be taken in order to ensure the sustainability of main project outcomes, in the light of current national development strategies, and particularly of the MAP and of NPSE and its action plan.

Component 1

148. Main project outcomes in component 1 are NPSE and the set of studies advocating the integration of employment in public investment programmes.

NPSE

149. NPSE was successfully adopted with project support, but it now needs to be implemented. At the moment, this has essentially been done through the drafting of MPF sector programme, which mainly consists of a list of projects, and through the creation of MOEP.

150. **Implementing the sector programme.** Implementing the sector programme will require that MPF translate into operational plans every single objective in the sector programme. This will include

establishing priorities within the current list of objectives, identifying appropriate methodologies, related activities, success indicators, resources needed and timeframes.

151. **Quick impact.** Priorities should privilege those areas where quick impact on decent job creation can be reached. A priority area in this respect would be to support the integration of employment into public investment programmes, with a view to create both permanent and temporary jobs in the construction sector through the use of employment-intensive approaches and the development of SMEs capacities to use them in executing public contracts. Basic elements have already been developed through the present project and through ILO's long experience with employment-intensive approaches in the country. Recommendations in this respect are provided below.

152. **MOEP.** Supporting quick MOEP installation and equipping it with the tools needed to make it a reference institution in the provision of information and guidance on employment and on professional training is also a priority. UNDP is currently providing assistance to MOEP for developing activities in this respect in two regions, and ILO is expected to join forces in 2009. Component 2 of the project under evaluation tested innovative approaches with positive outcomes that could feed into MOEP strategies at the regional level. Recommendations in this respect are provided below.

153. With regard to institutional aspects, the following priorities should be taken into consideration by MPF:

- *setting up an information system:* making available reliable statistics on employment is a necessary condition to monitor the evolution of the labour market. Several institutions collect data on an irregular basis, including INSTAT, the Malagasy Observatory on Employment and Professional Training (MOEPT) and the Directorate of Economy in within the Ministry of Economy, Commerce and Industry (MECI). Contributing to setting up and managing an employment data base is also listed among MOEP's responsibility. There is a need to establish a unified information system and to clarify the responsibilities of the various institutions in collecting and analysis data. The system should be compatible with the monitoring and evaluation system of the MAP;
- *developing inter-institutional collaboration:* NPSE covers a wide range of sectors, many of which are also covered by other ministries or institutions. Implementing it can therefore not be the sole responsibility of MPF, who will have to develop inter-institutional collaborations and related agreements, also taking into account the role of CNSPERP (see below). These will have to define MFP role and the modalities of collaboration with partner institutions in achieving shared objectives. These issues are not addressed in NPSE and probably require that technical expertise be provided to MPF to identify appropriate forms of organisation and mechanisms for inter-institutional collaboration;
- *developing the relationship with CNSPERP:* CNSPERP is the body that represents public, private and associative stakeholders in piloting and coordinating the promotion of decent employment. Trainings received through this project were not sufficient to define a course of action for this newly created body, which has not yet met since then. Additional support is probably needed in order to develop the relationship between MPF and CNSPERP, to define CNSPERP programme of activities and to identify capacity-building activities and tools needed to implement it.

Integrating employment in public investment programmes

154. **Overall recommendation.** The set of studies carried out under component 1 show the impact that could be achieved by integrating employment into the programming of public investments. The plan of action for implementing the studies called for the creation of a policy unit called Employment Investment Unit, whose main mission would be to assist public administrations in programming and implementing public investments that can generate job creation and the use of local resources. The

unit however has not yet been implemented. The mission endorses the proposal and recommends ILO to give consideration to financing a new project to support the creation and initial organisation of the policy unit. The overall justification for setting up the unit and for ILO's support is explained hereafter.

155. **A favourable context.** "Integrating employment in the programming and monitoring-evaluation mechanisms of line ministries" is among the 8 priorities designed to implement MAP's challenge 6 on developing full employment. It is also included in PNSE priorities and in MPF sector programme, as well as in the draft 2009 programme of the Ministry of Economy, Commerce and Industry. The overall policy framework is therefore in place for setting up a policy unit whose mission would be to facilitate the achievement of one of the priorities set for achieving full employment. This policy unit is called Employment-Investment Unit henceforth in this report.

156. Another favourable element is the national programming and budgeting system, introduced by law in 2005, which is result-oriented and is based on strategic objectives and related indicators. Such system will facilitate the introduction of employment and of an increased use of local resources as an objective, and hence also a criteria, in the planning and budgeting process.

157. **Rationale.** Year after year infrastructure represents between 40 and 50% of total public investments¹⁹. This opens up extensive opportunities to develop employment through the use of employment-intensive methods in the construction of public infrastructure as well as in the production of building materials and tools.

158. The methodology to ensure increased employment through infrastructure building is already available. It has been developed by ILO, in conjunction with partner ministries and mostly with Norwegian funding, through a decade of implementing development projects in the infrastructure sector. This approach, still labelled "labour-intensive" (HIMO) is however very different from number of other HIMO approaches that focus exclusively or mostly on social aspects²⁰. In contrast, ILO's package consists of an economically sound approach for road construction based on local human resources, local building materials and on the development of SMEs in the construction sector. It also takes into account infrastructure maintenance and management and includes capacity building as well as appropriate management tools for communes and community groups in that field.

159. In complement to this approach, the set of studies reviewed above provides a coherent and comprehensive conceptual framework to generate increased decent employment through public investment programmes. The next step is now to turn it operational by developing a well-designed package to be applied to the programming and budgeting of public investment, with a view to implement a significant portion of public infrastructure using employment-intensive methods.

160. The package should include a methodology, clear procedures, supporting tools and a monitoring and evaluation system to track results. This requires two kinds of actions: on the one hand, the package needs to be developed using the building blocks constituted by the studies and by actual experience; on the other hand the new approach has to be promoted and capacities should be built so that line ministries, relevant parastatals (such as the newly created Local Development Fund), regional and communal administrations adopt it and incorporate it into their routine procedures.

161. To this effect, there is a need of setting up a special structure whose overall mission would be to ensure that public investment programmes do generate increased decent employment. What is at stake is not only the creation of temporary jobs, as is mostly (but not exclusively) the case today, but to generate increased numbers of permanent jobs. Increased investments earmarked for employment-intensive methods will expand the market for SMEs in the construction sector. With a larger market for their services, these would no longer recourse to temporary manpower as was the case with

¹⁹ Ratolojanahary, 2006.

²⁰ See Andrianjaka, 2008.

sporadic interventions, but would have to increasingly recruit and progressively train and qualify permanent workers. The allocation of increased public funds for the construction of public infrastructure could therefore generate sustainable jobs.

162. **EIU's mission.** EIU's overall mission would be to facilitate the creation of decent employment through public investment programmes, by helping public administrations to select employment-intensive investments and to monitor their outcomes.

163. **EIU's functions.** EIU would have four main functions:

- *policy and procedure development:* EIU would be responsible for developing policies (in particular at sector level and at the local level²¹) and related methodologies, procedures and norms for incorporating employment in the national planning and budgeting process. This would be done in conjunction with national and local decision-makers and other stakeholders involved in this process. The private sector (especially SMEs) should also be associated in developing new approaches as it would constitute an essential player in implementing them. In relation with this function, the EIU would also be responsible for developing tools adapted to the needs of the specific sectors. These could include for instance models to simulate the impact of investment choices on employment and other economic variables; reference material describing employment-intensive approaches adapted to the various sectors; analytic tools; information systems...
- *capacity-building:* EIU would also be responsible for building the capacities of decision-makers and other stakeholders in implementing policies and procedures, methodologies and tools. It would help technical ministries to set up and maintain data bases tracking results and allowing the operation of simple mathematical models in support to decision making;
- *monitoring and evaluation:* EIU would be responsible for monitoring and evaluating: (i) whether the various tools and norms produced are correctly applied and how they need to be adapted/developed in order to become more efficient and more user-friendly; and (ii) impact generated by their use on the development of employment, problems encountered and improvements needed. To this effect, EIU would rely as much as possible on existing national information systems (and notably the one that is being put in place to monitor MAP implementation) and on existing institutions responsible for data collection and analysis (notably INSTAT). Where needed it would propose adaptations to existing systems;
- *information and communication:* EIU would also be responsible for disseminating information on employment-intensive approaches with a view to change the current negative image that is often attached to employment-intensive approaches, and to publicise the results achieved with mainstreaming them into public investment programmes.

164. **Clients.** EIU clients would include decision-makers and technicians involved in the planning, budgeting and monitoring of public investment at the national, regional, communal level. Obviously, the procedures and tools developed by EIU would have to be adapted to the various features and needs of these different players. Knowledge management and communication would target a larger audience, including SMEs and consulting firms in the construction sector, trade unions and civil society at large.

165. **Institutional arrangements.** To be effective EIU should combine sufficient political weight and excellent technical skills. To this effect, it should have an institutional setting with two entry points. Strategic decision and piloting of EIU's work would be ensured by the Prime Minister's Office, who will be responsible for monitoring the MAP as of the end of 2009. For technical work and

²¹ Local level intended as including both the regional and the communal level.

day-to-day performance, EIU would be under the responsibility of a ministry with transversal responsibilities, to be determined. EIU should remain a light structure as its main task will be to stimulate public institutions in implementing new approaches in an autonomous way – not to implement them itself. In any event, an institutional analysis would need to be carried out to decide where to anchor the unit and how to organise it.

166. Three or four technical line ministries wishing to increase the share of their investments going to employment-intensive approaches should be selected, in order to quickly start the application of the technical and budgeting process recommended by the studies.

167. EIU would work in close connection with a network composed of participating public institutions, both at the national and regional level, to facilitate exchange of information and experience. Focal points would be appointed in these institutions. The network would also involve the private sector, trade unions and civil society as proposed above, as well as donors, who significantly contribute to the financing of public infrastructure and also need to be part of the new system.

168. **Operational consequences.** Among the 8 priorities listed under challenge 3 on full employment, the MAP also includes the creation of research and training centres to disseminate employment-intensive construction techniques. As a matter of fact, if public investment programmes would increasingly be implemented with these techniques, there would be a parallel increasing need to develop the ability of SMEs and consulting firms to implement them; of public entities to perform quality monitoring; and of communes and communities to manage and maintain them. In planning for EIU, operational consequences of EIU's success should also be taken into account. This means that EIU's coverage (in terms of ministries, regions and other entities covered) should be phased accordingly.

169. **ILO support and formulation process.** ILO is well placed to provide assistance in setting up this whole process. The mission therefore recommends that ILO mobilise financing as soon as possible for a project in support to setting up EIU, modalities of operation, methodologies and tools. The project should be endowed with sufficient resources to cover for both international and national support, internal travel and international study travel, training activities, publications and communication. Project duration should be commensurate with the task at hand, which includes a phased approach to progressively cover the whole range of public institutions involved in infrastructure development in the country. Three years would likely be a minimum.

170. In the process to set up EIU, national ownership is essential, i.e. the process has to be carried by national stakeholders, to whom ILO can lend its support, but it should not be the reverse. To this effect, the mission recommends to formulate the support project along a participatory process involving main stakeholders, including from the private sector and traditional ILO's tripartite partners. Such process could include: the dissemination of the studies in a summarised and attractive form; the appointment of focal points; and a formulation workshop.

Component 2

171. The new approach to employment and income generation introduced by component 2 bears potential. However, lessons learnt have not yet been identified and the way forward, i.e. introducing the approach into national policies and programmes, is not yet defined. The mission recommends that in the remaining weeks until December 2008, the national expert, in conjunction with ILO Geneva, concentrates on taking stock of two years of project implementation. This should take the form of a well-documented, easy to grasp document, explaining what the objective was, how the approach was developed, who the stakeholders were, what assets did they have and what constraints did they face, how these were addressed, what effects did the project have on rural families, who were other stakeholders and how did they participate etc. Ultimately the paper should draw lessons learnt and make recommendations as to how and under what conditions the operation should be prolonged or expanded.

VI. ANNEXES

A. Annex 1: Terms of reference

MADAGASCAR
Mission d'examen et d'orientation générale du Projet CEPP²²
Termes de Référence

1. Introduction et justification de la mission

Le projet CEPP a été mis en œuvre depuis mars 2006, conjointement par le Gouvernement de Madagascar (GdM) et le Bureau International du Travail (BIT), avec comme objectif principal d'intégrer l'emploi comme élément stratégique dans la politique de croissance économique, telle que définie dans la Stratégie de Réduction de la Pauvreté, et relayée ensuite dans le Madagascar Action Plan (MAP) couvrant la période 2007 - 2012.

Il s'est appuyé sur les programmes déjà en cours à Madagascar suivis par le BIT et sur les actions entreprises par le pays depuis le sommet des Chefs d'Etat et de Gouvernement sur la pauvreté et l'emploi tenu en septembre 2004 à Ouagadougou visant à placer la transversalité et la centralité de l'emploi au centre des politiques et stratégies macro-économiques et sectorielles.

Ce projet qui bénéficie d'un appui financier de la part de l'Agence Suédoise de Développement International -ASDI- jusque fin septembre 2008, insiste en effet sur l'importance qu'il convient d'attacher aux effets distributifs de la croissance, aussi bien dans le sens d'une meilleure intégration économique et sociale des populations à faible revenu, que dans celui d'une expansion nécessaire du marché intérieur en vue d'une résorption progressive de la pauvreté. La présente mission permettra d'examiner l'état d'avancement des actions mis en place et les résultats atteints.

Par ailleurs, compte tenu de l'intérêt que le BIT et l'ASDI attachent à leur propre objectif interne de répondre au mieux aux demandes et aux besoins des pays avec lesquels ils coopèrent, il a été souhaité lors de la réunion bilatérale qui s'est tenue le 14 janvier 2008 à Genève, que le projet fasse l'objet d'une évaluation technique conjointe. La présente mission conjointe est faite pour répondre aussi à ce souhait et examiner les leçons à tirer sur la cohérence entre ce type d'action et les priorités de la politique et des stratégies de développement définies par la Suède et le BIT, d'en dégager les synergies éventuelles et de formuler, le cas échéant, des recommandations de portée plus générale sur la collaboration entre la Suède et le BIT dans le cadre d'une politique de croissance économique favorable à la réduction de la pauvreté et à la promotion de l'emploi et du travail décent.

2- Historique et contexte du projet à Madagascar

La difficulté à laquelle le projet CEPP devait s'attaquer est en partie celle d'aider le gouvernement au niveau de la formulation de la politique d'emploi et d'investissement favorable à l'emploi, mais surtout celle de contribuer à son application institutionnelle :

- la formulation de la politique d'emploi et d'investissement devait concerner, au niveau de la demande d'emploi, le cadre macro-économique ; les objectifs d'emploi dans les politiques sectorielles; les objectifs de création et/ou de renforcement des entreprises; d'examiner les possibilités de programmes sectoriels et sous- sectoriels d'investissement basés sur les ressources locales, et de définir et tester des approches pour promouvoir ceux qui montrent un potentiel ; d'examiner les voies et moyens d'élever la productivité et la création d'emplois dans l'économie informelle ; et de définir le rôle des institutions publiques et du secteur privé pour mettre en œuvre les politiques retenues ;

- au niveau de l'offre d'emploi, des politiques précises devaient être envisagées concernant le renforcement des connaissances professionnelles et des capacités techniques de la force de travail, spécialement l'accès des jeunes à ces formations ; ainsi que l'élargissement des capacités techniques et de gestion des groupements ruraux ou de petites et moyennes entreprises opérants dans des filières porteuses identifiées par le projet;

- enfin, l'enjeu principal du projet CEPP apparaissait comme relevant de la mise en place d'un mécanisme institutionnel de va-et-vient et d'information mutuellement enrichissant entre la poursuite d'objectifs macro-économiques et sociaux d'une part, et des décisions et actions sectorielles

²² Croissance Economique Pro-Pauvres

concrètes, d'autre part, contribuant effectivement à la réalisation de ces objectifs ; d'où l'importance accordée aux méthodologies utilisées dans chaque cas spécifique, aux arrangements institutionnels et aux programmes opérationnels liés aux investissements ; cette priorité attachée aux investissements fut un choix explicite garantissant le lien opérationnel avec la politique de croissance.

Ainsi, les activités proposées pour promouvoir cette intégration de l'emploi dans les politiques de croissance devaient notamment s'inscrire dans le cadre :

- de la Politique Nationale de l'Emploi (PNE), formulée par le GdM après de longues consultations avec tous les partenaires concernés, ainsi que dans le développement et la mise en œuvre de leviers d'accompagnements de cette politique favorable à la réduction de la pauvreté. Plusieurs instruments d'action sont ainsi concernés : (i) le Comité National de Suivi de la Promotion de l'Emploi et de Réduction de la Pauvreté (CNSPERP) pour la priorisation effective de l'emploi dans les politiques et programmes sectoriels, (ii) l'Observatoire Malgache de l'Emploi et de la Formation Professionnelle (OMEF) en tant que système national d'information sur l'emploi ; (iii) l'Office Malgache pour la promotion de l'Emploi (OMPE ou VATSI) pour la coordination de toutes les structures et actions en faveur de la promotion de l'emploi sur l'ensemble du territoire et (iv) le Programme National de Soutien à l'Emploi (PNSE) en tant que plan d'action accompagnant la mise en œuvre de la PNE) ;

- des politiques sectorielles déjà entreprises par le GdM et qui avaient déjà testé des approches concrètes telles que l'insertion de l'emploi dans les investissements publics, en particulier dans des secteurs tels que les routes de désenclavement rural, les infrastructures productives (irrigation, petits barrages, aménagement des sols,...) ou sociales (écoles), la protection des ressources naturelles et productives (protection de l'environnement, ...), les aménagements communaux et péri-urbains (pavage, approvisionnement en eau, drainage et évacuation des eaux usées, etc. ;

- des programmes de formation déjà opérationnels dans le secteur des infrastructures et indispensables pour assurer une bonne qualité et une productivité satisfaisante des travaux initiés, aussi bien au niveau des gérants et techniciens des petites et moyennes entreprises mises à contribution que de la main d'œuvre masculine et féminine directement concernée.

- des programmes de formation professionnelle et d'appui à la création et au développement de micro et petites entreprises permettant de promouvoir des perspectives de réduction de la pauvreté et de création d'emplois décents, dans d'autres secteurs porteurs de l'économie ;

Ainsi, étant donné les résultats encourageants de l'intégration de l'objectif emploi, de la formation et d'objectifs de politique sociale dans les investissements publics dans le secteur des infrastructures et du bâtiment par les approches dites à haute intensité de main d'œuvre -HIMO-, d'une part, et les avancées de ce programme au niveau de la politique macro-économique, sectorielle et institutionnelle, d'autre part, le projet CEPP devait également essayer d'examiner les possibilités d'introduire l'emploi dans d'autres secteurs porteurs, c.à.d. potentiellement intensifs en emplois, selon des méthodes similaires, relevant d'approches filières spécifiques aux secteurs identifiés.

3- Portée et Objectifs de l'évaluation

Le Projet CEPP visait à renforcer la dimension emploi de la stratégie nationale de développement en insistant sur l'importance de la promotion de l'emploi productif et décent pour une croissance économique favorable à la réduction durable de la pauvreté. Cet objectif général reposait sur 3 objectifs particuliers, à savoir :

- (i) Consolider une vision stratégique commune aux différents partis prenant, renforcer leurs capacités technique et organisationnelle, et développer des instruments d'action pour soutenir une mise en œuvre de la politique nationale de l'emploi favorable à la réduction durable de la pauvreté ;
- (ii) Promouvoir des perspectives de réduction de la pauvreté et de création d'emplois décents par la formation professionnelle et l'appui à la création et au développement de micro et petites entreprises
- (iii) Contribuer à l'amélioration des possibilités d'emploi décent dans le secteur des infrastructures rurales suivant l'approche HIMO.

3.1- Critères et méthodologie de l'évaluation

Les critères devraient permettre de mesurer l'efficacité et l'impact des activités, de faire l'analyse de la pertinence et de la pérennisation des activités développées par rapport aux objectifs du projet et du MAP.

L'évaluation comprendra trois parties essentielles :

- Analyse des documents et rapports du projet, prise de connaissance des stratégies du MAP et rencontre avec les Autorités responsables des politiques d'emploi et d'investissements;
- Déplacement dans la région de la Vakinankaratra pour visiter les sites des sous projets réalisés, le Centre de formation d'Antsirabe, pour rencontrer les partenaires et discuter avec les bénéficiaires;
- Elaboration du rapport provisoire et préparation/réalisation de réunions de restitution.

L'évaluation devrait correspondre aux normes et standards de l'ONU par rapport aux évaluations indépendantes. En plus, les consultants sont invités à respecter les bonnes pratiques pour les rapports d'évaluation ainsi que les directives de l'OCDE/CAD sur la rédaction de rapports.

3.2- Le but de la présente mission est par conséquent double :

- (i) d'une part, le moment est venu d'établir un constat des réalisations du CEPP et de porter un jugement sur l'état d'avancement des activités et les résultats atteints, l'utilité et la concordance des résultats avec les objectifs tels que définis dans le document de projet;
- (ii) d'autre part, dépendant des conclusions de l'expérience menée à ce jour, la mission devra soumettre au Gouvernement de Madagascar, au Gouvernement de Suède et au BIT des recommandations sur la suite qu'il conviendrait de donner aux actions entreprises dans ce cadre.

Le rapport de la mission (rédigé en anglais) fera ressortir les leçons à tirer quant au bien-fondé de l'approche et la pertinence des outils méthodologiques et institutionnels mis en avant pour promouvoir l'emploi dans la stratégie nationale de développement et renforcer les capacités des partis prenant de la politique de l'emploi, les contraintes rencontrées et les ajustements envisagés ou à envisager pour les résoudre, les progrès réalisés depuis le début du programme. Les conclusions et recommandations devront être présentées et discutées avec le Ministère des Finances et du Budget, le Ministère de la Fonction Publique, du Travail et des Lois Sociales, le Ministère de l'Intérieur et de la Décentralisation, ainsi qu'avec les partenaires sociaux.

3.3- Parties prenantes de l'évaluation

La mission sera composée comme suit : un représentant du Ministère de la Fonction Publique, du Travail et des Lois Sociales, un représentant du Ministère des Finances et du Budget ; deux évaluateurs indépendants approuvés par l'ASID et le BIT qui seront responsables de la conduite de la mission et du rapport à remettre.

La mission prendra des contacts avec l'Ambassade du Royaume de Norvège et le PNUD à Antananarivo, qui ont également contribué au financement des travaux durant cette phase.

La mission aura lieu au cours du mois d'octobre/novembre 2008 et va couvrir la période de mars 2006 à septembre 2008. La durée de la mission sera sur place et pour le travail de finalisation du rapport sera déterminé dans le contrat. Le rapport sera remis au BIT une semaine après la fin de la mission. Le BIT se chargera de la transmission du rapport final au Gouvernement malgache et à l'ASDI.

B. Annex 2: List of people met

In Antananarivo

Mr Abdou Salame	Minister of Public Function, Labour and Social Laws
Mr. Rabesandratana Aristide	General Director for Employment, Labour, Laws and Social Insertion, MPF
Mr Noelison Rabearivelo	Director for Employment and Professional Training, MPF
Ms. Ratsivoson Christina	Directrice de la Sécurité sociale des Travailleurs, MPF
Mr. Hari Vittas	Economic Advisor to the President, Presidency of the Republic
Ms. Mirana Rajoharison	MAP Advisor, Presidency of the Republic
Ms. Béatrice Mahasy	MAP Advisor, Presidency of the Republic
Mr. Henri Roger	Technical Advisor for the Economy, Prime Minister's Office
Mr. Ranarison Adrien Gilles	Head, Construction and Inputs Department, Ministry of Education
Mr. Naina Ratsaharahasina	Supervising Engineer, Construction and Inputs Department, Ministry of Education
Ms. Patricia Maro	President, OMPE Vatsi
Ms. Razanarimanana Jeanne Clairette	Secretary General, SEKRIMA and member of National Labour Council
M. Jean-Constant Raveloson	Secretary General, Tolon'ny Mpiasa and member of CNSPERP
Mr. Ramilison Eric Norbert	CREAM
Mr. Robin Raberinja	Consultant
Mr. Christian Ntsay	Director, ILO Office for Madagascar
Ms. Louise Ranorovololona	Programme Officer, UNDP
Mr. Didier-Philippe Galy	Representative in Madagascar, Campus France

In Antsirabe and the Vakinankaratra region

Mr Etienne Randimbiharimanana	Head, Vakinankaratra Region
Mr Willy Rakotomalala	Director for Economic Development and Tourism, Vakinankaratra Region
Ms. Holiarivony Ramiarintsoa	Director, Centre de formation HIMO
Mr Roger Rakotondrainibe	Deputy Mayor, Mangarano

and members of TREE committee

Mr Rija Razanamparany	Regional Director, Entreprenre à Madagascar
Ms Hanitra Rambelosen	President, Association Reny Miavotra
Mr Florent Rouland	Director, Vahatra NGO
Ms. Emilienne Ralalarisoa	President, Fanantena (embroidery association)
Mr Mandrindra Andrianjanaka	President, Vakinankaratra Chamber of Commerce and Industry

C. Annex 3: Report outline with evaluation issues and criteria

I. INTRODUCTION

II. BACKGROUND AND PROJECT DESIGN

A. Context overview at the time of project design

This chapter will briefly describe the economic, social and policy environment at the time of project design.

B. Project overview

This chapter will briefly describe project objectives, outputs, implementation arrangements and budget as per project document (1/2 page).

C. Main changes in project environment since design

This chapter will briefly describe main changes occurred since project design (including the approval of the Madagascar Action Plan, the presidential dialogue and the development of sectoral policies).

III. EVALUATION FINDINGS

A. Relevance, strategic fit and validity of project design

Evaluation questions to review under these criteria:

- Was the project design aligned with national policies (especially the National Employment Policy)? Was it coherent with the priorities of SIDA's and ILO's development strategies? Was the project able to adapt to changes in project environment since design?
- How was national ownership ensured at the time of design (identification and participation of key stakeholders in project design, including relevant ministries, Conseil national du Travail (CNT), Comité national de Suivi de la promotion de l'Emploi et de la Réduction de la Pauvreté (CNSPERP), Office Malgache pour la Promotion de l'Emploi (OMPE), representatives of employers and workers organisations, SIDA...)?
- Was the logical framework well defined and realistic? Was the strategy proposed adequate to meet objectives and outputs, and was it adequately explained and justified? Was it adequately building on past ILO experience in Madagascar? Was there an explicit linkage between objectives at the national and at local level?
- Were implementation arrangements, including for monitoring and evaluation, appropriate? Were they adapted to local implementation capacities? Were the choice and quantity of inputs realistic?

B. Project effectiveness

This part will assess the extent to which objectives and expected results have been achieved and the reasons for any shortcomings, using the logical framework indicators (to the extent that they are available) and other supporting data such as interviews with different stakeholders. In particular it will assess:

- whether the project did build a common understanding of the need to include employment within national policies aiming at poverty reduction and public investment planning; whether tools developed by the project, sensitisation and institution/capacity building activities have contributed to this end; **(objective 1)**
- whether the tools and activities developed at the local level (which will be assessed) were able to develop a replicable methodology to facilitate access to employment for vulnerable groups in the rural areas and to develop local capacities accordingly; **(objectives 2 and 3)**
- how activities at the local level have contributed to promote project objectives at the national level and what linkages have been developed between the two levels of project intervention.

In analysing all these aspects, the report will assess the extent to which gender balance was ensured throughout project activities and is reflected in project outputs. Where appropriate, factors that have facilitated or constrained project implementation will be identified and the way the project was able to react and adapt its course of action will be assessed. Unintended results will also be identified where appropriate.

C. Adequacy and efficiency of the resource use

This part will assess how well the various activities transformed available resources into intended results in terms of quantity, quality and timeliness. In particular it will assess:

- project inputs cost efficiency in achieving targets and results ;
- organisation and management, including project contribution to institutional development, work planning and budget management,
- the quality of information management and sharing, and the extent to which key stakeholders have been kept informed of project activities ;
- interaction and coordination with key stakeholders, as well as with ILO and SIDA;

D. Effects and likelihood to have longer term impact

This part will assess²³:

- at the national level: the extent to which sectoral policies and the public investment programme do include the employment dimension; and how this has contributed or is likely to contribute to national poverty reduction policies and objectives; **(objective 1)**
- at the local level: the extent to which the various activities have contributed to actual job creation. **(objective 2 and 3)**

E. Sustainability

This part will assess whether project positive outcomes are likely to continue after the project funding ends, i.e. whether the approaches advocated/implemented by the project will lead or continue to lead to the inclusion of employment in local development strategies, as well as in sectoral policies and public investment planning at the national level. It will also assess difficulties/challenges/risks that need to be addressed to consolidate project results.

IV. CONCLUSIONS

Building on previous chapters, this chapter will summarise strengths and weaknesses.

²³ The extent to which this assessment will be possible will depend on available data, particularly at the local level.

V. LESSONS LEARNT AND RECOMMENDATIONS

Lessons learnt will focus on the approach and methodological tools that were developed by the project to promote employment in the national development policy and to reinforce the capacities of key stakeholders in the sector of employment.

Recommendations will aim at:

- reinforcing positive attributes of the project and mitigating weaknesses;
- providing orientations with regard to measures that should be taken in order to operationalise the tools and approaches developed by the project and to replicate project positive outcomes;
- Strengthening the collaboration between SIDA and ILO to promote employment as part of poverty reduction efforts.




















VI. ANNEXES

- A. Terms of reference**
- B. List of references**
- C. List of people met**

D. Annex 4: Achieved outputs and work plan

Component 2 - “Poverty reduction and decent work creation through skills and SME development”



Output 2.1 Strategies and Tools adapted for local economic development to promote skills of vulnerable groups and facilitate access to income.

Activity / half year	Jan- Jun 06	July- Dec 06	Jan- June 07	Jul- Dec 07	Jan- June 08	July 08-	Remarks/quantifiable output
2.1.1 Studies of important economic subsectors	xx						Synthesis report on sub-sector upgrading recommendations of specific intervention types and target communes achieved
2.1.2 In collaboration with identified commune, to identify key intervention areas	xx						2 communes and 2 villages identified/achieved
2.1.3 Identify requirements for training and of development of micro-enterprises	x	xx					ILO manual translated into French and study undertaken
2.1.4 Identify technical partners for different types of support	x	xx	 	 	  		10 technical partners identified and 11 contracts signed
2.1.5 Training of trainers		xx x					Achieved; Training of trainers courses: 25 persons trained
2.1.6 Information dissemination to target population followed by training	x	xxxx		   			Information kit developed and 6 workshops organised with 355 participants
2.1.7 -Identify needs for follow-up training of target group -and define indicators and establish M&E system	x	xxxx	x				Number of persons who have received post training support: 86 (23 men, 63 women). No M&E system in place Not achieved

Output 2.2 Strategies and Tools adapted for enabling SMEs to improve productivity, competitiveness and potential job creation.

Activity / Half year	Jan-Jun 06	July-Dec 06	Jan-June 07	Jul-Dec 07	Jan-June 08	July 08-	Remarks
2.2.1 ILO Guide on Value Chain Analysis and Upgrading translated into French; identification of programme value chains	x	x					Guide translated, three subsector identified: Vegetables, rural tourism, aquaculture together with 2 communes
2.2.2 Develop a methodology for assessment of training needs/organise a workshop on value chain analysis and upgrading	x	xxxx ▣					Workshop organised
2.2.3 Apply the methodology		xx	xx		▣		6 workshops organized: - build up phase (11 persons: 7 men, 4 women) - hypothesis workshop (13 persons: 9 men, 4 women) - start up workshop (25 persons: 14 men, 11 women) - discussion group and interviews (36 persons: 24 men, 12 women) - evaluation and results workshop (11 persons: 6 men, 5 women) - results presentation and follow up workshop (22 persons: 11 men, 11 women)
2.2.3 Introduce an M&E system	x	x			▣		Results of monitoring presented at workshop??

Output 2.3 Establish a system for information and advice related to skills training of young people and women

Activity / Half year	Jan-Jun 06	July-Dec 06	Jan-June 07	Jul-Dec 07	Jan-June 08	July 08-	Remarks
2.3.1 Provide overview of different trades, trainings needs and training providers	x	xx					Achieved
2..3.2 Establish an organisation for advice and information in relation to trades		xx	xx				Training of 14 advisers, 8 women and 6 men with follow-up training

Key: xxx - Planned

Achieved



Component 3 - “Creating Employment Opportunities through local resource-based investment approaches for rural infrastructure”

Output 3.1 A programme for construction and/or rehabilitation of basic rural infrastructures has been prioritised and implemented in pilot communes

Activity / half year	Jan-Jun 06	July-Dec 06	Jan-June 07	Jul-Dec 07	Jan-June 08	July 08-	Remarks/quantifiable output
3.1.1 Identify the needs of the pilot communities with regard to basic socio-economic infrastructures, including the establishment of a system for community contribution and maintenance	xx.....						2 villages selected and infrastructures prioritised. Tax system improved
3.1.2 Programme for construction and rehabilitation of basic infrastructure implemented	x	xx...			30 km of feeder roads rehabilitated and one kinder garden constructed. 38,462 workdays created
Phase 2 Activities-expansion of 3.1.2					...	E.	6 km road rehabilitated, 27 km road improvement, 2 buildings and boundary wall

Output 3.2 Improved capacities in 2 communes to manage public works, tax collection and budgeting

Activity / Half year	Jan-Jun 06	July-Dec 06	Jan-June 07	Jul-Dec 07	Jan-June 08	July 08-	Remarks
3.2.1 Improved capacity of communes to manage public works	...	F.					10 politicians and public employees trained in each commune in contract management. 5 small-scale contractors, 2 consulting engineers, and 12 public sector technicians trained in LBT.
3.2.2 Reinforced capacity of communes with regard to tax	...	G. ...					5 public employees trained in financial management

collection and financial management							
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Output 3.3 Improved capacity at communal and community level in routine management of infrastructures

Activity / Half year	Jan-Jun 06	July-Dec 06	Jan-June 07	Jul-Dec 07	Jan-June 08	July 08-	Remarks
3.3.1 Establishment of user associations and training in routine management				...	H.	11 user associations established and trained

Xxx Planned ... Actual

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