

REPUBLIC OF RWANDA



Ministry of Local Government
B.P. 3445 KIGALI
Tel: 582229-FAX: 582227
WEBSITE: www.minaloc.gov.rw

National Labour Intensive Public Works Strategy (LIPWS)



December 2012

Table of Contents

TABLE OF CONTENTS	I
ACRONYMS	IV
EXECUTIVE SUMMARY	1
1. INTRODUCTION	3
1.1. DEFINITION OF THE LABOUR BASED TECHNOLOGY (HIMO/LIPW) ..	4
1.2. BACKGROUND	5
1.2.1. REGIONAL AND INTERNATIONAL CONTEXT.....	5
1.2.2. NATIONAL CONTEXT.....	6
2.1.RELEVANCE OF HIMO/LIPW APPROACH TO VISION 2020.....	9
2.2.RELEVANCE OF HIMO/LIPW APPROACH TO ENVIRONMENT AND NATURAL RESOURCE SECTOR.....	10
STRATEGIC PLAN 2009-2013	10
2.3.RELEVANCE OF HIMO/LIPW APPROACH TO THEMATIC AREAS FOR EDPRS 2	10
2.4.RELEVANCE OF HIMO/LIPW APPROACH TO THE NATIONAL INVESTMENT STRATEGY (NIS)	11
2.5. RELEVANCE OF HIMO/LIPW APPROACH TO THE EMPLOYMENT POLICY	11
2.6. RELEVANCE OF LIPW/HIMO APPROACH TO LOCAL ECONOMIC DEVELOPMENT (LED) AND COMMUNITY DEVELOPMENT STRATEGY(CD)	11

2.7. RELEVANCE OF HIMO/LIPW TO INTERNATIONAL DEVELOPMENT ORIENTATIONS	12
2.8. RELEVANCE OF HIMO/LIPW TO GAKO RETREAT RESOLUTIONS:.....	12
2.9. RELEVANCE OF HIMO/LIPW TO WORKFORCE DEVELOPMENT.....	13
2.10. LINK OF HIMO LIPW APPROACHES TO THEMATIC AREAS OF EDPRS2.....	13
3. HIMO/LIPW SECTOR PRESENTATION	15
3.1. STATEMENT OF THE SECTOR PROBLEM: WHAT'S AT STAKE AND WHAT'S HIMO/LIPW'S CAPACITY TO RESPOND?.....	15
3.2. SECTOR OPPORTUNITIES AND CONSTRAINTS.....	16
3.2.1. OPPORTUNITIES - CONFORMITY TO GOVERNMENT POLICIES AND STRATEGIES.....	16
3.2.2. CONSTRAINTS.....	20
3.3. PRINCIPLES OF THE HIMO/LIPW SECTOR STRATEGY.....	20
3.4. VISION AND MISSION OF THE HIMO/LIPW STRATEGY	21
3.5. HIMO/LIPW SECTOR OBJECTIVES.....	22
3.5.1. GENERAL OBJECTIVE.....	22
3.5.2. SPECIFIC OBJECTIVES.....	22
3.6. HIMO/LIPW STRATEGIES IN BRIEF	22
3.7. PROGRAMMES OF THE HIMO/LIPW SECTOR.....	23
3.7.1. PROGRAMMES OF THE SECTOR IN RURAL AREAS.....	23
3.7.2. PROGRAMMES OF THE SECTOR IN URBAN AREAS.....	23
3.7.3. TRAINING PROGRAMMES (URBAN AND RURAL)	24

3.7.4 STRATEGIC IMPLEMENTATION ORIENTATION:	25
4. INSTITUTIONAL FRAMEWORK FOR HIMO/LIPW STRATEGY IMPLEMENTATION.....	26
5. HIMO STRATEGY IMPLEMENTATION PLAN	30
6. CONCLUSION	34

ACRONYMS

AGETIP	: Agence d'Exécution des Travaux d'Intérêt Public
CDF	: Common Development Fund
CE	: Consulting Engineers
CIDA	: Canadian International Development Agency
EDPRS	: Economic Development and Poverty Reduction Strategy
GDP	: Gross Domestic Product
HIEQ	: Haute Intensité d'Équipement
HIMO	: Haute Intensité de Main d'Oeuvre
HIV/AIDS	: Human Immunodeficiency Virus/Acquired Immune-Deficiency Syndrome
ICT	: Information and Communication Technology
ILO	: International Labour Organization
LIPW	: Labour Intensive Public Works
MDGs	: Millennium Development Goals
MINALOC	: Ministry of Local Government
NEPAD	: The New Africa's Economic Partnership for Development
NGOs	: Non-Governmental Organisations
NIS	: National Investment Strategy
PDL-HIMO	: Programme de Développement Local à Haute Intensité de Main d'Oeuvre
PRSP	: Poverty Reduction Strategy Paper
SME	: Small and Medium Enterprise
UP	: Unité de Production
SPIU	: Single Project Implementation Unit
MINAGRI	: Ministry of Agriculture
MINICOM	: Ministry of Commerce
MINIRENA	: Ministry of Natural Resources

MINECOFIN	: Ministry of Finance and Economic Planning
MININFRA	: Ministry of Infrastructure
MYICT	: Ministry of Youth and Information and Communication Technology
MIFOTRA	: Ministry of Labor
RLDSF	: Rwanda Local Development Support Fund
NAEB	: National Agricultural and Export Board
RAB	: Rwanda Agricultural Board
RCA	: Rwanda Cooperative Agency
RTDA	: Rwanda Transport Development Agency
RGB	: Rwanda Governance Board
EWSA	: Energy, Water and Sanitation Authority
RHA	: Rwanda Housing Authority
RDB	: Rwanda Development Board
REMA	: Rwanda Environment Management Authority

Executive Summary

In July 2007, the first National Labour Intensive Public Works Strategy was adopted by Cabinet and its implementation was mandated to the former Common Development Fund (CDF), the current Rwanda Local Development Support Fund (RLDSF). The strategy was very instrumental in the framing up of the Manual of Procedures for the Public Works Component of the Vision 2020 Umurenge Programme (VUP). However, after implementation of VUP, some wider experience from further ground realities, international exposure on certain international practices, as well as the strengthening of the social sector, necessity have arisen to review the delivery instruments of the strategy. The major key policy areas which were envisaged to be drivers of the strategy are around wages, payments and payment delivery systems, savings by beneficiaries, targeting, as well as the requirements of the institutional reform agenda.

Still recognising the importance of labour based technologies, the Vision of the Rwanda's Labour Intensive Public Works Strategy is to establish an economy with a local resources base to tap local potentials in wealth creation while remedying local problems. To attain this vision, the mission of the strategy is geared towards activities that enhance and spearhead optimisation of use of local resources and their translation into socio-economic capital, with a global objective of contributing to poverty reduction by carrying out employment-intensive and income-generating investments using local resources by reinforcing the capacities of decentralised structures and local actors. The strategy reinforces the National Social Protection Strategy by targeting poor households with an objective to provide them with income opportunities to smoothen their consumption.

Whereas the Public Works sector activities have not changed much, the strategic implementation orientation of the National Labour Intensive Public Works Strategy is built around the following delivery instruments:

- **Target Group:** Beneficiaries of Labour intensive Public Works will be drawn from Households with labour force in Ubudehe Categories 1, 2 in both VUP and non VUP Sectors. At least one member from each household will be granted work, except for Households with a big number of young children, where two members from the household can be granted work
- **Number of jobs to be created:** Each year 130,000 eligible households will be granted work, meaning that 650,000 households will get job opportunity within 5 years (2013-2017).
- **Wage rate determination:** Wage rates are fixed at a rate no higher than the prevailing local market daily rate (for an eight hour working day) for unskilled labour, determined per location.
- **Payments to beneficiaries:** Wages are being paid directly to workers without the use of intermediaries.
- **Frequency of and timeliness of payments:** Wages are paid on a two-weekly basis (at the end of the two week period). The poorest need to be paid quickly and timely to make their incomes predictable and to enable them to meet their needs
- **Delivery mechanism:** Wages are paid through local bank facilities to enhance accumulation of savings and ultimately to aid graduation.
- **Savings by beneficiaries:** A voluntary savings aspect, to be taken, on client election, from the labour wage; Programme participants elect to save any amounts they wish

which is either deposited their Bank account in their names or on their Association/Cooperative bank account, in case there are some members in the workforce who already have a joint venture and it is their preference.

- **Gender in development:** The LIPWS will be sensitive to special needs of women by providing more flexible work opportunities to enable the participation of women who are able to work in PW, but not able to do full-time heavy labour far from home. The flexible options will include:
 - Enabling people to maintain an asset flexibly in their own time.
 - Putting child care facilities in place
 - Employing people as support workers in social institutions (eg ECD centres).
 - Introduction of a parallel piece rate system to enable people do their tasks at their convenience.
 - Acceptance of substitute workers in case of sickness and child care obligations

The strategy also recognises that there may be some isolated cases of people, such as older people, others with minor disabilities and light chronic illnesses, who are able to work, as well as widows who are caring for children who should be advantaged by flexible work arrangements.

- **Youth in development:** The youth will be sensitized and informed of Public Works opportunities.

As a result of institutional reform where both Local Economic Development (LED) and Social Protection are managed by Rwanda Local Development Support Fund in partnership with Local Governments, and the same line ministry, the institutional arrangement of the Labour Intensive Public Works have been adapted the that of LED. This eliminates the risk of creating so many structures with almost the same purpose

1. Introduction

In transition from emergency to sustainable development, the Government of Rwanda increasingly saw a need to diversify development initiatives. In 2002 the Labour Intensive Local Development Programme (PDL-HIMO) was conceived and elaborated in 2003 to complement other government poverty reduction strategies. The five – year programme which was launched on 17th November 2003 to start activities in January 2004 was primarily aimed at contributing to poverty reduction by carrying out employment-intensive and income-generating investments using local resources and by reinforcing the capacities of decentralised structures and local actors.

The time-bound programme also responded to the urgent need to re-absorb quickly the unemployed and the under-employed people in the rural areas.

However, since establishment, the programme was challenged by the lack of a legal framework, to form a basis for overseeing all the labour intensive interventions by various independent actors to generate the desired synergy. PDL-HIMO/LIPW was pre-occupied in direct implementation of pilot projects, instead of monitoring all HIMO/LIPW activities by the various actors to observe their respect for norms and standards of HIMO/LIPW approach, as well as to capture data on employment created and resources injected in the local economies.

In July 2007, a National Labour Intensive Public Works Strategy was conceived and adopted by Cabinet and its implementation was mandated to the former Common Development Fund (CDF), the current Rwanda Local Development Support Fund (RLDSF). After the adoption of the National Labour Intensive Public Works Strategy, PDL-HIMO served as a unit in the CDF/RLDSF to oversee Labour Intensive activities by different actors nationwide.

In the process of helping to create conditions which can lead to a significant empowerment of the extreme poor, the Vision 2020 Umurenge Programme (VUP) was launched in 2007, as a core National Social Protection Programme, with a Public Works component which qualifies as an indispensable platform for releasing community assets by providing Productive, Protective and Enabling environments to deliver operational working assets. On one hand land as a basic factor of production is worked upon by the human labour to generate public assets such as watershed catchments, terraces, irrigation plots, feeder/access roads, as well as constructions of different types (classrooms, health facilities, training centres, business workshops, markets, etc). Such infrastructures form a spring board for improving community and household productive and social assets thus contributing to local growth processes. On the other hand, establishment of the varied infrastructures provides a potential source for employment where the corresponding remuneration for labour (wages), qualified and non-qualified, leads to predictable and timely wages thus protecting household assets and enhancing smooth consumption and asset utilization.

The design of VUP Public Works Manual of Procedures was framed by the National Labour Intensive Public Works Strategy and Experience from PDL-HIMO. However, after implementation of VUP, some wider experience from further ground realities, international exposure on certain practices, as well as the strengthening of the social

sector have shed light on the weaknesses of the 2007 National Labour Intensive Public Works Strategy, which justify the review of the design and implementation of the Strategy. The identified weaknesses are as follows:

- **Wage rate determination:** Wage rates were fixed equated exactly with prevailing local market daily rate (for an eight hour working day) for unskilled labour, which was likely to distort labour market and to create demand for PW jobs from the non eligible, while some eligible beneficiaries were not getting employment opportunities.
- **Payments to beneficiaries:** Wages are being paid directly to workers by intermediaries. This undermined timeliness in payments, and encouraged some contracting agencies not pay beneficiaries at all.
- **Frequency of payment:** The 2007 LIPWS was not specific on regularity of payment and this undermined the principle of predictability. Too, irregular and delayed payments have been contributing to low worker motivation
- **Delivery mechanism:** Wages were originally being paid by cash method which induced unplanned spending by some beneficiaries; limited the scope of accumulation of savings with a net impact of weakening graduation opportunities. In 2008, the national public finance management regulations banned cash payment on all public finances which called for adjustments of delivery mechanism through a bank facility
- **Savings by beneficiaries:** At the time VUP was launched, saving was made compulsory and beneficiaries were obliged to save 30% of their wages which undermined their freedom of choice to save, and which was not considering their domestic needs at the time of payment.
- **Targeting:** There was no targeting policy for public until the establishment of VUP
- **Institutional reforms:** *in June 2011, PDL-HIMO was merged with CDF, Ubudehe Programme, Vision 2020 Umurenge Programme (VUP) to form the current RLDSF, which further institutionalised the Labour Intensive Public Works intermediate technology.* Reviewing the Labour Intensive Public Works Strategy poses a good opportunity of resetting the vision of Public Works and explaining how infrastructure, local economic development, job creating and poverty reduction objectives can in principle be mutually reinforcing.

Overall, experience from VUP Public Works as well as the changing orientation in the national development agenda dictates a review of the Labour Intensive Public Works Strategy

1.1. Definition of the Labour based technology (HIMO/LIPW)

The International Labour Organisation (ILO) specifies that LIPW consist of methods that use in flexible and optimal way local manpower and other available local resources in carrying out community projects of public interest while the quality at the technical level and economic profitability are ensured.

Labour based technology is used in construction works, production, transformation, and maintenance of works, which optimises the use and management of local resources. Manpower (labour) is considered as the main resource in labour based technology. Other resources are utilised only as needed to produce competitive and sustainable products, and to ensure quality at the technical level and economic profitability, especially in the

reduction of the operational and maintenance costs of the investments. The optimal mix (the percentage of labour in relation to other resources or to the total construction costs) varies according to the type of work and is very much dependent on the level of salaries and the materials available locally and varies from country to country as well as from region to region

The use of labour based methods also implies the increased use of associated local resources. That is, the non-qualified, less qualified and the qualified manpower, the unemployed or the underemployed, local materials, land, local know-how, equipment adapted to suit the local situation, the initiative and organisational capabilities of the people and enterprises to be mobilised locally. This aims to foster national investment, particularly at the local level, while reducing the dependence on costly imports of equipment and stimulating the local economy.

Labour-intensive public works public works are public programmes that provide employment and, typically, generate public goods such as physical infrastructure through labour-intensive means. Although publicly supported, they are not necessarily implemented by the public sector; implementation may rest on private sector and community level initiatives. Thus “public works” are actually “private” in execution.

1.2. Background

1.2.1. Regional and International context

The International Labour Organisation (ILO) has been associated with public investments in a number of countries in Asia and Sub-Saharan Africa since the mid 1970s and, more recently, in Latin America and Eastern Europe. The main objectives of this collaboration between governments and partners in development have been to:

- i. *influence investment policies* so as to optimise their impact on employment, poverty reduction and on socio-economic development;
- ii. *build capacities in the national private sector*, which is indispensable in the execution of public works with a high labour input, through capacity building in research centres and SMEs with the aim to improve the environment and the conditions of work in the sector ;
- iii. *Direct social and economic investments towards the local level* in order to maximise the impact on the reduction of rural and urban poverty while, at the same time, improve the social participation and organisation in sectors which are still informal and less organised.

The introduction of employment as an objective in the investment policies has been particularly important in the sectors of infrastructure and construction partly because of the prominent weight of these sectors in total investment, and partly because of the technological options which are more or less either equipment-intensive or labour- and local resources- intensive, and which can be maintained within a framework of economic profitability.

To date many countries have been able to develop and embark on the labour intensive approach to development with an aim to attain a double goal of economic efficiency and social equity. Some of these countries documented by the International Labour Organisation include Burundi, Cambodia, Democratic Republic of Congo, Ghana, Laos, Lesotho, Madagascar, Morocco, Mozambique, Namibia, Rwanda, Sierra Leone, South Africa, Thailand, Togo, Uganda, and Zimbabwe.

There are several factors which favour success for labor-intensive programmes in Africa:

- its generally active well-being and inter-regionally connected labour-markets with a rapidly growing labour force
- its familiarity with community-based labour pooling and labour-sharing arrangements, which can provide a point of departure for larger public works schemes with community participation
- the large participation of women in farm and off-farm work, which helps to ensure that works benefit both sexes; and
- a chronic deficiency in productive infrastructure, which lends itself to labour-intensive development

The demand for participation in public works is rising because of the rapid growth and increasing concentration of population, the limited absorption capacity of the modern sector and low labour productivity in agriculture.

A review of experience with public works programmes in four non-African countries – Bangladesh, India, China and Guatemala – suggest several general findings of relevance to the African context:

- Public works programmes for famine prevention can be a viable instrument
- At appropriate wage rates, labour-intensive public works automatically target the poor.
- Public works programmes also have favourable private savings and investment effects for the poor. Strengthening financial institutions alongside public works programmes is therefore desirable.

More recently, Poverty Reduction Strategy Papers (PRSPs) have been prepared by many countries, and bring out a renewed interest in labour intensive methods and are increasingly in favour of this approach.

1.2.2. National Context

Socio-economic context

According to EICV3 Poverty Analysis for Rwanda's EDPRS, extreme poverty fell from 56.9% in 2000/01 to 36% in 2005/6 % and to 24% in 2010/11, which is a substantial reduction over the recent five-year period. The Gini coefficient also has fallen from 0.52 in 2005/06 to 0.49 in 2010/11.

In Rwanda the population of persons aged 16 and above is 5,888,000 in EICV3, and given the land constraints which have an impact on a largely agriculture workforce, providing sufficient work for the population is a challenge.

The percentage of employed and unemployed persons – the economically active – shows that 85% of working adults work on their own family farm for some of the time during

the year. EICV3 showed that 85% of active population (16 and above) cultivate their own farm, 35 % have paid work in agriculture activities, 28% work for salary or wages in no-farm activities.

The majority of persons are employed on farms either as independent farmers or as unpaid family workers on the farm. The agricultural sector is barely monetised and remains traditional, despite the remarkable improvements in Food Security situation. It uses very little available technology and is strongly dependent on natural rainfall. This has been a contributory factor to the country's structural poverty which is related to:

- the high poverty incidence at 44.9% (EICV3)
- scarcity of natural resources, identified as those resources most likely to finance the take-off of the national economy;
- economic policy excessively based on subsistence agriculture with a view to self-reliance in food security which has contributed to limiting not only the professional qualification of producers, but also the level of exchange between regions and the opening up to non-agricultural occupations;
- the fragility of macro-economic conditions: heavy debt servicing, weak capacity of exportation, deficits and dependence on external aid;
- Limited training opportunities for the population, with negative effects on the development of human resources and on the diversification of occupations in the country where majority of the Rwandans are illiterate.
- Limited supply of arable land, which suffers from soil exhaustion and population pressure from a young population structure which entails an increasing number of youth who join the labour market.

The structural poverty has been aggravated by the 1994 genocide and its consequences, among which was, especially, (1) the decapitalization of the rural areas (destruction, prolonged non-maintenance of infrastructure, including roads, bridges, water works, fishponds...); (2) a high degree of vulnerability (widows and young orphans, the traumatised, the persons with disabilities, etc.)

Socio-political context

In view of the national orientations expressed in the Vision 2020, the Economic Development and Poverty Reduction Strategy (EDPRS), thematic areas for EDPRS2, and the Decentralisation programme, the Government of Rwanda recognises that in a bid to fight poverty and to create wealth, a greater share of the efforts have to be geared towards the development and efficient utilisation of the most important resource that it has – its population.

The Economic Development and Poverty Reduction Strategy and the National Investment Strategy therefore prioritise education, professional training, continuous and in-service training, and a public works programme requiring labour intensive methods (HIMO/LIPW) aiming, especially, at rural development and agricultural transformation, the development of human resources and the establishment of economic infrastructure.

The Economic Development and Poverty Reduction Strategy (EDPRS) favours investments in rural areas which bring about agricultural growth, and which reinforce the financial and technical capabilities of the most disadvantaged groups.

By using the labour intensive approach, the Government envisages an opportunity to create jobs with a view to reducing high unemployment and underemployment in rural and urban areas; the opportunity to provide the necessary infrastructure required for rural development; to protect and conserve the environment; to achieve harmoniously the demobilisation and reintegration of soldiers; and to increase revenue and purchasing power within rural areas. This also appears to be a good way to increase the demand for non-agricultural goods and services – a demand which in itself can induce the emergence of non-agricultural activities and the creation of non-primary activities in the rural areas. The HIMO/LIPW initiatives are expected to contribute both to the improvement of incomes of the poor, women and youth inclusive, and to stimulate the spirit for saving and the capacity to invest in the rural areas.

Historical context: Past experience of HIMO/LIPW approach in Rwanda

- *Labour Intensive Public Works before 1994*

At the end of 1978, a Pilot Programme entitled "Labour Intensive Special Public Works Programme" (LI-SPWP) was formulated in Rwanda and work started in 1980 for a 3-year period, under ILO technical support. In 1984, the programme expanded, and continued for two implementation phases - 1984-1986 and 1987-1991. Works under the SPWP were carried out mainly by force account in the former Provinces of Ruhengeri and Gitarama. In 1991, a Social Action National Programme (PNAS – Programme National d'Actions Sociales) was developed, to take over from SPWP. It started in July 1993 with the institutional supervision passing from the *Ministère de l'Intérieur et du Développement Communal* to the Ministry of Planning. The implementation of PNAS (from 1995 to mid-1998) continued after the war with only World Bank financial support.

The main problem with the pre-war HIMO/LIPW was that it was basically of International Labour Organisation and donor initiative with limited government involvement. It was thus of project type and time-bound because it had not been institutionalised by the government as an approach. Originally, it covered only two former provinces of Ruhengeri and Gitarama until it was extended to cover the whole nation through a Social National Action Programme (PNAS)

- *Labour-Intensive Public Works after 1994*

As highlighted in the introduction, the national transitioning from emergency to sustainable development, reinforced development initiatives by launching a five-year time bound Labour Intensive Local Development Programme (PDL-HIMO) in 2004. The programme's primary was to contribute to poverty reduction by carrying out employment-intensive and income-generating investments using local resources and by reinforcing the capacities of decentralised structures and local actors.

In order to back up the labour based approach, in July 2007, a National Labour Intensive Public Works Strategy was conceived and adopted by Cabinet which provided a legal

framework for the former Common Development Fund (CDF), now Rwanda Local Development Support Fund (RLDSF), to oversee labour based activities.

- *Vision 2020 Umurenge Programme:*

In 2007, the Vision 2020 Umurenge Programme (VUP) was launched as a flagship programme of EDPRS with a Public Works component. The VUP Public Works was seen as a strategy for contributing to releasing of community assets by providing Productive, Protective and Enabling environments to deliver operational working assets.

Whereas the design of VUP Public Works Manual of Procedures was framed by the National Labour Intensive Strategy and Experience from PDL-HIMO, VUP benefited from practical ground experience, exposure to international best practices and the strengthening of the social sector which have added value on the implementation of Labour Intensive Public Works, and which ultimately is contributing to review of the National Labour Intensive Public Works Strategy.

2. Labour Intensive Public Works (HIMO/LIPW) Strategy and General Orientations

The Labour Intensive Local Development Strategy has been conceived within the general orientation of international commitments such as the Millennium Development Goals (MDGs) and NEPAD, as well national commitments, such as Vision 2020, the Economic Development and Poverty Reduction Strategy (EDPRS), the National Investment Strategy (NIS), the National Decentralization Policy, the Employment Policy, the Gako Government retreat, the Local Economic Development strategy(LED) and the Integrated Development Strategy(IDP). This section describes the relevance of HIMO/LIPW to these broader orientations.

2.1. Relevance of HIMO/LIPW approach to Vision 2020

Adopted in 2000, and informed by challenges and lessons from post-genocide reconstructions, the Vision 2020 seeks to transform Rwanda from a poor country with a per capita income of under USD 540, to a medium income country of per capita GDP of USD1,240. The government of Rwanda fully recognizes the importance of the Labour Intensive Public Works Sector in contributing towards attainment of the goals of the Government's Vision 2020 which consists of transforming Rwanda from a low-income to a middle-income country with a dynamic, diversified, integrated and competitive economy. By nature the major focus of the Labour Intensive Public Works Sector supports the establishment and rehabilitation of infrastructures that form the socio-economic base for the country's development, creating employment opportunities for individuals and contracting enterprises, tapping of raw materials as inputs of production, and equipping people with technical know-how of executing and maintaining the public works (the general workforce and contracting enterprises), thus fostering the building of a productive and efficient workforce. It is also worth noting the importance of labour intensive activities in promoting people's participation at the grassroots level, in terms of planning of activities, identifying beneficiaries, implementing projects and managing them, which qualifies HIMO/LIPW to be one of the appropriate tools for Good Governance.

2.2. Relevance of HIMO/LIPW approach to Environment and Natural Resource Sector

Strategic Plan 2009-2013

Rwanda is endowed with a large diversity of natural resources; rich productive soils, diverse flora and fauna, natural forests and wetlands, unique landscapes, dense networks of surface and ground water, and valuable minerals, etc. These combined with favorable climate, support livelihoods in terms of food security and employment, and constitute the bedrock on which the national economy is anchored. Planned integrated activities include labor intensive public works, cooperatives development, and enhancing access to productive skills, etc are largely based on value-addition to natural resources and environmental sustainability. Too, among other activities, Public Works is used to build climate change adaptation resilience through afforestation, terracing as well as anti-erosive ditches.

2.3. Relevance of HIMO/LIPW approach to thematic areas for EDPRS 2

Off-farm employment in Rwanda has more than trebled over the last decade and now stands at 1.4 million, equivalent to 28% of the country's workforce. A structural shift is underway towards an economy led by higher value-added industries and the service sector, where workers are currently five times more productive than in agriculture.

Labour productivity relates to the value of output produced by an individual worker. Measured by GDP per worker, productivity has grown by more than 5% a year since 2006, largely as a result of the shift towards off-farm employment. Furthermore, the movement of surplus agricultural labour to other sectors combined with major advances in agricultural policy has led to 4% a year growth in agricultural productivity over EDPRS-1. Also, the industrial sector as well as the influx of workers previously in agriculture has led to a decrease in productivity of almost 3% a year; industrial workers are now 15% less productive than in 2006 on average. Therefore a comprehensive strategy is needed to generate 200,000 off-farm jobs a year (in line with Vision 2020) but also to ensure that such jobs become more productive.

Unemployment is an increasing concern among the youth and the skilled, particularly in urban areas, suggesting a mismatch between labour market supply and demand.

- Youth unemployment stands at 2.6% (16-24 year olds) compared to a national rate of 0.9%;
- Unemployment is predominantly an urban phenomenon (13% in Kigali);
- 15% of Rwandans with secondary senior qualifications were unemployed in the 7 days prior to being surveyed by EICV3, and 6% of university graduates were also unemployed;
- 11% of the population (16+) are students, representing 5% growth a year since 2006;
- 102,000 employees have a higher education qualification, with 62% of these employed by Government. General trade sector accounts for 10%, and financial services accounts for 8%;

However, the Productivity and Youth Employment Thematic Strategy of EDPRS-II will provide the direction and the guidelines to assist sectors in ensuring Sector Strategic Plans (SSPs) to reflect this national priority. Rural development thematic area in EDPRS2 also indicates the increasing need for off-farm productive activities for rural unskilled and semi-skilled population to reduce pressure from the agriculture sector.

2.4. Relevance of HIMO/LIPW approach to the National Investment Strategy (NIS)

The National Investment Strategy strongly emphasises investment as a major factor in terms of fostering growth of national income. Investment in infrastructure is given special attention in order to bridge the infrastructure gaps and reduce levels of poverty. The infrastructure bridging includes roads construction and rehabilitation, health centres, schools, electrification

The investment strategy aspires for an increased level of investment up from 20% of GDP in 2007 to 22% in 2010, with a 30% target in 2020. Removing or reducing cost of infrastructure constraints to the private sector and public investment in rural and urban areas which is at the core of EDPRS leads to:

- Reliable access to transportation, electricity at reduced cost for business (stop energy being a barrier to competitiveness of firms): Facilitating accessibility for large and medium firms participating partly or fully in application of machines and technology sharing with in HIMO/LIPW/LIPW approach hence improving the skills among the LIPW projects beneficiaries.

Development and Improved skills to the local communities while attracting investors due to viability of improved road network, energy, water infrastructures and restored & protected environment thus Ensuring relevance of HIMO/LIPW/LIPW approach.

2.5. Relevance of HIMO/LIPW approach to the Employment Policy

The Employment Policy recognises labour intensive technology as one of crucial pillars of employment provision, especially in the informal sector both in urban and rural areas, especially by giving job opportunities to the younger and less qualified people, though not restricted to this category. The policy also acknowledges the need for infrastructure where HIMO/LIPW interventions are desired, and HIMO/LIPW's core competence in the stimulation of growth of Small and Medium Enterprises (SMEs), an indispensable aspect for private sector development.

2.6. Relevance of LIPW/HIMO approach to Local Economic Development (LED) and Community Development Strategy (CD)

Exploitation of local potential is one of the cornerstones of the Local Economic Development and Community Development Strategy where LIPW/HIMO/LIPW serves as a solution by making possible the utilization of locally available resources - human and

non human - in enhancing local businesses enabling environment, ensuring active involvement of stakeholders, including women, youth and socially marginalised groups, enhancing value chains, attracting finance for local economic development, making infrastructure to facilitate doing business and creating jobs - whilst offering the best platform for participation and mobilisation of community members. Through LIPW/HIMO the community will be involved in the process of participatory planning, implementation, monitoring and evaluation of the LED/CD activities. It also offers a window for capacity building through various training packages, especially on-the-job training at LIPW/HIMO/LIPW work sites.

Labour intensive Public Works is seen as an opportunity to release productive capacities.

2.7. Relevance of HIMO/LIPW to international development orientations

The Millennium Development Goals (MDGs): HIMO/LIPW is seen as an important instrument to enhance the attainment of the Millennium Development Goals (MDGs) by tackling eradication of extreme poverty and hunger through employment creation and public infrastructure development which are both important aspects in wealth creation. Once coupled with sensitisation campaigns, this can in turn contribute towards halting the spread of HIV/AIDS, reducing child mortality, improving maternal health, providing primary education for all (boys and girls), promoting gender equality and women empowerment, and ensuring environmental sustainability. Furthermore, HIMO/LIPW targets the poorest economically active members of the community, which are among the core target groups which the MDGs are seeking to benefit.

The New Partnership for Africa's Development (NEPAD): The NEPAD sectoral priorities focus on bridging the infrastructure gap, human resource development, agricultural development, and mobilising resources where increasing domestic resource mobilisation is prioritised. In the implementation of the New Partnership for Africa's Development, agricultural development, promotion of the private sector and infrastructure development projects are strongly emphasised. It is evident that HIMO/LIPW fully supports the priorities of NEPAD by sharing concerns of poverty reduction and local resource mobilisation as expressed in HIMO/LIPW objectives and intervention areas.

2.8. Relevance of HIMO/LIPW to Gako retreat resolutions:

Among other resolutions, Poverty eradication and job creation is on priority agenda of the Gako Retreat resolutions. Labour Intensive Public Works is part of contributory factors to the attainment of this agenda through community Assets creation to stimulate socio-economic development as well as to create paid jobs and to build on job skills development

2.9. Relevance of HIMO/LIPW to workforce Development.

The workforce development policy objective as expressed in the Strategic Plan and Quick-win Plan of the Rwandan Workforces Development Authority (WDA) are:

1. To establish entrepreneurship skills training
2. To establish infrastructure as well as funding mechanism that will enhance skills in business incubation and entrepreneurship development
3. To develop and implement a structured mechanism for soliciting relevant labour market information.
4. To Development of HR management and operational systems that monitor & hence ensure adherence to the National Gender Policy
5. To establish training levy
6. To establish income generating activities to supplement training
7. To implement the accreditation of industry-based training programmes

The LIPWS also focuses on bridging the gaps in technical knowhow, human resource development and capacity building. The training component is desirable to support three essential and inseparable objectives: capacity building of the districts/towns and other actors/beneficiaries, development of the private sector and employment promotion, whilst offering the best platform in the process of participatory planning, implementation, monitoring and evaluation of the local economic development activities.

2.10. Link of HIMO|LIPW Approaches to Thematic areas of EDPRS2

Overall, the thematic areas of EDPRS2 are aimed at putting emphasis on the **development of the non-urban communities in Rwanda**. In other words, its primary concern is to stimulate the **processes of improving the quality of life and economic wellbeing of people living in rural areas**. However, given the intrinsic rural communities linkages to EDPRS, if done effectively, rural development will greatly assist the process of poverty eradication in thematic areas. Public Works is central to the Rural Development pillar of EDPRS2

HIMO|LIPW approach as a tool to enhance the thematic areas of EDPRS2 is expected to contribute to the following primary objectives of EDPRS2:

i) Rural Poverty is Significantly Reduced in all Districts – This culminates in an average of 15% reduction in overall poverty reduction.

ii) Proceeds of Growth are Equitable: Inequality, as measured by the Gini-coefficient, across districts/provinces is further reduced to ensure that economic transformation benefits all Rwandans.

iii) Economic Transformation Occurs within the Rural communities – Rural development is the engine of the potential 8.5% agricultural growth and contributes to the 11.5% national economic growth. Growth accounting should reveal which thematic areas linked to EDPRS can be targeted to facilitate economic growth by HIMO|LIPW approach

Thematic Areas

- **Transport Infrastructure:** Road infrastructure network development (feeder roads in nature of earth roads, paved roads – at construction and rehabilitation/maintenance levels. Infrastructure development guarantees that rural communities are able to maximize their income generation potential. Some Public Works are in the areas of road infrastructure development.
- **Water Infrastructure:** Water resource management and water harvesting development mainly spring water sources and extension development for domestic and irrigation purposes, which contribute to promoting hygiene and sanitation. Some Public Works are in water development domain.
- **Environment protection:** HIMO|LIPW dominates with construction of anti-erosive ditches and radical terracing of hillsides and intercropping plants, which explicitly aim at environmental protection in term of degraded land restoration. LIPW monitoring data reveal substantial achievements in terms Agriculture, industry, commerce and rural energy requirements place significant demands on natural resources, while the livelihoods of rural communities are shaped by their access and use of them. This will protect **33% of households report being adversely affected by environmental problems – primarily soil erosion and soil fertility issues.** Other than provision of wages, Public Works contribute to building resilience to climatic changes and soil erosion control through projects in afforestation, terraces, and anti-erosive ditches
- **Agriculture:** HIMO|LIPW approach facilitates Improving the productivity of the rural population to increase economic activity and this remains the most important driver for income generation and Increasing the quality, volume, and sustainability of agriculture/livestock production per hectare of land (RwF/ha) are the three main priorities. Public Works supports in agricultural development projects such as, marshland reclamation, terraces, markets construction, as well as feeder roads net work.
- **Electricity:** Improving the access and quality of energy generation methods at the household and community level seeks to bring down the cost of not only lighting or cooking but also business development of enterprises. Energy generation in terms of improved cooking stoves, biogas, micro-hydro and solar are some of the examples of rural community approaches to energy. Access to finance and encourage of private enterprise plays a particularly important role here in facilitating the growth of these rural communities. Though not highly labour Intensive, Electricity infrastructure is seen to provide long term employment, and without being given priority, Public Works will intervene in this area under exceptional priority.
- **Construction of Modern markets;** The construction of local markets will contribute towards the creation of sufficient motivation to increase production and the income of the producers. **Increase in efficiency of local markets in rural areas by constructing decent local markets at the request of the CDC.** This can be done through the promotion of commercial initiatives, the reinforcement of the capacities of the operators, the

development of commercial infrastructure and the improvement of transport and road infrastructure in rural areas. Some Public Works investments are in the domain of Construction of markets.

- **Social infrastructures;** Social infrastructure consists generally of health and educational infrastructures such as schools, health centres and community centers. In spite of the significant progress, which has taken place, the analysis of the district development plans shows the existence of enormous needs in construction or rehabilitation of school infrastructure and among other priority needs at community level, is the lack or insufficiency of health service infrastructure such as dispensaries, health centres, hospitals and community centers. As some of these sectors are widely covered by other programmes in their respective technical ministries, it is being suggested that the Public Works only contributes in the case of urgency or as an exceptional priority when proposed by the local people, and after ensuring that the line ministries are not providing such works.
- **Food security** in relation to agriculture envisages that means household consumption needs are locally met with surplus for income generation for the household, importantly having sufficient income for education and health access, as well as for covering some of the **household consumption needs whose products are not locally produced**. Farmers that processed crops and marketed their surplus saw significant income increases over the past five years. Public Works is seen to engage in agricultural strategies that can enhance Food Security. Too wages from Public Works are seen as an enable to invest in agriculture by some beneficiaries.
- **Off-Farm Employment**
Increasing the productivity of non-agriculture enterprises is also paramount to transforming the rural population. Facilitating employment access for women and the youth will be particularly important. This requires access to finance to enable rural communities to profit from the development of these value-chains and related off-farm opportunities.

Overall, Public Works contributes to the implementation of the objectives of the thematic areas of EDPRS2 by engaging in various socio-economic infrastructures, provision of wages, and bridging inequalities in income distribution, as well as improving access to basic services to the poor.

3. HIMO/LIPW Sector Presentation

3.1. Statement of the sector problem: What's at stake and what's HIMO/LIPW's capacity to respond?

By focusing on poverty measured in terms of household consumption, EICV3 shows how, at the national level, poverty fell from 58.9% in 2000-01 to 56.7% in 2005-06 and to 44.9% in 2010-11. Extreme poverty has also declined considerably, from 40% in 2000-01 to 35.8% in 2005-06 and to 24.1% in 2010-11.

Also the EICV3 reports seasonal under-employment that is related to the cycle of agricultural work and can be permanent, as a result of insufficient arable land threatened by dense population and soil exhaustion. This shows, there is need for an integrated approach to diversify rural employment through Public Works.

In addition, the country experiences *lack of basic infrastructure and support to productive activities*, which constitute some of the main causes of poverty. Thus, the establishment of socio-economic infrastructure and support to production like agricultural development and roads, by using under-employed labour, will make it possible to stimulate the local economy, thus leading to an increase in agricultural production and to an improvement in the living conditions.

HIMO/LIPW thus will help – and this is where the major interest lies – in linking effectively employment, investment and reduction of poverty, while bringing concrete solutions to the problems raised above, which often tend to be treated separately, with social deficits and proximity of production of goods and services, and contributing to the mechanism of effective distribution of the incomes as well as creation of community assets.

3.2. Sector Opportunities and Constraints

3.2.1. Opportunities - conformity to government policies and strategies

HIMO/LIPW's contribution to job creation, economic development and poverty alleviation:

The HIMO/LIPW approach constitutes a major aspect of Rwandan government policy that has undergone several reforms and produced strategies to reduce poverty, to reinforce the decentralisation process and promote social and economic stability.

Beyond its simple financial aspect in the creation of infrastructure, HIMO/LIPW is seen as a means to:

- promote employment and productivity (development of hydro-agriculture and support productive work);
- engage youth and women in active production through Public Works and through investing proceeds from their remunerations;
- stimulate growth of SMEs and local community groups of common economic interest (public and community works);
- integrate the programmes of the central government, decentralised entities (economic and social), donors, private sector and civil society, and consequently allocate adequate resources to them;
- create a real impact on most of the surplus labour from the unemployed or under-employed (a joint strategy between the government and donors);
- apply a solid and sustainable strategy to fight poverty and permit the beneficiaries to participate in their own development; and,
- Establish and develop more productive infrastructure which will increase production, and in turn, generate a multiplier effect on development of more infrastructures.

The HIMO/LIPW Strategy is hence set up in the perspectives of economic growth in short, medium and long terms, and greater social equity. Such an investment strategy, directly linked to economic growth, will boost employment, reduce poverty, and support better and fairer distribution of income for the poor and the achievement of the Vision 2020 and Millennium objectives.

HIMO/LIPW's support to the decentralisation process and local development:

The process of decentralisation that is in progress constitutes a major asset to local development and displays the government's firm political commitment to the empowerment and participation of local communities and population in decision-making.

This decentralisation offers an ideal framework for developing a strategy to enhance the value of local resources and to integrate all partners in a coherent framework of local development. It is at this level that HIMO/LIPW programmes can be conceived organised and implemented using value-enhanced local resources.

In support of the decentralisation efforts, HIMO/LIPW makes it possible to channel resources and technical aid towards the local authorities to allow better planning and implementation of their plans of local development in favour of optimisation of locally available resources. These plans of local development (which constitute an important step in the choice of the priorities to be satisfied) must be, however, complementary and form part of the sectoral strategies. This coherence will make it possible to have a short-, medium- and long-term vision of services, infrastructure and the enhanced use of products for the intended development of the districts and the country in general. Moreover, the current phase of decentralisation puts a lot of emphasis on LED. To build the coherence, the following will be done:

- Locally identify the economy-sustaining sectors likely to favour and promote employment, rural sector productivity and the development of local private dealers, ready to offer their services (researches, works execution and follow-up) in the framework of job contracts as a support to decentralised state services.
- Reinforce districts capacity, which should henceforth display their know-how and experience in planning and execution of their works. They also have to provide the private sector with necessary support so as to assert their role of control effectively.
- To reinforce planning aids to be used in defining needs and priorities, follow the development of information on the state, fix the standards and equipment ratios desired according to the population or other criteria, guiding the later interventions in the various branches of industry and evaluating the effect of the various programmes in the fight against poverty.

HIMO/LIPW's macro-economic impact:

The macro-economic aspect of the HIMO/LIPW approach implies that a deliberated choice is made, each time that is technically possible and economically profitable, in favour of technological options relatively more intensive in labour and local resources. The macro-economic impact will depend on the proportion of the total investments, which can be allocated and carried out within this approach. According to certain rather conservative assumptions adopted in various countries, the potential impact was estimated by various missions and the results were as follows:

- An interesting macro-economic estimate from a research carried out in Rwanda¹ in 1991 is that 1 dollar invested in the road sector, implemented using HIMO/LIPW techniques, increased the national income by 2.8 dollars, whereas a similar investment realised through equipment-intensive methods resulted in a multiplier effect of only 1.2. The leakage of great part of the funds abroad due to the utilisation of imported equipment and, henceforth, the weak local multiplier effect, were the main causes of this rather poor economic performance of projects with equipment intensive approaches in comparison to HIMO/LIPW techniques. It follows that, through labour intensive techniques, countries generate a healthier balance of payments due to reduction of costs of imported equipment.
- Research in Madagascar² has shown that indirect employment generation could be several times more important than direct employment.
- In 1998 a study³ was carried out in order to evaluate the potential of using employment-intensive technology in the rehabilitation of feeder roads as a means of generating employment and combating poverty. The study concentrated on the economic aspects rather than technical ones, since it is assumed that most rehabilitation work on feeder roads can be carried out by labour as well as by the use of heavy machinery. The central hypothesis of the study is that labour-based approaches are viable and offer high employment potential, as well as greater indirect benefits to the national economy than the conventional, equipment-based technology. In order to test this hypothesis, empirical evidence from feeder roads rehabilitation projects carried out in Uganda between 1993 and 1997 was compared. The hypothesis was confirmed at several levels. The main conclusions indicate that a switch towards more labour-based methods could generate very significant benefits for the poor in the form of employment opportunities, and for the country in terms of GDP and foreign exchange savings.
- Rwanda is predominantly a country of rural farmers, with few natural resources. About 90% of the population is engaged in agriculture and the remainder in the service sector. Tea and coffee are the main export commodities of Rwanda trade. Since 2001, growth has been driven by exports to the tune of 5% in the last five years.
- Recent surveys indicated that the percentage of people living under poverty has dropped by almost 12% from 56.7% in 2006 to 44.9% in 2011. Rwanda's economy

¹ « Etude comparée de l'efficacité économique des techniques à haute intensité de main d'œuvre et à haute intensité d'équipement pour la construction de routes secondaires au Rwanda » ILO Genève, 1991

² Razafindrakoto, Mireille et Roubaud François : L'approche à haute intensité de main-d'œuvre : une opportunité pour Madagascar. Essai de cadrage macro-économique. ILO, Genève, 1997

³ Source : <http://www.ilo.org/public/english/employment/recon/eiip/countries/africa/uganda.htm>

is increasingly experiencing the predominance of the service sector as it gained importance relative to agriculture over the recent years. The country experienced an 8.2% real GDP Growth in 2010-2011 and GDP per capita of US\$540 (NISR).

- In the year 2011, GDP at current prices was estimated to be 3,828 billion up from 3,280 billion in 2010.
- In 2011, 46% of GDP was generated by the tertiary sector compared to 32% by the primary sector. The remainder or 16 % was attributable to the secondary sector and 6% as adjustment

Macro-economic aggregates

<i>Macro-economic aggregates</i>	<i>Year 2011</i>
GDP (Rwf billions) at current prices	3,828
GDP per head (in current US dollars)	595
Gross National Income	3,795
Gross National saving	505
Total population (in millions)	10.7
Population growth rate	2.9

International experience shows that:

- Labour-based methods are cheaper than equipment-based methods: in direct financial terms they are 18% cheaper for full rehabilitation of feeder roads and 50% cheaper for spot rehabilitation.
- Due to the savings in foreign exchange from not having to import heavy equipment from abroad, the fiscal deficit of the investment would be 37% less with labour-based methods than with equipment.
- In economic terms, labour-based methods are even more advantageous: 38% cheaper for full rehabilitation and 60% for spot rehabilitation.
- The employment generation effect is much higher for labour-based than for equipment-based work: in the labour-based projects studied the proportion of the cost spent on wages, mostly for the unskilled, ranged between 44% and 60%, against 3% to 8% in equipment-based works.
- The macro-economic model showed that the indirect effects were even greater than the direct effects; for each job directly created, another 2 jobs are generated elsewhere in the economy through a multiplier effect.

In neighbouring country Uganda, the experience shows that :

- In terms of costs, labour-based works are competitive as long as the unskilled daily wage does not exceed USD 4; the current rate in rural areas is USD 1.2.
- An investment of US\$ 23 million in feeder roads rehabilitation would generate 107,000 jobs (directly and indirectly) if carried out with labour, as against 36,000 jobs if carried out with equipment (the Government of Uganda current investment in feeder roads is estimated at Ug Shs 30 billion per annum).
- In 2004, a study⁴ carried out a comparative analysis of a number of on-going and completed feeder roads projects in Tanzania using different technologies (both labour-based and equipment based methods) to show the macro-

⁴ Source : <http://www.ilo.org/public/english/employment/recon/eiip/countries/africa/tanzania.htm>

economic impact on national income, the balance of payments, and the employment situation. The study found that labour-based methods were more economically and financially favourable than equipment-based methods and generated more employment and household income.

3.2.2. Constraints

The HIMO/LIPW Approach faces the following constraints:

- Certain actors are not yet sufficiently conversant with the soundness of the approach and its performance at technical, economic, and indeed macro-economic levels which evokes different responses.
- Delay in work execution, weakness on the part of HIMO/LIPW enterprises which are at the phase of creation and establishment.
- Limited activities and jobs disequilibrium in demand and supply of labour
- Non-adherence to labour norms or social protection conditions (not respecting minimum salary, not registering with the social security fund of Rwanda, etc)
- Rigidity of some actors, programmes and procedures in applying new methods of work and accommodating new partners in terms of young enterprises.
- Short period of works, usually around three months.
- Some actors interventions are not captured in the mainstream of the national budget

However, these constraints are not insurmountable to HIMO/LIPW because:

- Delay in the completion of works can easily be compensated for by the use of several enterprises or construction teams, depending on the availability of labour. Moreover, what is more important are solutions to local problems, especially for reasons of sustainability of assets and the reduction of poverty, the importance of the rate of implementation remains debatable.
- Short-term employment and activities created by HIMO/LIPW programmes is closely tied to civil engineering jobs. This weakness also often applies for enterprises using equipment-intensive methods. In addition, they can also have delays in completion of works due to the lack of spare parts for their heavy equipment. As the HIMO/LIPW enterprises grow they acquire experience.

3.3. Principles of the HIMO/LIPW Sector Strategy

The principles of the HIMO/LIPW Sector Strategy are:

a) **Promotion of employment intensive activities:** By nature, HIMO/LIPW favours the use of more labour than machines during establishment and rehabilitation of various infrastructures. Employment is created for individual community members, contracting enterprises and community groups.

b) **Promotion of exploitation of local resources:** Local resources such as land and raw materials available in the local area are given priority during planning and implementation of Labour Intensive Public Works. Human resources are prioritised over other resources.

c) **Bridging the income differential between towns and rural areas:** Labour Intensive Public Works offer an opportunity for rural dwellers to have access to income in terms of wages paid to the workers as well as profits earned by rural enterprises.

d) **Transparency:** The principle of transparency ensures that stakeholders have access to information and reports on HIMO/LIPW projects so that they can assess value for their funds.

e) **Creation of Training opportunities:** By nature, HIMO/LIPW activities provide on-the-job training activities to equip the people with the technical aspects of implementing the projects and maintaining them. The training component is also emphasised by ensuring other trainings to stimulate private sector growth and venture into HIMO/LIPW works.

d) **Gender and Youth sensitivity and advocacy:** Considering that women and the number of youth form a bigger proportion of the population in Rwanda than men, the HIMO/LIPW approach emphasises the integration of women and youth in HIMO/LIPW activities and training opportunities. Gender and youth issues are also included among other sensitisation aspects at the work sites. The strategy will attempt to eliminate the barriers of access of Public Works' jobs encountered by women and youth.

e) **Environmental protection sensitivity:** Environmental aspects are addressed as a major goal and as a cross cutting issue. The HIMO/LIPW approach is sensitive to environmental issues since all activities will have an impact on land either positively or negatively. There is thus need to address the negative impacts and promote the positive ones.

3.4. Vision and Mission of the HIMO/LIPW Strategy

The Vision of the Government of Rwanda's HIMO/LIPW strategy is to establish an economy with a local resources base to tap local potentials in wealth creation while remedying local problems.

To attain this vision, the mission of the HIMO/LIPW strategy is geared towards activities that enhance and spearhead optimisation of use of local resources and their translation into socio-economic capital. It is essential, therefore, to:

- Open the bidding to contractors registered as labour intensive contractors (SMEs, associations, cooperatives, individuals, and local service community groups). The technical services at District and Sector levels will monitor labour intensive experience in terms of technical organisation and respect of social code.
- Train the actors in the labour intensive methods and norms in terms of technical know-how, bidding preparations, project implementation and follow up.
- Contribute to the building and setting up of infrastructure wherever it is economically justified, using the labour intensive approach, all over the country in both rural and urban areas, transforming a proportion of the agriculture-dependant population into labour intensive skilled and semi-skilled workers.
- Transform temporary labour intensive opportunities into sustainable full time and part time occupations, developing technical capacities in various sectors and increasing the demand in those sectors.
- Ensure that the level of unemployment in Rwanda does not allow the contractors to give unfair wages and monitor the protection of the workers (labour intensive code of conduct, ways and means to control the social aspects during implementation).
- Use the opportunity of mixing the workers (youth, men and women) and to give the local authorities a chance for addressing cross cutting themes such as reconciliation,

mutual health schemes, savings schemes, gender equality, HIV/AIDS, environment, etc.

- Have all development stakeholders (government departments, decentralised entities, implementing organisations and donors) on board to orient their development support in favour of Labour Intensive Public Works to create the desired synergy.

3.5. HIMO/LIPW Sector Objectives

3.5.1. General Objective

The general objective of Labour Intensive Public Works (HIMO/LIPW) is to contribute to poverty reduction by carrying out employment-intensive and income-generating investments using local resources by reinforcing the capacities of decentralised structures and local actors. The strategy reinforces the National Social Protection Strategy by targeting poor households with an objective to provide them with income opportunities to smoothen their consumption.

3.5.2. Specific Objectives

In the attempt to contribute towards poverty reduction the following specific objectives have been identified in HIMO/LIPW:

- Reduce the vulnerability of the rural people by creating sustainable jobs, increasing arable soil yield, protecting the environment and marketing farm products;
- Overcome obstacles to development resulting from the absence of good rural roads, accessible all year round;
- Create employment and improve the living conditions of the population living in the under-privileged neighbourhoods of cities by providing them with minimum basic infrastructure and services;
- Integrate Women and youth concerns in a bid to create social harmony
- Build local capacity (technical ministries, local communities and private operators) in planning, designing, implementing, following up and controlling the management of rural and urban infrastructure projects through the labour intensive approach. This will ensure application of HIMO/LIPW with ease and as a culture, while making maintenance of works possible.

3.6. HIMO/LIPW Strategies in brief

The principal fields of the HIMO/LIPW Strategy are:

- Giving support to the districts for the implementation of their development plans.
- Building capacity at all levels of actors in the HIMO/LIPW domain (administration, decentralised entities, private sector, and civil society) based on their capacity needs relevant to HIMO/LIPW technology.
- Capitalisation of previous experiences in and outside the country.

- Development of synergies from all actors (technical ministries, local governments, donors and the private sector).
- Application of sector strategies developed by the Rwandan Government in the field of agriculture, rural road construction, water supply, environmental protection and any other sector depending on the requests received from districts/towns, as long as they promote employment creation.
- To promote learning by doing in the definition, demonstration and institutionalisation of the HIMO/LIPW approach in an effective way whenever it is technically feasible and economically profitable.

3.7. Programmes of the HIMO/LIPW Sector

The programmes of the HIMO/LIPW Sector are manifested in its areas of its intervention in both rural and urban areas. It is important to point out that complementary training and awareness creation activities are conducted to accompany the above said interventions.

3.7.1. Programmes of the sector in rural areas

- Road infrastructure network (earth roads, paved roads – at construction and rehabilitation/maintenance levels);
- Agricultural infrastructure and protection of environment, such as marshland reclamation, reforestation, construction of markets;
- Rural water supplies;
- Social infrastructure;
- Special labour-intensive programmes for quick impact such as radical terracing;
- Anti-erosive ditches, leaving room to any other special projects deemed necessary by the local governments.
- Any other infrastructures that are an exceptional priority of local government and that contribute to human development as well as promoting employment creation. Efforts will be put to ensure that they do not have any other sources of funding.

3.7.2. Programmes of the sector in urban areas

- Pavement of main streets in impoverished urban districts, using stone pavement or concrete blocks according to the availability of the local resources and the cost efficiency of the pavement;
- Drainage of certain suburban areas prone to flooding and damage to dwellings during heavy rains;
- Waste collection and recycling;
- Construction of markets, thus improving trade and hygiene;
- Extension and rehabilitation of piped water schemes.
- Any other infrastructures that are an exceptional priority of local government and that contribute to human development as well as promoting employment creation. Efforts will be put to ensure that they do not have any other sources of funding.

3.7.3. Training programmes (urban and rural)

The training component is desirable to support three essential and inseparable objectives: capacity building of the districts/towns and other actors, development of the private sector and employment promotion.

By creating a core of enterprises (CE: Consulting Engineers, SME: Small and medium-sized enterprises; PU: Production unit) with the ability to use HIMO/LIPW techniques in productive work, the programme establishes a basis for the progressive extension of these techniques in the country, thus contributing to these essential objectives of the Government of Rwanda as emphasised by the Vision 2020 and Economic Development and Poverty Reduction Strategy.

The training constitutes a principal element of this programme and concerns all the target beneficiaries of the programme listed as follows:

- (a) Small and medium-sized enterprises: the HIMO/LIPW technology will contribute to the creation and reinforcement of enterprises, including training to enable them to respond to the opportunities offered within the framework of investments envisaged by the districts. This includes not only enterprises of the formal sector (building enterprises and engineering departments) but also those of the informal sector like teams of road workers, paving stone cutters etc.
- (b) The staff of various technical departments: at the central level as well as at the provincial level, staff will be trained in planning and management of investment plans centred on the partnership with the private sector and the use of techniques with high coefficient of labour for all related activities.
- (c) Community development committees of districts/towns, sectors and cells: they will be reinforced and made aware of their responsibilities in order to participate in the identification, planning, awarding of contracts, follow-up and control, and the maintenance of infrastructure and equipment envisaged in HIMO/LIPW.
- (d) Community groups/associations (roads users' associations, water users' associations, associations of development and management of forests etc.) will be trained in the management of small maintenance funds and the implementation of maintenance work.
- (e) Young graduates from technical training schools will be attached to various activities of HIMO/LIPW programmes in the form of training courses or creation/reinforcement of districts, SMEs and Consulting Engineers.
- (f) Low income groups - they will profit especially from the employment opportunities offered directly on the project sites and from the job training provided by the enterprises and NGOs.

To complement other government initiatives in place the HIMO/LIPW approach provides a platform for sensitising the beneficiaries on crosscutting issues, namely: HIV/AIDS,

mutual health schemes, environmental protection, gender, the role of savings, unity and reconciliation, etc.

3.7.4 Strategic implementation orientation:

Whereas a manual of procedures to implement the Labour Intensive Public Works Strategy will be elaborated, the following are key implementation aspects which will be observed in the Strategy's framework:

- **Target Group:** Beneficiaries of Labour intensive Public Works will be drawn from Households with labour force in Ubudehe Categories 1, 2 in both VUP and non VUP Sectors. At least one member from each household will be granted work, except for Households with a big number of young children, where two members from the household can be granted work
- **Number of jobs to be created:** Each year 130,000 eligible households will be granted work, meaning that 650,000 households will get job opportunity within 5 years (2013-2017).
- **Wage rate determination:** Wage rates are fixed at a rate no higher than the prevailing local market daily rate (for an eight hour working day) for unskilled labour, determined per location.
- **Payments to beneficiaries:** Wages are being paid directly to workers without the use of intermediaries.
- **Frequency of and timeliness of payments:** Wages are paid on a two-weekly basis (at the end of the two week period). The poorest need to be paid quickly and timely to make their incomes predictable and to enable them to meet their needs
- **Delivery mechanism:** Wages are paid through local bank facilities to enhance accumulation of savings and ultimately to aid graduation.
- **Savings by beneficiaries:** A voluntary savings aspect, to be taken, on client election, from the labour wage; Programme participants elect to save any amounts they wish which is either deposited their Bank account in their names or on their Association/Cooperative bank account, in case there are some members in the workforce who already have a joint venture and it is their preference.
- **Gender in development:** The LIPWS will be sensitive to special needs of women by providing more flexible work opportunities to enable the participation of women who are able to work in PW, but not able to do full-time heavy labour far from home. The flexible options will include:
 - Enabling people to maintain an asset flexibly in their own time.
 - Putting child care facilities in place
 - Employing people as support workers in social institutions (eg ECD centres).
 - Introduction of a parallel piece rate system to enable people do their tasks at their convenience.
 - Acceptance of substitute workers in case of sickness and child care obligations

Older people who are still able to work, people with minor disabilities, people with light chronic illnesses, as well as widows who are caring for children will also be advantaged by flexible work arrangements.

- **Youth in development:** The youth will be sensitized and informed of Public Works opportunities.

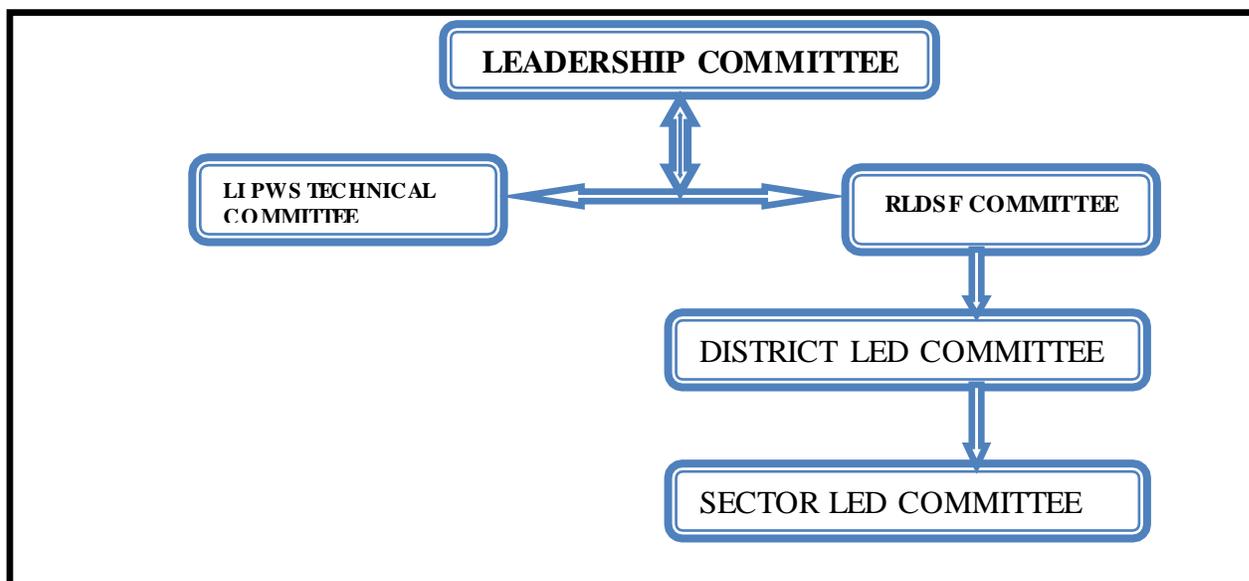
4. Institutional Framework for HIMO/LIPW Strategy Implementation

The HIMO/LIPW Strategy is monitored and supervised by the Ministry of Local Government (MINALOC), which represents the central government as well as being directly in charge of the local governments which are the implementers of government policies and strategies. Through MINALOC, the policy is linked to the Rwanda Local Development Support Fund (RLDSF) for the day-to-day oversight and management since the RLDSF is a channel of government and donor funds to the local governments. The districts implement the policy by integrating HIMO/LIPW technology in their development plans, and implementing HIMO/LIPW technology in collaboration with the private sector contractors, and development partner actors.

The institutional framework caters for a broad dialogue and participation of all technical ministries and other technical agencies of the public sector, according to their specific fields of expertise, and of various actors of the private sector and civil society through the Joint Action Forum at the district level and the steering committee at national level, where donors are represented. The institutional framework considers that, though Public Works is primarily intended to be a social protection intervention, we know it contributes to poverty reduction and economic development. It is with this view that it has been adapted to Local Economic Development Coordination (LED) and Integrated Development Programme (IDP) Platform to ensure the linkages of the three and to eliminate possible overlaps and duplication of structures in same oversight institutions.

The Labour Intensive Strategy Coordination platform is thus as follows:

Organisational Structure of LIPWS Platform



Elaboration of the structure:

Membership of LIPWS platform and LIPWS Coordination Committees

Administrative level	Organ	Members	Head of Platform/Committees
Central	Leadership committee	Ministers, PS (in line ministries) and Head of concerned institutions and RLDSF.	Minister of MINALOC
Central	LIPWS national technical committee integrating LED and IDP	Directors of planning in line Ministries and Head of agencies, SPIU, RLDSF.	Director General of RLDSF
District	LIPWS committees integrating integrating LED and IDP at District level	Chair Person of JADF, District Planner, officers in charge of cooperative and investment, infrastructure, agronomist, civil society, PSF, chair person of district council, Vice Mayor /Social affairs and Vice Mayor /Finance	Vice Mayor of FED

		and Economic Development Affairs (FED).	
Sector	LIPWS committees integrating LED and IDP at sector level	Joint Action Development Forum (JADF), in charge of agriculture, cooperative, infrastructure, civil society representative, Chair Person of sector council, PSF, Executive secretaries of cells and ES of sector.	Executive Secretary of the sector

NB: The members of the Central level Leadership Committee are Ministers and Permanent Secretaries of the following line ministries: MINAGRI, MINICOM, MINIRENA, MINECOFIN, MININFRA, MYICT and MIFOTRA; Heads of affiliated institutions (RLDSF, NAEB, RAB, RCA, RTDA, RGB, EWSA, RHA, RDB and REMA; Governors for all the four provinces and Mayor of Kigali City as well as representatives of private sector and civil society.

Role Clarification of the LIPWS Coordination Structure

a) LIPWS Leadership committee

The leadership committee is the key decision making body of the LIPWS policies and interventions. Its roles are policy orientation, advocacy and fund mobilization and offering guidance on linking Labour Intensive Public Works interventions with those of LED and IDP. The member of leadership committee will meet quarterly and will be chaired by Minister of MINALOC. In the leadership committee meetings, once deemed necessary, technicians could be invited to provide any necessary details.

b) LIPWS technical committee at central level

The functions of this technical committee will be as follows:

- Coordination and monitoring and Evaluation LIPWS interventions at national level
- To analyze district progress report and to inform the LIPWS platform at Central and District level;
- To give technical support to District LIPWS committees;

- To plan and execute capacity building activities
- To serve as a link between central and Local Governments level;
- To enhance the accountability systems

c) RLDSF technical committee

At National level, Rwanda Local Development Support fund will have distinct roles to:

- Monitor the day-to-day management and implementation of the strategy and report to MINALOC for onward submission to the Central Government.
- Define the minimum norms and standards related to HIMO/LIPW so that all stakeholders know what is qualified as HIMO/LIPW.
- Ensure investment of funding in favour of HIMO/LIPW works to set an example and offer points of learning to other stakeholders.
- Ensure effective linkage of HIMO/LIPW and the Ubudehe process(a community based planning methodology)
- Advocacy for the strategy amongst RLDSF partners, especially donors and local governments.
- Give technical support to Districts to plan, monitor and report on LIPW activities in the districts
- Ensure that all LIPW activities from LED and VUP serve as models for other practitioners

Develop routine monitoring tools for capturing and reporting on LIPW activities

d) LIPWS District committee

The functions of **LIPWS committee** at District level will be:

- Planning, implementation, coordination and monitoring and evaluation of LIPWS activities in the District
- Building the capacities and giving technical support to sector leveled committees
- To prepare quarterly progress report on LIPWS implementation in the district and submit the report to RLDSF.
- To submit feedback report to District JADF

e) LIPWS Sector committees

The functions of **LIPWS committee** at District level will be:

- Planning, implementation, coordination and monitoring and evaluation of LIPWS activities within the Sector
- To prepare quarterly progress report on LIPWS implementation in the sector and submit the report to the district.
- To submit feedback reports to Sector JADF

5. HIMO STRATEGY IMPLEMENTATION PLAN

Specific objective	Output	Activity	Indicator	Y1	Y2	Y3	Y4	Y5	Responsible
General Objective 1: Contribute to poverty reduction by carrying out employment-intensive using local resources									
Reduce the vulnerability of the rural people by creating sustainable jobs.	LIPW beneficiaries identified	Develop and disseminate guidelines for targeting intensive labour public works beneficiaries.	Percentage of population living below income poverty line						MINALOC, MIFOTRA, RLDSF
		Conduct targeting intensive labour public works beneficiaries.	Number of beneficiaries						MINALOC, MIFOTRA, RLDSF
		Set up database and management for intensive labour public works beneficiaries.	Database in place						MINALOC, MIFOTRA, RLDSF
	LIPW Beneficiary living conditions improved through adapted wage rate and family investments	Study of minimum Public works labor employment wage rate policy	Minimum wage rate policy in place						MINALOC, MIFOTRA, RLDSF
		Set up National policy for creating new jobs through public works in local levels using HIMO approach	National policy for job creation in place						MINALOC, MIFOTRA, RLDSF
		Facilitate workers to access loans, beneficiary trainings to proper use of salary, loans and investments	Number of loans						MINALOC, MIFOTRA, MINICOM, RLDSF
Overcome obstacles to development resulting from the absence of good rural	Public works projects and development facilities are in place	Develop and disseminate guidelines to identify labour intensive based infrastructure projects	Guidelines in place						MINALOC, MIFOTRA, RLDSF
		Identify labour intensive based infrastructure projects	List of infrastructure						MINALOC, MIFOTRA, RLDSF, DISTRICTS

infrastructure.			projects							
		Integrate labour intensive based infrastructure projects within DDPs and annual action plans.	No. of Himo projects in Action plan and DDPs							MINALOC, MIFOTRA, RLDSF, DISTRICTS
		Implement infrastructure projects identified in all districts	Number of Himo projects implemented							MINALOC, MIFOTRA, RLDSF, DISTRICTS
Build local capacity for public institutions and private operators in planning, implementing and following up of infrastructure projects.	Infrastructure projects planning, implementation capacity raised	Develop HIMO planning, designing and implementing guidelines	Himo guidelines available							MINALOC, MIFOTRA, RLDSF
		Provide orientation on guidelines	No. of orientation meeting held							MINALOC, MIFOTRA, RLDSF
		Review implementation annually	Annual meeting							MINALOC, MIFOTRA, RLDSF
		Organize technical training for public institutions and private operators staff in planning and implementing HIMO projects	No. of training session							MINALOC, MIFOTRA, RLDSF, DISTRICTS
		Sensitize all stakeholders to adopt HIMO approach in projects implementation	Quantity of Sensitization activities							RLDSF
Local community sensitization in poverty reduction strategy	Community awareness activities conducted	Develop community sensitization program	community sensitization program Document							RLDSF
		Organise forum for community of practise	No. of study tour							RLDSF

		Develop sensitization materials	Quantity of materials						RLDSF
		Implement sensitization campaign	Campaign conducted						RLDSF
GENERAL OBJECTIVE 2: REINFORCE COORDINATION MECHANISMS AT CENTRAL AND DECENTRALISED LEVELS.									
Reinforce coordination mechanisms at Central level	National Coordination mechanisms are well functioning	Establish legal framework determining the mandate of the steering committee and other organs	Steering and other organs in place						MINALOC, MIFOTRA, RLDSF
		Harmonise National minimum norms and Standards related to LIPW	Norms and standards adopted						MINALOC, MIFOTRA, RLDSF
		Disseminate the National minimum norms and Standards related to LIPW to stakeholders	Meetings						MINALOC, MIFOTRA, RLDSF
		Monitor regularly the HIMO management, progress and make revisions as necessary	Minutes of steering committee and other organs in place						MINALOC, MIFOTRA, RLDSF
		Organise annual national forum of HIMO stakeholders	Meeting resolutions						MINALOC, MIFOTRA, RLDSF
		Advocate to the Development Partners	Number of partners						MINALOC, MIFOTRA
Reinforce coordination mechanisms at Local level	Local Coordination mechanisms are well functioning	Put in place the District steering committee for HIMO	Steering committee in place						MINALOC, MIFOTRA, RLDSF
		Integrate employment creation in Districts performance contracts	New jobs created integrated in Districts performance contracts						MINALOC, RLDSF, districts
		Ensure operation and regular	No. of projects						RLDSF, districts

		maintenance of the projects	well maintained						
	Reporting system strengthened	Ensure timely reporting to their respective stakeholders	No. of reports						MINALOC, RLDSF, districts
Establish M&E mechanisms	M&E mechanisms operationalized	Put in place the LIPW M&E system	M&E system in place						RLDSF
		Technical support to decentralised entities to plan, monitor and report on LIPW activities	field visits reports						RLDSF
		Produce and publish the annual HIMO status report	Annual report						RLDSF, districts

NB: Rwanda Local Development Support Fund and all technical agencies concerned will be using their operational budget to implement the HIMO Strategy.

6. Conclusion

The HIMO/LIPW approach is an indispensable instrument helping to exploit local resource potential and commit them into active production. Since the major part of the local resources comprises of the human resource (the local population), who are the direct beneficiaries of development activities, HIMO/LIPW is significant in the overall government focus as expressed by Vision 2020, as well as an answer to several national strategies: the Economic Development and Poverty Reduction Strategy, the employment promotion strategy, the agricultural and environment strategy, the strategy for the road-building sector and urban development. Furthermore, HIMO/LIPW's significance is double-fold in nature because it embraces both infrastructure development and social protection. HIMO/LIPW also offers a good platform for sensitisation of people at their worksites on other government policies and strategies such as gender, environmental protection, health and sanitation, HIV/AIDS, mutual health insurance, savings, UMUGANDA, unity and reconciliation, etc. It is, therefore, invaluable to apply the HIMO/LIPW approach widely and institutionalise it in all types of work wherever its application seems appropriate.

Once institutionalised, HIMO/LIPW will bring all development stakeholders (government departments, local governments, donors, private sector and civil society) on board to adapt the technology, which is desirable to pool the available resources in infrastructure development together, and consequently implement funded activities in a way that promotes exploitation of local resources in favour of employment creation to the majority of the poor members of the entire community.

HIMO/LIPW Strategy is thus aimed at:

- effectively combining local (from districts) and sectoral (from technical ministries) strategies;
- using, through the decentralised structures, locally available resources;
- ensuring that the local population participates in economic growth by supporting productive sectors, activities and the use of more labour-intensive technologies, whenever it is technically feasible and economically profitable;
- Orienting stakeholder involvement in activities that optimise use of local resources, human and non-human.

HIMO/LIPW's niche in the development arena rests in its ability to optimise use of local resources and translating them into socio-economic capital whilst tackling economic development and poverty reduction challenges directly through employment intensive activities that create jobs, strengthen institutions, equip people with skills through apprenticeship and support the decentralisation process and local development. This qualifies the HIMO/LIPW approach to be mainstreamed by development stakeholders in their development activities.