

An effectively organized maintenance system also provides opportunities for longer term income and employment for members of the community as against the short term employment provided through the construction process. On a more general level infrastructure maintenance at the local level has to by force of circumstance involve the local community. Funds for maintenance are usually extremely limited and for the local community to provide any support they have to feel some sense of involvement with the infrastructure to be maintained. In the case of water supply for example which is of direct benefit to them this may be easier than in the case of a road for which they feel no affinity.

Involvement of the local community however cannot start at the point when maintenance is required. Experience shows involvement in maintenance will come only from their participation in the whole process beginning at the planning stage.

What emerges from the work that has been done over the years by the ILO amongst others is that there is considerable potential within the actual process of implementation of infrastructure works to use local resources. In practice this means making sure that the major part of the investments made actually remain in the local community by generating income, improving skills and developing local entrepreneurial capacity.

Two other interlinked issues however need to be mentioned within the context of ensuring the actual delivery of infrastructure contributes to the livelihoods of the local population. These are decentralisation and capacity building. The general political and administrative trend in most developing countries has been towards decentralisation. This is generally seen as a positive trend particularly in the sense of bringing governance closer to the people. Moreover it does provide greater potential for local resource based approaches. One aspect of decentralisation that is consistently overlooked however is the development of the capacity at the decentralised level. This is particularly reflected in the delivery of infrastructure services. Relatively few countries have staff at the decentralised levels who are equipped to deal with the planning, budgeting, design, procurement, supervision and maintenance of infrastructure services. In consequence these services are provided in an untimely manner, often to a less than acceptable standard and without consideration for their maintenance.

A crucial issue therefore in ensuring that infrastruc-

ture investments are made so as to maximise the benefits to the poor is to develop the capacity of the decentralised units. It is why the ILO in the Asian region has focused much of its efforts on developing and implementing with partner governments capacity building programmes at the decentralised levels.²



Summary

The ILO has argued for many years that the delivery of infrastructure services provides a largely untapped source for providing benefits to the poor. This may be in the form of employment and thereby income or in the more transparent and participatory planning of the infrastructure, in the promotion of local entrepreneurs or the development of local skills. Experience from a wide range of countries has shown that this approach can be successful both in terms of effective delivery and more importantly in terms of ensuring that the investments made are oriented to providing benefits to the local population. Experience has also shown that this approach is not just a question of having the right tools and procedures but requires a thorough understanding of the framework in which infrastructure is delivered at the local level.

Perhaps the key conclusion that emerges from the work that the ILO has done is that for infrastructure delivery to benefit the local people, the whole process must involve the local people from planning all the way through to maintenance.

¹ C. Willoughby. Infrastructure and Millennium Development Goals. Paper prepared for the DAC POVNET Task Team on Infrastructure and Poverty Reduction. October 2004
² G. Edmonds and B. Johannesson: Building Local Government Capacity for Rural Infrastructure Works. 2003



Some examples from ILO ASIST AP's work in the Asia Pacific Region

Cambodia – As part of its programme in Cambodia, the ILO worked with the ADB and the Ministry of Rural Development to develop a project to provide rural roads, markets and social infrastructure covering six Provinces. It was decided from an early stage that not only would infrastructure assets be created but that they would be created in a manner to maximise the benefits to the local community. Much of the implementation procedures were based on the previous work of the ILO in Cambodia. The planning of the infrastructure was based on participatory principles. In addition it was decided to use labour methods and local contractors for the implementation of the road component and to build a realistic maintenance system.

The implementation of the works was decentralised to the provincial authorities. This was a major risk given that at the time the capacity at the provincial level was extremely limited. However it was possible to develop the capacity of the local authorities to the extent that the works were effectively planned, procured, administered and implemented.

The project involved some 206 local small contractors and through the use of labour based methods employed some 9,500 local people as labourers. The rural roads, the major project component amounting to some 600 km were built at competitive prices and to the required technical standards. A system of maintenance by petty contractors was installed and is still working effectively.

Indonesia – Under the decentralisation process, the government is committed to maximizing the benefits of investments in the rural areas. To this end and with the help of the ILO it has been developing a rural infrastructure strategy. This embodies the concepts of local resource use and of local involvement in the planning and delivery of infrastructure services.

In order to give practical demonstration of this approach the ILO has been working with the local governments to develop their capacity for participatory planning, the development and management of local contractors and the implementation of effective maintenance systems.

Lao PDR – Decentralised government institutions in the country have very limited capacity. On the other hand they have the responsibility for the planning and implementation of local infrastructure. Whilst the capacity may be low, work by the ILO has shown that is possible to develop that capacity through simple participatory planning procedures, by training local contractors and government official in contract administration and by instilling the concepts of asset management particularly in relation to rural roads.

Infrastructure and Poverty Alleviation: Some Lessons from the ILO's Work on the Pro-poor Delivery of Rural Infrastructure





the delivery of rural infrastructure services: the potential for poverty reduction

Whilst in no way demeaning the debate on the comparative impact of infrastructure on poverty reduction, this paper intends to show how the actual provision of infrastructure has enormous potential to contribute to alleviating the constraints to poverty reduction whatever the levels of investment that are made.

It is often argued that a lack of access is one of the fundamental characteristics of poverty. A lack of access limits the potential to improve the livelihoods of the population. Enhanced access results in increased opportunities to improve livelihoods. A sustainable livelihood assumes access to markets, goods services and a reliable income. One of the principal means of improving accessibility is through the provision of infrastructure. It is therefore argued that infrastructure does contribute to poverty reduction and is therefore fully justified in relation to the MDGs.

However, as infrastructure is a derived demand it follows that any infrastructure investment has to be coordinated and integrated with other interventions if the pro poor benefits are to be secured¹. In addition and potentially more important is the manner in which infrastructure is provided. If such provision does not take into account local demand, does not make use of local resources and does not ensure locally based sustainability then major opportunities are lost in terms of providing income, developing local skills and developing ownership.

Whilst lack of access is a fundamental characteristic of poverty, improvements in physical access by themselves do not ensure a reduction in poverty. However, such improvements do provide a major opportunity to improve the economic and social conditions of the population. The challenge therefore is to make the provision of infrastructure more pro poor. This is not merely in the sense that there is a political will to recognize the potential. It is in the detail that changes can be made. Thus it is not merely the improvement of access per se which is important but the manner in which it is improved.

Furthermore, there is a need for “a thorough understanding of the inefficiencies and inequities in their current service provision, the obstacles they are posing to the development for other sectors and the gaps in coordination between their activities and other services”.

Work by the ILO in general has shown that it is possible to address these issues in a holistic and comprehensive manner. The underlying principle of this approach is that the provision of infrastructure should provide the maximum benefit to the maximum number of people. This applies from the planning stage all the way through to maintenance.

Planning - The local level planning procedures that the ILO has been promoting for several years now is based on identifying the actual access needs of the rural population to basic goods and services. Developed as a tool for local level government planners, the procedure is based on the current levels of access of the population to economic and social services. Prioritisation is then focused on identifying interventions which improve access to the greatest number of people. Whilst the process is not targeted on the poorer groups of the community, it does at least ensure that a large number of the poor are considered in the planning process.

In carrying out the planning procedure due account is taken of the non physical aspects of the provision of access. Thus the provision of a road also needs to take account of the transport services that may be available on the improved facility; a new health clinic is of little value if it does not have personnel and requisite drugs and facilities; new classrooms need books and teachers; new water supply needs to have an effective management system. These issues need to be integrated into the physical planning of the infrastructure. This is done by involving the agencies tasked with providing these services during the planning process.

Implementation – The ILO has, for many years, argued that there are significant benefits to be gained from the use of labour based technology in the construction of infrastructure works. These

methods have been demonstrated to be both technically and financially competitive. Experience has shown that they create at least three times as much employment as conventional capital intensive methods.

Employment of course is important but the crucial issue is that the wages provided go into the local economy and thus have a multiplier effect. If money is going into the local community through construction and maintenance, support can be provided to ensure that those funds are used to generate further income and jobs, thereby enhancing the multiplier effect.

Clearly there are adjustments and some cost involved. There needs to be a cadre of well trained staff to design and supervise such works. Procedures for recruitment, payment and work organization need to be put in place. However, tried and tested models for this already exist.

Choice of technology is therefore one area where pro poor benefits can be made. In addition the move to the private sector also presents opportunities. Experience has again shown that in most countries the type of works – water supply, classrooms, health clinics and farm to market roads – can be effectively carried out by local contractors. There is often reluctance on the part of the local authorities to use local small contractors. This is due to a concern regarding their performance and changing from the standard practice of larger well established contractors most of whom are not from the locality.

The use of local contractors has several benefits. In the first place it is more likely that these contractors will use less capital intensive techniques and in addition that the labour will be recruited locally. Moreover the skilled labour will also be developed in the area. In general terms it is clearly advantageous for the locality to build up a local contracting capacity.

Maintenance – In terms of impact on poverty reduction the sustainability of the infrastructure created is the key issue. Improving access, whether through the improvement in mobility by developing the transport infrastructure or by providing classrooms, water supplies or health clinics, is of little value if such access is not maintained. This is not merely a question of financial resources but of capacity at the level of delivery of maintenance as discussed below.

Infrastructure and Poverty Alleviation: Some Lessons from the ILO's Work on the Pro-poor Delivery of Rural Infrastructure

Introduction

Much of the debate in recent years regarding infrastructure and poverty has been over the overall impact of infrastructure on poverty reduction. This has concentrated on the extent to which investments in infrastructure, generally made for economic development, have a direct or indirect impact on poverty. For some infrastructure the impact seems fairly clear. Investments in the water sector for example have a direct effect on health. Investments in other infrastructure sectors such as education and health are less clear cut. More classrooms do not necessarily mean higher enrolment or even easier access to primary education. Other factors may be more important such as the availability of teachers and books, the presence of qualified medical staff and the access to drugs and medicines. In the transport sector the situation is even more complex as transport itself is a facilitator. Even where transport is focused on poor communities the construction of roads does not imply access if there are no transport services or they are unaffordable to the poor.

Apart from the purely academic interest of the impact of infrastructure there is of course a major vested interest on the part of many of the players in the argument. With the MDGs as targets and most countries preparing poverty reduction strategies, the onus is on the proponents of infrastructure investment to show that such investments do indeed contribute significantly to the reduction of poverty. In the present development climate where poverty reduction is the key issue, it is vital for those in infrastructure to demonstrate that increasing investments in the sector will reduce poverty. The work on the impact of infrastructure on poverty is

important because the results of such work can be fed into national (and indeed donor agency) debates on the partition of the investment funds that are available. No longer is it sufficient to show that infrastructure is an engine of economic growth. In addition it has to be demonstrated that infrastructure contributes to the reduction of poverty.

At this level therefore the debate relates to the intra sectoral distribution of national investment funds. On the one hand if infrastructure can be shown to be pro poor then this strengthens the argument for investment in the sector. If not then the other sectors such as health and education can justifiably claim a greater share of the cake.

In reality of course it is not a question of whether one sector or another contributes the greater to poverty reduction but how the potential complementarities between the sectors can be exploited for greater impact on the poor. Despite this it is likely that the debate will continue. It would be a pity however if the overall discussion obscured a clear and obvious potential. The infrastructure sector comprises some 60-70% of public investment in most countries. Whether from a pro poor point of view more or less money should be put into the sector, there is already a major potential within the sector to make the delivery of infrastructure more pro poor. The work of the ILO suggests that major opportunities exist in the way that infrastructure and particularly rural infrastructure is provided. This applies from the planning stage all the way to the maintenance and therefore sustainability of the assets created.

