

# International Labour Organization (ILO)

## Multi-bilateral Programme of Technical Cooperation

### Programme Document

<b>Number:</b>	ILO/
<b>Title:</b>	JUMP: Jobs for Unemployed and Marginalized People through self-help (Interregional programme to create decent jobs for women and men in developing and transition countries)
<b>Geographical coverage:</b>	Inter-Regional
<b>Duration:</b>	Phase I - 3 years; Phase II - 2 years
<b>Starting date</b>	January 2002
<b>Executing agency:</b>	ILO
<b>Cooperating Agencies</b>	Community economic development organizations, cooperative development organizations, government agencies responsible for job creation and economic development, NGOs, trade unions and cooperatives
<b>Donor Contribution :</b>	Phase I: \$2,500,000
<b>National Contribution:</b>	Government staff salaries and in-kind contributions to pilot projects

#### Programme Summary

The JUMP Programme is intended to create significant number of jobs for unemployed and marginalized workers in developing and transition countries. The JUMP approach in creating jobs is to make local communities own and manage job creation schemes and projects through their cooperatives and self-help organizations. JUMP will do this by (1) using participative assessment and planning techniques to help semi-urban and urban communities develop a strategic economic renewal plan, evaluate, select and implement suitable projects to create 20,000 decent jobs for the unemployed; (2) introducing and implementing innovative group-based job-creating tools and approaches in a systematic and integrative way; (3) field testing the assessment, planning and job-creating tools and techniques through pilot projects in 27 local areas or communities located in 9 target countries and 3 ILO regions; and (4) promoting the adoption and use of the JUMP Programme approach on job creation to influence national policies and programmes.

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## List of Acronyms

ACOPAM	Cooperative and Self-Help Support to Grassroots Initiatives in the Sahel (ILO Project)
ACT/EMP	Bureau for Employers' Activities (ILO)
ACTRAV	Bureau for Workers' Activities (ILO)
CB	Capacity building
CEE	Central and Eastern Europe
CER	Community economic renewal
CIC	Chinese Industrial Cooperatives
CICOPA	International Organization of Industrial, Artisanal and Service Producers' Cooperatives (ICA)
COOP	ILO Cooperative Branch
COOPNET	Human Resource Development for Cooperative Management and Networking (ILO/DANIDA Programme)
COOPREFORM	Structural Reform through Improved Cooperative Development Policies and Law (ILO/DANIDA Programme)
CTA	Chief Technical Advisor
EMP/ENT	Job Creation and Enterprise Development Department (ILO)
ER	Economic renewal
ESOP	Employee Stock Ownership Plan
ICA	International Cooperative Alliance
ILO	International Labour Office
INDISCO	Interregional Programme to Support Self-Reliance of Indigenous and Tribal Peoples through Cooperatives and Self-Help Organizations (ILO/DANIDA Programme)
IFP/CRISIS	ILO Infocus programme on crisis response and reconstruction
IFP/SEED	ILO Infocus programme on boosting employment through small enterprise development
IFP/SKILLS	ILO Infocus programme on Skills Development
JNC	JUMP National Coordinator
JNCC	JUMP National Coordinating Committee
JUMP	Jobs for Unemployed and Marginalized People
LCC	Labor Contracting Cooperative
LED	Local economic development
LEDA	Local economic development agency
LLC	Labor Limited Company
MCC	Management and Corporate Citizenship (ILO)
MDT	Multi-Disciplinary Team (ILO)
NGO	Non-governmental organization
RLF	Revolving loan fund
SIYB	ILO Start and Improve Your Business Programme
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USDOL	United States Department of Labor

# The ILO JUMP Programme

## Jobs for Unemployed and Marginalized People through Self-Help

### Programme Document

## 1. Background and Justification

### 1.1 The Problem: Rising unemployment and poverty

The ILO JUMP Programme addresses the serious shortage of jobs, especially decent jobs, for growing numbers of unemployed, youth and marginalized people in developing and transition countries. In most of these countries, unemployment and poverty levels have increased or remained at extremely high levels despite considerable efforts by international development agencies during the past 30 years.

Since 1971, the number of countries that the United Nations calls “least developed”, those with per capita income of less than \$900 a year, has nearly doubled. More than half of the 630 million people in those countries, mostly in the sub-Saharan Africa and southeast Asia, Haiti and some Pacific Islands, live on less than a dollar a day. (Paul Geitner, “Poorest Nations Discuss Strategies,” *NYPPost.com*. May 14, 2001)

A recent report by the World Bank states that nearly 1.2 billion of the world’s six billion people live on less than a dollar a day.

These people are almost entirely supported by the earnings of 500 million, “the working poor”. If those people, who work substantially less than full time, but wish to work more, are included, then one-third of the world’s labor force of about three billion, are either unemployed, underemployed, or earn less than is needed to keep their families out of poverty. (*World Labour Report 2001*, p.4)

During the past few years, the little progress made in alleviating poverty is primarily the result of China’s high growth rate. Most other countries are in worse shape than in previous years. (*2001 World Bank Indicators Report*)

Another serious problem in many countries is the large numbers of school leavers who enter the labor market each year with little or no prospect for formal sector employment. According to ILO estimates, over 70 million young people are unemployed throughout the world. “[M]ore than one in three young persons are classified as “unemployed”—declaring themselves to be without work, to be searching for work and/or to be available for work.” (*Generating opportunities for young people: The ILO’s decent work agenda*)

## **1.2 Interventions by the ILO and others to create jobs**

During the past two decades, the ILO and other international development agencies have conducted and are conducting a number of projects and programs to address the serious problems of unemployment and poverty. One completed ILO programme, four examples of ongoing ILO and other international projects and one ILO initiative in the early stage of development illustrate the nature and extent of this commitment to job creation.

### **1.2.1 ACOPAM: ILO's employment and income generation programme in the Sahel**

The ILO's ACOPAM Programme was an instrument aimed at poverty alleviation. It sought to give support to grassroots organizations whose activities relate to basic development needs in Africa: food security and self-sufficiency, sustainable management of natural resources, gender issues, access to credit, savings, financial services and social protection. The ACOPAM Programme ended on 30 June 2000 after 21 years of field activities, but a total of 188 programme partners in 8 countries have now established national networks that continue ACOPAM's work.

Some of the areas of intervention by ACOPAM between 1978 and 1999 have been:

- Self-managed cotton markets (a decentralized form of collection in the production zones). Today these markets commercialize nearly 80 per cent of Sahel cotton production.
- □ Village cereal banks: More than 300 facilities of this type have been set up, which benefit close to 20,000 members in Senegal, Burkina Faso and Niger. The cereal exchanges between zones with a surplus and zones with a deficit, allow the former to dispose of their excess stocks and the latter to restock at non-speculative prices.
- Credit-savings systems have mobilized more than 400 million CFA francs for the benefit of 7,000 members of women's groups, enabling profitable economic activities to be launched, thus furthering local, sustainable development.

### **1.2.2 INDISCO: Job-creation program for indigenous and tribal peoples**

ILO's INDISCO Programme emphasizes the use of local community-level participatory approaches and innovative self-help techniques to generate jobs, especially jobs for women, among indigenous and tribal groups in developing countries. Its objective is to develop, test and promote self-help models that government agencies and local organizations of indigenous groups can use to help their communities. Between 1994 and 1999 more than 10,000 traditional jobs for indigenous people have been secured in six countries through income-generating schemes. The success of INDISCO's first phase led to a second phase, designed to use lessons learned and best practices to influence national policies and expand its use to additional countries and regions of the world where indigenous and tribal people live.

### **1.2.3 IFP/SEED: InFocus Programme on boosting employment through small enterprise development**

The ILO's IFP/SEED is a new program aimed at employment creation through small enterprise development. IFP/SEED strives to assist countries to meet the global employment challenge by creating sustainable quality jobs in the micro and small-scale private enterprise sector. Key

components of the IFP/SEED include the *Start and Improve Your Business* (SIYB) programs that are being used in over 80 countries and all regions of the world. Components of the Start Your Business and Improve Your Business programs are also directed at increasing the entrepreneurship and business opportunities for women. The *Know About Business* component of the IFP/SEED is a modular training program designed to create an awareness of business entrepreneurship in young people attending vocational and technical schools.

#### **1.2.4 Jobs for Africa: Regional job creation program of the ILO for Africa**

Since 1997 the ILO, as part of the UNDP/ILO initiative on “Employment Generation for Poverty Reduction in Africa”, better known as “Jobs for Africa”, has as one of its objectives to provide an alternative policy framework for intensive employment growth and to design an action program for job creation and poverty alleviation in sub-Saharan Africa. Job-creating worker cooperative development is one of the seven components to be formulated under this umbrella program. The JUMP Programme will enable the ILO to directly address the issue of employment creation in Africa through self-help and worker cooperatives as part of the Jobs for Africa initiative.

#### **1.2.5 Local economic development (LED) initiatives**

During the past 10 years, the ILO, with the help of several other international donors, has been involved in developing strategies and tools that can be used to help communities and countries experiencing severe economic problems resulting from armed conflict, such as occurred in El Salvador and Bosnia, or economic restructuring such as in Central and Eastern European countries. Both of these situations increase unemployment and poverty.

Strategies and tools for organizing local economic development agencies (LEDAs) in conflict-plagued countries, and business promotion and support centers (BPSCs) to facilitate enterprise creation in transition countries have been developed and implemented in several ILO-executed projects during the past ten years. One of the ILO’s objectives in these projects is to create local economic development institutions that can generate enterprises and jobs in local economies. The early successes of ILO LEDA projects in countries such as El Salvador and BPSC projects in Bulgaria have led the ILO to disseminate these concepts to other countries and regions, e.g., Africa and several additional Balkan region countries.

#### **1.2.6 Other initiatives: Job creation and preservation through community economic renewal projects**

In addition to the ILO-executed LEDA and BPSC initiatives, the USDOL has used some training materials developed by a Central and Eastern European (CEE) regional ILO/UNDP LED project in the early 1990s to implement a grassroots economic renewal and strategic planning process for small and medium-sized communities as part of its Labor Market Transition Program in CEE countries. The USDOL participative economic renewal and strategic planning process is called community economic renewal (CER). The CER process is being used as part of a broader USDOL integrated adjustment approach designed to facilitate the adjustment of workers and communities adversely affected by economic and enterprise restructuring.

CER emphasizes strengthening local business sectors and creating and preserving jobs. CER projects use structured workshops to teach leaders from all segments of a community how to conduct an economic and business climate assessment, how to write a strategic plan, how to develop and evaluate economy strengthening and job-creating project ideas, and how to implement them. The success achieved by the pilot CER project in Hungary from 1996 to 1999 has led to the use of this job-creating economic renewal model in five other CEE countries.

### **1.3 Why cooperatives and self-help organizations have more advantages**

Cooperatives, group entrepreneur-operated businesses and self-help organizations have more advantages in creating jobs and reducing unemployment for a number of reasons. First, self-help through group entrepreneurship and group employment schemes are more cost effective—creating 10 or 50 or 100 jobs at a time is more cost effective and has the potential of creating substantially more jobs than can be accomplished through individual efforts such as micro-entrepreneurship, that only creates one or two jobs. Second, group employment efforts can strengthen solidarity and provide hope to the unemployed, marginalized people or disadvantaged groups. Third, in many communities there is a dearth of social services. Cooperatives and group-based self-help initiatives can provide social services that might otherwise be unavailable, e.g., child care, employment services, etc. Fourth, the use of cooperatives and group efforts create a sense of ownership among the people. Fifth, cooperatives, especially worker cooperatives, can also teach the principles of economic democracy and the value of working together to achieve common employment and income goals.

## **2. JUMP Programme strategy and implementation guidelines**

### **2.1 The JUMP strategy**

While the ILO and other projects and programs discussed in Section 1.2 contribute to job-creating project activities to increase employment and reduce poverty in developing countries, the JUMP Programme will significantly increase the number of jobs created and income generated for unemployed and marginalized workers in these countries. JUMP will do this by using lessons learned from past and current job creation projects, by introducing innovative group-based job-creating tools and approaches in a systematic and integrative way, by field testing them in target countries and communities, and by promoting their adoption and use on an interregional basis.

The JUMP Programme will accomplish its job-creating objectives for the target populations by implementing five innovative tools in an integrative and synergistic way. These tools are:

1. The participative community economic assessment and planning methodology and tools used by CER and LEDA programmes in CEE countries and Latin America
2. The grassroots self-help job-creating methodology used by the INDISCO program for indigenous people in rural areas of developing countries
3. Labor-contracting cooperatives (LCCs) like those being used in India and some other countries to help workers join their forces to create more decent jobs in industrial and service sectors



4. The methodology and experience of Mondragon and other group entrepreneurship programs that systematically incubate worker cooperatives to create jobs
5. Labor Limited Companies, ESOPs and other forms of employee ownership used to preserve jobs and strengthen local economies in countries undergoing economic restructuring

The ILO believes that the urgent need for more jobs and income by the growing numbers of the world's unemployed, marginalized and poor people and the successful but heretofore limited use of these five innovative tools justifies their promotion and use by the JUMP Programme to create more jobs, and to do this on an interregional basis.

At the outset, the JUMP Programme will focus on three areas of job-creating activity:

- JUMP will utilize the CER, LEDA and INDISCO grassroots participatory approaches to teach community leaders how to assess their economic renewal and employment needs and how to organize unemployed and marginalized workers to carry out a variety of self-help activities to create jobs and generate income for themselves and their families.*
- The JUMP programme will combine the important concept of self-help with the underused but powerful group entrepreneurship job-creating tools to create jobs on a larger scale and continuing basis through the systematic incubation of worker-owned industrial and service cooperatives and labor contracting cooperatives.*
- JUMP will help workers and communities preserve and create jobs by converting (and strengthening) restructured and other threatened enterprises to employee-owned "cooperative-type" joint stock enterprises, such as Labour Limited Companies and ESOPs.*

The rationale for the JUMP Programme to emphasize the first areas of activity—using participative processes of economic renewal assessment and self-help organizing to create jobs—is fairly straightforward and the effectiveness of these approaches have been amply demonstrated by the ILO's INDISCO and LEDA programmes and the USDOL's CER projects. The rationale for JUMP to focus on the second and third areas of activity warrants some further discussion to understand why they will be used and promoted. Each of these three areas will be discussed below.

## **2.2. Using INDISCO and CER grassroots, participatory approaches to help communities identify economic problems and opportunities and organize unemployed and marginalized workers to create jobs**

The INDISCO and CER grassroots, participatory approaches will be used to teach community leaders and target group members:

- how to assess their economic renewal and employment needs, problems and opportunities;
- how to assess their existing human resources and available skills;
- how to identify and develop business ideas and then critically evaluate them for their viability and job creation potential; and
- how to organize their community (especially the unemployed workers and marginalized people) to implement a variety of group self-help activities and entrepreneurial projects

that are designed to (a) create jobs and generate income for themselves and their families; (b) strengthen the business climate and economy of the community; and (c) provide needed but unavailable services within the community.

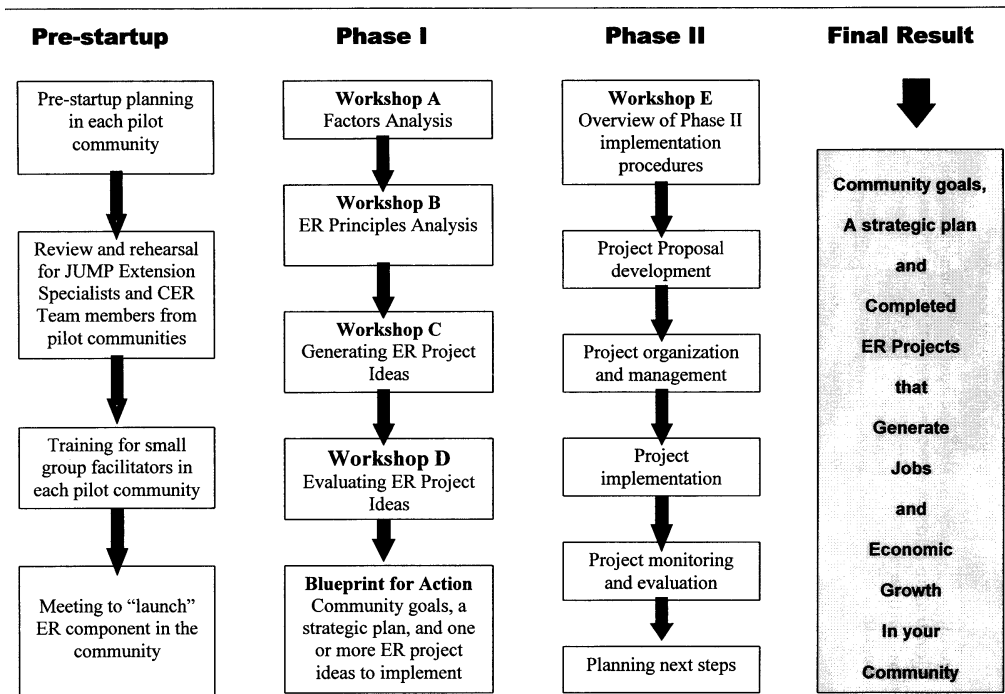
The following boxes illustrate how the INDISCO and CER approaches work. The INDISCO approach is designed for use in rural tribal villages and among indigenous peoples. It is a simple straightforward approach to help village and community leaders and the members of target groups develop decent jobs and generate income. The CER approach can be used in small and medium-sized communities in rural and urban areas in developing and transition countries. It uses a more formal, structured approach that includes a series of assessment and planning workshops to educate and activate the community members. The workshop participants are taught economic renewal principles, how to assess their community's economic strengths and weaknesses, how to generate and evaluate job-creating and economy-strengthening ideas, how to write business plans that can be used to carry out approved projects to create jobs, and how to continue the process of job creation and economic renewal in the future.

#### **Steps in INDISCO self-help organizing approach**

INDISO extension workers provide training and guidance to villagers as they carry out the following steps:

1. Conduct meetings with village members to discuss how to earn money and develop their village
2. Generate and evaluate project ideas for income-earning or village improvement projects
3. Conduct a feasibility study and assess the local resources
4. Make a decision on which project idea to implement
5. Decide on organizational and management structures (cooperative, LLC, etc.)
6. Organize to implement the project and start the business or provide the needed services
7. Select a manager, recruit workers, obtain financing (loan, grant, etc.) and provide the necessary training to the workers
8. Start business operations or carry out development activities

**CER assessment, planning and job-creating approach**



**2.3. Using group entrepreneurship and worker cooperatives to create jobs**

One way to create jobs on a large scale is to use a systematic, structured approach to foster group entrepreneurship. A systematic approach to group entrepreneurship can successfully incubate significant numbers of job-creating activities and enterprises, particularly in economically depressed areas and communities facing serious unemployment or development deficiencies.

Experiences in several countries have demonstrated that jobs can be created on a large scale in urban areas and depressed regions by using small, skilled teams of extension workers to systematically promote group entrepreneurship, recruit and assist groups of unemployed workers to identify job-creating business ideas suitable for implementation in their community, help groups conduct feasibility studies, and then facilitate the startup of worker-owned cooperative businesses. These highly skilled and motivated teams work with unemployed and underemployed people, helping them incubate new job-generating enterprises. This form of group entrepreneurship takes the INDISCO self-help model for rural tribal villages to the next level and facilitates its use in semi-urban and urban areas to develop more complex, growth-oriented types of business activity in manufacturing and service industries.

The Mondragon worker cooperative complex in northern Spain is an example of how systematic group entrepreneurship using worker cooperatives has generated thousands of jobs and facilitated the economic renewal of an entire region suffering from high unemployment and poverty. The following box describes the Mondragon approach to job creation.

### **Spain: Systematic group entrepreneurship to create jobs in the Basque Region**

Beginning in 1956, a Catholic Priest, Don Jose Maria Arizmendiarieta, and some young engineers in the Basque area of northern Spain rediscovered the basic group entrepreneurship principles discovered in 1938 by the Chinese Industrial Cooperatives (CIC) and used them to systematically incubate new worker-owned cooperatives as part of a strategy to create jobs and generate income for unemployed and underemployed Basques.

Building on a previously established technical educational institution in their community, they forged the worker cooperative principles into the dynamic and highly successful Mondragon Group of industrial cooperatives for job and enterprise creation.

The Mondragon contributions to group entrepreneurship are twofold: (1). venture capital development through the creation of a cooperative development bank (the Caja Laboral Popular) to mobilize community savings to develop new industrial cooperative enterprises; and (2). internal capital accounts to enable workers to accumulate a capital stake in their enterprise that can be cashed out when they leave or retire.. Mondragon, like the C.I.C. before it, also established a development unit, first called the Empreseral Division, to systematically incubate new worker-owned industrial cooperatives.

Using community-generated capital, the development bank's enterprise incubating unit (that later became independent) systematically identifies new business opportunities, conducts feasibility studies to ensure their viability, recruits prospective worker-owners willing to invest their time and money in starting new enterprises, helps find competent professional managers, and assists the manager and workers to launch a new job-creating industrial cooperative business.

By systematically incubating new businesses to create jobs and wealth in their communities, the Mondragon group has served as a powerful engine of economic development in the Basque region of Spain. Using this approach, only one cooperative has failed during nearly 50 years of existence.

By the mid-1990s, Mondragon had over 130 industrial cooperatives and employed more than 28,000 worker-owners. In 1992, after Spain joined the European Union, the Mondragon Group reorganized to create a new ownership framework, the Mondragon Cooperative Corporation, to help them continue to grow, remain competitive and expand into other industries and countries of the European Union. Projected employment for 1996 was set at 35,700, an increase of 9,300 over the 1993 level of employment.

## **2.4 How to create and support viable workers' cooperatives**

**Group entrepreneurship, cooperatives, and JUMP:** Research on the employment and income impacts of workers' cooperatives (ILO, 1992), and research on the social inventions needed to facilitate group entrepreneurship (Hansen, 1996) support the research findings that worker-owned cooperatives are not an inherently defective form of business or ineffectual engine of job creation, but there have been problems and deficiencies in the way they have been promoted, organized and provided with support services in the past. As a result, with the notable exceptions of the Mondragon worker cooperative complex in Spain and the community cooperatives in Scotland, worker-owned cooperatives have been a neglected or little used tool in job-creation programs currently operating in developing and transition countries.

*The researchers found that isolated, piecemeal, traditional approaches to promote and use industrial cooperatives for job creation and economic development produce weak, marginal cooperatives. To achieve success, worker cooperatives require a carefully designed, systematic approach like that used by the Mondragon worker-owned cooperative complex. If the approach used to incubate them is properly organized and implemented, worker cooperatives can be very successful and create significant numbers of jobs for unemployed and marginalized people in developing and transition countries. Therefore, any development agency or government that*

*wants to use worker cooperatives to create jobs and generate income for unemployed workers and marginalized people must have or create sufficient technical support and extension capacity to incubate and support the group entrepreneurship process.*

Given the above research findings, the JUMP Programme will include the following elements to effectively use group entrepreneurship and worker cooperatives to systematically create jobs in developing and transition countries:

**Leadership.** A core JUMP leadership team that is capable of establishing community-wide projects and a nation-wide program that promotes self-help and group entrepreneurship through job-creating worker cooperatives that can be responsible for their own organization and production.

**Promotion and incubation.** Together with carefully selected partners, JUMP will establish a JUMP promotion and incubation capacity or unit with branches in several pilot communities or areas of the country. The skilled and trained extension workers participating in these community JUMP projects will be responsible for helping local leaders and unemployed workers identify and evaluate suitable business ideas, mobilize and train unemployed workers and marginalized people who are desirous of becoming worker-owners, find qualified managers to lead the enterprises, arrange for the necessary financing, and help to organize and launch job-creating worker cooperatives. Precautions will be taken to guard against producing another bureaucracy.

**Education and training.** As the unemployed and marginalized workers and youth in most developing countries usually have little education and few vocational skills, the JUMP Programme and community job creation projects will establish close relationships with education and training institutions and personnel in project areas. The JUMP self-help philosophy will consider half-work half-study arrangements and other innovative approaches to educate unemployed and marginalized people and provide them with the necessary vocational and business skills. If no suitable partner institutions exist, the JUMP Programme may even help establish one such school or JUMP training center in each country. Over time, successful worker cooperatives and their support networks would increasingly carry out their own training.

**Movement.** To get large numbers of unemployed and marginalized people, especially the women and youth, in a country, geographical area or community into productive, income earning work, will require organizing a JUMP “movement” encompassing substantial numbers of cooperatives producing and selling goods and services. If started successfully in one or more pilot areas in each country it would spread and expand. It should have a minimum of interference in working out suitable operating procedures, but will require technical help from the JUMP Programme to establish sound business practices, effective marketing and supply channels, and learn worker cooperative enterprise principles, especially in the early stages.

**Size and Scope.** JUMP self-help activities and worker-owned cooperatives will have from eight to ten members, or upwards, and embrace all kinds of self-help and

productive work in the target communities and localities throughout the country. The objective will be to systematically incubate a significant number of enterprises in a community or geographic area and then link them together through networks, and, ultimately, help them create second-degree support cooperatives or other support institutions. Initially, one or two JUMP-affiliated partner promotion and incubation offices at the pilot projects in the country would service them, provide technical assistance and training, arrange for loans, etc. Building a successful JUMP movement requires effective promotion and incubation units that need: (a) staff (technically qualified extension workers) who are skilled in conducting feasibility studies, preparing business plans, and incubating group businesses (b) promotional funds, (c) training resources, and (d) access to revolving loan funds (RLFs) for new and expanding worker cooperatives.

**Research and Experimentation.** Eventually, the JUMP self-help and group entrepreneurship movement in a country should grow to the point where it will be serviced by a research and experimental unit that devises the mechanization and other technical improvements to strengthen the small production (manufacturing and service) enterprises so they can expand, prosper and create more jobs.

The above strategy for promoting and incubating job-creating worker cooperatives on a large scale implies that there will be costs to the community or government to start a successful area-wide or countrywide JUMP movement. Initially, the JUMP Programme will provide resources for promotion work, training JUMP extension workers, implementing pilot projects, establishing RLFs, etc. Conducting activities such as research and experimentation will require external financing (or separate donor funding) until the movement spreads far enough and gains enough size and strength for these services to be supported by networks or federations of JUMP cooperatives.

## **2.5 Converting businesses to “Cooperative-type” joint stock and Labor Limited Companies**

Cooperative-type joint stock enterprises and labor limited companies have become increasingly popular as a means to preserve jobs, create employment and foster economic democracy in the industrialized market economy countries. They have been incorporated in privatization efforts in Central and Eastern Europe and in some developing countries. Successful efforts by advocates of these new forms of business enterprises have resulted in the adoption of legislation that modifies the traditional corporate forms of enterprise and allows for joint-stock variations of worker-owned cooperatives. Two examples of how this form of enterprise is being used for job preservation and job creation are the Labor Limited Companies and Cooperative Stock Companies in Spain and the Employee Stock Ownership Plans (ESOPs) in the United States, Great Britain and elsewhere.

### **Spain: Labour Limited Companies and Cooperative Stock Companies**

During the past two decades, Spain has developed the cooperative joint stock form of enterprise, an innovative entrepreneurial approach to employment preservation and enterprise development based on cooperative-type concepts of worker-ownership. In addition to preserving existing jobs and businesses, this business ownership approach has been used to create thousands of new business enterprises and jobs. According to existing registration data, during the period 1983-1989, 16,757 Labour Limited Companies and Associated Labour Cooperatives were organized under Spanish law, creating 128,156 new jobs for unemployed workers in Spain.

The first labour limited companies in Spain were organized in the early 1970s when an economic crisis forced many small firms to close. Some firms went bankrupt due to obsolescent machinery, market recession, poor management, and lack of investment. The owners turned their businesses over to the workers or other creditors. To save as many jobs as possible, the workers agreed to take control of the businesses. Other workers who had been thrown out of work by plant closures attempted to use their collective skills to start new enterprises in the same or other lines of business.

The substantial growth in the numbers of these conversions and the “phoenix-type” enterprise development in the next decade led the government to publish a law on 25 April 1986 to regulate this singular model of ownership and enterprise.

Source: *A Guide to Community Economic Renewal. Part II: CER Resource Handbook*, Sept. 2000

### **USA: Employee Stock Ownership Plans**

In the United States, an employee stock ownership plan is an employee benefit plan authorized by Congress in 1974. Because ESOPs receive substantial tax preferences, their growth has been continuous and impressive. Since 1974, about 11,000 ESOPs have been created, covering about 12 million workers or about 10 percent of the U.S. workforce.

ESOPs in the U.S. have been used for many different purposes, including several related to job preservation, community economic revitalization, and strengthening competitiveness. ESOPs are organized:

- So workers can buy their company from departing or, in many cases, retiring owners.* If the company is sold to outsiders, many purchasers want only the “good will” and assets of the business and eventually reduce operations, lay off local workers, close the doors and leave the employees without jobs and income.
- So workers can buy their company from a government agency that is privatizing the enterprise.* In a few communities and at higher governmental levels, there has been a desire to privatise some public enterprises. If the enterprise is too large to convert to a workers’ cooperative, the ESOP serves as a legal means to facilitate the employees’ purchase of the enterprise and keep their jobs in the community.
- So workers and their communities can “save” or prevent the closure of a business for economic or other reasons, e.g., a change in corporate policy or the failure to reach a corporate rate of return on investment objectives even though the business is profitable..*

The success achieved by using ESOPs and other approaches to transfer ownership, save jobs and facilitate community efforts to revitalize their economies has led to the incorporation of these strategies and techniques in the state-operated worker adjustment programs in the late 1990s.

Source: *A Guide to Community Economic Renewal. Part II: CER Resource Handbook*, Sept. 2000

As part of the JUMP Programme, skilled staff i.e., JUMP extension workers, together with training materials and technical help provided by ILO’s MCC and IFP/SKILLS, will be available to help communities and workers in threatened enterprises access and use these types of ownership structures to preserve and create jobs. The JNCC will also work to improve the policy and legal environments to enable these processes to be used for job preservation and economic renewal.

## **2.6 Implementing the JUMP Programme strategy**

The JUMP Programme will promote, implement and field test in different countries and ILO regions and under different conditions the self-help and structured group entrepreneurship approaches to systematically create jobs for unemployed, underemployed and marginalized workers.

Over a five-year period, JUMP will recruit suitable in-country partners and implement pilot projects using the five job-creating tools identified in Section 2.1 individually or collectively to create 20,000 jobs in 27 communities or areas located in 9 developing or transition countries in three ILO regions.

JUMP programming will give priority to semi-urban and urban communities and areas with high rates of unemployment among women, men, youth and marginalized people. Within these communities and areas, JUMP will maintain a gender balance in the selection of self-help income-generation activities to involve more women in these activities.

The JUMP strategy has the potential to become an important tool for governmental and non-governmental efforts to increase employment opportunities among the target groups (unemployed workers, marginalized people and youth) in many communities. Success would be contingent upon the willingness and capacity of the communities, governments, NGOs and development agencies to develop/adapt their job creation programs to accept and promote the JUMP Programme's participative, self-help and group entrepreneurship approaches.

In summary, the JUMP strategy will be put into practice taking the following steps:

- Training and capacity building;
- Organizing unemployed and marginalized groups to assist them to create decent jobs on pilot and demonstrative basis;
- Provision of support services, i.e, credit, consultancy, feasibility and market surveys, etc to sustain jobs;
- Using best practices to improve policy environment.

## **2.7 Criteria for Selection**

During Phase I, 2002-2004, JUMP will work in nine countries located in three ILO regions using the following criteria. The types of partners JUMP will collaborate with will be limited. Details of the selection criteria for the countries, partners and activities include:

***Programme countries:*** Programme countries will be selected using the following criteria:

- Considerable unemployment among adults, youth and marginalized people in urban areas and small and medium-sized communities.
- Official requests by national authorities indicating their interest in and desire for JUMP Programme services.
- Countries that have made progress in favorable policies and government programs and projects for the development or creation of jobs for unemployed and marginalized workers and unemployed youth
- Countries that have made progress in favorable policies and programs and projects to strengthen the cooperative movement and support worker cooperative development, including passing cooperative legislation that provides a good legal framework for modern worker-owned cooperatives



- Countries where the ILO has a field structure

**Partners:** JUMP will collaborate with the following types of partners:

- Organizations established to facilitate job creation and economic renewal--such as local economic development agencies, small business development centers, cooperatives, NGOs, associations and self-help groups, chambers of commerce, trade unions and employers organizations.
- Government agencies responsible for job creation, small business promotion and support, and local economic development.
- National organizations established by cooperatives, local economic development agencies, trade unions, employer organizations, small business development centers, and chambers of commerce.
- International organizations (ICA-CICOPA, NGOs, UN agencies, World Bank, USAID, GTZ, etc) that are interested in job creation and unemployment reduction.

**Activities:** Selection criteria for all JUMP project activities, as indicated in Section 2, are to strengthen the local economy and create jobs for target populations in pilot communities. These activities will be grouped as follows:

- Community economic assessment, planning and organizing for economic renewal and job creation
- Self-help organizing of unemployed, youth and marginalized people for job creation
- Group entrepreneurship for systematic job creation and enterprise development
- Enterprise conversions to ESOPs and LLCs for job preservation and job creation.
- Community savings mobilization for job creating self-help and group entrepreneurship projects
- Training and technical assistance on legal and policy issues

## **2.8 Linkages and collaboration with other units and programs**

JUMP will collaborate with the following units and programs:

*Promotion of ILO employment creating and cooperative conventions.* JUMP will organize and capacitate a JUMP national coordination committee (JNCCs) in each country to:

- influence the policy environment to support the implementation of pilot JUMP projects in countries;
- convey grassroots experience to national policy makers;
- organize joint needs assessment exercises;
- organize joint annual-planning exercises;
- strengthen linkages of JUMP national coordinators with policymakers;
- integrate lessons learned at the grassroots pilot level for policy improvement;
- set up joint technical teams to collect and disseminate best practices;
- strengthen linkages with international NGOs working with unemployed and marginalized peoples;
- prepare and distribute a newsletter to disseminate lessons learned, etc.

*InFocus Programme on Skills-Target Group Unit (IFP/SKILLS) and Management and Corporate Citizenship Programme (MCC).* When there are logical opportunities for converting threatened enterprises to LCCs or ESOPs to preserve jobs, the InFocus SKILLS and MCC programs will provide technical training, feasibility studies and country-level support services for socially responsible restructuring and displaced worker issues. Consultations will be held with JUMP partner organizations about how to activate IFP/SKILLS and MCC technical consultancy and training support.

*InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED):* JUMP will consult with the InFocus Programme to determine what technical business skill training, feasibility studies and country-level support services can be used to support JUMP self-help activities and group entrepreneurship enterprises to assist unemployed and marginalized people. Consultations will also be held with the JUMP partner organizations about how to activate IFP/SEED technical consultancy and training support.

*InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS).* JUMP will consult with the InFocus CRISIS program whenever there is a crisis situation in countries and communities where JUMP is operating to determine whether and how JUMP can assist in initiating job-creating efforts to assist crisis-impacted unemployed and marginalized workers.

*COOPNET and COOPREFORM and INDISCO Programmes.* When feasible, COOPNET and the national partners will provide training and consultancy services to strengthen the management of labor contracting and worker-owned cooperatives; provide technical training and consultancy services to establish networks and secondary service federations of worker cooperatives, and establish savings and credit cooperatives in support of group entrepreneurship and self-help activities. COOPREFORM will provide legal assistance to support the modification of cooperative legislation to create a more favorable policy environment that is supportive of modern worker-cooperative development. INDISCO will provide training and consultancy services on organizing self-help and job creating activities in countries where it is operating and in situations where its considerable experience in working with tribal and indigenous peoples can be utilized.

*UN system projects:* JUMP will take part in any inter-agency meetings dealing with unemployment and job creation. In the program countries, JUMP national coordinators will seek cooperation with other UN-financed projects on job creation for the unemployed, youth and marginalized workers.

*Bilateral projects:* Concerted efforts will be made to strengthen cooperation between the JUMP projects and bilateral projects on job creation for unemployed and marginalized workers and youth.

*Others:* JUMP will consult with projects funded and implemented by other donors, national and local government agencies, local and national NGOs, research institutes, etc., to share experiences and discuss how to plan and implement joint activities to influence the policy environment and national programs for creating jobs for unemployed and marginalized people.

It is anticipated that one donor will provide the core funding for the JUMP Programme, securing overall continuity and innovation in terms of interregional coordination as well as country-level strategic grassroots and policy work. This core funding will be used to secure long-term presence and policy inputs in a country and initiate grassroots work at the pilot sites selected. It is hoped that the grassroots work at some of the pilot sites may be developed in coordination with or be supported on a larger scale by other JUMP donors. Projects developed by other donors will be integrated under the broader JUMP umbrella framework including, for example, participation in the interregional components, JNCC and other national processes.

## **2.9 Phasing out and handing over strategy**

Based on a set of sustainability indicators, the JUMP program and its partners will develop a step-by-step approach to phase out projects initiated by the JUMP Programme. The following procedures will be applied to phasing out and withdrawing from project activities:

- Identifying phase-out activities in annual work plans with the partners
- Community-level consultations to create “ownership” modalities, for equipment, RLF, etc.
- Gradual withdrawal from day-to-day project operations
- Strengthening the structures of local self-help organizations and worker cooperative enterprises.
- Strengthening linkages between self-help organizations and governments through the JNCC structures.
- Strengthening linkages between worker cooperatives and other cooperative organizations through the JNCC structures.
- Strengthening linkages between cooperative-type organizations and other ESOP and LLC organizations through the JNCC structures.
- Handing over the project management, equipment and fund management to partner organizations.
- Supporting replication, local ownership modalities, policy reform and sustainability measures.
- Joint ex-post evaluation one-year after phasing-out (donors, government, appropriate national organizations, ILO)

## **3. Beneficiaries (Target Groups)**

The intended beneficiaries of the project will be unemployed and underemployed workers, youth, and marginalized people living in the countries/regions of the pilot projects, and the partner NGOs (cooperatives, LEDAs, local community organizations, etc.). Implementing the pilot projects will also benefit the target groups and communities in the areas of institution building and human resource development.

Community leaders and JUMP group entrepreneurship extension workers, worker-cooperative managers and leaders of self-help groups and the staff of these enterprises will be the direct partners in project activities. The country/region-level projects will also collaborate with the governmental authorities in charge of job creation, local economic development and displaced

worker problems to improve their capacity and mechanisms to strengthen grassroots-driven development and job creation processes.

The unemployed and underemployed workers and marginalized people are both beneficiaries and partners and owners in the JUMP pilot projects as reflected by the strategy to work directly with them to create jobs and enterprises (worker cooperatives and self-help organizations) and the emphasis on local ownership. The latter is monitored through self-evaluation exercises and strengthened by “phasing-out” approaches to avoid donor dependence, and continue activities after the ILO withdraws.

## **4. The Institutional Framework**

### **4.1 Global level**

The ILO Cooperative Branch (COOP) will be the technical unit responsible for the overall coordination of the programme. Through COOP, grassroots institutions will be created and strengthened with technical support services provided by the CTA, international trainers, national trainers, CICOPA and the COOPNET, COOPREFORM and INDISCO Programmes on cooperative management training and institutional strengthening and legal advice; and through the LED Programme in COOP and international or national trainers on participatory CER assessment and planning processes.

In addition, the IFP/SEED, and MCC will provide technical support services and business training to strengthen worker cooperatives and “cooperative-type” business enterprises. Ongoing linkages among the COOP and the roof organization of the international cooperative movement (the ICA) and the CICOPA will link worker cooperatives and other self-help cooperatives with the national cooperative structure in the JUMP Programme countries. A working JUMP group will be established within EMP/ENT with members from COOPNET, COOPREFORM, INDISCO, IFP/SEED, LED Programme in COOP, MCC, and the Gender Promotion Specialist, as well as external inputs, as required.

### **4.2 JUMP Programme Coordinator**

The Programme Coordinator will be responsible for overall technical and administrative monitoring and backstopping of the program activities, consultation with donors for funding, cooperation with national authorities to program countries on policy improvement and representing the program within and outside of the ILO. An Associate Expert to speed-up project support services will assist the Programme Coordinator. Outside the COOP Branch, the Programme Coordinator will work closely with other In-Focus Programmes (IFP/SEED, IFP/CRISIS, IFP/SKILLS and MCC) to increase both the policy impact of technical cooperation activities and the quality of the ILO’s technical inputs to project implementation. Joint coordination and planning of activities with the employment-related conventions will be strengthened through the joint ILO Task Force or Working Group on Employment.

### **4.3 Field structure and JUMP National Coordination Committees (JNCC)**

In each JUMP Programme country, a National Coordination Committee (JNCC) will be constituted. The JNCC will include representatives from MDTs, workers and employers organizations, NGOs, Agencies of Government involved in promoting job creation, local economic development and cooperative development, and relevant ILO projects operating in the countries. JNCC will be briefed, on a regular basis, to enable the JNCC's to more effectively influence policy and strengthen the dialogue between the government and groups promoting job creation and cooperatives.

Together with ILO field structures, JUMP will explore the availability and management modalities of grant and loan funds (RLFs) for job-creating initiatives through self-help and group entrepreneurship. If there are no logical sources of funds in-country for these purposes, consideration will be given to the feasibility and management modalities of creating a decentralized grant and/or loan fund to support task-based job and group enterprise-creating initiatives of local communities and groups of unemployed and marginalized people in Programme countries. In using this fund, priority will be given to supporting the design of suitable modalities to transform field experience into policy guidelines, strengthen dialogue between the governments and JUMP project partners, provide legal and policy support and improve synergies with other ILO job-creating projects.

The ILO Area Office directors will be responsible for the national coordination and administration backstopping of JUMP projects within their areas of jurisdiction. The JUMP Programme Coordinator will be responsible for technical monitoring and backstopping. The MDT technical inputs will be provided at the request of the area office directors.

### **4.4 JUMP National Coordinators**

The ILO Area Director will appoint a JUMP National Coordinator (JNC) identified by consultation among the JUMP Programme Coordinator, key partner organizations and government agencies. The JNC will be responsible administratively to the Area Office Director and technically to the JUMP Programme Coordinator. The JNC will liaise among the ILO, the government and partner organizations, work as a focal point on JUMP issues, and strengthen cooperation among the relevant government agencies, partner organizations and the ILO. The JNC will also serve as a secretary to the JNCC. At the national level, the JNC will be encouraged to set up working groups composed of government representatives, national NGOs and project managers in order to influence the policy environment in light of JNCC proposals.

### **4.5 Project level cooperation**

A project steering committee representing the beneficiaries, local partner organization(s) and concerned local government agencies will be established to coordinate with other local government job and enterprise development programs. Project management for local JUMP projects will be strengthened by the input of local government, and project activities will be linked up with local government job and enterprise creating initiatives to promote sustainability. Whenever possible, the local partner organizations will implement the JUMP projects.

The project staff will consist of a project manager and a number of local JUMP extension workers who are trained in JUMP strategy, job creating methodologies and business incubation skills. JUMP National Coordinators will supervise the work done by the partner NGOs and (with the help of the JUMP CTA and international trainers) will train JUMP extension workers on technical matters.

## **5. Development Objective**

The Programme's development objective is to contribute to the job-creation efforts of the unemployed and underemployed workers and marginalized people in developing and transition countries through self-help initiatives and group entrepreneurship projects.

## **6. Immediate Objectives**

### **6.1 Immediate Objective 1**

Enhanced capacity of Programme partners in each country to design, promote, implement and evaluate their own job-creating self-help activities and group entrepreneurship projects. (institution-building)

### **6.2 Immediate Objective 2**

Demonstrate creation of considerable number of cost-effective, gender sensitive and economically feasible jobs in pilot project areas through viable self-help and group entrepreneurship models (direct support)

### **6.3 Immediate Objective 3**

Input lessons learned and best practices from pilot projects into government job-creating and unemployment-reduction policies and programs

## **7. Indicators**

### **7.1 Indicators for Immediate Objective 1**

- Strong, self-reliant self-help organizations and worker cooperatives to continue to provide employment and income-generating activities
- National organizations and governments in Programme countries take over the JNCC and continue it as a sustainable forum to discuss program and policies on self-help and group entrepreneurship forms of job creation
- Federations, networks and secondary unions exist, function and provide better services to self-help organizations and worker cooperatives

- ❑ Self-help organizations and worker cooperatives established under the Programme continue to operate in the communities to increase income and provide employment and ownership opportunities to their members.
- ❑ A network of JUMP extension workers and technical staff remains operational to exchange experiences, share training materials and support better policy environment efforts.

## **7.2 Indicators for Immediate Objective 2**

- ❑ Increased level of income among partner communities due to jobs and income-generating work created and sustained through the JUMP projects
- ❑ Improved access to credit and government services in pilot project areas due to strengthened cooperation and collaboration with local government units
- ❑ Increased numbers of children attending schools because of increase in household income of people in project areas
- ❑ Increased status of women in their communities and participation in decision making as a result of gender awareness training and gender sensitive self-help and group entrepreneurship activities introduced in partner communities
- ❑ Partner communities combine income and employment generation with other CER activities leading to improved business climate, infrastructure or other community improvements.
- ❑ Unemployed and marginalized people continue to benefit from employment creation and income-generating activities provided by pilot projects
- ❑ A higher degree of self-reliance and self-initiative of partner communities regarding their livelihoods
- ❑ Decrease in social marginalization of marginalized people in the community because of their improved skills, knowledge and economic position
- ❑ Twenty thousand decent jobs will have been created for women and men by pilot projects in programme countries.

## **7.3 Indicators for Immediate Objective 3**

- ❑ Strengthened and continuous dialogue between the partner organizations and governments in Programme countries on local economic development and job creation issues

- Increased interface between various government agencies at national and local levels to include their inputs in development processes
- More favorable climate in Programme countries for local community participatory forms of development (CER assessment and planning, self-help and group entrepreneurship) due to JNCC initiatives
- Incorporation of lessons learned and best practices from pilot projects into government unemployment reduction policies and local economic development programs
- Improved collaboration among ILO social partners in Programme countries in job-creating and economic-renewal initiatives
- Requests from other communities, countries, NGOs and development agencies for information and materials about the JUMP Programme
- Requests from non-project communities in Programme countries and requests from governments in non Programme countries to participate in the JUMP Programme
- Availability of suitable implementation and training materials that can be used to replicate JUMP processes and methodology

## 8. Outputs and Activities

### 8.1 Outputs and activities by immediate objective

<b>Immediate Objective 1</b>	
Enhanced capacity of Programme partners to (a) initiate their own CER assessment and planning efforts; and (b) design, promote, implement and evaluate their own self-help and group entrepreneurship projects (institution-building)	
Outputs	Activities
<p><b>8.1 Output 1</b> Community job-creating self-help organizations, including worker cooperatives, strengthened through business and management training and organizational support services</p>	<p><b>8.1.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Evaluate existing government and NGO support programs and mechanisms to support job-creation self-help organizations and worker cooperatives and identify needs.</li> <li>• Choose appropriate and representative organizations to work with.</li> <li>• Identify the training needs of managers and board members of cooperatives, self-help groups, women’s associations and NGOs through community consultations in Programme countries.</li> <li>• Adapt training materials to local conditions and prepare training curricula.</li> <li>• Train local trainers about self-help and group entrepreneurship principles in cooperation with</li> </ul>



	<p>COOPNET, COOPREFORM, INDISCC and IFP/SEED programs.</p> <ul style="list-style-type: none"> <li>• Evaluate and revise training curricula and training materials.</li> <li>• Continue training workshops to capacitate other communities.</li> <li>• Hire local consultants to assist in organization strengthening.</li> </ul>
<p><b>8.2 Output 2</b> Community leaders strengthened through training in CER assessment and planning</p>	<p><b>8.2.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Evaluate existing government and NGO CER assessment and planning capacity and mechanisms and identify needs.</li> <li>• Identify community leaders' CER training needs through consultations in Programme countries.</li> <li>• Adapt CER training materials to local conditions and prepare training curricula.</li> <li>• Train local leaders in CER assessment and planning in cooperation with LED Programme in COOP.</li> <li>• Evaluate and revise training materials</li> <li>• Continue training workshops to capacitate other communities</li> </ul>
<p><b>8.3 Output 3</b> Locally appropriate Self-help and Group Entrepreneurship training and development tools developed, tested and shared among organizations and cooperative structures</p>	<p><b>8.3.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Undertake grassroots-based needs assessments and consultations.</li> <li>• Translate JUMP guidelines for extension workers and adapt them to local conditions</li> </ul>
<p><b>8.4 Output 4</b> Support structures strengthened or created to incorporate JUMP philosophy, knowledge and tools into the development process</p>	<p><b>8.4.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Discuss the importance and relevance of JUMP tools and practices in meetings with local self-help groups, cooperatives, community CER leaders and NGOs.</li> <li>• Evaluate existing support structures.</li> <li>• Hold consultations with leaders of existing self-help and worker cooperative support organizations</li> <li>• Develop and implement specific support projects to strengthen existing support structures; if none exist, develop new support structures to service JUMP project needs.</li> <li>• Train resource and support center staffs on the operational aspects of JUMP methodology and tools.</li> </ul>
<p><b>8.5 Output 5</b> Cooperation and business linkages between and among community ER teams, self-help</p>	<p><b>8.5.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Undertake consultations with self-help organizations and worker cooperatives.</li> </ul>

<p>organizations and cooperatives sustained through established networks</p>	<ul style="list-style-type: none"> <li>• Arrange study tours between and among pilot communities.</li> <li>• Strengthen worker cooperatives through business management training workshops and consultancy on policy issues.</li> <li>• Establish networking among self-help organizations and worker cooperatives for mutual help, information sharing and capacity building.</li> </ul>
<p><b>8.6 Output 6</b> Participatory phasing-out and handing-over mechanisms established.</p>	<p><b>8.6.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Finalize JUMP participatory phasing-out guidelines.</li> <li>• Integrate the phasing-out process with the planning, implementation and evaluation of project activities.</li> <li>• Train project and NGO partner staff on participatory phasing-out exercises.</li> <li>• Combine phasing-out with withdrawal of external assistance and handing over project management to communities.</li> <li>• Train on self-management and ex-post evaluation.</li> </ul>
<p><b>Immediate Objective 2</b> Demonstrate creation of considerable number of cost-effective, gender sensitive and economically feasible decent jobs in pilot project areas through viable self-help and group entrepreneurship models (direct support)</p>	
<p><b>Outputs</b></p>	<p><b>Activities</b></p>
<p><b>8.7 Output 7</b> Completion of JUMP CER assessment and planning workshops, development and evaluation of several project ideas, and selection of one or more viable job-creating economic renewal projects to pursue</p>	<p><b>8.7.1</b></p> <ul style="list-style-type: none"> <li>• Invite targeted communities or areas to submit letters of interest in participating in a JUMP Programme</li> <li>• Review applications to see if they meet selection criteria.</li> <li>• Select appropriate number of communities for pilot round..</li> <li>• Identify a core group or strategic team in pilot communities who can take leadership in organizing the workshops and the assessment process.</li> <li>• Review workshop materials and discuss assessment process. Make necessary adjustments..</li> <li>• Conduct pre-workshop orientation for JUMP extension workers and pilot community core leadership group.</li> <li>• Conduct JUMP community workshop (A-D) to launch assessment and planning process and discuss the community partner role in achieving success—job-creation through group self-help</li> </ul>

	<p>and entrepreneurship efforts</p> <ul style="list-style-type: none"> <li>• Conduct JUMP CER assessment and planning workshops</li> <li>• JUMP extension workers monitor pilot communities to make sure they complete their ER Phase I workbooks.</li> <li>• Conduct an assessment of all pilot community CER workshops</li> </ul>
<p><b>8.8 Output 8</b> Completion of JUMP strategic plans and project proposals on job creation in pilot communities</p>	<p><b>8.8 1 Activities</b></p> <ul style="list-style-type: none"> <li>• Schedule workshop (E) on project implementation</li> <li>• Conduct Phase II project implementation workshop (E) for community core teams</li> <li>• Monitor community teams in pilot communities to see that their ER plans and project proposals are completed</li> <li>• Collect and review the job-creating project proposals from pilot communities</li> <li>• Notify pilot communities of the status of their proposals—and whether they need revision or have been approved</li> <li>• JUMP extension workers follow up with communities that need help to revise their proposals</li> <li>• Establish proper financial procedures to handle the awarding of loans or grants to communities with approved projects</li> </ul>
<p><b>8.9. Output 9</b> Completed JUMP CER projects that created 20,000 jobs for the unemployed and marginalized people in the pilot communities.</p>	<p><b>8.9.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Release funds to communities that have JUMP-approved pilot ER projects</li> <li>• Monitor the progress of communities in implementing their projects</li> <li>• Monitor financial disbursements to ensure fiscal responsibility</li> <li>• Schedule and conduct regular meetings with local JUMP CER core teams from all pilot communities to share information, provide training and help in implementing their projects</li> <li>• Schedule and conduct regular meetings with JUMP extension workers and NGO partners to provide instructions, discuss problems and deliver in-service technical training</li> </ul>
<p><b>8.10 Output 10</b> The JUMP process for assessment, planning and job-creating ER project development has been institutionalized within the participating communities and at higher levels of government</p>	<p><b>8.10 1 Activities</b></p> <ul style="list-style-type: none"> <li>• Bring the larger JUMP CER team (everyone who participated in the workshops) back together in each pilot community to discuss their strategy for continuing the JUMP ER process and developing other job-creating</li> </ul>

	<p>projects and activities</p> <ul style="list-style-type: none"> <li>• Work with appropriate national and sub-national government agencies and NGOs to find a suitable home for the JUMP CER approach and the technical expertise developed to facilitate its implementation</li> <li>• Plan and organize a JUMP Programme conference at the end of the pilot phase so that communities can share their experiences and publicize the success achieved to a wider audience.</li> </ul>
<p><b>8.11 Output 11</b> Jobs created by JUMP projects sustained and strengthened through establishment of appropriate savings and credit mechanisms.</p>	<p><b>8.11.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Discuss alternative credit and savings sources and structures with community leaders, banks, NGOs, SED and cooperative representatives.</li> <li>• Use local financial consultants to analyze the performance of the existing commercial lending sources and revolving loan funds (RLFs).</li> <li>• Discuss and finalize appropriate sources and structures for RLFs with partner (pilot JUMP) communities.</li> <li>• Conduct training on savings bank or RLF staff on accounting and bookkeeping if new structures are needed</li> <li>• Conduct savings mobilization campaigns among JUMP pilot communities.</li> <li>• Strengthen new RLF structures—e.g., cooperative bank, credit union, savings and credit cooperative--through financial management training and consultancy.</li> <li>• Establish linkages between banks and savings and credit mechanisms.</li> </ul>
<p><b>8.12 Output 12</b> Gender mainstreamed within self-help groups and worker cooperatives and their activities.</p>	<p><b>8.12.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Undertake workshops on gender awareness for project staff in Programme countries.</li> <li>• Prepare specific gender training packages for JUMP extension workers.</li> <li>• Assist partner NGOs and coops in formulating gender sensitive plans and programmes.</li> <li>• Assist partner NGOs and coops to create equal job opportunities for women.</li> <li>• Assist women’s groups and coops to create decent jobs for their members.</li> </ul>

<p><b>Immediate Objective 3</b>  Input lessons learned and best practices from pilot projects into government job-creating and unemployment-reduction policies and programs, and local economic development policies and programs.</p>	
<p><b>8.13 Output 13</b>  Cooperation between government agencies and JUMP and its partners established</p>	<p><b>8.13.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Discuss composition of JNCC membership and members appointed to help JUMP successfully achieve its objectives.</li> <li>• Establish Project Steering Committees with members from local government units.</li> <li>• Disseminate JNCC proceedings and reports among government agencies and partners.</li> <li>• Distribute project progress reports and other technical material (case studies) among government agencies).</li> </ul>
<p><b>8.14 Output 14</b>  Lessons learned and best practices of pilot projects documented, including policy and programme-specific recommendations.</p>	<p><b>8.14.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Disseminate self-evaluation and mid-term evaluation reports.</li> <li>• Organize technical meetings to discuss recommendations and follow-up action with partners and government.</li> <li>• Consult other ILO projects on follow-up action with regard to policy issues.</li> <li>• Prepare, print and distribute best practices case studies.</li> <li>• Contact government-run projects and programs for joint planning and implementation.</li> <li>• Establish linkages with other job-creating projects for joint planning and experience sharing.</li> <li>• Establish joint technical committees to work on policy and joint programme areas (sub-groups under JNCC).</li> <li>• Discuss and finalize future role and structure of JNCC as an advisory mechanism with government and other partners.</li> </ul>
<p><b>8.15 Output 15</b>  Documentation, exchange and cross-fertilization of lessons learned and best practices at intra and interregional levels.</p>	<p><b>8.15.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Create JUMP website containing information on Programme objectives, pilot projects and lessons learned.</li> <li>• Inform other ILO programs (Infocus) about JUMP experiences gained by working with communities and organizations on economic renewal and job creation projects.</li> <li>• Disseminate lessons learned from other ILO projects among JUMP projects.</li> <li>• Organize regional workshops to share experiences and prepare regional work plans.</li> <li>• Invite government agencies, UN, bilateral projects and relevant NGOs on job creation and</li> </ul>

	economic renewal to join JUMP to share experiences and prepare joint action plans.
<p><b>8.16 Output 16</b> ILO social partners and related institutions made aware of regional and country specific lessons learned and best practices.</p>	<p><b>8.16.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Disseminate case studies and technical reports among ILO social partners.</li> <li>• Strengthen JNCC structure by the participation of additional members who can contribute to sustainability.</li> <li>• Establish cooperation with ACTRAV and ACT/EMP within ILO by sharing case studies and technical reports.</li> <li>• Support national trade unions' workshops on creating jobs with self-help and group entrepreneurship by JNCC and JUMP partner NGOs.</li> <li>• Train the training departments of national workers' and employers' organizations on self-help and group-entrepreneurship job creation.</li> </ul>
<p><b>8.17 Output 17</b> Policy environment made favorable for the development of job creation projects for unemployed and marginal workers by strengthening dialogue and cooperation between governments and JUMP communities in Programme countries</p>	<p><b>8.17.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Conduct JUMP policy workshops at national level.</li> <li>• Incorporate lessons learned from JUMP projects into government programmes and projects.</li> <li>• Take over JNCC by representatives from JUMP partner communities, government and unemployed and marginalized people's organizations to function as a permanent forum.</li> <li>• Finalize JUMP phasing-out guidelines with Programme communities.</li> <li>• Withdraw JUMP from day-to- project intervention.</li> <li>• Prepare and submit terminal report to donors, national governments and project partners.</li> </ul>
<p><b>8.18. Output 18</b> A document setting out a strategy for replicating the JUMP process in new countries</p>	<p><b>8.18.1 Activities</b></p> <ul style="list-style-type: none"> <li>• Review project reports, best practice documents and case studies to determine the basic design for replicating the JUMP methodology and approach in new countries.</li> <li>• Prepare a document setting out a process or procedures that can be followed to replicate the JUMP approach to job creation.</li> <li>• Assemble the appropriate materials and documents about JUMP into a replication package.</li> <li>• Disseminate the information about the JUMP process and availability of the package of JUMP materials to potential users.</li> </ul>

## 8.2 Activities by geographic region, participating countries and communities

Region	Nation/State	Area/community
Asia/Pacific	Thailand [examples only]	
	Philippines	
	Fiji	
Africa	South Africa	
Latin America	Honduras	

The locations listed in the above table correspond to the regions, countries and communities where Pilot Projects are planned to begin. As they represent a selection in principle at this juncture, other countries and communities could be added. It is anticipated that following the successful completion of JUMP's first phase, other communities in the existing countries will also be added to the Programme.

## 8.3 Allocation of financial resources by activities

### 1 Time Frame:

Financial resources for the JUMP Programme's first phase are anticipated to be allocated for a period of three years. However, this period may be changed as communities evaluate progress according to their own agenda.

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### 2 Programme Stages:

JUMP country programs are planned to advance through three stages:

- (1) **Preparatory**, where the participants, both institutional and community, project activities and resources are organized into a Plan of Action:
- (2) **Pilot projects**, where the Plan of Action is implemented on a trial-and-error basis in one or two sites to field test the methodology and procedures; and
- (3) **Project Development**, where the principal productive activities, supplemented by capacity building activities (training, legal, institutional, etc.), are underway.

The first stage will take, on average three to four months to complete. The second stage will last between 8 to 9 months, and the third stage will be developed during a two-year period.

### 3 Sources:

Financial resources will come from JUMP (under primary donor funding) for the first two stages (preparatory and pilot) of the projects, and from JUMP and other donors for the last (development) stage.

#### 4 Type of Financing:

Financial resources will be allocated under two categories: **Capacity Building (CB)** and **Revolving Loan Funds (RLFs)**. Capacity Building (CB) Funds will be used primarily to finance preparatory and pilot stages and activities such as training, organizational strengthening, JUMP extension services, baseline studies, local staff salaries and travel, etc., during the Project Development Phase. The total allocation for capacity building will constitute 75 percent of the total budget.

Revolving Loan Funds (RLF) constitute 12 percent of the total allocation for the Programme. The remaining 13 percent of the total budget will be the ILO's agency cost. This sum will be transferred to the bank accounts of Revolving Loan Funds to be established and administered by the partner NGO's or communities. The ILO in consultation with the donors, JNCC and partner communities will design the RLF Rules and regulations. Interest collected from RLF operations will be kept in the funds to strengthen the purchasing power of the fund and to finance other community services.

#### 5 Organizational Model:

Local partner groups, NGOs and cooperatives will implement the pilot projects. Where partner communities do not accept the worker cooperative model due to the "top-down" policies and practice of the past, cooperatives will be considered as a possible option among a variety of modalities, including traditional forms of collective action and community self-help. The decision about the selection of the organizational model for each job-creating activity will be left to the partner NGO and communities. The JUMP Programme will assist them in restructuring existing organizations and organizing JUMP worker cooperatives, taking into account their values and primary needs.

### 8.4 Financial Resources by Nation/State and type of financing: Regional Level

Nation/State	Preparatory and Pilot Phases		Project Development Phase	
	CB	RLFs	CB	RLFs
Thailand [example]	20,000	10,000	180,000	60,000
Philippines	20,000	10,000	180,000	60,000
(9 countries)				
Regional activities	25,000		65,000	
<b>TOTAL</b>	<b>205,000</b>	<b>90,000</b>	<b>1,620,000</b>	<b>540,000</b>



## **9. Assumptions**

### **9.1 Government policies**

Government policies in Programme countries continue to remain favorable for the programme activities.

### **9.2 Social partners**

ILO social partners continue to support Programme activities.

### **9.3 Donor funding**

Separate donor funding continues to be available throughout the life of the country/region level pilot projects. In the case of non-availability of outside funding, the inter-regional Programme will continue to support the initiatives of the pilot communities by assigning associate experts to work with these communities and through the consultancy services of the ILO MDT Specialists on cooperatives, small enterprise development and local economic development.

### **9.4 Existing legislation**

Existing legislation in the countries concerned will allow for the establishment and expansion of modern worker-owned cooperatives and self-help organizations in the pilot communities.

### **9.5 Member participation**

Member participation in the affairs of the worker cooperatives increases due to improvements in support services and the management of cooperatives as well as new opportunities created--access to production credit, markets and other inputs.

### **9.6 JUMP extension workers**

It is expected that within a period of three to six months after the JUMP Programme commences, a pool of trained JUMP extension workers will be created. Before the end of the projects, they will be absorbed by the local worker cooperatives, their support unions or partner NGOs.

## **10. Reporting, Monitoring and Evaluation**

### **10.1 Reporting**

1. In accordance with the regulations of the ILO, the technical unit will prepare a six-month progress report, including an attached annual work plan and an executive summary of activities carried out by the pilot projects during that period.
2. Each individual consultant will prepare regular and end-of-assignment reports and submit them to the technical unit.

3. At the end of the Programme, the technical unit will produce a terminal report covering the achievements of the pilot projects.

## **10.2 Monitoring**

1. A continuous review, planning and monitoring system of the pilot projects will be established, and the pilot project managers will be trained in the operation of the system.
2. Within the first month following its commencement, the Programme will produce an overall work plan. The work plan will reflect the activities to be carried out by the pilot projects and will be updated regularly according to the individual work plans of the pilot projects.
3. The ILO Area Office Directors will be responsible for the administrative monitoring of all JUMP projects.

## **10.3 Evaluation**

1. Once every year, each pilot project will organize a participatory self-evaluation exercise using *ILO Manual on Evaluation*.
2. The Programme Coordinator will finalize all self-evaluation reports to be printed and disseminated.
3. After 18 months of operation, an evaluation mission will analyze the progress of the pilot projects on the basis of the indicators and targets set out in the this document.
4. A similar mission will be fielded towards the end of the JUMP Phase I Programme period for the purpose of conducting a terminal independent evaluation.

# **11. Inputs**

## **11.1 Donor contribution**

While the Donor allocation is used primarily to finance international as well as national level activities, and possibly some pilot projects, other donors' contributions will be used to finance additional pilot projects implemented under the guidance of the JUMP Programme Coordinator.

### **1. Salaries**

Salaries of the Programme Coordinator, national coordinators (partial?), international and national experts, consultants and secretarial staff.

### **2. Travel**

Monitoring and project formulation/finalization missions of the Programme Coordinator and national coordinators.

### **3. Evaluation (mission) costs**

Mid-term and independent terminal evaluation missions as well as annual self-evaluation exercises.

### **4. National professionals**

The donors funding these projects cover salaries of pilot projects' professional staff. JUMP contribution is made to bridge phases and/or until a different donor is found.

### **5. Sub-contractors**

Service contracts given to partner NGOs to implement pilot projects and to consultants to undertake specific assignments to assist partners in organizing a workshop, conducting a baseline/feasibility and market survey, assisting in formulation of a project, etc.

### **6. Fellowships**

Allocation for fellowship training of JUMP partners

### **7. Training**

All training programs conducted by JUMP and its partners at grassroots, national, regional and interregional levels and expenditures of resource persons.

### **8. Equipment**

Simple tools used by the beneficiaries in self-help employment and income-generating activities, equipment needs of project offices and national coordinators, plus operation and maintenance expenditures. Matching funds or loan guarantees for loans obtained from RLFs or commercial lenders for JUMP group entrepreneurship-incubated worker cooperatives. In some cases, grants may be provided to these cooperatives for start-up purposes in selected pilot projects if no lender (RLF or bank) is available to provide loans.

### **9. Reporting costs**

Expenditures of printing and distribution of program reports, terminal reports, case studies and other technical reports produced by the Programme and pilot projects.

### **10. Miscellaneous**

Sundries of Programme and project offices.

### **11. Revolving loan funds**

Revolving fund contributions to pilot projects to support employment and income-generation activities and create community-based finance institutions (for self-help and group

entrepreneurship worker-cooperative incubation projects) with community contributions as savings.

## **12. JUMP Programme support costs**

ILO's agency cost to cover implementation expenditures at 13 percent.

## **13. Provision for cost increase**

Provision reserved for possible cost increases during project implementation.

## **11.2 National Contribution**

Contribution made to pilot projects by national and local governments in Programme countries in terms of salaries of government personnel in charge of monitoring and evaluating project activities, attending JNCC and project steering-committee meetings, provision of office space and basic services to pilot projects at grassroots level, etc.

## **11.3 Partners' and community contributions**

Partner NGOs' contributions to pilot projects in terms of provision of office space and equipment and community contributions to project activities in terms of labor and land (for demonstrative project activities and building training facilities).

# JUMP Programme Logical Framework 2001-2004

