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#InformalTalks Webinar 5

Good practices on the informal economy

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Definition of good practices

SYNTHETIC EVALUATION	DEFINITION
1. Effective and successful	A “good practice” has proven its strategic relevance as the most effective way in achieving a specific objective; it has been successfully adopted and has had a positive impact on individuals and/or communities.
2. Environmentally, economically and socially sustainable	A “good practice” meets current needs, in particular the essential needs of IE entrepreneurs/workers or potential entrepreneurs/workers, without compromising the ability to address future needs.
3. Gender sensitive	A description of the practice must show how actors, men and women, involved in the process, were able to improve their livelihoods.
4. Technically feasible	Technical feasibility is the basis of a “good practice”. It is easy to learn and to implement
5. Inherently participatory	Participatory approaches are essential as they support a joint sense of ownership of decisions and actions.
6. Replicable and adaptable	A “good practice” should have the potential for replication and should therefore be adaptable to similar objectives in varying situations.

How to decide whether a practice is good or not?

- It would be useful to use a scoring system to measure the extent to which a good practice meets the criteria as this would enable a comparative analysis of the different good practices. Scoring the good practices would, however, be a subjective exercise that relies upon the extent of the experience and knowledge of the researcher
- This is all the more so as the projects' duration is generally short (3 to 4 years), which is not sufficient to ensure that the action will be sustained over the long term. Ideally, a good practice must be time tested to prove that its impact endures over time
- The identification of good practices must thus usually be based either on qualitative or quantitative data that the actors of the projects themselves make available through internal and external reports. There are researchers who conduct analysis of such reports. Evaluators also identify good practices and lessons learned through analysis of field level results using a combination of interviews, focus group discussions, observations, surveys and document analysis

Pros and Cons of various evaluation practices

- In practice, the application of above criteria is difficult and remains subjective
- Comparisons between the situation before the project and at the end of the project -or after- can be based on ad-hoc baseline surveys and end-of-project surveys using the criteria proposed by the project in its initial proposal to assess its achievements
- Experimental economics can also compare the situation of the beneficiary populations with comparable non-beneficiary populations in the same areas (BRAC projects' evaluations by J-Pal laboratory)

Some good practices reviewed in previous webinars

- Ghana: Shea nuts women producers organised in community groups and cooperatives for bundling volumes and improving quality, but also for adhering to the NHIS
- Togo: The experience of the Delegation for the Organisation of the Informal Sector (DOSI) in collecting contributions for social protection from various professional categories
- Côte d'Ivoire: The Groups of savings and community solidarity (GESCO) as a step towards accessing to medical coverage, initiated and supported by AVSI Foundation for a EU-funded project
- Uganda: “Validation of Non-formal and Informal Training” by SwissContact Germany for a EU-funded project
- Bogota: the struggle of waste pickers for the recognition of their right to apply for a bid launched by the Municipality with the support of WIEGO



Evaluation of good practices extracted by RNSF

- Volume 4.1 Learning from Experience: Good Practices and Lessons Learnt from 33 projects funded by the EU Programme Investing in People launched in 2009 (RNSF 2016a): projects directly addressing the informal economy and for which primary data have been available
- Volume 4.2 Learning from Experience: Recommendations of other Development Organizations (RNSF 2016b): projects directly addressing the informal economy and for which secondary data have been available
- Volume 4.3 Learning from Experience: Good Practices and Lessons Learnt from 15 projects funded by the EU (RNSF 2017c) : projects indirectly addressing the informal economy and for which primary data have been available
- Volume 4.4 Learning from Experience: Good Practices and Lessons Learnt from 15 projects funded by the EU Programme Investing in People launched in 2014 (RNSF 2018b) : projects directly addressing the informal economy and which RNSF has followed up during their implementation

A selection of some good practices extracted from the 4 volumes edited by RNSF

- *Market Access Through Cooperative Action: Women shea nut producers in Ghana* will be looked at in more details for its holistic approach (Volume 4.1)
- *Ethiopians Fighting Against Child Exploitative Labour (E-FACE) project and its Safe Threads program* (Volume 4.2)
- *Support to Strengthening the Capacity of Civil Registration System in Niger (PARSEC) UNICEF* (Volume 4.3)
- *Promoting livelihoods and Inclusion of vulnerable women domestic workers and women small scale traders Oxfam GB – Kenya* (Volume 4.4)
- *Targeting the Ultra-Poor Programme BRAC* (Other)

Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (1/6): A multi-pronged approach

- The shea nut and butter value chain is a dynamic niche of the cosmetics market
- PlanetFinance supported poor rural women shea producers who take their margins from collecting shea nuts, removing pulp and drying them, to perform additional activities in the value chain. Such activities included trade, gathering the products in bulk and increasing efforts to meet the quality and the quantity demands of large buyers
- The multi pronged approach implemented to enabling informal economy operators to climb up the value chain including through:
 - increasing the volume and the quality of small-scale production
 - providing awareness raising;
 - organizing the small producers
 - providing education and training;
 - providing access to micro credit;
 - using information technology to access market operations and manage operations and transactions;
 - build contractual relationships with international buyers and other actors in the value chain



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (2/6): Private sector intermediation in the social and solidarity economy



- In the course of the project, a creative approach to improving chain governance was implemented. A social private company (the Shea Star Ltd: SSL) was set up in which the women have shares (through Star Shea Network, SSN). SSL offers marketing services to the numerous member groups, searches international markets for nuts and butter buyers and takes charge of the commercialisation of the shea products that the women sell in bulk. This approach enables progress on increased savings and investments. SSL also managed to process refined shea butter through a tolling arrangement in Europe before sale to final clients. This significantly increased the volume of the unrefined shea butter that women were able to sell
- SSL plays a major role in supporting and assisting women to fulfil the protocols for fair trade, organic and traceable shea products, as well as in providing them with some key inputs such as packaging and pre-financing. Transparency in the distribution of value added shares between SSL and women producers is ensured during the associations meetings
- The project and women producer groups established contractual relationships to sell to major international buyers. The SSL helped to increase their number during the course of the project



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (2/6): Private sector intermediation in the social and solidarity economy



- Community association members participate in the negotiation and distribution within their network. They also supervise the quality of nuts and butter through a Quality Assurance System and participate in the aggregation of products at approved warehouses. Occasionally groups declined to process particular butter orders due to less motivating market prices. In other cases they bargained to receive higher prices thus proving their empowerment in analysing market prices
- Women producers can still sell their production to local markets or other buyers, but are committed to the arrangements with SSL. This is because bulk selling enables them to put their earnings to good use such as for the payment of school fees, the purchase of household assets, working and farming tools
- Regarding the question of whether the social enterprise model is working well, one could state that women producers are not always able to meet all orders from buyers. When this happens, they must buy nuts or butter from other women outside their community groups. This has resulted in interesting cascading effects because the required quality from the outside women pushed the beneficiaries to share with them their improved practices



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (3/6): Social protection



- In Ghana, the National Health Insurance System (NHIS) was successfully involved in facilitating the registration and membership card renewal of the project's beneficiaries. Using a combination of sensitization, logistics support, and techniques for facilitating registration and organizing women producers it was possible to reach the goal of improved access to these public services
- Meetings with the staff of regional offices of NHIS were used to convince them to participate in sensitizing clients on the importance of the NHIS and help them understand that the project valued their role as service providers. Logistics support, such as vehicle and a public address system, was also provided to facilitate their travel to the sites for mass registration
- NHIS staff gave presentations of the role of their institution and the benefits for the population in the project field sites. The NHIS staff were asked numerous questions since many women were unaware of the existence of such health insurance schemes. They also had to listen to complaints about non/late delivery of cards, difficulties in renewing cards as well as about the frustrations that card bearers encountered at various delivery points. This exposure helped make the NHIS staff more aware of the harsh conditions of remote and vulnerable populations



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (3/6): Social protection



- Techniques for facilitating registration included getting women to make contributions in instalments towards registration and renewals. It also included scheduling bulk registrations in the communities thus extending registration operations beyond the projects' beneficiaries through a cascading effect. Project officers also contributed by picking up the expired cards of women and bringing them to the NHIS offices
- Women producers have been organised in community social funds (CSF) that were connected to Micro Finance Institutions to obtain financial support for their production activities but also for NHIS registration. This allowed the CSF members to share their health risks as they can pool resources together through the CSF to access healthcare. An increased attendance to health facilities has been observed with earlier treatment of sicknesses/diseases.
- NHIS officials now travel to renew expired cards and register new clients as a result of the collaboration between the NHIS and the shea associations



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (4/6): Occupational Safety and Health



- Occupational Safety and Health (OSH) is not only an issue in large factories or worksites, it is also an issue in traditional rural agricultural and other informal economy activities
- Among its multi-pronged strategies for climbing up the Value Chain of shea nut and butter, the project aimed to better protect women producers in their task of gathering nuts from the shea trees and of processing the nuts
- Through their community groups and with the support of micro-credit, women received suitable equipment and training on safety and protection that has resulted in a dramatic reduction of the incidence of life-threatening events in their work practices. The use of protective clothing, especially boots and gloves, considerably reduced snake bites during nut-picking. Similarly the use of energy-efficient stoves for nut- and butter-processing had an impact on reducing burns resulting from open fires and exposure to heat and smoke thus improving working conditions and health status. Energy-efficient stoves also had a positive environmental impact through the reduction of firewood consumption



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (5/6): ICT

- ICT can play a major role in value chain strategies because knowledge of market prices helps inform sellers on the best times to sell their products. Many producers/sellers lack such information which they could easily obtain using cell phones
- Uncoordinated and fragmented sales practices, resulting in very limited market power, had been identified as a major determinant of shea women processors' economic vulnerability in Ghana
- One of the actions of the project was to effectively link-up the women shea producers with their market and strengthen the efficiency of the shea supply chain
- Women groups were facilitated to acquire mobile phones through members' contributions. The women saw cell phone acquisition as an asset so the groups were ready to invest in acquiring them. The phones were used to receive price alerts on chosen markets to keep women informed of the prices of shea nuts and butter received from the buyers. They could then use this information as a decision-making tool to determine the best time to sell



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (5/6): ICT

- All group leaders were trained on price information systems. They obtained knowledge on:
 - the benefits of receiving access to price information,
 - how to convert local measurement units to kilograms and interpret prices expressed per kilo,
 - understand the use and management of the mobile phone and interpreting and decoding alerts.
- The phones were also used to receive and send information on supply of produce, i.e date of aggregation of individual collections and pickup. The phones were further used to receive information from the microfinance institutions on meetings, disbursements and instalment due dates for loans
- Initially, alerts used to be sent to every group weekly but this was changed to one alert per community (of several groups) biweekly. This was because all groups in a community depended on the same literate secretary to translate the information to them



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (6/6): Micro-credit



- The project supported not only women producers in the shea nut and butter value chain, but also MFIs as one of the actors of its holistic approach to development. Building on earlier initiatives of MFIs and the experiences of beneficiary communities, the project helped them to target poor rural women engaged in agro-processing and whom traditional financial institutions normally avoid
- One of the actions carried out was to provide technical support to partner MFIs to refine and develop new credit products for clients. Such new products enabled clients to acquire appropriate business inputs, pay the premium of the NHIS (health insurance), and stabilise their incomes throughout the year
- Several lessons were learnt from previous experiences: 1) MFIs providing group loans, need to develop specific internal competences in order to effectively provide financial services in a value chain framework; 2) MFIs sustainability also depends on their capacity to offer better timely loans in relation to the Shea value chain financial needs; 3) MFIs can feel harmed by some actors in the value chain (e.g. bulk buyers) who have the potential to offer more competitive prefinancing services. Also, the burdening of MFIs loan officers limits the effectiveness of their actions



Market Access Through Cooperative Action: Women shea nut producers in Ghana - Planet Finance (6/6): Micro-credit



- The participation of MFIs in the formation of production groups was decided in order to increase sense of ownership and willingness to provide financial services. It was also decided to improve their efficiency through the provision of training in specific software for the management and monitoring of the loan process
- A total of four loan products were developed and used: nuts working capital loan, butter working capital loan, roaster loan and grinding mill loan. The use of roasters has led to an increase in quality and productivity in butter processing
- Training of MFIs staff and training of women beneficiaries by MFIs staff
- With PlanetFinance support, the MFIs have been able to provide their staff with motorbikes, laptops and Micro Loan Management (MLM). Staff of the MFIs described this assistance as highly beneficial because it provided them with an enabling environment to operate. The MFI staff explained that their capacities in key areas such as loan management were improved



Ethiopians Fighting Against Child Exploitative Labour (E-FACE) project and its Safe Threads program



- In collaboration with the government, the project strived to create a “child-safe” label for products, in order to increase their connectivity with international textile markets
- Simple weavers of textiles in Ethiopia would not be able to connect with designers supplying foreign buyers in Europe and America due to a reputation for dependence on exploitative child labour
- Many textile companies and fashion designers did not want to source their materials from Ethiopia because buying from businesses employing child labour would hurt their reputation with consumers in the West
- Through the programme known as Safe Threads domestic producers of textiles who do not use exploitative child labour can go to the government and, after proving that their means of production are child-safe, they can receive the “Safe Threads” certification. When these firms are certified, international buyers should feel more comfortable buying from them, thus economically empowering the local weavers. Weavers continue to be monitored to ensure that they do not employ children
- This practice motivates businesses to formalize themselves, as it provides large benefits for doing so. As a result, similar practices can be recommended in other situations where improving decent work conditions and economic empowerment are prime goals



Support to Strengthening the Capacity of Civil Registration System in Niger (PARSEC) UNICEF (1/2)



- Informality is roughly defined by, and limited to the non-registration of the enterprise or the activity operated by the person
- But in many developing countries, especially those with dominant rural areas people themselves are not registered because of the lack of an efficient civil status registration
- When a boy or a girl is born without civil status, he/she will be unable to claim his/her rights because the person cannot provide the proof of his/her name, age, residence, nationality, etc.
- Again, when he/she marries without civil status registration, no proof of marital status can be brought and finally when he/she dies without civil status, the heirs will not be able to claim for the ownership of the land or the house
- The rule of law, with its rights, freedoms and obligations, can apply if and only if citizens have a legal “existence”
- The project focused on conducting training and incentivising local or central administrations (Civil status registration, health services) to search and convince populations to register births, marriages, and deaths, in order to secure the key protection rights during the person’s lifespan



Support to Strengthening the Capacity of Civil Registration System in Niger (PARSEC) UNICEF (2/2)



- Outreaching campaigns, forensic audiences during traditional meetings or at school, motivation of officials in charge have been the tools used by UNICEF
- Opportunities for people to share their experience: “Oumarou tells that those who went to gold sites had to come back because they had not identity card. A village teacher said that he did not accept children to be registered at school if they had not a birth certificate. A couple witnessed that they were rejected at the border because they had not a marriage certificate. Another couple indicates that a death certificate (...) allowed them to obtain a tax relief. A matron explained that thanks to her birth certificate, she got an identity card and consequently received money thanks to the proof of affiliation with a deceased parent”



Promoting livelihoods and Inclusion of vulnerable women domestic workers and women small scale traders

Oxfam GB – Kenya



- **Putting citizen voices at the centre of public service delivery through public participation:** Support women to demand their rights to basic services from the Government with regard to water and sanitation and early childhood education among other issues. Most of the city's informal economy workers live in the slums that were targeted. The project contributed to the development of the Nairobi City County Public Participation Act, which was accepted into law in 2016. Targeted women were continuously educated on the provisions and mobilised to participate in spaces created for citizen voices to be heard
- **Using social media to advocate for rights of women domestic workers and women small-scale traders:** The project trained women on how to use social media for influencing and advocacy. Domestic workers are now using WhatsApp to report violations by employers, and to mobilise their peers for joint advocacy actions. The project developed rights and responsibilities guides that target the informal workers' groups. The women have been using their social media platforms to mobilise people to rally behind issues and put pressure on duty bearers to act
- **Influencing the Government of Kenya to take concrete steps for the ratification of ILO Convention 189 on Decent Work for Domestic Workers:** To promote decent work, employment rights and social protection for the target women domestic workers, a range of activities were implemented: Conduct stakeholders' consultations, work with relevant workers' union, formation of technical committee on ratification, development of sessional paper on ratification, lobbying to secure support, conduct and provide petition to the Parliament and Ministry of Labour



BRAC's Targeting the Ultra-Poor Programme

(1/4)



- BRAC stands for Building Resources Across Communities (initially Bangladesh Rehabilitation Assistance Committee). It is the largest NGO for development in the world and reaches more than 126 million people in 14 countries
- In 2002, BRAC developed the Targeting the Ultra-Poor programme through a graduation approach after noticing that the social safety nets failed to reach the extremely poor. The approach addresses the social, economic and health needs of poor families simultaneously by combining the satisfaction of immediate needs with longer-term interventions in life and technical skills training, asset transfers, enterprise development and savings towards more sustainable livelihoods
- TUP presents the advantage of a strong and reliable empirical evaluation

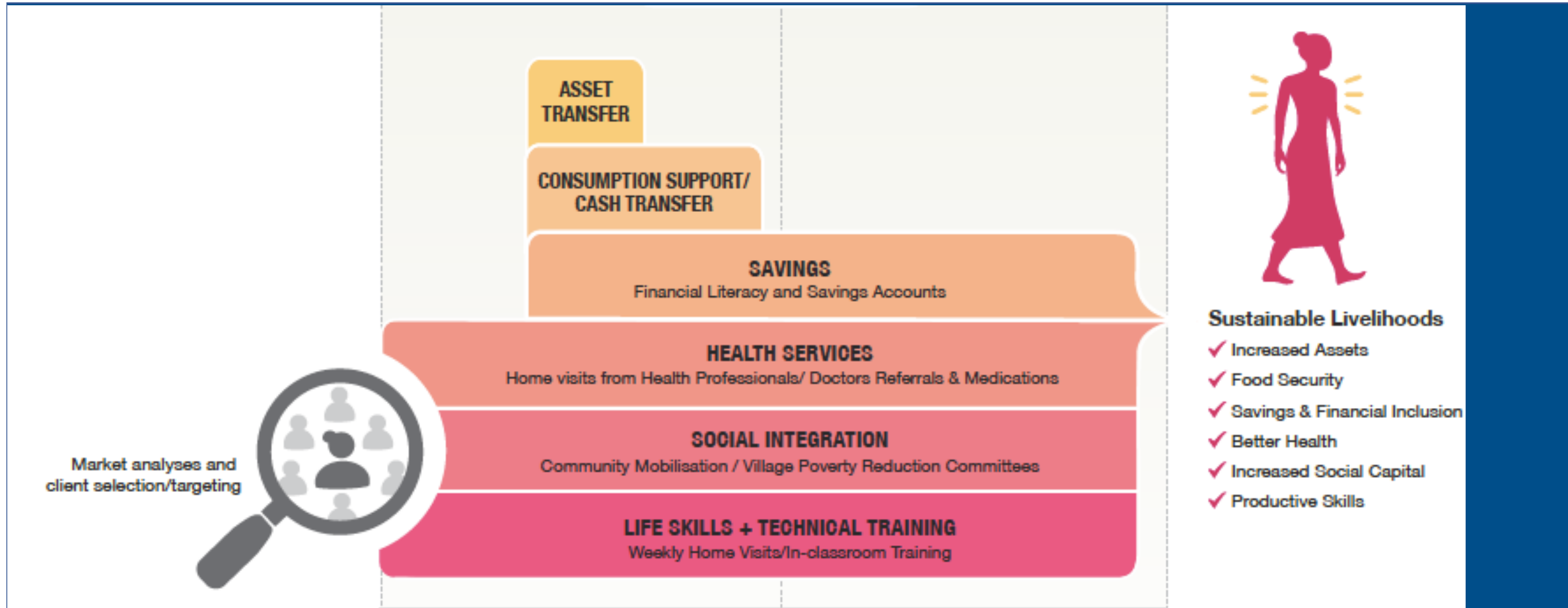


BRAC's Targeting the Ultra-Poor Programme (2/4)

- Selected through a participatory process, the beneficiaries are given a productive asset chosen from a list, and the corresponding training, as well as life skills training and consumption support during a given period. They have access to savings schemes and health services. All these supports are supposed to provide the households with a “big push” for a self-employment activity. The programme is costly, reaching an amount per household equivalent to its consumption as measured by the baseline survey
- BRAC implements two approaches: one for the specially targeted ultra-poor, who receive the productive asset, and the second for the other targeted ultra-poor, who are marginally less deprived, who receive a soft loan for acquiring the asset

BRAC's Targeting the Ultra-Poor Programme

(3/4)



BRAC's Targeting the Ultra-Poor Programme

(4/4)

- In Bangladesh, the programme has reached more than 600,000 households and its replication was decided in 20 countries
- In 2006, the approach was adapted and tested in eight countries. A randomized evaluation through control trials was conducted in six of these countries (India, Pakistan, Ethiopia, Ghana, Honduras, Peru), the results of which were published in Science (Banerjee et al. 2015) looking at the progress at the end of the programme and one year later
- Measuring the impact of the programme on 10 key outcomes (consumption, food security, productive and household assets, financial inclusion, time use, income and revenues, physical health, mental health, political involvement and women's empowerment), the study found significant impact on all of them, one year after the end of the project or 3 years after the transfer of the productive assets. And in five out of six countries, the extra earnings exceeded the programme cost
- The study concludes that the multifaceted approach is sustainable and cost-effective





Thank you

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