



**INTERNATIONAL LABOUR ORGANIZATION
TECHNICAL COOPERATION SUMMARY PROJECT OUTLINE**

TC-RAM SPROUT

(The form can be filled out in English, French or Spanish)

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Title:
INT/03/M57/UKM
Knowledge sharing on decent work and the informal economy in the context of poverty reduction

Sub-region/Region: Inter-Regional

Countries covered: Countries covered by four DFID-funded projects on the informal economy

Lead Office: INTEGRATION

Collaborating Units/Offices: SRO Office Bangkok, ILO Office Dar es Salaam, ILO Regional Office Lima, SRO Office Moscow and partner units identified in their SPROUTS, plus GENDER, INFORM, CODEV and PROGRAM

External implementing Partners: (Anticipated) UNDP, Global Development Network, and partners identified during the project

Budget requested: US\$500,000

Brief Description:

The purpose of the project is to contribute to an integrated, coherent programme of work on decent work and the informal economy across the ILO, taking into account the context of poverty reduction and the tripartite conclusions of the 2002 International Labour Conference , by:

(a) facilitating interchange between the field and headquarters in the preparation, implementation and evaluation of ILO activities targeting the informal economy, and

(b) having good practices, tools, lessons learned, findings of studies, etc. in relation to decent work and the informal economy collected and shared between headquarters and the field, and made more visible to constituents and others, particularly the development community.

This project serves as a flanking or knowledge umbrella project for four field-based DFI-funded technical cooperation projects that take various approaches to the issues, with their interventions planned at different levels (micro, meso, macro). The knowledge sharing project will attempt to promote articulation of these different levels and approaches, using as its conceptual framework the outcome of a staff workshop held in Turin in Feb. 2003 on follow-up to the ILC 2002 conclusions. It will build upon a mapping exercise conducted by INTEGRATION and GENPROM in the first half of 2003. Using a range of means employed to support communities of practice (electronic and web communications, meetings, etc.), INTEGRATION will involve the CTAs and principal ILO official for each of the field-based projects in shaping the knowledge sharing activities in a manner most relevant to them. Involvement of the Working Group on the Informal Economy will ensure participation by the four Sectors, ACT EMP and ACTRAV, GENDER, CODEV and PROGRAM in an advisory capacity.

The lessons learnt will be fed back into ILO management and to constituents, with a view to strengthening the ILO's future work on the informal economy. As foreseen in the ILO Programme and Budget for 2004-05 (p. 102), this project is intended to sustain an efficient network for knowledge exchange, enhancement and dissemination. Good practices will be shared in selected development forums, with a view to reaching wider audiences that focus on poverty reduction. In addition, CODEV has indicated that it wishes to explore using the project as a vehicle for strengthening ILO capacity in impact assessment.

A. Description and Logical Framework

A1. Problem Analysis

The tripartite conclusions adopted by the International Labour Conference in 2002 on decent work and the informal economy provided a strong mandate and guidance to the Office for its future work on the informal economy through a highly visible, integrated programme of work. These conclusions represent an important political opportunity for the ILO and its constituents, particularly in light of the expansion of the informal economy around the world. A field/HQ staff workshop (Turin, Feb. 2003) used the ILC conclusions to identify five themes around which coherent work on the informal economy could be pursued: representation and voice, governance, productivity and market enhancement, addressing vulnerabilities and macro level policies. Gender and poverty reduction are dimensions of each of these themes, which are by nature cross-sectoral and build on the Decent Work Agenda. The ILC discussion in June 2003 of the Director-General's report, *Working out of poverty*, consolidated the constituents' commitment to tackle issues raised by the informal economy in the context of poverty.

While the ILO has done considerable work on the informal economy, this is not well known in development circles. In addition, a mapping exercise undertaken in the first half of 2003 indicated certain gaps and some overlaps in this work, suggesting that the lessons learnt to date have not spread widely even within the ILO. Various reviews have also pointed to a need to strengthen the ILO's ability to measure the impact of its technical cooperation activities and to heighten linkages to poverty reduction frameworks.

As the ILO has begun to explore knowledge management more generally, an exchange of lessons learnt among DFID-funded technical cooperation projects focusing on the informal economy should help to address these shortcomings. Wider showcasing of good practices and of the results of ILO research in the development community would promote understanding of how the decent work agenda in the context of the informal economy contributes to poverty reduction efforts. This knowledge sharing project, which flanks the four DFID-funded projects focusing on the informal economy, provides an opportunity to make linkages between the various themes and to development frameworks such as the Millennium Development Goals and the PRSP process.

The scope of the four technical cooperation projects involved in this flanking knowledge-sharing project is as follows:

1. SRO Bangkok (BKK) - Informal economy, poverty and employment: an integrated approach; covers Cambodia and Mongolia; main Turin workshop themes addressed are representation, market access, vulnerabilities and macro policy; mixed level(s) of intervention (macro, meso); project languages (Region/HQ language listed first) English, Cambodian, Mongolian, Thai.

2. ILO Office, Dar es Salaam (DSM) - Employment creation in municipal service delivery in Eastern Africa - improving living conditions and providing jobs for the poor; covers Kenya, Tanzania, Uganda; main themes are market access, governance and representation; levels of intervention are micro, meso; project languages are English, Kiswahili.

3. ILO Office, Brasilia and ILO SRO, Lima (LIMA) - Poverty Eradication, employment creation and gender equality policies for the informal economy in Latin America; countries covered are Brazil, Ecuador; main themes are macro policy, representation, addressing vulnerabilities and productivity. Level of intervention: macro. Project languages: Spanish, Portuguese.

4. ILO SRO Moscow (MOS)- Reducing poverty by promoting employment of youth and other vulnerable groups in the informal economy of Central Asia and Caucasus; countries covered are Kyrgyzstan, Kazakhstan, Azerbaijan, Georgia; main themes are macro policy, governance, market access, addressing vulnerabilities; main level of intervention: macro; project languages English, Russian, others??

A2. ILO Country Programme

Links to be identified in consultation with relevant offices in the context of the new approach to country programming; see also the four project SPROUTs

A3. Link to National Development Frameworks

The knowledge sharing project will place the information emanating from the four projects in the context of the MDGs (chiefly goals 1 and 3) and where, appropriate, the PRSP framework. It will facilitate showcasing results of the projects in development forums. This will place the work in a broader context and heighten its visibility, thus serving as a tool for later work by the ILO linked to poverty reduction. Links to development frameworks at the national level are explained in each of the four field-based project SPROUTs.

A4. Target Group

Direct beneficiaries are ILO staff (including Office Directors and Senior Management) working on issues related directly to the informal economy, ILO constituents and development researchers (primarily in developing countries).

Indirect beneficiaries are poor people working in the informal economy (especially women, racial/ethnic minorities and urban youth) who would benefit from better policy responses in relation to the informal economy in the context of poverty reduction. One aspect of the project will focus on how to insert lessons learnt into the policy debate.

Stakeholders are various Government agencies and commissions, employers' and workers' organizations, other organizations active in the informal economy, and researchers in the field of development.

A5. Immediate Objective

To contribute to an integrated, coherent programme of work on decent work and the informal economy across the ILO, taking into account the context of poverty reduction and the tripartite conclusions of the 2002 International Labour Conference, by:

- (a) facilitating interchange between field and headquarters in the preparation, implementation and evaluation of ILO activities targeting the informal economy and
- (b) having good practices, tools, lessons learned, findings of studies, etc. in relation to decent work and the informal economy shared between headquarters and the field and made more visible to constituents and others, particularly the development community.

A6. Outputs and Activities

Output 1: Process of gender-aware knowledge sharing for interchange in the preparation, implementation and evaluation of ILO activities targeting the informal economy established and used

Activities/tasks

- 1.1 Researching knowledge sharing in general and its use in ILO
- 1.2 Contacting stakeholders and exploring various roles in the project (including informal Working Group on the Informal Economy)
- 1.3 With field and HQ project staff and responsible ILO offices, gaining general appreciation of knowledge-sharing and reaching agreement on workplan, indicators, priority themes and protocols for gender-aware knowledge-sharing among projects (first joint workshop of project/ILO staff to be held early in project - Oct. 2003; preparation phase)
- 1.4 Preparing and disseminating report of workshop
- 1.5 Doing scoping exercise on Intranet and Internet arrangements to support knowledge exchange up to early 2006
- 1.6 Setting up technological and substantive support for active electronic exchanges
- 1.7 Contacting external partners to participate in knowledge-sharing on informal economy
- 1.8 Establishing links to other networks, sites, including those focusing on gender and poverty

reduction

1.9 Capacity building of ILO staff on gender-sensitive knowledge sharing techniques, using external expertise at workshops

1.10 Mid-term stock-taking of knowledge-sharing exercise; sharing good practices (second joint workshop of project staff, late 2004, implementation phase); preparing report of workshop

1.11 End of project stocktaking of knowledge-sharing exercise; sharing good practices (third joint workshop of project staff, late 2005, evaluation phase); preparing report of workshop

1.12 End of project evaluation of knowledge sharing as an internal ILO process (third quarter 2006 if donor agrees; otherwise Feb. 2006)

1.13 Identifying lessons learnt by project and sharing them with (a) HQ-based Senior Management, (b) Regional Directors and heads of Offices in Regions, (c) Donor.

1.14 Documenting and sharing reactions to presentations of lessons learnt

Output 2: Good practices, tools, findings of studies identified, documented, selected, translated, exchanged and disseminated, with attainment of greater visibility for ILO work on the informal economy.

Activities and tasks:

2.1 Circulating mapping of ILO work on informal economy as at May 2003

2.2 Updating of mapping work on informal economy in the ILO, identifying knowledge gaps, taking gender particularly into account

2.3 Identifying linkages between ILO work on the informal economy and attainment of the Millennium Development Goals

2.4 Commissioning research towards fillings selected gaps in priority areas

2.5 Identifying criteria of "good" for practices, tools, studies - including gender criteria

2.6 Applying this criteria to identify practices, tools, findings of studies to be selected for highlighting in knowledge-sharing project

2.7 Disseminating these on Intranet and, as appropriate, Internet

2.8 From among those selected, translating and disseminating those with most potential for impact on the development community, with priority given to gender-aware products

2.9 Selecting a few of the above that are appropriate for mass media; producing and distributing short video clips

2.10 Identifying at least 2 international development forums and making arrangements for ILO inputs

2.11 Preparing presentations for and displays at these forums; gauging the influence on the policy debate

2.12 Identifying macro/meso/micro linkages, including a gender dimension, in work on informal economy and disseminating results of this analysis

2.13 Publicizing among ILO constituents the work of the projects (field-base and knowledge-sharing) and of the input to development forums, and linkages to other ILO work and poverty reduction frameworks, including gender dimensions.

2.14 Evaluating knowledge-sharing project (approx. six months after project completion)

The strategy of the project involves sharing the wealth of (fragmented) information that exists on the informal economy between HQ and Regions, and among Regions, with a view to enhancing an appreciation of the advantages of knowledge sharing among ILO staff and to heightening awareness among the development community, constituents and the general public of ILO action on decent work and the informal economy in the context of poverty reduction. It will bring out micro/macro linkages and highlight the contribution of ILO work on the informal economy to achievement of the MDGs. The important gender dimension of the informal economy is reflected in the project design.

A7. Indicators

Indicators for immediate objective 1:

- (a) Workplan, etc. agreed and followed throughout knowledge-sharing project
- (b) Number of hits on the ILO Intranet/Internet site(s) on the informal economy

Indicators for immediate objective 2:

- (a) Number of good practices, etc. identified, translated and disseminated
- (b) Recommendations actually made to senior management/field managers
- (c) Number of poverty reduction-focused development professionals outside ILO exposed to ILO work on informal economy in the context of the knowledge-sharing project

(d) number of airings of short video clips

A8. Inputs

The level of inputs of this project is interregional within the ILO, and global as regards the development research community.

ILO will provide through its regular budget:

1. Project management staff
2. Half of the administrative/financial support for the project
3. Technical inputs and technical products packaged/developed by various technical departments and field offices, including in relation to poverty reduction
4. Indirect support through country programmes that identify the informal economy as a priority in their decent work country programming
5. US\$100,000 in Regular Budget Technical Cooperation from INTEGRATION (over two biennia, between 2004-2007) to support knowledge sharing on the informal economy with constituents
6. Linkages to work by ACTRAV and ACTEMP using the surplus for activities relating to the informal economy under the rubric of strengthening tripartism
7. If funds become available, inputs from Decent Work Pilot Programmes that relate to the informal economy
8. Technical expertise of staff of participating units/offices

Donor's contribution: The donor will be asked to provide US\$500,000 toward the funding of the following project inputs: external expertise in knowledge sharing, development of tools and media products, facilitation of meetings, commissioned research to fill gaps identified, translations, project workshop and meetings, travel and mission costs, staff to maintain electronic and other communications related to the project, half the financial/administrative backstopping, evaluation of the project.

A9. Assumptions

The project relies on the following assumptions:

1. Continued political support within the the ILO to follow-up on the ILC 2002 conclusions on decent work and the informal economy
2. Growing appreciation among staff and constituents of the value of an integrated approach to work on this topic and the value of knowledge sharing for themselves and the ILO
3. Acceptance by the Senior Management and the Regional Directors to examine recommendations emerging from this project, and to take action on them in future programme and budget exercises within the ILO
4. External development forums will agree to ILO participation in panels to showcase work done on the informal economy
5. Field-based projects relating to the informal economy achieve the expected results

A10. Role of Constituents

It is envisaged that stakeholder consultation during the project will feature representatives of the Employers' and Workers' Groups, who will be kept informed about the project's progress and invited to participate in the knowledge sharing exercise. At the global level, by adopting the ILC tripartite conclusions on decent work and the informal economy, the constituents lie at the origin of this project. During the Governing Body discussion of follow-up to these conclusions, held in November 2002, there was very strong tripartite support for further ILO work in this area. A significant part of the cash surplus relating to strengthening tripartism is being devoted to work on the informal economy, led by ACT/EMP and ACTRAV. Those units sent active participants to the staff workshop on follow up to the ILC conclusions (Turin, Feb. 2003) and in the development of the concept note used for the DFID TC-RAM process regarding the informal economy. The participants in this workshop identified the main themes that guide technical cooperation work on the informal economy, on which the tripartite ILO Governing Body has asked to be kept informed in the context of follow up to the ILC conclusions.

A11. Management Arrangements

INTEGRATION (Department level) will provide the internal and external coordination functions and will initiate field-HQ exchanges. INFORM and ITC-Turin will be closely involved in relation to knowledge sharing and organization of workshops. INTEGRATION will engage a P official on a half-time basis to handle knowledge-sharing for the project; he/she will report to the Deputy Director of the Department. Other officials in the Department will play key roles in relation to the project.

The internal Informal Economy Working Group, which includes one representative per Sector and one per Region, plus ACT/EMP, ACTRAV, INTEGRATION, GENDER, CODEV and PROGRAM, will continue in its advisory capacity in relation to the informal economy.

The roles and responsibilities of the various units/offices involved will be determined at an early workshop bringing together representatives of the four region-based projects, at which a protocol for knowledge sharing will be discussed and an intersecting workplan agreed. Monitoring will be in accordance with indicators identified at that workshop.

Project evaluation will be done by an external consultant.

The Senior Managers at HQ and the Office Directors in the Regions will be asked to examine lessons learned in this project as a basis for future knowledge sharing and for continued work on decent work and the informal economy in the context of poverty reduction.

A12. Logical Framework

Achieving the objective of the project will contribute to all of the ILO's strategic objectives, because extending the reach of ILO activities to the informal economy puts it in a better position to fulfil its mandate in relation to all workers and employers. It will also heighten awareness of the evidence-base that links decent work and the informal economy with the poverty reduction debate.

Through identification of more effective macro and micro policies to be pursued in relation to decent work and the informal economy, achievement of the project's objectives will contribute indirectly to an improvement in the income-earning opportunities and extent of representation and social protection of poor people working in the informal economy.

B. Justification

B1. ILO's Operational Objectives

➔ Please indicate ILO's Operational Objective to be addressed by this proposal (tick one or more).

Normes	Emploi	Protect	Dialogue
☒ 1a: Standards and fundamental principles and rights at work:	☒ 2a: Employment policy support:	☒ 3a: Social security:	☒ 4a: Social partners:
☒ 1b: Child labour:	☒ 2b: Knowledge, skills and employability:	☒ 3b: Labour protection:	☒ 4b: Governments and institutions of social dialogue:
☒ 1c: Normative action:	☒ 2c: Employment creation:		

B2. Regional and/or Sub-regional Priorities

➔ Please indicate the regional and sub-regional priorities to be addressed by this proposal (tick one or more)

Africa	Americas	Asia and Pacific	Arab States	Europe
☒ 1. Poverty Reduction:	☒ 1. Poverty Reduction:	☐ 1. Globalization:	☐ 1. Governance:	☒ 1. Governance:
☐ 2. HIV/AIDS:	☐ 2. Regional Integration:	☒ 2. Informal Economy:	☐ 2. Employment Promotion:	☐ 2. Social Protection:
☐ 3. Crisis:	☒ 3. Employment Promotion:	☐ 3. Crisis:	☐ 3. Social Protection:	☐ 3. Social and Labour Issues:
☒ 4. Governance:	☒ 4. Women and Youth:	☒ 4. Social Inclusion:	☐ 4. Crisis	
☐ 5. Regional Integration:				

B3. Contribution to ILO's shared policy objectives (P&B 2004-05)

- ➔ Please indicate how this project is contributing to ILO's shared policy objectives.
- ➔ Please refer to the indicators stated in ILO's Programme and Budget Proposal 2004-2005.

a. Decent Work:

The project contributes to the following shared policy objectives:

Pursuit of an integrated approach to the Decent Work Agenda (see box on informal economy under this shared policy objective in the P and B document, p.102),

Poverty reduction and social inclusion,

Gender equality (indicator (b))

Communication and visibility (indicator (b)).

b. Poverty Reduction and social inclusion (and Millennium Development Goals in general):

The informal economy and poverty largely overlap. Thus enhancing knowledge sharing on the informal economy should strengthen the ILO's contribution to poverty reduction frameworks. The knowledge sharing project will bring out linkages to the MDGs and, where applicable, PRSPs.

c. Gender Equality:

The informal economy is populated disproportionately by women. The project will highlight the importance of the ILO paying greater attention to gender aspects in its work on poverty reduction, including the need for gender-disaggregated data and indicators.

d. Partnerships:

The project should enhance partnerships with development institutions/agencies/networks such as the UNDP, DELNET, Global Development Network and others to be identified during the project.

e. Knowledge:

As an experimental knowledge sharing project, it will contribute to the generation, collection, analysis and dissemination of information on ILO work on decent work and the informal economy. It will also serve as a pilot for other knowledge-sharing arrangements and communities of practice in the future.

f. Communication and Visibility:

Through presentations at development forums, the project will raise the visibility of ILO work on the informal economy in the context of poverty reduction. It will contribute to communications by

producing short video spots highlighting good practices where ILO work on the informal economy has helped to improve people's lives.

B4. Donor Criteria

The project aims at strengthening the ILO's ability to contribute to poverty reduction in the context of the informal economy, and at improving its internal knowledge sharing of lessons learnt from technical cooperation projects.

B5. ILO Capacity

A number of activities funded under the RB and other TC relate directly to the informal economy, and many more relate indirectly. The proposed project affords an opportunity to bring these closer together and show linkages between work undertaken in the four sectors, and across four of the five ILO Regions. The ILO's comparative advantage lies in its long but little known body of work on the informal economy as an important part of the labour market and in its involvement of representatives of institutions seeking greater outreach to the informal economy (employers' and workers' organizations). A more generic advantage is the ILO's capacity to look at decent work and the informal economy in the context of poverty reduction from the angles of rights, employment, social protection and social dialogue, thus bringing to bear a variety of disciplines to problem-solving.