

Call for Proposals

► Applications to Conduct a Diagnosis on Informality in Targeted Intervention Areas¹ of the PROSPECTS Programme in Uganda

► Context

Uganda is a developing country in the low human capital development category, it ranks 159 out of 189 countries. The country has achieved remarkable results in reducing poverty over the past decades, mainly driven by the agriculture sector. From 1992 to 2013, the percentage of Ugandan households living in poverty was halved, but vulnerability to external shocks remains high. All regions across Uganda registered an increase in the number of poor persons with the notable exception of the Northern region, which is the poorest, and where poverty decreased from 44% to 33%. Uganda's Human Capital Index (HCI) is low, a child born in Uganda today is only expected to be 38% as productive when she grows up as she could be if she enjoyed complete education and full health. At 3%, Uganda's annual population growth rate is among the highest in the world, despite a reduction in fertility rates. The total population of 35 million is expected to reach 100 million by 2050, while the annual urban growth rate of 5.2% is among the highest in the world and is expected to grow from 6.4 million (2014) to 22 million by 2040.

In absolute numbers, Uganda has become the third largest refugee-hosting country in the world and the largest host in Africa with currently 1,425,040 registered refugees and asylum-seekers. Their situations are both protracted and ongoing. The majority of forcibly displaced persons originate from South Sudan with 61.8 per cent (881,282), the Democratic Republic of the Congo with a share of 29.1 per cent (415,188) and from Burundi with 3.4 per cent (48,275). Of the total number of refugees, around two thirds are children and adolescents aged between 14 to 24 years making up more than 30 per cent.

The location of the refugee populations is geographically concentrated in the North Western part of Uganda, with further settlements situated in the central- and southern-western regions. Most refugees reside in refugee settlements located in 13 districts across the country where the government provides refugees with allocation of land, where available, for shelter and agricultural use. Almost all of the areas where the refugees reside is co-inhabited by host communities. The Northern area (Adjumani, Yumbe, Arua, Madi Okollo, Moyo, Obongi, Lamwo and Koboko) accounts for 62 per cent of refugees that live alongside with Ugandan host communities, the southwestern region (Kyegegwa, Kamwenge and Isingiro) for 21 per cent and the midwestern region (Kiryandongo and Kikuube) for 12 per cent. The capital, Kampala, hosts 5 per cent of the registered refugee population.

Close to 90 per cent of all people in employment work in the informal economy (89.4 per cent) with a higher proportion among women (91.1 per cent) than men (88.1 per cent). Agricultural activities make up 51 per cent of total informal employment, mainly subsistence agriculture within households. Linked to this, informal employment within households represents a

¹ West Nile and Western Uganda (Arua, Madi Okollo- Rhino Camp and Isingiro- Nakivale Settlement)





significant share to total informal employment; 38.4 per cent of informal economy workers producing not exclusively but largely for own-use production or working as domestic workers.

However, employment in informal sector units and, as part of them, own account workers represent the largest share of informal employment (52.6 per cent). Finally, 9.1 per cent are informal wage workers in formal enterprises but not benefiting from social and employment protection.

Strengths in the legal and regulatory framework

Uganda was the first country to launch the Comprehensive Refugee Response Framework (CRRF) in March 2017 to sustain its model approach to refugee management in the face of significant influx. The CRRF is part of a rich policy environment including the Refugee Act 2006 and the Refugee Regulations 2010, which states that refugees have access to the same public services as nationals. Having initiated the CRRF in Uganda, the Government continues to assume full leadership of the process.

Major achievements by the Government of Uganda and other CRRF stakeholders are the implementation of the Education Refugee Response Plan (ERP) and the Health Sector Integrated Response Plan (HSIRRP) and further development of the comprehensive refugee response plans for refugees and host-communities (water and environment; jobs and livelihoods; as well as sustainable energy), annexed to the respective national sector strategies.

The robust regulatory framework of the 2006 Refugee Act and the 2010 Regulations provide refugees and asylum-seekers to have access to territorial asylum, fair and swift asylum procedures as well as full enjoyment of their rights as set forth in international and domestic laws, including freedom of movement, the right to work, establish businesses, go to school, and access to documentation. These laws ensure the dignity of the individual and provide pathways for refugees to become self-reliant. Thus, the country entertains a favourable refugee protection framework with liberal rights such as the freedom to movement, the right to work and business establishment as well as the right to own property. By law, the provision of social services covers attending primary and secondary education and being able to access health care. Nevertheless, it will be one objective of this diagnosis to assess to what extent the stipulated rights of social provisions are applied in practice and what key challenges and barriers forcibly displaced persons and host communities face in practice within the two target regions.

Situation of refugees in the labour market

The situation of refugees in the labour market is dominated by high levels of unemployment with a total 72 per cent being unemployed. Moreover, the type of employment is characterised by vulnerable forms of employment which is manifested by inadequate earnings, low productivity and unsatisfying working conditions.

Not only forcibly displaced persons but also individuals and households in the host communities experience the underlying demand-side deficiencies of low socioeconomic development that govern most of the remote rural areas where they live. The deficiencies are of a structural nature and limit the access of both groups to decent employment. In addition, the general unavailability of formal jobs as dependent or independent workers decreases the chance of finding appropriate means to income-generating activities.

An integrated enterprise and market systems assessment with a focus on two refugee hosting districts in West Nile and south-western Uganda identified value chain potentials for both host communities and refugees within predominantly agricultural economic activity such as in





cassava production, sesame, cattle and in the matooke crop. However, to be able to capitalize from the identified sources of productivity enhancement, support functions such as access to productive inputs, to market information or to credit have to be strengthened.

On the supply side, the employment situation of the target populations is aggravated by low levels of (formal) skills and recognition of prior learning. Hence, most adults are unable to demonstrate prior professional experience that have the potential to foster the transition to productivity-enhancing economic activities. As indicated above, children, adolescents and youth make up the majority of the displaced population. Many young people from forcibly displaced and host communities are missing basic foundational skills which are important to proceed towards a skills level that can facilitate decent employment.

In addition, refugee women and girls, who comprise approximately 55 per cent of the refugee population in Uganda, suffer from heightened social and economic vulnerabilities. This includes, as for instance, adopting negative coping mechanisms that can lead to female prostitution, selling of food rations or child marriage. Moreover, the disproportionate distribution of unpaid care responsibilities, with women and girls responsible for the vast majority of activities, detrimentally affects women's access to the labour market.

► PROSPECTS Partnership Programme

UNICEF, UNHCR, ILO, IFC and the World Bank, in collaboration with and supported by the Government of the Netherlands, are implementing a joint and fully integrated approach to respond to the forced displacement situation in the Middle East and North Africa and the Horn of Africa by joining the partners' efforts to develop a new paradigm in responding to forced displacement crises through the involvement of development actors.

The PROSPECTS programme aims to help transform the way governments and other stakeholders, including the private sector, respond to forced displacement crises – and in particular:

- (1) to enhance the enabling environment for the socio-economic inclusion of forcibly displaced persons (to mitigate their plight during years of exile and to best prepare them for their return);
- (2) to enhance access to education and child protection for vulnerable children on the move; and
- (3) to strengthen the resilience of host communities through inclusive socio-economic development that also benefits forcibly displaced persons.

In this partnership, ILO brings significant expertise and experience in supporting enabling environments to underpin inclusive socio-economic growth and decent work, strengthen labour markets and promote access to improved working conditions and fundamental rights at work, including through the involvement of its tripartite national constituents.

The country governance structure of the partnership in Uganda outlines the roles and responsibilities based on each partner's comparative advantage to coordinate, cooperate and collaborate with key stakeholders at national and district levels to positively influence how resources and expertise are utilized to ensure complementarity in meeting refugee and host community needs. Institutional strengthening and the inclusion of refugees in business development, education, local private-public dialogue and private sector engagement is viewed by PROSPECTS Partners in Uganda as having an effect towards removing de-facto barriers and





strengthening the private- public sector capacity from the onset, fostering ownership to allow it to stand on its own as early as possible.

For programming purposes, the PROSPECTS Partnership in Uganda focuses on two refugee hosting districts, i.e. Arua – with a focus on Rhino Camp Settlement and its host communities; and Isingiro – with a focus on Nakivale Settlement and its host communities. In 2019, Isingiro district had a projected district population of 576,300 nationals. The Isingiro district population is expanded through hosting of Nakivale settlement with refugees and asylum seekers totaling 130,462. Refugees represent 9.5 per cent of the population of Isingiro. Arua district is the host district for Rhino Camp Settlement with a projected district population in 2019 of 891,700 nationals also further expanded through its two settlements hosting a total of 178,610 (divided between Imvepi and Rhino Camp). Refugees represent 13 per cent of the population of Arua. The informality diagnostics will follow the same regional focus.

► **Diagnostic of informality: objectives and main features in forcibly displaced contexts**

The ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)² invites Members to design coherent and integrated strategies to facilitate the transition from the informal to the formal economy and recognizes the need for tailored approaches to respond to the diversity of situations and the specificity of national circumstances. To inform the design and implementation of laws and regulations, policies and other measures aiming to facilitate the transition to the formal economy, the Recommendation calls for the establishment of a diagnostic of factors, characteristics, causes and circumstances of informality.

The causes of informality are multiple and include but transcend the world of work. The growth and the persistence of the informal economy can be traced to inappropriate, ineffective, misguided or badly implemented policies, not only related to labour issues, but in the economic and social arenas. They include misguided macro and sectoral policy, inadequate and insufficient public services, inefficient bureaucracy and red tape that impose excessive costs of formalization, lack of transparency and accountability of public institutions.

However, the existence of informality is not only consequence of misguided policy alone. A number of other socio-economic factors also encourage informality, including poverty, low and irregular incomes, lack of education and skills and discrimination, all of which limit the ability of workers and independent workers (especially own account operators) to take advantage of opportunities for decent and protected work.

Structural characteristics of the economy also limit the scope of opportunities for decent and protected work that are available. Moreover, certain desirable regulations may induce informality given a context of low productivity or capacity to comply. The sector composition of the economy is also an important factor. Sector shares of employment typically evolve slowly, and activities in agriculture (representing over 46 per cent of total employment in Uganda³) and services are more likely to be outside the scope of regulation and are easier to maintain undeclared, relative to manufacturing or certain primary production.

Forcibly displaced people face, in addition to transversal drivers of informality, some specific drivers that should be highlighted through this diagnostic:

- *Specific drivers of informality* are those that relate to specific and identifiable groups of workers or enterprises, often translating into specific manifestations of informality

² Full text of the Recommendation available [here](#).

³ Labour force survey, 2017.





among those enumerated above. This includes, for example, explicit exclusion of refugees from labour and social security law. In addition, specific regulations or exclusion from regulation for specific occupational groups, professions or sectors fall into this group.

- ▶ *Transversal drivers of informality* are those that relate to all (or a wide set) of manifestations of informality. A number of major determinants of informality beyond the world of work fall into this group, for example, the capacity of the economy to generate sufficient good quality, productive jobs, in particular through a process of structural change and/or through attracting investors in under-developed locations or where refugees and host communities are primarily located. The functioning and incidence of labour market institutions (in particular, labour regulation, collective bargaining and wage setting rules) also fall in this group.

The main objectives of diagnostics are to gain a better understanding of the informal economy (i.e. its extent and diversity) and the causes and consequences to build a large domestic consensus about the situation through a transparent and participative process. It enables to be in the position to discuss and agree on priorities and responsibilities and to define an action plan and a road map for a policy response. In addition, the diagnostic should provide insights to the implementation of activities that support the transition to formality of informal economy workers and economic units in forced displacement contexts (e.g. through sensitization, capacity building of constituents or the design of incentive schemes that encourage formalization). The diagnostic also sets the baseline for the monitoring of formalization progress, including for the monitoring and evaluation of policy measures and the active involvement and integration of social partners in the long-term.

Typically, the diagnostic includes the following three main domains of investigation:

1. A **profile of informal economy workers and economic units** in Uganda with a focus on the regions targeted within the context of the PROSPECTS programme. Establish as well a profile of the situation of forcibly displaced people considering in both cases the gender perspective.
 - ▶ The profile of the informal economy in Uganda and in particular in the regions under focus to assess the situation of host communities should include some indicators about the extent, composition of the informal economy and working conditions and exposure to decent work deficits. It should be based primarily on existing data (including analysis of micro survey data when available), reports and studies⁴.
 - ▶ The overview of the situation of forcibly displaced persons will combine the use of existing data and studies⁵ and complementary primary data collection with a preference given to qualitative methods (e.g. focus group discussions, in-depth interviews and, if possible, WhatsApp discussions groups).
 - ▶ Priority needs and effective access, including access to financial and non-financial business services taking into consideration their availability and accessibility in the targeted regions; to training and retraining; to markets; to information.

⁴ For example the National Labour Force Survey 2016/17 which can be accessed [here](#).

⁵ For example surveys that are being carried out in the ongoing Rapid Assessment on the Impact of the COVID-19 Pandemic on Labour Markets in Targeted Intervention Areas¹ of the PROSPECTS Programme in Uganda.





2. Identify the **main drivers of informality, incentives/opportunities** for improvement of working conditions and formalization for forcibly displaced people and host communities. The analysis of drivers can be divided into 3 main parts (see Annex 2):
 - ▶ The drivers as part of the **macroeconomic context**: Information about the labour market at large for Uganda (as reference) and in regions under focus (i.e. labour force participation; unemployment and under-employment rates; the composition of total employment by status in employment; sectors; occupations, employment by size of enterprises). This will also include some information about job creation by sector, economic growth and its sectoral composition and productivity.
 - ▶ **A review of the legal and regulatory framework** and its application. This aims at collecting information on how the existing framework limits or enhances the transition to formality (i.e. creation of formal jobs; transition from informal to formal jobs; and preservation of formal jobs). In the present case, the identification of transversal and specific drivers of informality will be a major importance. As part of the objectives, this review should seek for the identification of the sources of the deficit of protection (for workers and economic units) between 1) a lack of legal coverage; 2) the inadequacy in the level of protection provided according to the law; and 3) the non-application of the law in practice to support the development of the appropriate policy mix in this regard. This review includes for instance:
 - The inventory of what is in place and what are the gaps within the legal frameworks;
 - The assessment of legal provisions and the adequacy of the regulatory framework;
 - A rapid overview of the legal form of organizations available in the country and their related aspects of registration procedure (in general and for informal economy workers/entrepreneurs as well as refugees in particular);
 - The assessment of enforcement systems, including labour, social security and tax inspections and the effective implementation of legal provisions;
 - The degree of transparency and accountability of public institutions and the associated trusts from workers and entrepreneurs;
 - The assessment of the ability of social transfers to secure income or of the adequacy of compliance modalities.
 - ▶ **Other drivers** as part of the characteristics of workers and units and as part of the employment and business environment:
 - Factors associated to some characteristics of workers (forcibly displaced people and host communities) that can make it difficult for them to access formal employment whether as dependent or independent workers (e.g. a low level of education, discrimination, poverty, a lack of voice and representation, of access to credit, to services or to markets).





- The level and type of organisation in forcibly displaced contexts and the role that self-help organizations⁶ such as cooperatives⁷ and more generally the social solidarity economy⁸ play or could play (under which conditions) to improve access to employment and working conditions and facilitate the transition to formality.
3. **Identifying actors** (including coordination mechanisms, if any) and **main policy approaches at the national / local levels** regarding informality and formalization of both economic units and jobs, in particular those active in supporting forcibly displaced populations and host communities in the targeted regions.
- ▶ The mapping of actors should be comprehensive and include members active in the formalization process as well as in the integration of forcibly displaced persons and their host communities, from:
 - The Government (all levels): Ministries, institutions, agencies involved, directly or indirectly, in the formalisation issues at the national, regional or local levels in addition to those involved in supporting forcibly displaced persons and host communities;
 - Social partners, i.e. workers and employers' organizations;
 - Main organizations of the informal economy (representative of economic units, workers, specific occupations or sectors); professional organizations; cooperatives and other groups that are part of the social solidarity economy (including self-help groups);
 - Non-governmental actors both international, national and local active in the support provided to forcibly displaced persons;

The mapping of actors should include some information regarding the main domain(s) of intervention; objectives and priorities; the main responsibilities, scope of actions and resources (financial and technical) including main strengths and weaknesses; the target group(s) and the main realizations and programmes (past, current and planned), which is the entry point to policies adopted in the country for formalization but also for displaced population and host communities. It is important as well to assess their political strength at the national level or local levels, the constraints that may limit their action and needs to strengthen their capacity. Finally, the mapping should aim at identifying the existence of coordination mechanisms (formalized or informal) between the different actors, programmes and policies.

- ▶ Identify programmes and policy approaches to foster the social and economic integration of forcibly displaced persons and their host communities:

⁶ Self-help organizations can be defined as organizations that share a number of common characteristics: they all have an economic purpose (some may have direct social purposes as well) and they are owned and controlled by the people who primarily benefit from their activities. They are run for the benefit of their members. Examples of SHOs include: cooperatives of all types, credit unions, friendly societies, building societies, mutuals, economic associations and informal groups, which may have widely differing objectives. SHOs are not charities or state-directed organizations. Also excluded from this definition are a number of types of organizations with more specific functions, including: trade unions, employers' associations and political parties. Source: ILO: The Role of Cooperatives and other Self-Help Organizations in Crisis Resolution and Socio-Economic Recovery (2001); available [here](#).

⁷ A cooperative is defined as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise." See Annex of ILO's Promotion of Cooperatives Recommendation, 2002 (No. 193); available [here](#).

⁸ There is no internationally agreed definition of social and solidarity economy but it can be defined as "A concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity" ILO Regional Conference on Social Economy, Africa's Response to the Global Crisis, October 2009.





- Assess if and how the reduction of decent work deficits in the informal economy and the transition to formality are part of main national strategic policy frameworks such as national development plans, poverty reduction strategies, budgets or subject of particular policies;
- Identify and map existing policy measures, including deterrence measures (penalties and measures to improve detection) or measures to enhance compliance (curative measures, preventive measures and measures that foster commitment to formality) and, if possible, financial resources invested;
- Collect evidence (and any evaluations) when available on the effectiveness of each measure aiming at facilitating the transition of workers and economic units from the informal to formal economy; promoting the creation; preservation and sustainability of enterprises and decent jobs in the formal economy; and/or preventing informalization.

► The process

A diagnostic is typically composed of several steps allowing for i) the collection and analysis of the information mentioned above and ii) the involvement of main actors concerned during the diagnostic and more importantly afterwards, for the definition and implementation of measures, policies and programmes. The generic steps are presented in Annex 3. In the present case, the sequence of activities can be summarized as follows:

- **Preliminary steps** — the identified knowledge partner/research organization with the support of the ILO will review existing information and past, on-going and planned activities notably within PROSPECTS to define (with the ILO working team) the scope of the diagnostic in order to enhance complementarities, fill gaps and avoid duplications. The ILO will develop in parallel some awareness raising and sensitization activities on informality and formalization (concepts, measurement and realities) and the diagnostic in the forcibly displaced context, to build a common understanding.
- **Core components of the diagnostic** – the identified knowledge partner/research organization with the support of the ILO will compile, collect and analyse information to cover the objectives detailed out in this call for proposals.
- **The subsequent steps** – Validation of the findings with main national counterparts and identification of priority areas, definition of policy recommendations and development of a roadmap. This process will be led by the ILO.

In the context of PROSPECTS in Uganda, this diagnostic should not be considered in isolation but aiming primarily at building on what exists, filling the gaps and avoid duplication. It will in particular build on:

- The Rapid Assessment on the Impact of the COVID-19 Pandemic on Labour Markets in Targeted Intervention Areas of the PROSPECTS Programme;
- The Integrated Enterprise & Market Systems Assessments on Refugee & Host Community Livelihoods in Arua and Isingiro Districts in Uganda;
- The mapping of responses by cooperatives and social and solidarity economy organizations to forced displacement;
- COVID-19 Policy Brief on socio-economic impact conducted by UNDP Uganda;



- Analyses of the socioeconomic impact of COVID-19 conducted by United Nations in Uganda;
- Uganda Business Impact Survey 2020 – Impact of COVID 19 on Ugandan small and medium enterprises;
- Other relevant assessments by PROSPECTS partners and other stakeholders conducted in Uganda;

► Duties and responsibilities

The identified knowledge partner/research organization will be in charge of the production of the diagnostic report. She/he will establish first a draft of the diagnostic report and will revise it according to the ILO comments and then the inputs gathered during the national multi-stakeholder validation workshop. She/he will undertake the following three main tasks:

1. A conceptual/methodological note:

The first task of the assignment will be to identify, review past, ongoing and planned related activities that share some common objectives. On this basis, a preliminary assessment should allow to identify and use the information that can feed into the different components of the present diagnostic and then identify gaps of information to be filled and methods to do so (i.e. through desk-review, key informant interviews and primary data collection with a preference to be given to qualitative methods).

Based on this review the conceptual note will include:

- The specification of the main objectives of the diagnostic of informality for forcibly displaced persons and host communities in Uganda (general and specific objectives);
- The scope of the diagnostic and the main target groups;
- The main issues to be covered and for each, the method of data gathering, the main sources of information (existing reports and studies, available surveys and data sets and links to those resources when available) and, when relevant, primary data collection method(s) and tools; in case of interviews (with key informants, forcibly displaced persons, host communities), focus groups (including WhatsApp discussion group when relevant), an indication of the number of persons to be covered;
- A preliminary list of relevant institutions and contacts of key informants, including for cooperatives (i.e. Uganda Cooperative Alliance).
- The detailed procedures for conducting WhatsApp — Chat Discussion Groups (if relevant);
- The means available: moderators, interviewers, means available to transcribe the information, etc.
- Work plan and calendar of activities.
- Interview guides to collect specific information with key identified stakeholders if relevant. This should include an estimate of the number of economic units and workers (forcibly displaced and host community workers) in the informal economy covered through the different envisaged collection channels (telephone interviews, focus group discussions or other);





2. A draft diagnostics report which should cover:

- 1) National priorities regarding forcibly displaced persons and host communities; and national priorities in the area of formalization of jobs and economic units.
- 2) Profile of the informal economy workers and economic units with a focus on forcibly displaced persons and host communities considering the gender perspective. This includes;
 - On the basis of existing survey data and reports: a brief overview of informality in Uganda and in particular in regions where forcibly displaced persons and host communities reside. Quantify the extent and composition of the informal economy focusing on a few indicators to shed light on the extent of informality, the prevalent forms of informality, main features of workers and economic units in the informal economy and their working conditions;
 - An overview of the situation of forcibly displaced persons (based on existing studies and surveys and possibly primary data collection with a preference for qualitative methods).

The information collected aims at:

- Qualifying workers in informal employment (status in employment, non-standard forms of employment, sectors and occupations, type of enterprises).
- Identify types of enterprises or groups, regions, sectors facing a particular challenge; this further includes capturing movements of informal economic units among forcibly displaced persons and host communities to other areas outside the target area;
- Assessing working conditions and exposure to decent work deficits for both dependent and independent workers among forcibly displaced workers and host communities;
- Identify other risks and challenges faced by host communities and forcibly displaced workers and their economic units in the informal economy; assess to which extent those risks are specific;
- Assess the main challenges faced by informal and formal economy actors and how they perceive the advantage/disadvantage of formalization.

The root causes of informality, highlighting transversal and specific drivers of informality:

- 3) The root causes of informality, drivers of informality and formalization as part of the macro-economic context: this includes a brief overview of the macro economic situation with a focus on economic and labour market features that can represent an obstacle to the creation of formal jobs and economic units and formalization;
- 4) Drivers of informality as part of the legal and regulatory framework and its application: how the existing framework limits or enhances the transition to formality of forcibly displaced persons and host communities. This includes for instance (for the target groups):
 - The inventory of what is in place and what are the gaps within the legal frameworks;
 - The assessment of legal provisions and the adequacy of the regulatory framework;
 - The assessment of enforcement systems, including labour, social security and tax inspections and the effective implementation of legal provisions;
 - The degree of transparency and accountability of public institutions and the associated trusts from workers and entrepreneurs;
 - The level of awareness in public institutions and examine the nature of informal compliance mechanisms that are existent in the studied areas;
 - The assessment of the ability of social transfers to secure income or of the adequacy of compliance modalities;



5) Other drivers of informality which include

A. Other drivers of informality of forcibly displaced persons that are not related to the legal framework:

- Analysis of specific drivers that relate to the context of forcibly displaced persons such as cultural and language aspects and questions of social cohesion vis-à-vis host communities;

B. Transversal drivers as part of the characteristics of workers and units and as part of the employment and business environment (host communities and forcibly displaced):

- Analysis of micro level determinants of informality such as the level of education, poverty, voice and representation, exclusion/positive discrimination of certain population and groups, cultural factors (see further drivers of informality in Annex 2).
- Level and forms of (self-) organisation:
 - Identify and assess existing organisational forms that can, by their nature, gradually facilitate the transition to formality for forcibly displaced persons and host communities, e.g. social and solidarity economy organisations, membership-based organisations representing actors in the informal economy, digital solutions for wage payment or contract administration;

6) Perceived priority needs and ability to meet those needs, such as:

- Financial and non-financial business development services and to what extent FDP and host communities express their need for, are aware of and have access to it;
- Training and retraining;
- Information on rights, entitlements and benefits;
- Support for the formalization of economic units; of jobs.

7) Mapping of actors, identification and assessment of the current policy approach to reduce decent work deficits among forcibly displaced persons and host communities operating in the informal economy and to facilitate the transition to formality of workers and economic units through the analysis of some of the key measures.

- Mapping of actors active in supporting FDPs, in fostering decent work and facilitating transition to formality and identification coordination mechanism, if available. This includes to comprehend the role, capacity and strategic alignment of relevant national and regional authorities for supporting the transition to formality of informal jobs and economic units among forcibly displaced persons and host communities;
- Assess the role of humanitarian interventions in structurally facilitating the transition to formality of informal workers and informal economic units and how this links with the activities of other development partners;
- Analyse the way the transition to formality has been taken into consideration in previous policy and technical assistance interventions within the respective geographical areas;
- If possible, the assessment should identify which forms of ongoing interventions can facilitate building blocks for the formalization of economic units and informal employment; this includes to consolidate, with support from the ILO, how the PROSPECTS interventions in Uganda can be best aligned to complement the objective of reducing informality;

8) Concluding remarks, including possible measures considering both the needs but also real opportunities for improving working conditions and facilitating the transition to formality for workers as well as for economic units among the groups of forcibly displaced persons and host communities. These priorities can relate to general activities (e.g. awareness on the



benefits of formalization, clarifying definitions, capacity building of the actors involved, etc.), groups of workers, type of economic units; transversal drivers of informality (e.g. enforcement bodies) and can be defined to ensure ownership and engagement of the different actors involved.

- The suggested measures should be grounded in realistically implementable interventions that take into account the role and bargaining power of involved stakeholders. Therefore, a form of pre-testing of the applicability of these measures should enrich the diagnosis with indications on possible intervention models.

3. Finalization of the report

- Answer the queries of the ILO on the conceptual note;
- Submit to the ILO a draft diagnostics report (first draft report) and revise it after reception of the feedback and comments from the ILO;
- Present the report (second draft report) and update the report based on the agreed recommendations.
- Review the third draft report according to inputs gathered during the national multi-stakeholder validation workshop.
- Submit the final report to the ILO.

Specifications on the language and the length of the report:

The output produced by the consultant will be written in English. The output will be about:

- 2-4 page executive summary with necessary figures and tables as well as a contextually and regionally specified working definition on informality, times new roman 12-single space
- Detailed report - 60 pages, times new roman 12 - single space - without counting the annexes.
- Prepare concise and visual summary of the report for dissemination to the public (max 4 pages) after the validation workshop.

► Expected deliverables and time frame

The diagnostics will take a **maximum of 3 months** for completion from initial desk research to finalization of the report after incorporating comments from the ILO.

In the context of the COVID-19 pandemic, consultants will work and conduct some consultations remotely using the technological means at their disposal. Virtual means of communication and consultation will be preferred. If this is not feasible, in-person meetings or consultations will strictly comply with the health and social distancing measures in place and require prior approval of the ILO.





Deliverables	Indicative Deadline	Indicative Amount of Payment
Outline and conceptual /methodological note	Within 3 weeks upon signature of the contract	30% of the total contract amount
First draft of the diagnostic report	Within max. 2 month upon signature of contract	30% of the total contract amount
Final report following the validation workshop taking into account ILO comments	Within 3 months upon signature of contract	40% of the total contract amount

► **Desired background qualifications, experience and competences**

The consultant or service company should have the following experience, expertise and competences:

- Multidisciplinary background of research team with skills and proven expertise in social sciences, law or economics.
- Extensive professional experience (10+ years) at the national or international level in the areas of employment, labour market and informal economy.
- Very good knowledge of the informal economy and working condition in the region.
- Very good understanding of the political economy and macro-policy environment analysis and experience in conducting complex research in forced displacement contexts.
- Familiar with the ILO and its mandate, and the ILO's employment and formalization approaches.
- Excellent command of English.
- Ability to analyse complex national employment issues and data sets; to deal with multiple stakeholders and to prepare reports and publications of a high quality, technically sound with policy-oriented conclusions and recommendations.

► **Application Submission and Procedure**

Interested applicants should submit their technical and financial proposal as well as other supporting documents via email to bonnet@ilo.org and doorn@ilo.org with a copy to bayo@ilo.org citing "Diagnosis on Informality in Targeted Intervention Areas of the PROSPECTS Programme in Uganda" as a subject, **latest by 12:00 noon (Geneva time) Friday 09 October 2020.**

The technical proposal should outline the organization's (i) background and qualifications to perform the task, (ii) understanding of the task & approach to carry out the research, (iii) organization of the task including mode of collaboration with partners and counterparts. The financial proposal should outline an estimated budget for the overall assignment (professional fees, travel, and communication).





The technical and financial proposal together should not exceed 10 pages excluding annexes. Proof and copy of a similar assignment and CV(s) of people to be involved are required as an annex as part of the technical proposal.

All proposals will be evaluated on the following criteria:

- ▶ Good understanding of the subject matter of the study.
- ▶ Relevant research experience.
- ▶ Qualifications of each of the proposed experts.
- ▶ Estimated cost of the study.
- ▶ Proposed timeline.



Annex 1. Overview of informality in Uganda

Overview of the informal economy in Uganda

Source: Labour force survey, 2017

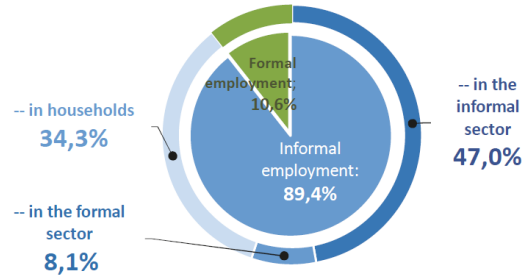
Questions—Comments

1 Share and composition of informal employment*, by sex (%)

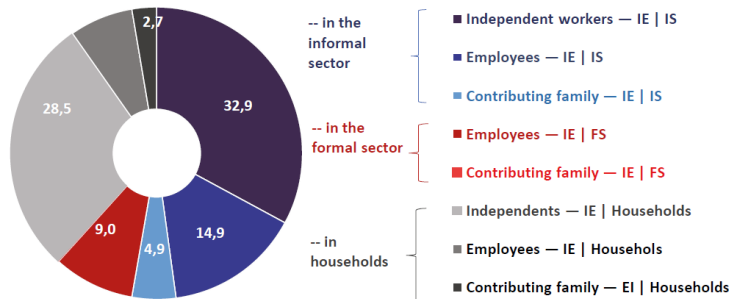
	Men	Women	Total
Informal employment (%), of which:	88,1	91,1	89,4
-- in the informal sector	54,2	50,5	52,6
-- in the formal sector	10,2	7,7	9,1
-- in households	35,7	41,8	38,4
Informal sector units (%)	93,1	92,2	94,0
Informal employment, excluding agriculture	79,1	83,6	81,0
-- in the informal sector	65,3	62,0	63,9
-- in the formal sector	20,3	16,0	18,5
-- in households	14,4	22,0	17,7
Informal sector units, excluding agriculture (%)	84,7	82,5	87,2

Estimates of informal employment follow the ILO harmonized definition and ILO estimates may differ from national estimates. For more details, see: *Women and men in the informal economy: A statistical picture (Third edition)*.

2 Share and composition of informal employment, total (%)



3 Composition of informal employment: What is the prevalent form of informality in the country?

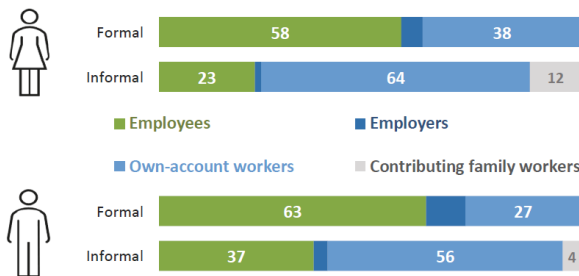


Shares in total informal employment of:

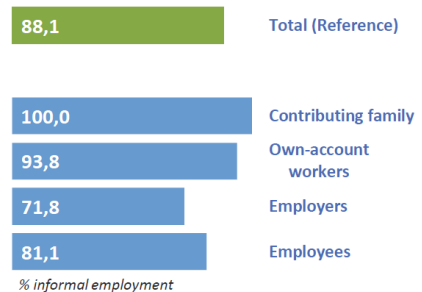
	T	M	W
Independent workers — IE IS	32,9	32,4	33,6
Employees — IE IS	14,9	19,4	9,2
Contributing family — IE IS	4,9	2,5	7,8
Employees — IE FS	9,0	10,1	7,5
Contributing family — IE FS	0,1	0,0	0,1
Independents — IE Households	28,5	26,3	31,4
Employees — IE Households	7,0	7,6	6,3
Contributing family — IE Households	2,7	1,7	4,0
Total	100,0	100,0	100,0

Note: IE= Informal Employment; IS = Informal Sector; EI = formal Employment; FS = Formal Sector

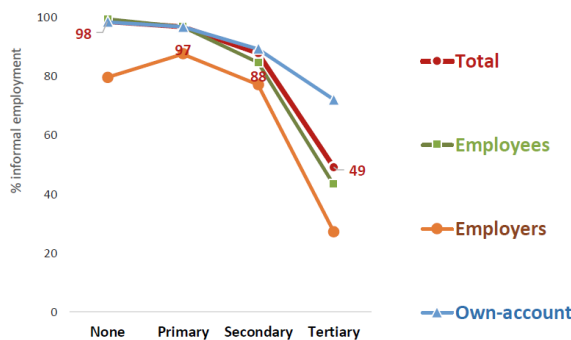
4 Distribution of informal & formal employment by employment status (%)



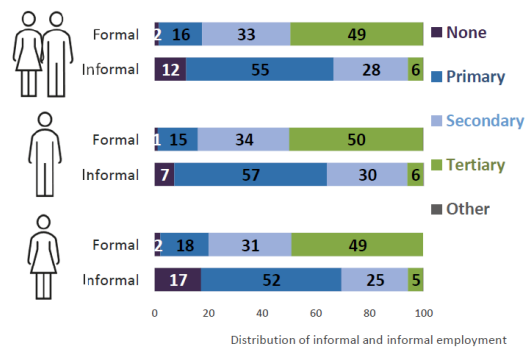
5 Informal employment depending on employment status (%)



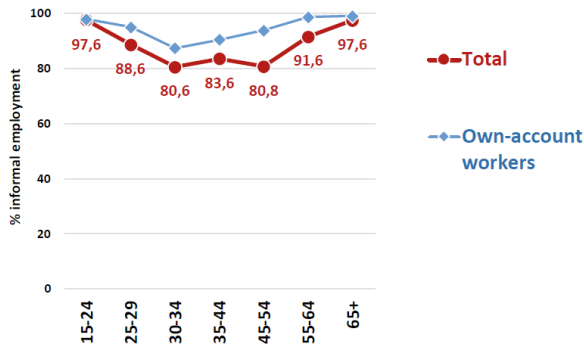
6 Share of informal employment by education level (%)



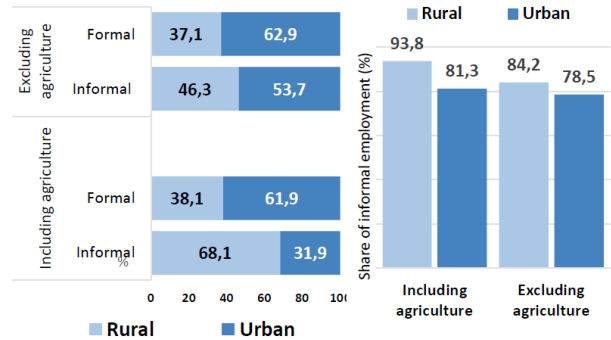
7 Distribution of informal employment by level of education (%)



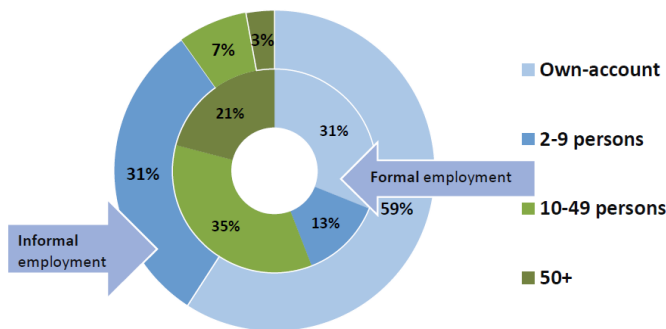
8 Share of informal employment depending on age group (%)



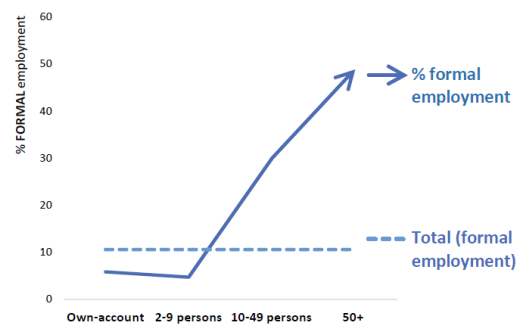
The rural-urban dimension of informality 9



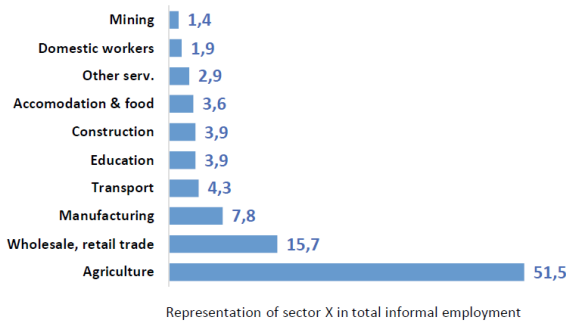
10 Distribution of informal & formal employment by enterprise size (%)



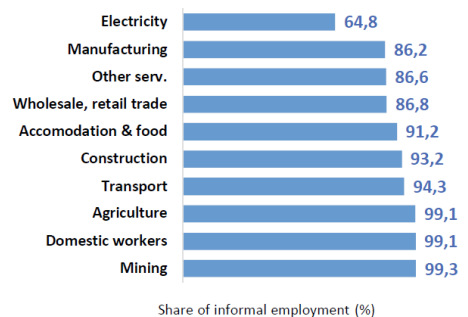
Share of informal employment and size of enterprises (%) 11



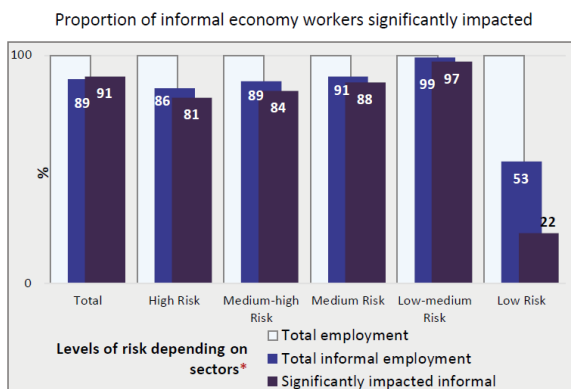
12 The sectoral dimension: The 10 sectors the most represented in the informal economy



The 10 sectors the most exposed to informality 13

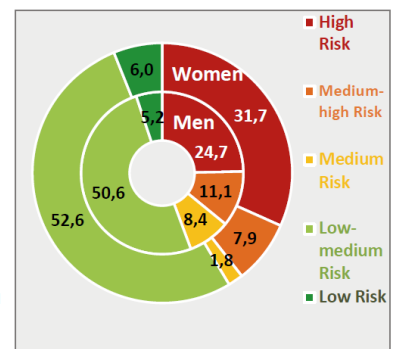


14 The impact of COVID-19 pandemic on the informal economy

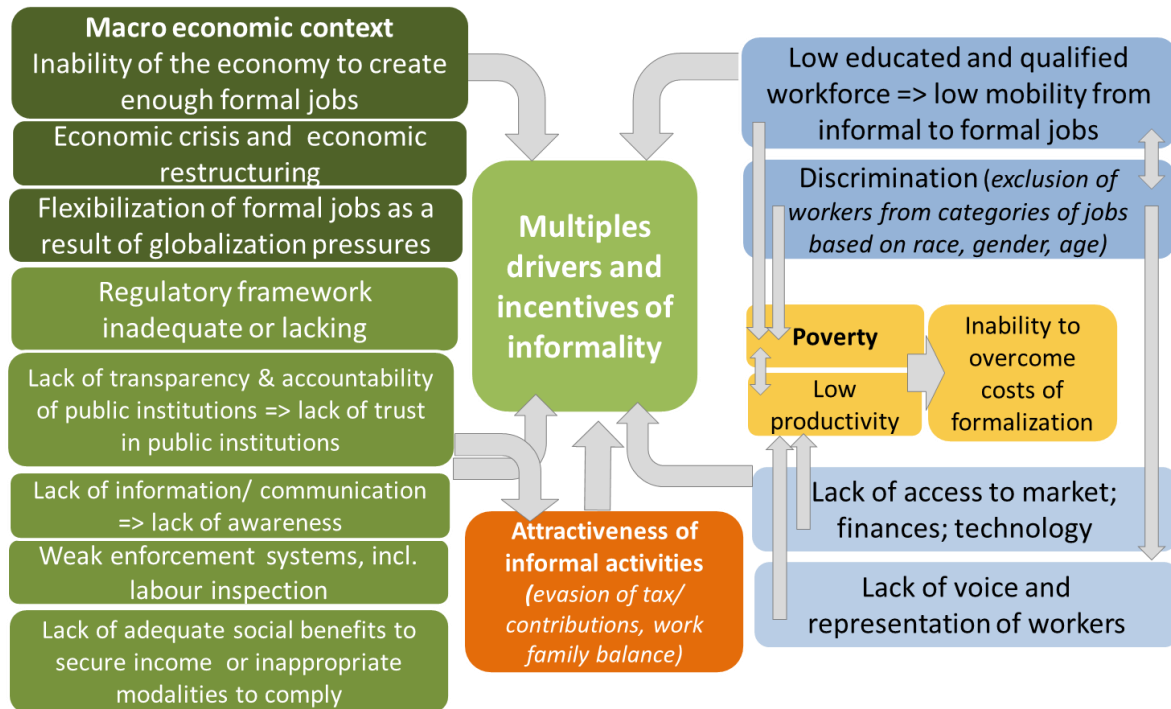


High risk sectors: Wholesale and retail trade, repair of motor vehicles, motorcycles; Manufacturing; Accommodation and food services; Real estate; business and administrative activities.
Medium-high risk sectors: Arts, entertainment and recreation, domestic workers, and other services; Transport, storage and communication.
Medium-Risk sectors: Construction; Financial and insurance services; Mining and quarrying.
Low-Medium risk sector: Agriculture, forestry and fishing.
Low-risk sectors: Human health and social work activities; Education; Utilities; Public administration.

Sectors most represented among informal workers significantly impacted by the crisis



Annex 2. Main drivers of informality



Annex 3. Diagnostic of informality: a Typical sequence of steps

Figure 1. Main steps of national diagnoses

