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## A Mid-term Evaluation of the Way Out of Informality Project



Dr. Smita Premchander  
October 2014

<b>Project Name</b>	Way Out of Informality: The Sub Regional Project
<b>Project Code</b>	Project Code: RAS/ 13/51M/JPN
<b>Countries</b>	Bangladesh, Nepal and India
<b>Geographical Coverage</b>	National and field level activities in all three countries
<b>Project Duration</b>	2011 – 2016
<b>Executing Agency</b>	ILO
<b>Technical Backstopping Unit</b>	ILO Decent Work Technical Support Team for South Asia (DWT – New Delhi)
<b>Financing Agency</b>	Government of Japan
<b>Donor contribution</b>	US\$ 4.2 million

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A mid-term evaluation is an important time for taking stock of a project; it provides an opportunity to celebrate what has gone well, review what has not worked, make mid-course corrections, and above all, helps to see beyond the time line of the project. I would like to thank the International Labour Organisation (ILO) and the donors of the Way Out of Informality Project for inviting me to conduct this evaluation, and provide an assessment and suggestions for enhancing the impact of the Project.

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I hope that the years of experience in evaluating ILO projects, especially those addressing vulnerable populations such as bonded labour, have informed this assessment, and helped to develop recommendations that will improve the effectiveness and sustainability of the Way Out of Informality project.

***Dr. Smita Premchander***

***October 2014.***

***Ahmedabad.***

## Abbreviations

ACMA	Automotive Component Manufacturers Association of India
BMS	Bharatiya Mazdoor Sangh (Trade Union)
COC	Code of Conduct
CO	Country Office
CTA	Chief Technical Advisor (on an ILO Project)
DCSI	District Cottage and Small Industry (Department/ office)
DWCP	Decent Work Country Programme
DWT	Decent Work Team
EOs	Employers' Organisations
GOB	Government of Bangladesh
HQ	Head Quarters
ILO	International Labour Organization
MOLE	Ministry of Labour and Employment
MOU	Memorandum of Understanding
MTE	Mid-term evaluation
NGOs	Non-Governmental Organizations
NPC	National Project Coordinator
OSH	Occupational Safety and Health Standards
PPE	Personal Protective Equipment
Prodoc	Project Document
TOR	Terms of Reference
TU	Trade Union
TVET	Technical and Vocational Education and Training
TU	Trade unions
WOI	Way Out of Informality Project
ANTUF	All Nepal Federation of Trade Unions
NTUC	Nepal Trade Union Congress - Independent
GEFONT	General Federation of Nepalese Trade Unions
CAWUN	Construction and Allied Workers Union
BMS	Bharatiya Mazdoor Sangh
FWEAN	Federation of Women Entrepreneurs Association of Nepal
SIYB	Start and Improve Your Business
MOLE	Ministry of Labour and Employment

# Way Out of Informality

## A Mid-term Evaluation of the Sub Regional Project

### The Executive Summary

#### *1. Introduction to the Evaluation*

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The International Labour Organization (ILO)'s sub-regional technical cooperation project "Way Out Of Informality: Facilitating Formalization of Informal Economy in South Asia"<sup>1</sup> aims to tackle the issue of decent work deficits in the rapidly growing informal sector in South Asia. The project, launched in mid-2012, covers three countries: Bangladesh, India and Nepal. The five year project has a budget of 4.2 million USD.

The overall objective of the Project is to facilitate formalization of informal businesses, employment relationships and discourages informalisation of formal economy in Nepal, Bangladesh and India.

This report is a mid-term evaluation (MTE) that assesses the relevance of the project and the coherence of the project design. It assesses what has been achieved so far and how the Project has performed against its stated objectives. The Project is also evaluated for the efficiency in its operations and management arrangements, and the impact orientation and sustainability of its interventions.

#### *The Objectives and Methodology of the Mid Term Evaluation*

The MTE is expected to cover the following aspects of the project:

1. The relevance and strategic fit of the Project
2. The Coherence of Project design
3. The Project's effectiveness, including attention to gender equality
4. The Project's efficiency, including the management arrangements
5. The impact orientation and sustainability of the Project

The evaluation methodology included a study of project documents, and visits to field locations in India and Nepal to cover the perspectives of a wide range of stakeholders, including the final beneficiaries. Interviews were held with the officials of the Ministry of Labour and Employment (MOLE) in India and Nepal, the Ministry for Small and Medium Enterprises in India and district level officials in Chitwan and Pokhara in Nepal. Consultations took place with members of trade unions, employers federations, NGOs and other implementing partners of the Project. Furthermore, discussions were held with contractors and enterprise owners in Chitwan and Pokhara. Meetings were held with ILO's senior management in Delhi and Bangkok, senior programme staff in India and Nepal, and the Chief Technical Advisor (CTA) of

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<sup>1</sup>Henceforth referred to in this document as the WOI project, or the Project.  
*The Mid-term Evaluation Report of the Way Out of Informality Project*

the project, and the ILO Project team members and consultants in India and Nepal. A donor interview was held in Nepal.

While the coverage of Nepal and India projects was comprehensive, including field visits, it was not possible to visit the Bangladesh chapter of the Project for the MTE. The Bangladesh perspective is gleaned from the documents available, discussions held by the evaluator earlier with the constituents and beneficiaries, and information and perspectives were provided by the Project's Bangladesh team by email.

## **2. Relevance and Strategic Fit**

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The Project has an opportunity to influence the regulatory framework of the countries, get more involved in the labour law amendment process and contribute to definitional clarity of the dividing line between formality and informality, as well as facilitate and participate in the reform process in all three countries.

The CTA of the Project, located at the Country Office and Decent Work Team in Delhi, contributes to ILO's work on the informal economy, so that the Project makes direct contribution to ILO's role in supporting governments with policy making.

The donor, Government of Japan, (GOJ) has a keen interest in upholding international labour standards, and believes in investing in the capacity of governments to uphold these labour standards. The GOJ also prioritises skill development as an intervention, as critical to enabling workers to attain decent work. They would be interested in learning from this project the impact of training in terms of improved wage rates or other benefits arising from higher skill levels. In this way, the project supports and contributes to GOJ's strategic areas, priorities and partnership with the ILO.

## **3. The Project Design**

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The Project works on two paths for formalisation, one through workers, and the other through enterprises. In addition, it works at the policy level, and aims to generate and share knowledge about issues related to formalising the informal economy, which it does through studies conducted in all three countries.

The primary target group for the Project are the three tripartite constituents and workers and enterprises in the informal sector. In addition, the Project conducts a series of capacity building, linking and networking activities involving a wide range of workers and enterprise associations, government agencies and Civil Society Organisations (CSOs) to promote job rich growth strategies.

A few lessons relating to design are evident from the Project's experiences. The first relates to the process of project design in UN agencies, which usually involves a process of discussions with

stakeholders, resulting in a shared understanding of the problem, and a design that is simple to comprehend and implement. In this respect, the process was reportedly not participatory, resulting in the theory of change not explicitly stated, and a project design that is not simple to understand or implement. As the constituents had to be brought on board, and several strategic decisions were taken after the project started, the start of the pilots at the field level was delayed.

Secondly, the Project operates in an external environment that prioritises the paradigm of flexibility in labour employment; this Project is apparently working against the mainstream trends. For instance, one of the components of the Project is to encourage formalisation right down the value chain, which is sought to be piloted in India in the automobile sector. While the sector seems at first to offer significant employment opportunities to work across multiple supply chains, competition in the sector is high. Initiation of discussion and gaining collaboration of industry associations for equal treatment to regular and contract workers is likely to prove difficult. The expectations from this initiative need to be tempered by the understanding that there are many obstacles to achieving a breakthrough in the automobile sector.

#### **4. The Project's Effectiveness**

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##### **Project Progress**

The design of the programme has been flexible; an exploratory phase was initiated, with thematic studies and consultations with stakeholders in the first few months, which helped to outline an implementation plan in specific sectors.

The Project has sub-regional activities which are relevant for all the three Project countries, and each of the country chapters have both national and local level activities. In Nepal and Bangladesh, the Project is being implemented in the construction sector. The locations are seven districts in Nepal namely Morang, Sunsari, Kathmandu, Lalitpur, Bhaktapur, Chitwan and Kaski; and three districts in Bangladesh namely Dhaka, Rajshahi and Chittagong. In India, the focus of the work is in the automobile sector, with the local project concentrated in Pune in Maharashtra.

At the mid-term of the Project's duration, it has shown good overall progress. In Nepal, the programme has formed good linkages with all stakeholders, with initiatives at both local and national levels. In Bangladesh too, stakeholders are on board with demands for several project activities. In India, the local programme has started, and initiatives are under discussion at the national level, with demands from the Ministry of Small and Medium Enterprises.

The findings related to expected outcomes of the Project are presented next.

##### **Creating a Conducive Policy Environment**

A policy dialogue to fine tune the incentives and the disincentives to formalizing informal workers and informalising workers has been initiated in all the three countries. In Bangladesh, awareness raising sessions for tripartite partners on the new labour law have been conducted in three areas for some the development of a national employment policy and the inclusion of initiatives promoting the



formalisation of the informal economy. In Nepal, the National Programme Coordinator has raised support towards designing and implementing different activities. The three main Trade Unions: NTUC, GEFONT and ANTUF in Nepal are working towards unionising the construction sector workers and advocating for formalising to ensure their rights and protection.

Awareness and sensitisation programmes have been conducted for on Occupational Safety and Health (OSH), legal provisions, discrimination, workplace cooperation, gender issues, with over 200 participants from the Government, Employers' and Workers' Organizations. The Project has also identified and supported several good practices.

In Nepal, more than 5,000 new SMEs have been registered in the government system in the project districts. Over 200 entrepreneurs are trained in SIYB training under the Project. Coordination and linkages have been developed in the districts with commercial banks for micro credit.<sup>2</sup>

### *Job Rich Growth Strategies*

The first objective of promoting job-rich growth sectors and development strategies at the target local areas is to be addressed in Nepal through facilitating the implementation of development strategies in the tourism sector, in Pokhara town of Kaski district. The growth strategy will use the Local Economic Development (LED) approach of the ILO to enhance local jobs and economic activities locally, including packaging all tourism products available in Pokhara, value chain development, training and marketing, linkages, and other enterprise promotion activities.

The second output relates to improved linkages with upgrading and risk mitigation services. The project has undertaken thematic mapping studies of the potential partner organizations and the available services in the target local areas. In Nepal, partnerships are developed with cooperatives and banks for financial literacy, and access to financial services. The Project has undertaken several capacity building activities, for partners who are willing to provide financial education and other risk mitigation information and support. Further, partnerships have been forged with ILO projects that contribute to job-rich growth strategies, such as SCORE in India and TVET and RMGP in Bangladesh.

### *Training and Capacity Building*

In Nepal, trainings have been provided to about 1300 actors from the government, workers and employers' organisations. Cooperation is ongoing with the ICT (Turin) on developing a training component on the Informal Economy focussing on local level officials and stakeholders, building on the training programme developed and tested in Pokhara, Nepal in May 2014.

In Bangladesh, collaboration on vocational training and OSH is being discussed with some of the largest construction companies in the country.

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<sup>2</sup>The Sustaining Competitive and Responsible Enterprises (SCORE) is a global programme of the ILO, Technical and Vocational Education and Training (TVET) Reform Project and the Improving Working Conditions in the Ready-Made Garment Sector (RMGP) Programme in Bangladeshis are initiatives of the Government of Bangladesh, assisted/ implemented by the ILO.

The Project has provided need based support to its stakeholders, such as the support provided to Bharatiya Mazdoor Sangh (BMS) Trade union for improving research capacities. The Trade Unions recognise the role of the Project, in enabling them to improve their ability to reach out to a larger number of workers in the informal sector. Participation in the WOI project has also facilitated increased contact with government authorities.

#### *Good Practices and Tools for Improving Formalization*

The Project envisages that a web-based knowledge sharing and monitoring platform has been developed, and that the project has compiled ILO's good practices and tools in assisting formalisation globally as well as from selected projects in the target countries. Towards these outputs, the project plans to bring out a compilation of good practice documentation, and a video film, both of which are under production.

The project also provides for better exposure to national constituents and other key stakeholders to the international experiences of formalisation efforts. The Project has done this through organising visits of stakeholders in all three countries to Nepal and India for capacity building and mutual learning workshops.

#### *Gender Equality and Promotion*

Addressing equality issues arising from gender, ethnicity, race, caste, disability and age differences is a key component of Decent Work strategies. The Prodoc commits that gender balance of the direct beneficiaries will be maintained through various factors such as gender sensitive selections at sectors, unequal employment opportunities, informing women workers of their rights etc. This intention is evidenced in the log frame wherein women are required to be at least half of the beneficiaries of key project activities.

The Project has been able to advance gender equality in Nepal in two ways:

- The Trade Unions are more equipped to enrol women members. TUs in Nepal have good representation of women (currently about 25% of the total membership) and recognised the importance of including women as members.
- Encouraging and involving women participation in formalising small businesses, through women led enterprise focused interventions, e.g. those through women's enterprise associations, e.g. Federations of Women's Enterprise Associations Network (FWEAN).

Women are engaged in a wide variety of work in the construction sector, which not only needs to be better recognised, but also supported through skills improvement programmes. The successes on women leadership, equal pay, skill training, OSH training and enterprise training for women can be documented, and such good practice replicated in the Project countries.

## 5. *The Project Efficiency*

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The Project's efficiency is assessed in terms of its management structure and staff as well as the adequacy and flow of funds. The project management structure and staff are in place, the stakeholder relationships are good, aiding the project implementation. As the project expands and goes into a phase of completing and strengthening and all the local level initiatives, it would be useful to supplement the coordination function of the CTA in Delhi.

The relative lack of delegation of financial powers to the CTA located in Delhi involves seeking approvals and funds transfers being sought for small amounts from the ILO Bangkok office resulting in delays in implementation. Greater delegation will increase financial efficiency and aid project implementation.

The funds flow have been relatively low compared to the ambitious objectives of the Project, which have been supplemented by additional fundraising, and contributions and cost sharing with ILO projects, especially in India (with the SCORE project) and in Bangladesh (with the TVET and RMG projects).

## 6. *Impact orientation and Sustainability of Orientations*

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The project has shown good results in its first 2.5 years.

### **Emerging Good Practice**

The WOI Project addresses complex issues, and has the potential to offer valuable lessons for ways out of informality. These relate to formalisation of workers and enterprises, as well as addressing Decent Work deficits right down the value chain. The lessons arising relate to the challenges of working in the informal sector, with a work force that is largely unorganised and unaware, and with enterprises that face severe competition for survival: an environment in which reducing Decent Work deficits can prove particularly difficult.

The lessons emerging from the experiences of registration of workers and enterprises are that access to social security may become easier, and access to better business is facilitated, through improved access to government contracts and to credit. Women's enterprises in the informal sector derive several benefits from formalisation too, including better access to training and to social support structures.

### **Sustainability of Project Interventions**

The strong partnerships with key stakeholders have ensured that the project's interventions have been relevant and mainstreamed. Sustainability is higher in interventions which are already mainstreamed, such as registrations of enterprises in Nepal. The capacity building of trade unions and enterprise associations is also likely to sustain, however, some of these organisations may lack resources for continuing activities that they have initiated through the Project. Sustainability of enterprise training will be enhanced by supporting trainer associations and by piloting low cost enterprise training with TUs as well as enterprise associations.

## 7. Conclusions and Recommendations

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In an external environment where flexibility in employment is becoming the norm, the issue of decent jobs in the informal economy assumes importance in all three countries where the Project is under implementation. The Project is therefore highly relevant.

The Project has many innovative elements. For instance, the trainings on SIYB provided through the Trade Unions in India, OSH trainings in construction enterprises in Bangladesh, and registration of petty contractors in Nepal. There are many lessons emerging, which can be developed by taking the pilot to its logical end. In the next two years, the Project will do well to consolidate some of these initiatives, and invest in developing the sustainability of these interventions.

Some recommendations on these follow.

### 7.1. Recommendations for the Current Phase of WOI

1. **Ensure Continuation of the Project:** The Project is highly relevant and critical for the governments, trade unions and enterprise associations in the three countries of operation. New ground is being broken, and initiatives are being piloted, strengthened and scaled up. The range of initiatives is also wide, addressing worker, enterprise as well as policy issues. As it will take time to develop the innovative approaches being developed to a stage where scale up and replication is possible, the Project be continued and taken into a second phase, where some of the work initiated in this phase (2012-16) can be completed and strengthened.

The following recommendations are made for implementation during the current phase,

2. **Prepare a Brochure on Definitions of Key Terms:** formal/informal work, formal/informal enterprise, and organised/ unorganised sector. This is a demand from and will support all Project stakeholders, and support national policy makers as well.
3. **Pay More Attention to Issues Relating to Gender Equality,** by giving special attention to gender balance in participation in all Project activities. Further, pilots may be started for improving women workers' skills, and organising women construction workers as a precursor to empowering them to negotiate better and gain access to their rights
4. **Support the Simplification of the Enterprise Registration Process,** through a joint study (involving government, worker and enterprise associations) for strategizing and piloting ways of streamlining the enterprise registration process.
5. **Support the Process of Registration of Workers with the Municipality in Nepal,** which is a potential entry point for access to social security schemes, as well as benefiting from government initiatives relating to the business, such as setting of wage standards.

- 6. Support Sustainability of Enterprise Training Tools**, using a two track approach: one that supports SIYB trainer associations to be established and become sustainable and another that enables enterprise associations and unions to pilot and low cost and flexible enterprise training packages.

The design of the next phase will need significant care and attention. Some key recommendations for the design and implementation are included here:

- 7. Pilot Skill Certification and Development Partnerships** with national, district and local organisations in all three countries. Such initiatives will help workers directly, to be better recognised and benefit from formal skill certification.
- 8. Forge Partnerships at the Local Level**, with local branches of unions and enterprise associations in the relevant sectors; this will increase the efficiency and effectiveness of the formalising initiatives in the informal sector.
- 9. Support Initiatives for Digitalising Enterprise Registration and Renewal:** The Nepal chapter of the Project could assist a pilot in two or three districts for digitalising of the registration and renewal process using hardware and software (MIS design) support, along with human resource development.
- 10. Initiate Project Work in New Sectors**, such as transport sector in Bangladesh, agricultural sector in Nepal, and food sector in India. Stakeholders in the three countries have demanded work in these sectors, and valuable lessons are likely to be learnt about formalisation.

The Way Out of Informality Project is unique in its attention to the workers and enterprises in informal sector. It has brought up several lessons that can be strengthened for replication within and across the countries where the pilot is implemented. The Project contributes to policy discussions on the informal economy as well, and will be a good resource for work on the informal economy in many developing countries.

***Dr. Smita Premchander,  
October 2014***

# The Mid-term Evaluation Report of The Way Out of Informality Project

## 1 Introduction

Large decent work deficits in the rapidly growing informal economy are a major challenge in South Asia and present a significant obstacle to the goal of realizing decent work for all. The International Labour Organization (ILO)'s technical cooperation project "Way Out Of Informality: Facilitating Formalisation of Informal Economy in South Asia" seeks to address the problem by facilitating formalisation of informal businesses and workers, as well as discouraging informalisation in formal economy firms and jobs. The project was launched in mid-2012 and covers three countries: Bangladesh, India and Nepal. It has a duration of five years with a budget of USD 4.2 million.

The WOI project seeks to address the problem by facilitating formalisation of informal businesses and workers, and discouraging formalisation informalisation of the formal economy firms and jobs. The labour side of formalisation focuses on formalizing employment relationships through official contracts and registration to authorities, and facilitating workers' registration for various public schemes that provide formal recognition and access to certain protections/benefits (e.g., registration with a social protection scheme. The firm side of formalisation focuses on business registration and licensing. The Project further aims to generate knowledge about issues related to formalising the informal economy, to positively influence the regulatory and policy environment towards formalisations, and to develop ways for promoting job-rich growth strategies and provide integrated formalisation assistance.

This report is a mid-term evaluation (MTE) that assesses the relevance of the project and the coherence of the project design. It assesses what has been achieved so far and how the Project has performed against its stated objectives. The Project is also evaluated for the efficiency in its operations and management arrangements, and the impact orientation and sustainability of its interventions.

The first section of the report introduces the MTE report, with the findings being detailed thereafter. The second section highlights the relevance and strategic fit of the project, and the third section examines the coherence of project design. The fourth section discusses the project's effectiveness, with regard to the outcomes proposed in the project document (Prodoc), including the contribution to gender equality. The efficiency aspects of the Project are assessed in section five, and section six analyses the good practices and emerging lessons from the Projects, its impact orientation and sustainability. Section seven captures the major conclusions of the study, and outlines the recommendations, for the current phase of the project, and in the event of a second phase, which the report recommends positively.

## 1.1 The Evaluation Objectives

This mid-term review evaluates the WOI project on the following aspects:

1. The relevance and strategic fit of the Project
2. The Coherence of Project design
3. The Project's effectiveness, with attention to gender equality
4. The Project's efficiency, including the management arrangements
5. The impact orientation and sustainability of the Project

In addition to answering to the above terms of reference, the report captures emerging lessons and offers some recommendations to improve the efficiency, effectiveness and sustainability of the Project interventions<sup>3</sup>.

## 1.2 The Evaluation Methodology

The methodology for the MTE included:

1. A review of relevant documents related to the project including Prodoc, various progress reports, thematic studies and other documents produced by the Project<sup>4</sup>;
2. Interviews with the Project partners in Nepal and India, including the tripartite partners at the national and local level, implementing partners, ILO staff in CO Delhi and Nepal, DWT Delhi, the CTA and the Coordinator of ILO-Japan Multilateral programme in Bangkok, and a donor representative from Japan<sup>5</sup>; and
3. Interviews with stakeholders at the national and district level in Nepal and India<sup>6</sup>



Figure 1: Discussion with Stakeholders in Bangladesh

While the coverage of Nepal and India projects was comprehensive, including field visits, it was not possible to visit the Bangladesh chapter of the Project for the MTE. The Bangladesh perspective is gleaned from the documents available, discussions held by the evaluator earlier with the constituents and beneficiaries, and information and perspectives were provided by the Project's Bangladesh team by email.

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<sup>3</sup>The detailed Terms of Reference (TOR) for the evaluation are attached at Annexure 1, and Annexure 2 contains the Project Log Frame from the Project Document (Prodoc) of the WOI project.

<sup>4</sup>A list of documents studied is given at Annexure 7

<sup>5</sup>The list of stakeholders of all the projects is given in Annexure 4

<sup>6</sup>A complete list of all the stakeholders met is given in Annexure 3.

The evaluation framework adheres to the four analytical aspects that the UN projects answer to: relevance and validity of design, project progress and effectiveness, efficiency of management and resources, and sustainability of the services and impact. Further gender aspects are taken into account to the extent possible<sup>7</sup>. Finally, the evaluation adheres to the UN Evaluation Norms and Standards and Organisation for Economic Co-operation and Development/ Development Assistance Committee (OECD/DAC) quality standards.

## 2 The Relevance and Strategic Fit

The ILO has recognised and prioritised informal economy work since 2002. The ILO and its constituents view those in the informal economy in terms of decent work deficits: poor quality, unproductive and unremunerated jobs that are not recognised or protected by law, the absence of rights at work, inadequate social protection, and the lack of representation and voice.

### 2.1 Relevance to the Country Contexts

Discussions with the Decent Work Team members in ILO, as well as the key constituents underscored the importance of a project addressing issues of informal economy.

The economy in all three countries has a very large informal sector, with a large number of youths seeking employment. In Nepal, the key constraints to growth include political instability, lack of investment climate, poor infrastructure and insecurity. Similar issues prevail in Bangladesh. Both countries are also characterised by large numbers of young people migrating out of the country for work. The growth in India has also slowed down, and is also known to be job-less growth. Job rich growth strategies are therefore, highly relevant for all three countries.



Figure 2: Interaction with Informal Youth Workers

*“Nepal faces a deficit of construction workers, as many workers migrate to other countries every day. Even as Nepali people work in hazardous conditions in other countries (with return on at least 3 to 4 dead workers per day to Nepal), the number of out-migrants continue to increase (up to 1500 workers per day). Improvement in the number and quality of jobs in the informal sector in Nepal will help retain Nepali youth within the country, under better working conditions.”*

- Members of the Building Construction Entrepreneurs Association

<sup>7</sup> These are based on ILO guidelines on "Considering gender in the monitoring and evaluation of projects", at [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165986/lang-en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang-en/index.htm)



The project has an opportunity to influence the regulatory framework, get more involved in the labour law amendment process and contribute to definitional clarity of the dividing line between formality and informality, as well as facilitate and participate in the reform process in all three countries.

## **2.2 Relevance for ILO and the DWCP**

Due to the centrality of the informal economy issue within the Office, there are many Country Programme Outcomes (CPO) of the target countries to which the WOI project contributes. The Project links to the Outcome-Based work plans (OBW) of each country as follows:

- **In Bangladesh, the link is to Outcome 4 (BGD103/ Social Security):** Whereby the commitment is to enable more people to have access to better managed and more gender equitable social security benefits, and access to rights for workers in selected sectors, including migrants.
- **In India, the Project is linked to Outcome 1 (IND101/ Employment Promotion):** Which works towards more women and men having access to decent and productive employment integrated into socio-economic policies through policy/action research.
- **In Kathmandu, the Project is linked to Outcome 11 (NPL104/ Labour Administration and Labour Law),** whereby the commitment is that labour laws will have been improved and their implementation made effective for creating enabling environment for jobs.

The CTA of the Project, located at the Country Office and Decent Work Team in Delhi, contributes to ILO's work on the informal economy, so that the Project makes direct contribution to ILO's role in supporting governments with policy making.

## **2.3 Relevance for the Donor**

The donor, Government of Japan, (GOJ) has a keen interest in upholding international labour standards, and believes in investing in the capacity of governments to uphold these labour standards. Towards this, they have supported other country projects in addition to the WOI project; for instance, a project for staff recruitment and training government officers in Nepal for inspection and upholding labour standards for workers.

The Government of Japan also prioritises skill development as an intervention, critical to enabling workers to attain decent work. They would be interested in learning from this project the impact of training in terms of improved wage rates or other benefits arising from higher skill levels. The Japanese government would also be interested in lessons about the balance between the length of training and numbers that can be reached, as this would feed into their projects in other countries as well. In this way, the project supports and contributes to GOJ's strategic areas, priorities and partnership with the ILO.

### 3 The Coherence of Project Design

The first sub-section describes the Project design in brief, and the second highlights some of the challenges faced due to the design.<sup>8</sup>

#### 3.1 The Project Design

The Project works on two paths for formalisation, one through workers, and the other through enterprises. In addition, it works at the policy level, and engages in knowledge generation and knowledge sharing activities.

The formalisation of workers involves lowering of their decent work deficit through training on OSH, entrepreneurship, awareness raising on rights, access to trade union membership, recognition of skills or skills training, access to social protection, improved working conditions, improved wage level, receipt of ID card, letter of employment and improved job security.

The initiatives in formalisation of enterprises include registration of businesses with government organisations, membership of workers' or employers' organisations, participation in business, OSH or skills training and awareness-raising, improved access to business services including finance and increased compliance with relevant business legislation.



**Figure 3: Business Development Programme, Nepal**

The Project further aims to generate knowledge about issues related to formalising the informal

economy, which it does through studies conducted in all three countries. It works to positively influence the regulatory and policy environment towards formalisation, to develop ways for promoting job-rich growth strategies and provide integrated formalisation assistance. For doing this, the Project conducts a series of capacity building, linking and networking activities involving a wide range of workers and enterprise associations, government agencies and Civil Society Organisations (CSOs).

The district level pilots with these agencies aim to break new ground in terms of methods to formalise workers and enterprises. If policy change is effected at district level (as in Nepal) it can be replicated and scaled up in other areas. Similarly policy change is possible at the state level in India, where states can promulgate policies and regulations relating to labour. The project is therefore well focussed at these levels.

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<sup>8</sup>The detailed project document is attached at Annexure 2.

### 3.2 Challenges in Project Design

The process of project design in UN agencies usually involves a process of discussions with stakeholders, resulting in a shared understanding of the problem, and a design that is simple to comprehend and implement. In this respect, the process was reportedly not participatory, resulting in the theory of change not explicitly stated, and a project design that is not simple to understand or implement. As the constituents had to be brought on board, and several strategic decisions were taken after the project started, the start of the pilots at the field level was delayed.

At this stage of the Project, however, the drawback has been overcome; all stakeholders are on board, and positively engaged with the implementation of the Project, and working towards achieving the stated objectives.

An important design challenge, relevant for work in the informal sector, is that the Project is situated in an extremely difficult enabling environment in all the three countries. In an external environment that is increasingly working within a paradigm of flexibility in labour employment, this Project is apparently working against the mainstream trends.

The Project seeks to reduce Decent Work deficits right down the value chain, and has interventions in the construction and automobile sectors. ILO's project seeks to initiate discussions on equal treatment of regular and contract labour at the work place, including provisions for parity in wage rates, access to facilities such as canteen, child care, social security and other services available to regular employees. The intention of work with formal sector enterprise associations is to set labour standards, and promote adoption of a code of conduct along with a system of checking compliances. This seems an uphill task and the expectations from this initiative need to be tempered by the understanding that there are many obstacles to achieving a breakthrough in reducing Decent Work deficits in formal sector employment.



Figure 4: Construction Sector Workers in Bangladesh

## 4 The Project's Effectiveness

In this section, the projects progress and activities is outlined first, and then the Project's effectiveness is analysed with respect to the expectations outlined in the project document.

### 4.1 The Project's Progress

The WOI project was approved by the Japanese in January 2012 and by the ILO in June 2012.

As the design of the programme has been flexible, an exploratory phase was initiated, with studies and consultations with stakeholders in the first few months. In the first phase of work in each of the country chapters, the vision outlined in the project document was focussed to address specific sectors. This process was aided in all three countries by a series of thematic studies which were presented in the workshops.



**Figure 5: Signing of MOU with the Nepal government**

The Project has sub-regional activities which are relevant for all the three Project countries, and each of the country chapters have both national and local level activities. The locations in each country for the local project implementation are as follows:

- Nepal: The Project is being implemented in seven districts namely Morang, Sun sari, Kathmandu, Lalitpur, Bhaktapur, Chitwan and Kaski.
- Bangladesh: The Project is being implemented in Dhaka, Rajshahi and Chittagong.
- India: The local area of Pune in Maharashtra was identified as the preferred area for implementing project activities and missions were undertaken to discuss possible activities with stakeholders.

The stakeholders in each country have registered work in the following sectors:

**Table 1: Stakeholders in different Sectors**

	Nepal	Bangladesh	India
<b>Sector selected</b>	Construction	Construction	Automobile Sector
<b>Additional sector requested</b>	Hotels & Tourism	Transport	

In Nepal and Bangladesh, the project is primarily focussed on the construction sector, as it is a large sector, rapidly growing business in each country, is largely informal and unorganised, and decent work deficits are high. In India, the automobile sector was selected with the objective of working with highly formalised enterprises, to pilot decent work initiatives for the informal or contract workers down the value chain.

In Nepal, hotels and tourism are likely to be selected for the next intervention, especially when the Local Economic Development (LED) approach is used in Pokhara town. In Bangladesh, transport is the next sector to be covered, as numbers are high, and even with a relatively high organisation of workers and employers, decent work deficits persist.

In India, the Ministry of Medium and Small Enterprise (MSME) has suggested work in the food processing sector, where standard setting is needed for both enterprises and workers. Other potential sectors could be leather and crafts, where inclusion is a critical issue, with workers being from socially excluded groups.

At the mid-term of the Project's duration, it has shown good overall progress. In Nepal, the programme has formed good linkages with all stakeholders, with initiatives at both local and national levels. In Bangladesh too, stakeholders are on board with demands for several project activities. In India, the local programme has started, and initiatives are under discussion at the national level, with demands from the Ministry of Small and Medium Enterprises.

The findings related to expected outcomes of the Project are presented next. While the reporting is done for each outcome, some of the indicators indicated in the Prodoc are not easily measurable, therefore an overall assessment, based on expected Outcomes, is presented in this report.

## **4.2 Creating a Conducive Policy Environment**

The first Outcome proposed in the Prodoc is that ***the regulatory and policy environment in the target local areas will be made more conducive to formalisation and protective to the risks of informalisation.*** The result is to be measured using the indicator of changes in policies and regulations that would influence formalisation. The project is expected to initiate/ support 3 changes in policies by mid-term.

Under this Outcome, two outputs are expected: The incentives and the disincentives to formalizing **unregistered small firms and own-account workers** (Output 1.1), and to formalizing **informal workers** (Output 1.2) are analysed and addressed.

The incentives and disincentives to formalisation of enterprises and workers have been analysed through a series of studies, some of which are as follows<sup>9</sup>:

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<sup>9</sup>A detailed list of studies conducted under the Project is given at Annexure 5.

- A rapid assessment of five sectors: Construction, Transport (Road), Hotel and Restaurants, Dry Fish Processing and Bidi Making (Bangladesh)
- The costs and benefits of compliance to labour laws and regulatory environment for growth of Micro and Small Enterprises (MSEs) in the construction sector(Bangladesh)
- A value chain analysis (VCA) on the value addition and the labour benefits in the sub-contracting/ outsourcing system.
- A thematic study was conducted on the Small Scale Manufacturing linked to the automobile sector (India).
- As a joint collaboration with ILO Geneva, ILO New Delhi and the SCORE project, a field-based analytical study on productivity has been initiated. This research will analyse the possible differences in productivity between registered and non-registered enterprises, and is likely to strengthen the case for enterprises regularisation and the role of employers therein.

The studies have been shared at several workshops and campaigns held in the three Project countries, such as:

- A policy dialogue to on the incentives and the disincentives to formalizing informal workers and informalising workers has been initiated in all the three countries. Some workshops, especially in Nepal have addressed issues of gender equality in formalising women’s enterprises and work.
- In Bangladesh and Nepal, information campaigns have been held on the rights of workers and the provisions of licensing under the labour law and the social security laws (legal literacy), and for the local level trade unions (TUs) to introduce the Informal Economy Workers’ Desk.
- In Bangladesh, awareness raising sessions for tripartite partners on the new labour law have been conducted in three areas for some **108** key personnel.
- In Nepal, the National Programme Coordinator has raised support towards the development of a national employment policy and the inclusion of initiatives promoting the formalisation of the informal economy.



**Figure 6: Workshop on Formalising Women’s Enterprises, Nepal**

The workshops, attended by the tripartite partners, academics and policy makers, have led to increased awareness and country level discussions on the issue of formalisation of informal economy enterprises and workers.

The Project has engaged in awareness creation has been done through many workshops. In May 2013, a Sub-regional Knowledge Sharing Workshop was held in Delhi, India on Measurements of the Informal

Economy: ILO Statistical Manual, and a National Tripartite Knowledge Sharing and Planning Workshop on ILO good practices on formalisation of informal economy were also conducted. In Bangladesh, workshops were held in all three project districts on Organising Workers, Social Protection of Informal Construction Workers and Workplace Improvement. Further mass awareness campaigns have been held among Construction Workers and Employers on Occupational Health and Safety (TV/Radio Spot/Posters). In Nepal, the project supports district offices to raise awareness for registration and promotion of MSEs. Sensitisation on Occupational Safety and Health (OSH), legal provisions, discrimination, workplace cooperation and gender issues are also being addressed while designing and implementing different activities.

In addition to raising awareness, the project has identified and supported several good practices. The petty contractors of construction sector are being registered at the local government authorities (municipalities) in order to formalise their occupation. The three main Trade Unions: NTUC, GEFONT and ANTUF in Nepal are working towards unionising the construction sector workers and advocating for formalising to ensure their rights and protection. They recognise the role of the Project, in improving their ability to reach out to a larger number of workers in the informal sector. Participation in the WOI project has also facilitated increased contact with government authorities. The Trade Unions hope that the Social Security Act will be passed in Nepal in the near future, enabling them to benefit their members.



Figure 7: Small Handicrafts Enterprises, Nepal

The Federation of Nepal Cottage and Small Industries (FNCSI) and Federation of Women Entrepreneur Association Nepal (FWEAN) are crucial partners in supporting formalising informal SMEs in the districts. The Project also has an important partnership with Department of Cottage and Small Industries (DCSI) at the national and district levels, enabling **more than 5,000** new SMEs to be registered in the government system in the project districts.

In Nepal, training on Start and Improve Your Business (SIYB) conducted for selected entrepreneurs in the project districts to enhance their business and services. **Over 200** entrepreneurs are trained in SIYB training under the Project. Further, linkages have been strengthened between SMEs and relevant stakeholders like local municipalities, the tax office, banks and micro-finance institutes and insurance companies.

The incentives and disincentives for formalising enterprises and work have therefore been well researched and debated under the auspices of the Project, and several activities undertaken for promoting formalisation, such as enterprise registration and SIYB trainings. Constituents such as the Trade Unions and enterprise associations have opened desks for supporting the formalisation of informal economy, and built their own capacities to do so.

### **4.3 Job Rich Growth Strategies**

The second Outcome proposed under the Project is promotion of formal job growth through job-rich growth strategies. Assistance towards formalisation is to be provided to both workers and businesses in the target areas<sup>10</sup>. The Outputs expected and the related achievements of the Project are as follows:

**Output 2.1 relates to promoting job-rich growth sectors and development strategies in the target local areas** is to be addressed in Nepal through facilitating the implementation of development strategies in the tourism sector. The growth strategy will use the Local Economic Development (LED) approach of ILO. The pilot will be implemented in the Pokhara town (of Kaski district), which is a popular tourist destination in Nepal which with good growth prospects. So far, the growth of tourism has been concentrated on one side of Pokhara Lake, with the other side being relatively unreached. The Pokhara municipality and the Pokhara Tourism Enterprises Association have indicated keen interest in developing a walk-way around the lake-shore, to promote access to the 600 families that live on the other side of the lake. The LED approach will be used to enhance local jobs and economic activities locally, including packaging all tourism products available in Pokhara, value chain development, training and marketing, linkages, and other enterprise promotion activities.

**Output 2.2 relates to improved linkages with up-gradation and risk mitigation services.** Towards this, the project has undertaken thematic mapping studies of the potential partner organizations and the available services in the target local areas, and partnership are envisaged with value-chain aggregators who provide the embedded up-gradation services. For instance, in Nepal, partnerships are developed with cooperatives and banks for financial literacy, and access to financial services including savings mobilization, micro-insurance and credit. Partnerships are forged with parallel projects and interventions of the ILO that contribute to job-rich growth strategies, such as SCORE in India and TVET and RMG in Bangladesh. In Bangladesh, cooperation on vocational training and OSH is being discussed with the largest construction companies in the country. Discussions are being held with stakeholders in the automobile components industry in India, for development of a voluntary code of conduct to be adopted, for decent work down the value chain of the industry. The Project has undertaken several capacity building activities, such as induction training and Training of Trainers, for partners who are willing to provide financial education and other risk mitigation information and support (e.g., social protection schemes, group specific measures for poor women and people with disabilities), including trade unions and enterprise associations.

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<sup>10</sup>The indicator mentioned in the Prodoc is: formal jobs in target areas are greater in comparison to those of control groups. It has not been possible to assess this in the mid-term review. Measuring change on this indicator requires a control group, which has not been set up in the project implementation methodology. However, it may be possible in one or two municipalities in Nepal, e.g. Pokhara and Dharan, to be able to make a limited assessment at the end of the Project period.



**Training and Capacity Building** is an important component of the Project in relation to all the proposed Outcomes. Cooperation is ongoing with the ICT (Turin) on developing a training component on the Informal Economy focussing on local level officials and stakeholders, building on the training programme developed and tested in Pokhara, Nepal in May 2014. In Nepal, trainings have been provided to about 1300 actors from the government, workers and employers' organisations. In India, the Project helped the Bharatiya Mazdoor Sangh (BMS) Trade union in Pune to design a questionnaire for a detailed rural survey on mapping 1,000 villages, and trained 18 research coordinators. The survey has been conducted by BMS and results are awaited.

As area committees and local committee members of workers' unions and enterprise associations are mobilised for project activities, the local chapters are strengthened and mobilised. The Trade Unions hope that imminent policy change in Nepal will enable access to social security benefits in the near future.

*“SIYB training has helped me to plan my business well. Earlier I used to do business in a haphazard way, now I follow a step by step approach to planning. I can also take better business decisions, such as about whether or not to take a loan.”*

- Kedar, SIYB trainee, Chitwan



Figure 8: Completion of Entrepreneurship Training

#### 4.4 Good Practices and Tools for Promoting Formalisation

The third Outcome proposed by the Prodoc is the **identification and development of good practices and tools for promoting formalisation**, and an improved understanding of these practices among the constituents and stakeholders at the national level in South Asia.<sup>11</sup> The outputs under Outcome 3 are as follows:

**Output 3.1 of the Project envisages the development of a web-based knowledge sharing and monitoring platform.** At the sub- regional level, the project has compiled ILO's good practices and tools in assisting formalisation globally as well as from selected projects in the target countries.

**Output 3.2 envisages that good practices documents and videos from the project are shared.** The project plans to bring out a compilation of good practice documentation, and a video film, both of which are under production. The Project envisages that good practices documents and videos from the project

<sup>11</sup>The indicator suggested in the Prodoc is the frequency of the use of the term “formalisation” in key policy documents as well as international training for partners, expert meetings, in country good practice workshops and study tours on the issue of formalisation. It is not possible to measure on this indicator; therefore a broader assessment is made of the Project's efforts at identifying, popularising and promoting good practice.

have been shared at various workshops and consultations. In Nepal, the initial work leading to production of a short video has commenced.

**Output 3.3 is related to providing better exposure to national constituents and other key stakeholders to the international experiences of formalisation efforts.** The Project has done this through organising visits of stakeholders in all three countries to Nepal and India for capacity building and mutual learning workshops.

The activities that remain to be conducted under Outcome 3 relate to developing a monitoring system on formalization /informalisation and formal / informal job creation for the target local areas in coordination with the statistics, labour, industry & commerce, other concerned offices, EOs, TUs and/or other strategic partners. These are planned for the next two years.

#### **4.5 Gender Equality and Promotion**

Addressing equity issues arising from gender, ethnicity, race, caste, disability and age differences is a key component of Decent Work strategies. The Prodoc commits that gender balance of the direct beneficiaries will be maintained through:

- Gender-sensitive selection of sectors
- Gender balance in the selection of project participants
- Gender balance in the selection of women service providers to be involved in the project implementation, so that female and male end beneficiaries get support by facilitators, advisors and trainers of appropriate gender mix.
- Informing women workers of their rights as per national laws, particularly the right to equality in pay and opportunities, right to maternity protection and balance work and family responsibilities.
- Addressing issues such as unequal employment opportunities, unequal pay and women-friendly work environment.



**Figure 9: Women engaged in the Construction Sector, Bangladesh**

Policy changes are viewed as gender neutral. For some indicators, the logical framework required that “at least half of them should contribute to addressing the gender inequalities in the opportunities and/or the results”<sup>12</sup>.

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<sup>12</sup>The information on gender balance through the Project initiatives is not fully analysed at this stage, and will be done by the time the final report is submitted.

While it is not possible to exactly differentiate how many actions taken on incentives and disincentives for formalisation, or to promote job rich growth strategies contribute to addressing gender inequalities, a general assessment can be made. The Project has been able to advance gender equality to the extent that:

- The Trade Unions are more equipped, and keen to, enrol women members. TUs in Nepal have good representation of women (currently about 25% of the total membership of the TUs) and recognised the importance of including women as members, especially as men migrate in such large numbers, that social protection for the family can be better accessed through women.
- Encouraging and involving women participation in formalising small business, FWEAN has been implementing women lead enterprise focused intervention.
- A large number of women entrepreneurs have been provided access to loan services.
- The Project partners have engaged several women officers at the local level, whose capacity building abilities have increased.
- Several women have been benefited by the Project, especially in Nepal where women entrepreneurs have not only been provided with SIYB training, but they have also been linked to loans and other financial services. The case of Fulmayi whose life has changed significantly, and whose business has been registered, is given in the accompanying box.

*Fulmayi and her husband used to work as agricultural labourers. Today, they have a flourishing business of making concrete blocks and railings. Fulmayi says she has two workers, and she supervises their work. She also employs an accountant who writes the business accounts. She has taken loans several times, first from the cooperative that she is a member of, and later from a microfinance institution as well. She is now planning to apply for loan to a bank, so as to save on interest costs.*

*Fulmayi has two tractors, which she uses to transport sand and other materials, for her manufacturing unit. She also rents out the tractors regularly. She owns two machines and two electricity generators, her total investment in business being over NPR 2.1 million. Her monthly savings are now between NPR 10,000 to 15,000. Her business is registered with the Department of Cottage and Small Industry and also in the Village Development Committee.*

*Talking about her husband, she says that it has been very difficult for her, as he took another wife and left her for many years, during which she took her children and went to work in Pokhara. He has now returned to the family and even helps out sometimes with the business. She was very sad while talking about the past, and said she had passed very difficult days. That phase is over, she said. Yet, even as she is proud of her business, she said she worries about her son. She is not able to give time to the children, and while the girls are able to study, the boy may be on the verge of dropping out of school.*

*Fulmayi is emotional as we leave; she says: "I have passed through difficult times. But now things are very much better, and I hope the children will settle down, too."*

The attention to gender equality in Nepal is more pronounced than in India and Bangladesh, where more attention is warranted. Women are engaged in a wide variety of work in the construction sector, as well as in other sectors where the project intervenes. Women's work not only needs to be better recognised, their skills need to be improved, and work is needed to change perceptions about women construction workers.



Figure 10: Gender equality and OSH Training, Nepal

The successes on women leadership, equal pay, skill training, OSH training and enterprise training for women can be documented, and such good practice replicated in the Project countries.

## 5 The Project's Efficiency

The efficiency of the Project is discussed with respect to its management and funding situation.

### 5.1 The Project Management

The Project is headed by a Chief Technical Advisor in charge of project implementation in all the three countries where the project is located: Nepal, Bangladesh and India. Given his knowledge and experience on issues relating to the informal economy, and his extensive experience in ILO, he also works as a member of the Decent Work team on issues relating to the informal economy.

The field project in India is supported by a senior consultant to guide the process and facilitate partnerships with relevant stakeholders, and a junior technical specialist who is responsible for the actual implementation of the work in Pune district. The consultants are hired jointly with the ILO SCORE project.

In Bangladesh and Nepal, the WOI project is managed by a National Programme coordinator (NPC), supported by a Finance and Administration Assistant. In Nepal, there has been a change of NPC, and although the former NPC has left the Project, he is appointed to another project within ILO and remains connected to the Project for policy level support.

The team is relatively small, when seen in relation to the Project activities, and going forward, a senior management person will be needed to support the coordination at the sub regional level. This will enable the CTA's time to be utilised for policy level changes, strengthening the initiatives and raising funds.

In Nepal, a National Steering Committee (NSC) has been formed that represents major stakeholders at national level (nine Ministries, Employers and Workers Organisation including ILO Office in Nepal). The NSC is chaired by the Secretary of Ministry of Labour and Employment. In Bangladesh, a Project Advisory Committee oversees the Project, with key stakeholders represented on the committee. The Project's implementing partners include trade unions and their federations, enterprise associations, government departments, agencies and training institutions, and Civil Society Organisations (CSOs), who take the lead on different activities such as studies, workshops, trainings, registrations and follow up activities. In both countries, the Project has the full support of its stakeholders.

One difficulty that arises is the ability to work with specific trade unions in project locations. ILO's standard practices require it to work with national trade unions and their associations. In the India chapter of the Project, the trade unions in the automobile sector are local ones that are not connected to the unions that ILO can work with. The Project needs to break through this constraint, so as to be able to work with workers and employers' organisations that are most suitable for the work at hand. It is important for ILO to find ways to work with local unions, as such outreach will be important for many projects connected to the informal economy.

## **5.2 Funds Flow for Project Implementation**

Two key issues arise regarding funds for the Project, one relating to the overall funding requirements, and the second relating to the flow of funds for smooth operations of the Project.

The WOI project is relatively underfunded compared to its ambitious objectives. The project has been constrained by a reduction of funding compared to the planned budget over the last two years, partly due to exchange rates and partly due to budget cuts by the donor. As the project started slow, some of the planned activities in the second year could be conducted using the unutilised balances from the first year. Later, the project has achieved efficiency in the following ways:

- **By raising funds for specific activities, to complement the project funds:** The CTA participates as ILO Area of Critical Importance (ACI) focal point for the Informal Economy in South Asia. As a direct result of this function, additional funding of USD 120,000 has been raised for activities which complement the project's interventions in Nepal. The CTA is engaged in further efforts to raise additional funding for activities in India through the same mechanism.
- **By leveraging other ongoing projects, cost sharing and collaboration with other ILO projects in each country.** In India, two consultants are shared between the SCORE and WOI projects, resulting in cost reduction. Similar collaborations have been forged with other ILO projects in Bangladesh, e.g. TVET and RMGP, enabling the Project to conduct or benefit from activities beyond those that the WOI Project is directly able to fund.

While the Project has been able to overcome the funds constraint for the time being, it is an important project with critical lessons emerging on Decent Work in the informal economy, and it would be critical to ensure funds sufficiency as the Project continues over the next two years of its duration.

Another issue related to funds is that the flow of funds to the Project is not smooth, being hampered by two factors. The first is a process of annual contracting with the ILO, which in turn results in the ILO Project issuing contracts to its implementing agencies year to year as well. As this two stage contracting takes time, implementing agencies get only 4-6 months for completing the activities at the local level, which may be further reduced by local holidays. A system of issuing only annual contracts detracts from stability and a long term planning of the project, especially by the local implementing partners such as trade unions and enterprise associations.

The second issue regarding funds flow arises from the arrangement that the Project funds are controlled by the Bangkok office of the ILO. To begin with, such a practice disempowers the CTA, who is directly in a position to understand the implications of the activities. If a Project fails to respond to requests of the local stakeholders in time, the Project may risk missing out on activities of strategic importance, expenses on which may be small but critical for the Project. Secondly, remote funds approvals and transfers can lead to delays in project implementation.



Figure 11: Business Development Programme, Nepal

This issue needs a resolution for the remaining period of the Project to function more efficiently, and can be solved by greater delegation of financial powers to the CTA in the India CO.

## 6 Impact Orientation and Sustainability of Interventions

This section first outlines the good practice emerging from the experiences of the Project, and then discusses the sustainability of the interventions.

### 6.1 Emerging Good Practice and Lessons

The WOI Project addresses complex issues, and by virtue of this, has the potential to offer valuable lessons for ways out of informality. The project is beginning to highlight some pathways to formalisation, and also provides lessons relating to the challenges of formalisation, which are described next.



Figure 12: TOT Seminar in India

### 6.1.1 Formalisation of Enterprises

Formalising enterprises can create benefits for enterprises by facilitating access to training, financial and other resources, and to government contracts. The experience of petty contractors and enterprise registration in Nepal provides evidence of this.

In the Nepal chapter the enterprise registration drive has yielded some valuable lessons. The registration process was initiated in the Pokhara municipality, triggered by a decision to ensure that in all building construction the jurisdiction of the municipality adhered to a Building Code and all new buildings were earthquake resistant. In order to ensure this, the municipality needed to register and train the registered building contractors. The petty contractors who registered reported improved turnover, sharing equipment to aid construction work, enhanced productivity and prevention of accidents at the workplace. Formalisation of petty contractors can also provide a link to official or collective social security schemes, which is an incentive for formalisation.

Another positive experience relates to registration of small enterprises in Nepal. The Department of Cottage and Small Industry (DCSI) has collaborated with the ILO's WOI Project to develop posters on the importance of and the process of registration.

The DCSI initiated mobile camps, door to door visits and held communication campaigns through hoarding and radio announcements. It worked with the District Development Committees (DDCs) and Village Development Committees (VDCS) to register enterprises.

Consequently, of the 6,360 enterprises registered at the DCSI office in Chitwan district, as many as 890 have been registered only in the previous year, indicating the success of the registration of enterprises.

*Earlier, we did not have an identity. We were not recognized as a part of the construction process and were not aware of the benefits of registration. Now we have a valid identity, we are registered, pay taxes, and have a bank account. We are legitimate employers and entrepreneurs, and can bid for large projects as well as take up small ones.*

*- A petty contractor in Kaski district*

Currently, the process of registration is centralised at the district level, making it mandatory for entrepreneurs to come to the district office with all the required documents, if the documentation is incomplete they need to make another visit resulting in business days being lost. The government has solved the problem by sending out its officers to collect the documents needed or to hold registration camps at the field level. This process has enabled the district offices to speed up enterprise registration. Computerisation and delegation would make the process more efficient, but the government lacks the financial resources for these changes.

### **6.1.2 Formalisation of Workers**

As informal workers are largely unorganised, registering them is a way of formalisation that can create access to mainstream services. This involves creating awareness among workers about their rights and entitlements, and increasing the demand for formal registration of workers.

This path is, however, not fully charted as yet, as the right places and processes of worker registration are not yet worked out. In India, some good practice is found in the constructions sector (e.g. Building and Other Construction Workers' Welfare Boards) and informal workers (e.g. *Mathadi* Boards in Maharashtra<sup>13</sup>), although access to significant benefits is not yet stabilised through these. The Nepal and Bangladesh governments are not yet resourced to take forward the lessons learnt in India. Importantly, the Department of Labour (e.g. in Maharashtra) is willing to share lessons and help other States in India, and labour departments of other countries, to design similar mechanisms for registration and protection of informal workers.

This pathway would also involve inputs for workers that directly enhance their livelihoods potential, such as skill certification and development and enterprise start up support including access to finance. Such access will also enable workers to rent or own business equipment that will increase their productivity, bargaining power and effective earnings.

### **6.1.3 Addressing Decent Work Deficits down the Value Chain**

A third pathway is to work through employer associations to address decent work deficits down the value chain. The work on this aspect of the Project is in its initial stages. Given that competition is driving even large industries towards more outsourcing and contract labour, it is likely to be very difficult to have employers commit to higher responsibility, investment and security of contracted workers. Negative practices emerging in this sector include workers being appointed as apprentices and trainees, which allows employers to give a stipend rather than a decent wage, over periods as long as 3 to 4 years. In the face of large scale prevalence of such practices, instituting a voluntary code of conduct for contract workers would be a valuable demonstration of good practice; however, for the same reason, it may be difficult to execute.

### **6.1.4 Lessons from Working with an Agenda for Formalisation**

The key lessons arise from the challenges faced in the process of working with an agenda for formalisation of enterprises and work. To begin with, a large number of workers in the construction sector are unorganised and many are migrants. They are unaware of their rights and entitlements, especially about official schemes for social protection. Similarly, organising informal workers, especially

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<sup>13</sup>These are boards of informal workers formed in Maharashtra state, which provide significant benefits of organisation to the workers.



migrant workers, presents a challenge. Secondly, most informal enterprises face severe competition for survival, so they keep labour costs as low as possible. Finally, there is a global trend towards increasing contract labour, and the pressure on developing countries to have more flexible labour laws, which creates disincentives for formalisation.

The lessons emerging from the experiences of registration of workers and enterprises are that access to social security may become easier, and access to better business is facilitated, through improved access to government contracts and to credit. Women's enterprises in the informal sector derive several benefits from formalisation too, including better access to training and to social support structures.

## 6.2 Sustainability of Project Interventions

The strong partnerships with key stakeholders have ensured that the project's interventions have been relevant and mainstreamed. Sustainability is higher in interventions which are already mainstreamed, such as registrations of enterprises in Nepal.

The capacity building trainings initiated in project mode are often difficult to sustain at the same level, as some of the implementing partners may lack resources for doing so. SIYB training in India was piloted through a trade union in Pune. The SIYB trainings in Nepal are provided through enterprise associations such as the Federation of Women Enterprise Association of Nepal (FWEAN) and the Federation of Nepal Cottage and Small Industry (FNCSI), who lack the resources to offer repeated SIYB trainings. These organisations are likely to need further support for continuing the initiative, and setting the activity up as a sustainable one for their organisations.

The SIYB trainers will need support to plan a system, an association, and a business model by which SIYB trainings can be sustained beyond the ILO interventions. Such an effort has started already in India, with the formation of an SIYB trainers association, which is being supported by the ILO to promote the SIYB brand.

Another way of ensuring that enterprise training continues is likely to be through trade unions finding low cost enterprise training. For instance, CEPA, a community based enterprise training tool may be more useful / relevant for the TU's and should be used in India , Nepal and Bangladesh.



Figure 13: Orientation Programme on Informal Economy, Nepal

## 7 Conclusions and Recommendations

### 7.1 Conclusions

Given that the informal economy issues are complex and challenging in all three Project countries, the tripartite stakeholders appreciate the need and value of collaboration with ILO as an international agency that brings in technical expertise. Similarly, international agencies and donors understood the need to collaborate with local stakeholders for evolving ways to effectively address formalisation issues and learn lessons for replication. The Project is therefore highly relevant.

The project and its team have established good relationships and are well networked with a wide range of stakeholders at the field and national level. The Project has been responsive to the needs of partners, providing need based support. The Project has many innovative elements, including the trainings on SIYB provided through the Trade Unions in India, OSH trainings in construction enterprises in Bangladesh, and registration of petty contractors and small enterprises in Nepal. These pathways are emerging ways out of informality, being piloted by the project.

#### **Recommendation 1: Continue the Project for a Second Phase**

The WOI project is unique in its attention to the workers and enterprises in informal sector, and in the first half of the current phase, has proven to be relevant, effective and efficient. Many innovative practices have been introduced; however the pilots are currently incomplete and significant results are likely to be achieved only by the end of the project period. There are many lessons emerging, which can be developed by taking the pilot to its logical end. In the next two years, the Project will do well to consolidate some of these initiatives, and invest in developing the sustainability of these interventions.

However, given the competitive business environment, and the fact that capacity building takes 3 to 5 years of intense collaboration with many of the project partners in the three countries, there will be ground to cover and investments to be facilitated after 2016 as well. The Project has generated knowledge and discussions on policy issues, and further engagement with all constituents and facilitation of discussions will be needed to facilitate drawing up of laws or codes of conduct. In order to achieve significant breakthroughs in the three pathways and develop lessons on improving decent work in the informal sector, the Project will benefit from having a second follow up phase after 2016.

The following recommendations are divided broadly into two sets: those which can be implemented in the remaining Project period, and those that can be incorporated in the next phase of the Project.

The recommendations on the current phase follow.

## **7.2 Recommendations for the Current Phase of WOI**

### **Recommendation 2: Prepare a Brochure on Definitions of Key Terms**

The discussions during the MTE showed that stakeholders have different definitions of what is formal/informal work, formal/informal enterprise and these overlapped with organised and unorganised sector. The project has done significant work on definitions and indicators and is advised to bring out a brochure or booklet on definitions and indicators of formal/informal and organised/unorganised jobs.

### **Recommendation 3: Pay More Attention to Issues Relating to Gender Equality**

In the current phase, the Project needs to give special attention to the goal of gender equality, by encouraging trade unions to actively increase women's membership and leadership, and start local level initiatives for enrolling more women members. Good practice exists in the Vertical Shaft Brick Kiln project in Nepal, where women construction workers have been given skill training and encouraged to join workers' associations.

Such good practice could be initiated in the WOI project, and would help to meet the original objectives of the Project. Skill training for work such as masonry, painting, plumbing and electrical wiring will enable women in the construction sector to diversify from their current hard labour such as carrying head loads of sand or bricks. More lobbying with all stakeholders is needed for the equal pay for equal work principle as well.

### **Recommendation 4: Support the Simplification of the Enterprise Registration Process in Nepal**

Currently, all businesses registered with the DCSI need to renew their registrations every year. The renewal process is bunched at the beginning of every fiscal year, with many applications for renewal of enterprise registrations being presented every day. This process needs to be simplified and made efficient. Decision is currently awaited on a proposal to renew enterprise registration once if 2 or even 5 years, rather than on an annual basis. This will reduce the load on the Department. Further, the renewal process could also be simplified and digitalised to make it faster and easier for the officials and the entrepreneurs. In the current phase, ILO could find a joint study by DCSI FWEAN, VDC, DDC officials and enterprises, to enable simplification of the registration process. This will increase efficiency of registration, benefiting the government and the entrepreneurs.

### **Recommendation 5: Registration of Workers with the Municipality in Nepal**

Some municipalities in Nepal, e.g. Pokhara town in Kaski district, have already started registration of petty contractors. If workers can be registered as well, this could become an entry point for access to social security schemes. For instance, registration fees could be collected and paid by contractors on behalf of workers. Similarly, a Labour Desk could be set up in the municipality's office.

These processes are easier piloted at the local level, with lessons being learnt for up-scaling and replication. As registration of petty contractors is currently manual, the project could work with at least two municipalities (Pokhara, Chitwan, and Dharan) to computerise the registration of both petty

contractor and their workers. The data base of workers could potentially be used also for allocation of work contracts to individuals or groups of workers (electricians, plumbers, masons, etc.)

Furthermore, once a data base exists, skill upgradation training can be planned and offered to workers to improve their productivity and wage earning capacity. Registration will also help workers to participate in and benefit from other initiatives in which the municipalities are involved, e.g. UNICEF projects for skilling of labour, or programmes of ministry of local development to develop roads.

#### **Recommendation 6: Support Sustainability of Enterprise Training Tools**

The sustainability of enterprise training tools is important for the scale up of formalisation of enterprises. In the remaining two years of the project, a two track approach could be followed for promoting enterprise tools. The Project could support the SIYB association in India to stabilise, and also support the formation of such associations in Nepal (with FWEAN and FNCSI trainers). If feasible, the Project could also pilot, adopt and systematise the use of community based enterprise training tools such as CEPA.

#### **Recommendation 7: Strengthening Project Management Structure and Processes**

Three key measures will improve the efficiency and effectiveness of Project management.

- As the project expands and goes into a phase of completing and strengthening and all the local level initiatives, it would be useful to **supplement the coordination function of the CTA in Delhi**.
- **Higher delegation of financial authority and funds flow** to the CTA in Delhi from ILO's office in Bangkok will ensure faster decision making and effective project management.
- In order to work effectively on pilots in the informal sector, ILO projects need to engage with local branches of unions in the relevant sectors, such engagement is critical to the effectiveness of local pilots. There is a need to **remove the procedural impediments for ILO's partnerships with local organisations**, which could initially be a project specific ratification by an appropriate forum. In the long run, ILO needs to install a process by which to begin working with local unions and enterprise associations on specific projects.

### ***7.3 Recommendations for a Second Phase of the WOI Project***

The Project has brought up several lessons that can be strengthened for replication within and across the countries where the pilot is implemented. The design of the next phase will need significant care and attention. Some key recommendations for the design are included here:

#### **Recommendation 8: Pilot Skill Certification and Development Partnerships**

In the next phase, the project could consider forging closer partnerships for skill development in all the three countries. In India, ILO already collaborates with the National Skill Development Mission on Sectoral Skill Development Councils, which engagement could be used for developing a pilot on the WOI project. Further, lessons learnt from earlier ILO projects, such as the Convergence Against Child Labour

(CACL) project implemented in India from 2011-14, could be taken forward in the next phase by strengthening skill development initiatives in all three countries. Such initiatives will help workers directly to be better recognised and benefit from formal skill certification.

**Recommendation 9: Digitalising Enterprise Registration**

In the next phase of the WOI project, the Nepal chapter of the Project could strengthen the enterprise registration initiative further by providing assistance for digitalising the registration and renewal process. This will need hardware and software (MIS design) support, along with human resource development. A system can be developed for piloting in few districts, with potential for integration at the national level. The pilot, if implemented with the Ministry of Industry and National Planning Commission, will have a major impact on formalisation and will be scalable and sustainable.

**Recommendation 10: Initiate Project Work in New Sectors**

In the next phase selection of sectors can be based on the unmet demand in the current phase. In Nepal issues of informal work may be addressed in the agricultural sector. This will require new ways of working and will yield new lessons. In Bangladesh, the transport sector may be included in the next phase, and as the employers and workers are well organized, valuable lessons are likely to be learnt about formalisation.

The Way Out of Informality Project is unique in its attention to the workers and enterprises in informal sector. It has brought up several lessons that can be strengthened for replication within and across the countries where the pilot is implemented. The Project contributes to policy discussions on the informal economy as well, and will be a good resource for work on the informal economy in many developing countries.

***Dr. Smita Premchander,***  
***October 2014***

# The Way Out of Informality Project

## Annexures to the Draft Mid Term Evaluation Report



Dr. Smita Premchander

October 2014

## Annexures

### ***Annexure 1: The Terms of Reference of the MTE***

Mid-Term Evaluation  
*RAS/13/51/JAP*  
*RAS/12/51/JAP*

#### **Way Out of Informality: Facilitating Formalisation of the Informal Economy**

Project Budget	USD 4,450,000
Project Donor	Japanese Government
Project Duration	June 2012 – December 2016
Project Locations	India, Nepal and Bangladesh
Mid-Term Evaluation scheduled for	August – September 2014

#### **Introduction and rationale**

As per ILO policy governing technical cooperation project management, a mid-term evaluation is a mandatory exercise for projects of a certain size. The evaluation will be managed by the ILO, but the scope and modalities of the evaluation as presented in these Terms of Reference have been defined in consultation with the donor (Government of Japan) and key stakeholders. The findings of the evaluation will be discussed in conjunction with various stakeholders in dedicated feedback and debrief sessions with project staff and the donor, and at appropriate forums with key stakeholders.

No prior evaluations have been undertaken of the Way Out of Informality project, though two detailed Annual Reports have been submitted to the donor by the time of the evaluation (January 2013 and January 2014). The mid-term evaluation aims to assess the efficacy, sustainability, relevance, impact and effectiveness of the Way Out of Informality project, and to inform approaches or strategy shifts for the second half of the project. It will examine whether the project is on track to deliver expected outcomes with respect to time and budget. It is expected that this evaluation will provide useful recommendations and lessons learned to take forward for the remaining project duration.

The evaluation will be carried out in August and September 2014, with a final report available by end September 2014. The evaluation will comply with evaluation norms and standards, all as specified in ILO's evaluation policy. It will be managed by the Chief Technical Advisor. The project will bear the cost of the evaluation, including the cost of the Evaluation Consultant, travel, meetings, etc.

The evaluation report will be in English and a maximum of 30 pages (excluding any annexes). Within this report, a four page Executive Summary is required and will become a public document. This Summary will include an overall assessment of the project performance, summarised from the full report, main recommendations (numbered and concisely phrased) and follow up actions, lessons learned and good practices. Further structural aspects of the evaluation report will be negotiated with the Chief Technical Advisor.

#### **Background of the Way Out of Informality project**

Since 2002, an overarching framework for the ILO's work on the informal economy has been set in place through a number of Resolutions, notably the Resolution on Decent Work and the Informal Economy adopted in that year by the International Labour Conference (ILC). The Resolution defined the term "informal economy" as all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. It mainly consists of unregistered and unregulated enterprises on the one hand, and workers in those enterprises on the other. The latter include both wage workers and own-account workers. The informal economy discussion also extends to the informal employment relationship with the formal economy businesses.

While informal economy derives certain benefits such as providing livelihood to those who would otherwise be without work or income, and large entrepreneurial potential, among others, the decent work deficit is a major concern of the informal economy where workers may be characterized by varying degree of dependency and vulnerability often resulting in a high degree of poverty. Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or they are not covered in practice, which means that – although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs.

An important contribution of the 2002 ILC discussion was the recognition that the informality derives from governance problem. The growth of the informal economy can often be traced to inappropriate, ineffective, misguided or badly implemented macroeconomic and social policies, often developed without tripartite consultation; the lack of conducive legal and institutional frameworks; and the lack of good governance for proper and effective implementation of policies and laws.

In the policy discussions subsequent to the 2002 Resolution, the ILO constituents reconfirmed the objective of “moving out of informality” as the ultimate goal. They recognized that there are many ways of making the transition to formalization easier, and that formalization is a gradual process cutting across several policy areas.

South Asia is known to have the highest incidence of informal economy along with Africa in terms of number of persons employed. The informal economy in Bangladesh, India and Nepal is estimated to absorb 50 to 60 per cent of non-agricultural working population, comprising wage labourers, self-employed persons, unpaid family labour, piece-rate workers, and other hired labour. This share rises to 80 to 90 per cent if agricultural workers are included.

Many South Asian countries find the large and persistent informal economy to be a major challenge. In vibrant economies such as India and Bangladesh, the informal economy not only prevents many from enjoying the fruits of growth, but also contributes to a polarization of society through growing inequality which could pose a bottleneck on growth itself. For the post-conflict countries such as Nepal, the informal economy is one of the major risks of destabilization and potentially a drag back to the conflict situation.

Lack of adequate social security, limited labour protection and poor working conditions characterize most of the informal economy jobs. These conditions, combined with insufficient knowledge of labour rights and absence of voice and representation, mean that the informal economy workers are highly vulnerable to exploitation. Yet another source of concern is the reported expansion of informalisation of the formal sector through outsourcing and subcontracting.

The ILO has been tackling the issue of the vast informal economy in South Asia in multiple ways. The ILO has supported policy formulation in the member states through the Global Employment Agenda, a common framework, which addressed a coherent policy mix towards job-rich growth. In India, the Ministry of Labour and Employment (MOLE) has prepared, with the collaboration of the ILO, a draft National Employment Policy which is currently being reviewed at the highest levels within the Government. In Bangladesh, the ILO has supported a study on Employment Generation and Labour Welfare by the Bangladesh Institute of Development Studies, which served as a background paper for the preparation of the Second Poverty Reduction Strategy Paper (PRSP) of Bangladesh for the period July 2008 – June 2011. In Nepal, the ILO provided support to the National Planning Commission for the development of targeted employment policies.

The project is seeking to address the problems of the vast informal economy in South Asia by facilitating the formalization of informal economy businesses and workers and discouraging the informalization of formal economy. It supports the review of the policy and the regulatory incentives and disincentives of formalization/informalization, and promotes formal job growth through the application of job rich growth strategies and integrated support to formalization in selected target areas. Information campaigns to the target beneficiaries as well as the capacity building of the concerned government offices and the social partners are



crucial elements for the success of the project. Good practices and relevant tools are shared through consultation workshops and the web-based platforms. Detailed planning and implementation at the local level is guided through a participatory dialogue process.

### **2.3.1 Development Objective**

The project is expected to contribute to the shift in growth and employment policies towards those that facilitate an accelerated expansion of formal sector, curb the growth of informal economy and reduce vulnerable employment.

The project's major components are:

**Outcome 1:** *The regulatory and policy environment in the target local areas made more conducive to formalization and protective to the risks of informalization*

**Outcome 2:** *Formal job growth promoted through job-rich growth strategies and integrated formalization assistance in the target local areas*

**Outcome 3:** *Good practices and tools of promoting formalization better understood by the constituents and key stakeholders at the national level in South Asia*

The government, the social partners and other stakeholders who can influence the regulatory and policy environment of the target local areas take actions. Not all the regulatory and policy issues could be resolved at the local level, but it is expected that the constituents and the local stakeholders would start working on the low hanging fruits and move to a more time-consuming process in later years of the project. Note that promotion of relevant conventions is part of this Outcome.

The formal job growth in the target local areas will be directly fuelled by the implementation of job-rich growth strategies, better linkages to the upgradation and risk mitigation services while broadly supported by the regulatory and policy environment made conducive to formalization. A good understanding of such policies and good practices and support thereof will provide basis for the constituents and other stakeholders to take necessary actions towards formal job growth at the local level.

The documentation and the dissemination activities will expand the knowledge of good practices and tools to promote formalization beyond target areas to the constituents and other key stakeholders at the national level in the target countries as well as other countries in South Asia.

#### **Target Groups and Partners**

The primary target group is the firms with potential to move to the formal sector and/or accelerate growth of formal jobs or those which face competitive pressure towards informalization of its workforce; the self-employed workers and the unpaid family contributing workers in the informal economy; the workers in the informal sectors, the non-regular/informal workers in/linked to the formal sectors, the workers in the formal sector at risk of being informalized/replaced by informal workers, and the underemployed (e.g., agricultural labours especially women) and youth facing difficulties in finding formal jobs.

The local and national stakeholders become the secondary target groups (i.e., direct recipients) whose capacity will be strengthened through collaboration under the project. These groups include: the tripartite constituents at the national level; the officials of the local registration offices; the employers' organizations and the small business associations; the labour contractors/providers; the local trade unions.

#### **Management arrangements**

The project team consists of a Chief Technical Advisor (CTA) and two national experts. The CTA will be located in Delhi, and the two national experts will be located in the ILO country office in Dhaka and Kathmandu, respectively. There will also be an administrative assistant in each of the three countries. The CTA, and the national experts under the guidance of the CTA, will provide their technical and managerial support to all the three countries with

frequent fly over to other countries outside of his/her resident country so that each country could benefit the most out of the skills mix of the three experts and learn first-hand the developments in other countries.

### **Implementation oversight**

The project is implemented under the overall guidance of the Regional Director for Asia and the Pacific. The CTA reports to the Regional Director through a designated official (The Director of Delhi CO and DWT). Overall coordination and monitoring of progress is provided through the Head of the ILO/Japan Multi-bilateral Programme at the Regional Office, who also retain financial control over project resources.

The CTA is responsible for the overall implementation of the project. The two national experts are responsible for monitoring and implementing the project activities in their respective countries under the technical and managerial guidance of the CTA. The CTA reports on the project progress on a yearly basis to the donor through the ILO/Japan Multi-bilateral Programme unit.

### **Implementation arrangements**

Project work plans are developed in consultation with national partners and tripartite constituents. Work plans are presented to the Project Advisory Committees in every year. These are developed in line with the objectives as outlined in the project documents and priorities set by the project. Project activities are then either directly carried out by ILO or implemented in partnership with government agencies, as well as with trade unions, employers' organizations, enterprises and research or academic institutions.

The project team provides technical assistance in, and monitors, the implementation of sub-contracted activities to make sure they are implemented based on a terms of reference and remain within the overall project context.

### **Progress to date**

Major milestones and achievements during the first half of the project include:

- Sub-regional workshop on Measuring of the Informal Economy in 2013
- Sub-regional training workshop on formalisation of the Informal Economy in 2014
- Project Advisory Committees established and operational in all three project countries.
- Priority sectors and geographical areas identified through participatory approaches in all three project countries.
- Thematic studies conducted for four priority sectors in the three project countries
- Studies on the Labour Law and the Cost of Regularisation finalised and presented in the three project countries
- Study on best practices for formalisation conducted and is being published
- Joint studies on productivity and manufacturing supported (India)
- Activities to facilitate registration of MSEs in Nepal undertaken in seven districts
- Activities undertaken to promote registration of labour contractors in the construction sector in Nepal
- Training of labour contractors in Nepal on OSH and SIYB
- Development of ID card scheme for construction workers in Nepal and Bangladesh initiated
- Number of awareness raising activities on formalisation of informational economy conducted in Nepal
- Formalisation of informally acquired skills training along with Government recognition introduced for informal construction workers in Bangladesh
- Work place improvement and OSH training to reduce vulnerability of the construction workers and informal work practices conducted in Nepal and Bangladesh
- Work place training for informal construction workers on workers' rights at work in line with the Bangladesh Labour Act and strengthening capacity of basic unions for organising informal workers initiated.
- Engagement with government on policy work – industrial policy, employment policy and labour law – in Nepal.
- Amendment of Bangladesh Labour Act-2013 for registration of Sub-contractors

- Facilitate group insurance scheme for construction workers in Bangladesh
- Activities to promote entrepreneurship carried out in Maharashtra.
- Engagement with OEM and Tier 1 enterprises on Code of Conduct and best practices in Maharashtra.
- Engagement with Trade Unions and Employers organisation in Maharashtra on identification of priority areas for project activities.
- Study tours to India planned for Bangladeshi tripartite delegation on welfare funds and for Nepali government delegation on Local Economic development (Scheduled Sep 2014)
- Additional funding 200+ K USD secured for activities complementing project activities in Nepal.
- Internal and external web platform created and operational
- Support to the development of a training programme with ITC Turin on the Informal Economy

## **Purpose, scope and clients of the evaluation**

### **Purpose**

The mid-term evaluation is aimed to highlight the project's strengths, areas for improvement and recommendations for sustainability. It also aims to identify lessons learnt and good practices for knowledge sharing purposes and taking these lessons forward for the remainder of the project.

This evaluation will therefore seek to assess the progress made towards the project outcomes, the extent to which the project partners and beneficiaries have benefited, and will continue to benefit from the project's strategy and implementation arrangements specifically in terms of:

- relevance
- effectiveness
- efficiency
- Workers' rights & decent work
- Work place improvement & reduce informal work practices
- sustainability
- gender equality
- monitoring and evaluation
- knowledge sharing and learning environment

To achieve the abovementioned objectives this mid-term evaluation will assess the following:

- To what extent the project has consistently implemented activities according to the project framework and annual work plans
- The achievements made in relation to the planned results and the immediate objectives, including any intended/unintended impact of the project
- Initiatives to improve decent work deficits and workers' rights at work
- The project management, coordination mechanisms among various stakeholders and tripartite constituents, and the effectiveness and efficiency of project implementation in general
- Institutional arrangements with the partners, the role of tripartite constituents, especially government agencies and bodies involved with the key work of the project during and beyond the timeframe of the project
- Project experiences that can be learned with regard to promoting gender equality, tripartite dialogue and ILO tools and guidelines.
- The project monitoring framework, including indicators, risks and assumptions in the log frame to be altered

### **Scope**

The scope of the evaluation is from the project start (June 2012) until the time of the mid-term evaluation.

## **Clients**

Key users and targets for this evaluation are the management team of the Way Out of Informality project, at the sub-regional and country level, the technical unit (ENTERPRISE), the administrative unit with ILO BK, and the donor (Government of Japan). Secondary users of the evaluation will include tripartite constituents and other project partners as well as agencies working on related areas at the national and sub-regional level. Further audiences could include stakeholders in other regions facing similar issues relating to formalisation of the informal economy.

## **Suggested methodology and framework**

ILO's Policy Guidelines for results-based evaluation: Principles, rationale, planning and managing for evaluation ([http://www.ilo.org/eval/Evaluationguidance/WCMS\\_168289/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_168289/lang--en/index.htm)) provides the basic framework; the evaluation will be carried out in accordance with ILO standard policies and procedures. The ILO adheres to the United Nations system's evaluation norms and standards as well as to the OECD/DAC Evaluation Quality Standards.

Though the evaluation is not an independent evaluation, the final methodology and evaluation questions will be determined by the Evaluator in consultation with the CTA. Several methods will be used to collect information including:

- Review of documents related to the project, including the initial project document, annual reports, minutes from the Project Advisory Committee meetings, agreements with project implementing partners and their progress and final reports; etc.
- Review of other relevant documents such as the Decent Work Country Programmes, national policies, etc.
- Field visits and interviews with key stakeholders and beneficiaries at country level
  - Nepal
  - India
  - Bangladesh (through skype/VC)
- At the completion of the field mission and information gathering a debriefing session with the project management and donor will be conducted.

A draft evaluation report will be submitted to the CTA who will share it with all key stakeholders for their comments and inputs.

The suggested analytical framework for the final evaluation is set out below:

### **Relevance and strategic fit**

- The extent to which the project approach is strategic and it is based on the ILO comparative advantages
- Does the project align with ILO's mainstreaming strategy on gender equality and make explicit reference to it?
- Does the project support and to what extent does it contribute to relevant outcomes of Decent Work Country Programme (DWCP) and complement with relevant ILO projects and programmes in the region?
- To what extent does the project support and contribute to Government of Japan strategic areas, priorities and Partnership with the ILO?

### **Validity of design (to what extent the design is logical and coherent)**

- To what extent have issues related to the design (defining the project's focus, approach and target group) been taken into consideration by the project?
- What have been the lessons learnt regarding the design of the project?

### **Project progress and effectiveness**

- To what extent is the project on track to achieve outcomes *vis-a-vis* the project logical framework and annual work plans?
- Has the project's monitoring plan ensured that the project has been on track with regard to the expected results? To what extent have beneficiaries benefited from the project?
- What are the lessons learnt and good practices?

### **Gender equality and promotion**

- Has there been any effort to mainstream gender throughout the project, and to what extent has this been achieved?

- How has the monitoring and evaluation of the project considered gender?
- How does the project strategy need to be adapted to increase the gender-responsiveness of the intervention?

#### **Efficiency of resource use**

- How economical has the project been in terms of funds, staff, expertise, time, etc., in relation to results?
- What are the lessons learnt and/or possible good practices noteworthy of documentation for knowledge sharing purposes?

#### **Effectiveness of management arrangements (including risk management and monitoring and evaluation)**

- Are management capacities and arrangements adequate and do they facilitate good results and efficient delivery?
  - Does the project receive adequate political, technical and administrative support from its partners? Do implementing partners provide for effective project implementation?
  - Has cooperation with project partners been efficient?
  - How effective has internal management, including development of the annual work plans, staff arrangements, governance and oversight of the project been?
- How effectively did the project management and ILO monitor project performance and results?
  - Is a monitoring and evaluation system in place and how effective is it?
  - How appropriate are the means of verification for tracking progress, performance and achievement of indicator values been defined?
  - Is relevant information and data systematically being collected and collated? Is reporting satisfactory? Is data disaggregated by sex (and by other relevant characteristics, if relevant)?
  - Is information being regularly analysed to feed into management decisions?

#### **Impact orientation and sustainability of the intervention**

- What are the emerging impacts of the project and the changes that can be causally linked to the project's interventions?
- What are the arrangements to measure the project's impact during and at the end of the project? Are these arrangements adequate and will they deliver reliable findings?

#### **Main deliverables**

- Deliverable 1: Inception report
- Deliverable 2: Presentation of preliminary findings after mission completed
- Deliverable 3: Draft evaluation report
- Deliverable 4: Final evaluation report (following ILO guidance on evaluation report) with executive summary (using ILO standard format)

The Evaluator will draft a short inception report upon the review of the available documents and an initial discussion with the project management. This inception report should set out the clear evaluation instrument (which includes the choice of site visits based on discussion with project management) and any changes proposed to the methodology or any other issues of importance in the further conduct of the evaluation. The inception report will be approved by the CTA.

At the end of the evaluation mission, the Evaluator will submit the preliminary findings to the CTA for comments and/or clarification. The findings should highlight the strengths, areas for improvement and recommendations for sustainability. The final results of the evaluation and in particular recommendations will also be tabled for discussion at appropriate meetings with key stakeholders.

The Evaluator will interview government representatives and constituent partners, project staff and relevant ILO officials, other partners, etc. During these meetings the Evaluator will have the opportunity to present preliminary findings for verification purposes and project's stakeholders will have a chance to jointly assess the adequacy of the findings and emerging recommendations as well as recommend areas for further considerations by the Evaluator for the preparation of the Evaluation Report.

The main output of the mid-term evaluation will be a final report, the first draft of which has been commented on by the ILO and other stakeholders. The report should not be longer than 30 pages, excluding annexes. It will contain an executive summary (of no more than four pages and appropriate for publication on the ILO website, including prioritised recommendations with timeline suggestions, and a summary of lessons learned and good practices)<sup>14</sup>, a section with project achievements to date, findings and recommendations for short- and medium-term action. The report will be assessed against the EVAL 'Quality Checklists for Evaluation Reports' which are attached in the annex of this TOR.

ILO management will prepare a management response to the evaluation recommendations and actions responding to the recommendations will be undertaken and reported to the ILO Evaluation Officer with ROAP.

### **Management arrangements and time frame**

#### **Role of evaluator**

The Evaluator will undertake the evaluation and will be responsible for delivering the above evaluation outputs using a combination of methods mentioned above. The evaluator will report to the CTA and will submit all deliverables to the CTA.

#### **Selection/qualifications of evaluator**

The Evaluator will be an international evaluation specialist with a proven track record in the evaluation of similar complex and sub-regional projects, and experience in the field of informal economy issues and contexts. Experience in the three project countries will be an advantage. The international evaluation specialist will be assisted the NPCs or the CTA in field visit countries.

#### **Role of stakeholders**

All stakeholders will be involved in the project evaluation, through discussions with the Evaluator and in the provision of inputs to the evaluation Terms of Reference and draft evaluation report. This includes the project teams, ILO CO and DWT Delhi staff, and country office staff and management, etc.

The Japanese Government has been provided with an opportunity to comment on the Terms of Reference before it was finalised. The resume of the Evaluator will also be shared with the Japanese Government. Representatives of the Japanese Government will be invited to participate in field visits along with the Evaluation mission.

#### **The role of the project**

The WOI project team will provide logistical support to the Evaluator and through the evaluation, and will prepare a more detailed evaluation mission agenda. The project team also needs to ensure that all relevant documentation is up to date and easily accessible by the Evaluator.

#### **List of key stakeholders**

International Labour Organization:

- WOI Management team
- Project teams – Nepal and Bangladesh
- ILO CO and DWT Delhi Director
- ILO DWT Specialists (Gender, Statistics, Social Security, Skills, Employers, Workers, Employment)
- ILO ENTERPRISE and ITC
- ILO Country Directors – Nepal and Bangladesh

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<sup>14</sup>The evaluation summary will be based on an ILO template and will be drafted by the Evaluator after the evaluation report has been finalised. The CTA will finalise the evaluation summary.

Donor:

- Government of Japan

Project Countries Government Counterparts

- India  
MOLE  
MSME
- Nepal  
MOLE  
DCSIO
- Bangladesh  
MOLE  
DOL  
DIFE

Labour market Partners:

Nepal:

- FNCSI
- FWEAN
- NTUC
- GEFONT
- ANTUF
- DoCSI
- IEDI

Bangladesh

- Bangladesh Employers' Federation (BEF)
- National Coordination Committee for Workers' Education (NCCWE)
- Imarat Nirman Sramik Union Bangladesh (INSUB)
- Bangladesh Nirman Sramik League (BNSL)
- Bangladesh Nirman Sramik Dal (JNSL)
- Bangladesh Construction & Wood Workers' Federation (BCWWF)
- Industrial Relations Institute (IRI)
- Real Estate & Housing Association of Bangladesh (REHAB)
- Bangladesh Association of Construction Industries (BACI)
- Rajshahi Chamber of Commerce & Industry (RCCI)
- Bangladesh Women Chamber of Commerce & Industry (BWCCI)

India

- CIE
- BMS
- INTUC
- HMS
- CITU
- AITUC
- LUB

### **Legal and Ethical matters**

The evaluation will comply with UN Norms and Standards. The TOR is accompany by the code of conduct (can be downloaded from the link in the annex of this TOR) to be signed by the evaluator. UNEG ethical guidelines will be followed throughout the evaluation.

### **Annex: All relevant ILO evaluation guidelines and standard templates**

1. Code of conduct form (To be signed by the evaluator)
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_206205/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_206205/lang--en/index.htm)
2. Checklist No. 3 Writing the inception report
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165972/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang--en/index.htm)
3. Checklist 5 Preparing the evaluation report
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165967/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165967/lang--en/index.htm)
4. Checklist 6 Rating the quality of evaluation report
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165968/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang--en/index.htm)
5. Template for lessons learnt and Emerging Good Practices
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_206158/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_206158/lang--en/index.htm)
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_206159/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_206159/lang--en/index.htm)
6. Guidance note 7 Stakeholders participation in the ILO evaluation
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165982/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165982/lang--en/index.htm)
7. Guidance note 4 Integrating gender equality in M&E of projects
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165986/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm)
8. Template for evaluation title page
  - [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_166357/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_166357/lang--en/index.htm)
9. Template for evaluation summary
  - <http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>



## Annexure 2: WOI Project Log Frame

<p><b>Beneficiaries: Firms with potential to move to the formal sector and/or accelerate growth of formal jobs; and various forms of workers in the informal economy who will benefit from formalization.</b></p>			
<p><b>Project title: Way out of informality: facilitating formalization of informal economy in South Asia</b>      <b>Project duration: end-2011 to end-2016</b></p>			
Project structure	Indicators	Means of verification	Assumptions, hypothesis and Risks
<p><b>Development Objectives/ Expected Impact:</b> The project is expected to contribute to the shift in growth and employment policies to those that facilitate accelerated expansion of formal sector, curb the growth of informal economy and reduce vulnerable employment</p>	<ul style="list-style-type: none"> <li>No. of actions taken beyond the target local areas on the incentives and the disincentives to formalization/informalization in the regulatory and policy environment</li> <li>Decision to replicate the integrated approach to job-rich growth and formalization beyond the target local areas</li> </ul>		<ul style="list-style-type: none"> <li>An enhanced environment for formalization and job-rich growth at the national level will accelerate expansion of formal sector, curb the growth of informal economy and reduce vulnerable employment, thereby contributing to the creation of more and better jobs in the target countries.</li> </ul>
<p><b>Immediate Objectives / Project Outcome:</b></p>			
<p><b>Outcome 1:</b> <i>The regulatory and policy environment in the target local areas made more conducive to formalization and protective to the risks of</i></p>	<ul style="list-style-type: none"> <li>No. of changes in policies and regulations that would influence the cost-benefit calculations of compliance to the</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant authorities and constituents</li> </ul>	<ul style="list-style-type: none"> <li>The national level constituents and key stakeholders find opportunities to mainstream the local level actions at the national level</li> <li>Buy-in at the national level will not</li> </ul>

<i>informalization</i>	regulations and the policies conducive to formalization	be likely if the local level actions do not produce convincing results
<b>Output 1.1:</b> The incentives and the disincentives to formalizing unregistered small firms and own-account workers analyzed and addressed	<ul style="list-style-type: none"> <li>No. of actions taken on the incentives and the disincentives to formalizing unregistered small firms and own-account workers (at least half of them should contribute to addressing the gender inequalities in the opportunities and/or the results)</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant authorities and constituents</li> <li>Some incentives and disincentives to formalizing firms can be changed at the local level alone</li> <li>Adjustments in the regulations and policies on the incentives and the disincentives of formalization could be decided and implemented within the duration of the project</li> </ul>
<b>Activity 1.1.1:</b> National workshops to review the outcomes of the study on the cost and benefit of compliance to labour laws and regulatory environment (the study to be completed in late-2011)	<ul style="list-style-type: none"> <li>No. of workshops organized</li> </ul>	<ul style="list-style-type: none"> <li>Project documents (incl. workshop reports)</li> <li>Workshops are oriented in an action-oriented manner.</li> </ul>
<b>Activity 1.1.2:</b> Review of the cost and the benefit of compliance to labour laws and regulatory environment at the target local areas	<ul style="list-style-type: none"> <li>No. of review studies conducted</li> </ul>	<ul style="list-style-type: none"> <li>Project documents (incl. studies produced)</li> <li>The review properly manages the probable bias in answering sensitive questions</li> </ul>
<b>Activity 1.1.3:</b> Policy dialogue to fine tune the incentives	<ul style="list-style-type: none"> <li>No. of policy dialogue meetings on the</li> </ul>	<ul style="list-style-type: none"> <li>Project documents (incl. minutes of discussion)</li> <li>The constituents and the stakeholders find win-win</li> </ul>

and the disincentives to formalization at the national level	relevant topics	opportunities
<b>Activity 1.1.4:</b> An information campaign on the registration & licensing of small firms and own-account workers	<ul style="list-style-type: none"> <li>No. of information materials produced and distributed</li> <li>No. of references to relevant information appeared in the media</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Various media of communication</li> <li>A certain degree of formalization / informalization problem of firms stems from ignorance and could be corrected with an information campaign</li> </ul>
<b>Activity 1.1.5:</b> Capacity building for and hand-holding support to the government officials of the local registration offices	<ul style="list-style-type: none"> <li>No. of government officials trained</li> <li>Views of the government officials on the hand-holding support provided</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant government officials</li> <li>The last mile issue of government machinery is part of the formalization issue and could be improved without changing regulations and policies</li> </ul>
<b>Activity 1.1.6:</b> Capacity building for and hand-holding support to the employers' organizations (EOs) and the small business associations on the formalization support.	<ul style="list-style-type: none"> <li>No. of staff of the EOs and the small business associations trained on the formalization support</li> <li>Views of staff of the EOs and the small business associations on the hand-holding support provided</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant staff of the EOs and the small business associations</li> <li>The EOs are supportive of formalization agenda</li> </ul>
<b>Output 1.2:</b> The incentives and the disincentives to	<ul style="list-style-type: none"> <li>No. of actions taken on the incentives and the</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant</li> <li>The national level constituents and key stakeholders find opportunities</li> </ul>

<p>formalizing informal workers and informalizing workers analyzed and addressed</p>	<p>disincentives to formalizing informal workers and informalizing workers (at least half of them should contribute to addressing the gender inequalities in the opportunities and/or the results)</p>	<p>authorities and the constituents</p>	<p>to mainstream the local level actions at the national level</p> <ul style="list-style-type: none"> <li>Buy-in at the national level will not be likely if the local level actions do not produce convincing results</li> </ul>
<p><b>Activity 1.2.1:</b> A value chain analysis (VCA) on the value addition and the labour benefits in the subcontracting / outsourcing system.</p>	<ul style="list-style-type: none"> <li>No. of the subcontracting VCAs conducted</li> </ul>	<ul style="list-style-type: none"> <li>Project documents (incl. VCAs per se)</li> </ul>	<ul style="list-style-type: none"> <li>The VCAs clearly identify the link between the economics of subcontracting and the regulatory environment (a technical challenge) without becoming a too complex and time-consuming exercise (an operational risk)</li> </ul>
<p><b>Activity 1.2.2:</b> A policy dialogue to fine tune the incentives and the disincentives to formalizing informal workers and informalizing workers</p>	<ul style="list-style-type: none"> <li>No. of policy dialogue meetings on the relevant topics</li> </ul>	<ul style="list-style-type: none"> <li>Project documents (incl. minutes of discussion)</li> </ul>	<ul style="list-style-type: none"> <li>The constituents and the stakeholders find win-win opportunities</li> </ul>
<p><b>Activity 1.2.3:</b> An information campaign on the rights of workers and the provisions of licensing under the labour law and the social security laws (legal literacy)</p>	<ul style="list-style-type: none"> <li>No. of information materials produced and distributed</li> <li>No. of references to relevant information appeared in the media</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Various media of communication</li> </ul>	<ul style="list-style-type: none"> <li>A certain degree of formalization / informalization problem of workers stems from ignorance and could be corrected with an information campaign</li> </ul>

<p><b>Activity 1.2.4:</b>Capacity building for the labour contractors/providers on the rights of workers and the provisions of licensing under the labour law and the social security laws</p>	<ul style="list-style-type: none"> <li>No. of staff of the labour contractors/providers trained on the rights of workers and the provisions of licensing under the labour law and the social security laws</li> <li>Views of the labour contractors/providers on the capacity building provided</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant staff of the EOs and the small business associations</li> </ul>	<ul style="list-style-type: none"> <li>- The labour inspector trained and well informed on the labour laws and the social security laws.</li> </ul>
<p><b>Activity 1.2.5:</b>Capacity building for the local level trade unions (TUs) to introduce the Informal Economy Workers' Desk</p>	<ul style="list-style-type: none"> <li>No. of staff of the TUs and of the Informal Economy Workers' Desk trained on the formalization support</li> <li>Views of staff of the TUs and of the Informal Economy Workers' Desk on the capacity building provided</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with relevant staff of the TUs and of the Informal Economy Workers' Desk</li> </ul>	<ul style="list-style-type: none"> <li>The TUs are supportive of the formalization agenda</li> <li>A presence of local level TUs with sufficient implementation capacity with support from the national level TUs</li> </ul>
<p><b>Outcome 2:</b> <i>Formal job growth promoted through job-rich growth strategies and an integrated formalization assistance in the target local areas</i></p>	<ul style="list-style-type: none"> <li>No. of formal jobs (in terms of growth trend and compared against control groups) in the target local areas</li> </ul>	<ul style="list-style-type: none"> <li>Project beneficiaries' list</li> <li>Monitoring survey</li> <li>Record of the registration and labour offices</li> </ul>	<ul style="list-style-type: none"> <li>The national level constituents and key stakeholders find opportunities to mainstream the local level actions at the national level</li> <li>Buy-in at the national level will not be likely if the local level</li> </ul>

			actions do not produce convincing results
<b>Output 2.1:</b> Job-rich growth strategies implemented at the target local areas	<ul style="list-style-type: none"> <li>Various actions taken in line with the job-rich growth strategies (at least half of them should contribute to addressing the gender inequalities in the opportunities and/or the results)</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Interview with the local stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Sectors with high potential to generate new “formal” jobs are selected</li> <li>The “ready-to formalize groups” are well identified and targeted (activities under Output 2.2)</li> <li>The informalization risks are mitigated (through activities under Outcome 1 and Output 2.2)</li> </ul>
<b>Activity 2.1.1:</b> Identification of job-rich growth sectors and development strategies at the target local areas	<ul style="list-style-type: none"> <li>No. of sectors in the target local areas identified as having high potential for (formal) job-rich growth</li> <li>No. of strategies/action plans developed for the same sectors</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Strategy/action plan documents</li> </ul>	<ul style="list-style-type: none"> <li>The strategies/action plans identify implementable and effective ideas</li> <li>The local stakeholders find win-win scenarios and commit their time and resources to implement the strategies/action plans</li> </ul>
<b>Activity 2.1.2:</b> Facilitate the implementation of development strategies of job-rich growth sectors through the LED/VCD process	<ul style="list-style-type: none"> <li>Views of the local stakeholders on the hand-holding support provided</li> </ul>	<ul style="list-style-type: none"> <li>Minutes of meetings with the local stakeholders</li> <li>Interview with the local stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Idem</li> </ul>
<b>Output 2.2:</b> The ready-to-formalize groups better linked to the upgradation and risk	<ul style="list-style-type: none"> <li>No. of the target beneficiaries accessed to the upgradation and</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring survey</li> <li>Record of the service</li> </ul>	<ul style="list-style-type: none"> <li>The incentives to formalize and the disincentives to informalize are properly addressed (Outcome</li> </ul>

mitigation services	risk mitigation services (a gender balance must be maintained here)	providers	1) <ul style="list-style-type: none"> <li>Activities take place in the sectors with job-rich growth potential (linked to Output 2.1)</li> <li>The “ready-to formalize groups” are well identified and targeted</li> </ul>
<b>Activity 2.2.1:</b> Thematic mapping studies of the potential partner organizations and the available services in the target local areas	<ul style="list-style-type: none"> <li>No. of the mapping studies completed</li> </ul>	<ul style="list-style-type: none"> <li>Reports of consultants</li> </ul>	<ul style="list-style-type: none"> <li>The mapping studies clearly identify partnership opportunities along with an outreach capacity of relevant services</li> </ul>
<b>Activity 2.2.2:</b> Partnership development with the value-chain aggregators (e.g., cooperatives, private firms, non-profit programmes) who provide the embedded upgradation services	<ul style="list-style-type: none"> <li>No. of the value-chain aggregators negotiated and agreed on extending the upgradation and risk mitigation services</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Agreement documents with the value-chain aggregators</li> </ul>	<ul style="list-style-type: none"> <li>Sector selection is optimally done to satisfy both job-rich growth potential and a significant presence of “ready-to-formalize groups”</li> </ul>
<b>Activity 2.2.3:</b> Partnership development with the socially responsible financial service providers on the formalization support, financial literacy, and access to financial services including savings mobilization, micro-insurance and credit	<ul style="list-style-type: none"> <li>No. of the financial service providers negotiated and agreed on extending the upgradation and risk mitigation services</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Agreement documents with the socially responsible financial service providers</li> </ul>	<ul style="list-style-type: none"> <li>The “ready-to-formalize groups” within the clients of financial institutions are properly identified and targeted</li> </ul>

<p><b>Activity 2.2.4:</b> Partnership development with the large-scale community development programmes to guide beneficiaries and service providers towards formalization and formal job creation</p>	<ul style="list-style-type: none"> <li>No. of the development programmes negotiated and agreed on extending the upgradation and risk mitigation services</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Agreement documents with the large-scale development programmes</li> </ul>	<ul style="list-style-type: none"> <li>The “ready-to-formalize groups” within the beneficiaries of the development programmes (fund providers) and their service providers are properly identified and targeted</li> </ul>
<p><b>Activity 2.2.5:</b> Partnership development with the parallel projects and interventions of the ILO that contribute to job-rich growth strategies and an integrated support to upgrade informal economy firms and workers towards formalization</p>	<ul style="list-style-type: none"> <li>No. of the parallel projects and interventions negotiated and agreed on extending the upgradation and risk mitigation services</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Agreement documents with the parallel projects and interventions</li> </ul>	<ul style="list-style-type: none"> <li>The “ready-to-formalize groups” within the beneficiaries of parallel projects and interventions and their service providers are properly identified and targeted</li> </ul>
<p><b>Activity 2.2.6:</b> Training-of-trainer (TOT) and induction training to partners which are willing to provide the upgradation services</p>	<ul style="list-style-type: none"> <li>Number of staff of the partner organizations who attended the TOT and the induction training on the upgradation services</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Reports of the TOT and the induction training</li> </ul>	<ul style="list-style-type: none"> <li>The partner organizations are willing and capable to deliver the upgradation services after the TOT and the induction training without extra financial support from the project</li> </ul>
<p><b>Activity 2.2.7:</b> TOT and induction training to partners which are willing to provide financial education and other risk mitigation information and support (e.g., social</p>	<ul style="list-style-type: none"> <li>Number of staff of the partner organizations who attended the TOT and the induction training on the risk mitigation matters</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Reports of the TOT and the induction training</li> </ul>	<ul style="list-style-type: none"> <li>The partner organizations are willing and capable to deliver the risk mitigation services after the TOT and the induction training without extra financial support from the project</li> </ul>



protection schemes, group specific measures for poor women and people with disabilities)			
<b>Outcome 3:</b> <i>Good practices and tools of promoting formalization better understood by the constituents and key stakeholders at the national level in South Asia</i>	<ul style="list-style-type: none"> <li>• Frequency of use of the term “formalization” in key policy documents of the national tripartite constituents and key development policies of the governments and the development partners</li> </ul>	<ul style="list-style-type: none"> <li>• Minutes of meetings and workshops with the national level key stakeholders</li> <li>• End-of-workshop evaluations</li> <li>• Interview with the national level key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Better understanding will prompt actions on replicating the good practices and the tools on promoting formalization</li> </ul>
<b>Output 3.1:</b> A web-based knowledge sharing and monitoring platform developed and kept functional	<ul style="list-style-type: none"> <li>• The web platform developed &amp; functional</li> <li>• No. of web site visitors</li> </ul>	<ul style="list-style-type: none"> <li>• The web platform per se</li> <li>• A visitor counter built in the web site</li> </ul>	<ul style="list-style-type: none"> <li>• The web-based platforms are made known to critical decision makers at the national level</li> </ul>
<b>Activity 3.1.1:</b> Compile ILO’s good practices and tools in assisting formalization globally as well as from selected projects in the target countries	<ul style="list-style-type: none"> <li>• No. of good practices and tools compiled and uploaded at the knowledge sharing website (at least half of them should contribute to addressing the gender inequalities in the opportunities and/or the results)</li> </ul>	<ul style="list-style-type: none"> <li>• Project documents (“list of building blocks” is a good starting point)</li> </ul>	<ul style="list-style-type: none"> <li>• A low cost yet administratively easy-to-manage web host is identified</li> </ul>

<p><b>Activity 3.1.2:</b>Develop a monitoring system on formalization / informalization and formal / informal job creation for the target local areas in coordination with the statistics, labour, industry &amp; commerce, other concerned offices, EOs, TUs and/or other strategic partners</p>	<ul style="list-style-type: none"> <li>• A monitoring system developed and put into operation</li> <li>• Project documents</li> <li>• The monitoring system per se</li> <li>• Local offices and strategic partners have relevant statistics to capture existing informal jobs or willing to accommodate relevant indicators in their respective system of data collection</li> <li>• Project’s knowledge web site designed to accommodate easy-to-feed/update monitoring templates</li> </ul>
<p><b>Activity 3.1.3:</b>Conduct the baseline study, the mid-term evaluation and the final evaluation in line with the monitoring system</p>	<ul style="list-style-type: none"> <li>• Baseline and evaluation studies conducted</li> <li>• Study reports</li> <li>• The studies take most advantages of the available statistics of concerned offices and/or strategic partners</li> <li>• Local offices and strategic partners are willing to accommodate relevant indicators of the baseline study in their respective system of data collection so that these could be readily available at the time of evaluation studies</li> </ul>
<p><b>Output 3.2:</b>Good practices documents and videos from the project shared</p>	<ul style="list-style-type: none"> <li>• No. of documents, photo pages and videos at the knowledge sharing web site</li> <li>• Project documents</li> <li>• Project web site</li> <li>• Reports of meetings and workshops</li> <li>• Messages are made simple and clear for effective communication</li> <li>• No. of high level workshops and</li> <li>• Two channels of communication (internet and real meetings) are combined effectively for the maximum outreach</li> </ul>

	meetings where the good practice cases from this project are presented		
<b>Activity 3.2.1:</b> Good practice documentation	<ul style="list-style-type: none"> <li>No. of good practice cases documented</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Good practice documents per se</li> </ul>	<ul style="list-style-type: none"> <li>The knowledge sharing web platform is up and running (Output 3.1)</li> <li>A good number of knowledge sharing workshops are organized under the project and beyond</li> </ul>
<b>Activity 3.2.2:</b> Good practice photo and video filming	<ul style="list-style-type: none"> <li>No. of good practice photo pages and videos produced</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Good practice photos and videos per se</li> </ul>	<ul style="list-style-type: none"> <li>Idem</li> </ul>
<b>Output 3.3:</b> The national constituents and other key stakeholders are better exposed to the international experiences of formalization efforts	<ul style="list-style-type: none"> <li>No. of the constituents and key stakeholders exposed to international training and experts meetings, (in-country) good practices workshops and study tours on the issue of formalization</li> </ul>	<ul style="list-style-type: none"> <li>Minutes of meetings with the constituents and key stakeholders</li> <li>Interview with the constituents and key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Training and experience sharing reinforces the commitment of the constituents and key stakeholders to the activities related to job-rich growth and the formalization support in the target local areas</li> </ul>
<b>Activity 3.3.1:</b> Participation of the constituents and key stakeholders in international training and meetings on formalization	<ul style="list-style-type: none"> <li>No. of the constituents and key stakeholders attended international training and meetings on formalization</li> </ul>	<ul style="list-style-type: none"> <li>Idem</li> </ul>	<ul style="list-style-type: none"> <li>Idem</li> </ul>
<b>Activity 3.3.2:</b> Sharing existing	<ul style="list-style-type: none"> <li>No. of the constituents</li> </ul>	<ul style="list-style-type: none"> <li>Idem</li> </ul>	<ul style="list-style-type: none"> <li>Idem</li> </ul>

<p>good practices and tools with the constituents and key stakeholders of the target countries through national and local workshops</p>	<p>and key stakeholders attended at the national and local workshops on good practices and tools</p>
<p><b>Activity 3.3.3:</b> Mutual learning among the target countries and other relevant ones through study tours</p>	<ul style="list-style-type: none"> <li>• No. of the constituents and key stakeholders who participated in the study tours</li> <li>• Idem</li> <li>• Idem</li> </ul>

### **Annexure 3: Stakeholders Interviewed for the Mid Term Evaluation**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Organisation</b>
1.	Dr. Thomas Kring, Ph.D	Chief Technical Advisor	ILO DWT for South Asia, New Delhi, India
2.	Ms. Sudipta Bhadra	National Project Manage	ILO DWT for South Asia, New Delhi, India
3.	Dr. Gota Dasanayaka	Senior Employer's Specialist	ILO DWT for South Asia, New Delhi, India
4.	Dr. Markus Ruck	ILO Senior Specialist on Social Security	ILO DWT for South Asia, New Delhi, India
5.	Ms. Anjana Chellani	Senior Programme Officer	ILO DWT for South Asia, New Delhi, India
6.	Ms. Sunita Chibba	Joint Development Commissioner	Delhi
7	Mr. A C Pandey	Joint Secretary	MOLE
8	Mr. Anshuman	SIYB Trainer	FICCY
9	Mr. Arvind Kumar	Principle Secretary	Department of Labour, Government of Maharashtra.
10	Mr. K.Patil	Joint Secretary	Labour department, Government of Maharashtra
11	Dr. Rajen Mehrotra	Senior Consultant	WOI, Mumbai
12	Mr. DhananjayPingale	Junior Technical Consultant	WOI, Pune
13	Mr. Uday Patvardhan	HRD Chief	Bharatiya Mazdoor Sangh, Pune
14	Ms. Veda Apte	State Secretary	Bharatiya Mazdoor Sangh, Pune
15	Dr. Paul Comyn	Director, Senior Specialist on Skills Development	ILO DWT for South Asia New Delhi, India
	Donors		
16	Mr. Yuki Shimazakii	Deputy Director	International Minister's Secretariat, Ministry of Health, Labour and Welfare, Japan
17	Mr. Yasuo Ariga	Chief Technical Adviser and Overall Coordinator of the ILO-Japan Bilateral Programme	ILO, Bangkok
18	Mr. Jose Assalino	Director of the ILO Country Office	Nepal
19	Ms. Nita Neupane	National Project Coordinator	Nepal
20	Mr. Prakash Sharma	National Project Coordinator	Nepal
21	Mr. Milan Shreshtha	Finance and Administrative Assistant	ILO, Nepal
22	Ms. Rita Bhandari	President	FWEAN

23	Ms. Rita Simha	Executive Member	FWEAN
24	Mr. Santosh Gupta	Consultant ILO	Nepal
25	Mr. Jitendra	Trade Union Leader	GEFONT-Nepal
26	Ms. Usha	Trade Union Leader	ANTUF-Nepal
27	Mr. Ram	Trade Union Leader	NTUC-Nepal
28	Mr. Arjun Rai	Director	Department of Cottage and Small Industry, Chitwan.
29	Mr. Sharada Mohan Kafle	Chief Engineer	Municipal Corporation, Pokhara
30	Mr. Krishna Prasad Acharya	Officer	Department of Cottage and Small Industry, Chitwan
31	Ms. Anjana Subedhi	Federation of Nepal	Department of Cottage and Small Industry, Chitwan
32	Mr. Jhalakram Adhikari	CEO	Municipal Corporation, Pokhara
33	Mr. Kedharnath Adhikari	Member	Building Constructor Entrepreneur Association
34	Ms. Fulmayi	Woman Entrepreneur,	Jutpani village, Chitwan Dist.
35	Ms. Sabita	Woman Entrepreneur	Jutpani village, Chitwan Dist.
36	Mr. Kapil	Assistant Secretary	Construction Contractor Association
37	Mr. Krishnaraj	Member	Construction Contractor Association
38	Mr. Indrabala	Member	Construction Contractor Association
39	Mr. Tej Bahadur	Member	Construction Contractor Association
40	Mr. Jitendra	Member	Construction Contractor Association
41	Mr. Kedar	Member	Construction Contractor Association
42	Mr. Narayan Prasad	Member	Construction Contractor Association
43	Ms. Varsha	Administrative Officer	Construction Contractor Association
44	Mr. Surya	President	Federation of Pokhara, Small business Association.
45	Mr. Rudra Bahadur Shreshtha	Member	Labour Construction Entrepreneurs committee, Namavali, Pokhara.
46	Mr. Gunj Lal Shreshtha	President	Labour Construction Entrepreneurs committee, Namavali, Pokhara.
47	Mr. Kedar Subedhi	Secretary	Construction Business Persons Committee, Pokhara
48	Mr. Kona Bahadur	Member	Labour Construction Entrepreneurs committee, Namavali, Pokhara.
49	Mr. Prem Thapa	Executive Committee Member	Labour Construction Entrepreneurs committee, Namavali, Pokhara.
50	Mr. Arjun Thapa	Vice President	Labour Construction Entrepreneurs committee, Namavali, Pokhara.
51	Mr. Prakash Chandra	Engineer	Ratnanagar Municipality office
52	Mr. MP Pandey	Chief Engineer	Ratnanagar Municipality office

## **Annexure 4: Stakeholders of the WOI Project**

### **4.1 In ILO and India**

- The WOI project team
- The DW Team
- The Officer in ILO Regional Office, Bangkok
- Department of Labour, Government of Japan, India
- Ministry of Labour & Employment, Delhi
- Ministry of Small and medium Enterprises, Delhi
- Department of Labour, Maharashtra
- Bharatiya Mazdoor Sangh, Pune
- Automobile Components Manufacturers' Association
- Federation of Chambers of Commerce and Industry (FICCI)

### **4.2 In Nepal**

- General Federation of Nepalese Trade Unions
- Nepal Trade Union Congress - Independent
- All Nepal Federation of Trade Unions
- Construction and Allied Workers Union
- Bharatiya Mazdoor Sangh
- Federation of Woman Entrepreneurs' Association of Nepal
- Federation of Nepal Cottage & Small Industries
  
- Ministry of Labour and Employment
- Department of Cottage and Small Industries
- Industrial Enterprise Development Institute, Autonomous Institute under Ministry of Industry
- The Municipal Corporation, Pokhara
- The Municipal Corporation, Chitwan

### **4.3 In Bangladesh**

- Ministry of Labour & Employment (MOLE)
- Bangladesh Employers' Federation (BEF)
- National Coordination Committee for Workers' Education (NCCWE)
- Bureau of Manpower, Employment & Training (BMET)
- Occupational Safety, Health & Environment (OSHE) Foundation
- Bangladesh Nirman Sramik League
- Bangladesh Construction & Wood Workers' Federation (BCWWF)
- Bangladesh Jatiyabadi Nirman Sramik Dal
- Bangladesh Association of Construction Industries (BACI)
- Real Estate & Housing Association of Bangladesh (REHAB)
- Department of Labour
- Department of Inspector General

## ***Annexure 5: The Studies Conducted Under WOI Project***

### **Thematic studies**

1. Study of the Construction sector Nepal (2013)
2. Study of the Hotel and Tourism Sector Nepal (2013)
3. Study of Small scale manufacturing linked to the Automobile Industry India (2013)
4. Study conducted on rapid assessment of five sectors: Construction, Transport (Road), Hotel and Restaurants, Dry Fish Processing and Bidi Making (March-May, 2013)
5. Thematic study conducted on the construction sector, July – September, 2013

### **Other studies**

6. Study conducted on 'Labour Law, the Business Environment and Growth of Micro and Small Enterprises (MSE) in Bangladesh' (ILO New Delhi)
7. Promoting transition towards Formalisation. A Collection of Best Practices (2014)
8. A mapping of labour laws applicable to MSEs in India (2014)

### **Co-funded studies**

9. Manufacturing Sector and Productivity – India (2014)

### **Studies finalised – started under an earlier project but were finalised and presented by WOI**

10. Labour Law and the Cost of Regularisation Nepal (2013)
11. Labour Law and the Cost of Regularisation Bangladesh (2014)
12. Labour Law and the Cost of Regularisation India (2013)
13. Labour Law and the Cost of Regularisation Sri Lanka (2014)
14. Labour Law and the Cost of Regularisation – A Synthesis report (2014)



## ***Annexure 6: The Trainings and Consultations Conducted by WOI Project***

### **Sub-regional workshop**

- Statistics Technical Knowledge Sharing Workshop On measurements for the Informal Economy (14 – 15 May 2013)
- Formalisation of Informal Economy (21 - 25 April 2014)
- Operation and management of workers' welfare schemes (1 – 4 September 2014)

### **India – National Workshop**

- Decent Work Debate – Presentation of Labour Law and the Cost of Regularisation Study (16 October 2013)
- Promoting the Manufacturing Sector as a Driver of Inclusive Growth and Job Creation in India (Joint with other ILO projects) (November 2013)
- Presentation of Thematic Study on Formalisation of the Auto mobile Sector in the State of Maharashtra (January 2014)

### **Nepal – National Workshops**

- Knowledge Sharing Workshop on the Informal Economy (10 December 2012)
- National Planning Workshop (11 December 2012)<sup>31</sup>
- Workshop on National Definition of Informal Economy (23 July 2013)
- Thematic Workshop on Tourism Sector (24 July 2013)
- Thematic Workshop on Construction Sector (25 July 2013)
- Tripartite Training on Formalization of Informal Economy (21-25 Apr 2014)
- Training on Improve Your Business for Emerging Construction Entrepreneurs (IYB Module of SIYB) (22-28 May 2014)

### **District Level Workshops**

- 13 District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions.
- Presentation of Labour Law and the Cost of Regularisation Study (5 December 2013)

### **Bangladesh – National Workshops**

- Training Workshop on Workplace Improvement in Small Enterprises (WISE) methodology and tools in collaboration with TVET Reform Project (November 2012)
- Consultation meeting with Economic Relations Division (ERD) (December 2012)
- Consultation workshop with the Ministry of Labour & Employment (MOLE) on rapid assessment of informal economy of Bangladesh (Apr 2013)
- Knowledge Sharing Workshop on the Informal Economy (May 2013)
- Thematic Workshop on Construction Sector (21 September 2013)
- Awareness Raising & Capacity Building Training Workshop for the Stakeholders of the Construction Sector on Legal Framework & Decent Work, (Jan 2014)
- Workshop on presenting the findings on: Study on Labour Law, Business Environment & Growth of Micro & Small Enterprises in Bangladesh (12 February, 2014)
- Awareness Raising & Capacity Building Training Workshop on Rights at Works & Decent Employment of the Construction Sector Informal Workers in Chittagong region/district (5 & 6 March)
- Awareness Raising & Capacity Building Training Workshop on Rights at Works & Decent Employment of the Construction Sector Informal Workers in Rajshahi region/district (19 & 20 March)
- Apprenticeship Training for informal construction workers in Dhaka, Chittagong and Rajshahi (August, 2014 - January, 2015)

### **Other workshops – not organised by Way out of Informality but with participation by staff**

- ITUC –AP Regional Review and Planning Workshop on the Policy and Action on Informal Economy and Atypical workers(8 – 9 May)
- Meeting of South Asian Employers Federation (4 October 2013)
- International Symposium on Supporting Grass Roots Activities through the International Employer's and Worker's Network (SGRA) JILAF (24 – 24 February 2013)

### 8.1 Number of Participants in Trainings, Seminars and Workshops in India (April 2013 - March 2014)

Country	Activity	Place and Date	Male Participants	Female Participants	Total
Sub-Regional	Training Workshop – Measuring of the Informal Economy	Delhi May 2013	21	3	24
India	Workshop - Decent Work Debate – Cost of Regularisation (Cost share with ILO Delhi)	Delhi October 2013	N/A	N/A	50
India	Workshop - Promoting the Manufacturing Sector as a Driver of Inclusive Growth and Job Creation in India (Joint with other ILO projects)	Delhi November 2013	N/A	N/A	84
India	Workshop - Presentation of Thematic Study on Formalisation of the Auto mobile Sector in the State of Maharashtra	Mumbai January 2014	N/A	N/A	53

## 8.2 List of Training/Workshops during December 2012-August 2014

S.N.	Name of Trainings/Workshops	Date	District	Male	Female	Total	In collaboration
1	Way out of Informality Project-Knowledge Sharing Workshop	10-Dec-12	Kathmandu	55	10	65	Ministry of Labour and Employment
2	Project Planning Workshop-Way out of Informality Project	11-Dec-12	Kathmandu	29	2	31	
3	Workshop on Defining the Informality and Indicators	23-Jul-13	Kathmandu	55	1	56	Ministry of Labour and Employment
2	Sharing the Study Report on Informality in Tourism Sector and Planning Workshop	24-Jul-13	Kathmandu	53	7	60	
3	Sharing the Study Report on Informality in Construction Sector and Planning Workshop	25-Jul-13	Kathmandu	52	3	55	
4	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	16-Sep-13	Kathmandu	37	6	43	Department of Cottage and Small Industry
5	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	17-Sep-13	Bhaktapur	44	4	48	
6	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	23-Sep-13	Lalitpur	23	16	39	
7	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	1-Oct-13	Chitwan	30	7	37	
8	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	2-Oct-13	Kaski	31	5	36	
9	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	23-Oct-13	Morang	36	3	39	

10	District Level Stakeholder Workshop on Informal Enterprise and formalization of Cottage and Small Industries with possible interventions	24-Oct-13	Sunsari	35	6	41	
11	Dissemination Workshop on Country Report: Labour Laws, The Business Environment and Growth of MSEs in Nepal	3-Dec-13	Kathmandu	36	5	41	Ministry of Labour and Employment
12	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	2-6 Dec 2013	Kathmandu	8	12	20	Industrial Enterprise Development Institute (IEDI), Department of Cottage and Small Industry (DCSI), and Federation of Nepal Chamber of Commerce and Industry (FNCSI)
13	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	9-13 Dec 2013	Kathmandu	4	16	20	
14	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	2-6 Dec 2013	Lalitpur	5	16	21	
15	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	8-12 Dec 2013	Lalitpur	5	15	20	
16	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	2-6 Dec 2013	Kaski	6	14	20	
17	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	8-12 Dec 2013	Kaski	2	18	20	
18	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	2-6 Dec 2013	Chitwan	10	8	18	
19	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	8-12 Dec 2013	Chitwan	15	5	20	
20	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	2-6 Dec 2013	Morang	10	10	20	

21	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	8-12 Dec 2013	Morang	5	16	21	
22	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	2-6 Dec 2013	Bhaktapur	11	7	18	
23	Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module for newly registered Cottage and Small Industries	15-19 Dec 2013	Sunsari	7	13	20	
24	Orientation on existing legal provisions for formalization of women led enterprises	28-Nov-13	Kathmandu		34	34	Federation of Women Entrepreneurs Associations of Nepal (FWEAN)
25	Orientation on existing legal provisions for formalization of women led enterprises	29-Nov-13	Lalitpur		24	24	
26	Orientation on existing legal provisions for formalization of women led enterprises	28-Nov-13	Bhaktapur		30	30	
27	Orientation on existing legal provisions for formalization of women led enterprises	11-Dec-13	Morang		31	31	
28	Orientation on existing legal provisions for formalization of women led enterprises	17-Dec-13	Kaski		26	26	
29	Entrepreneurship Development Training for women entrepreneurs	19-21 Dec 2013	Lalitpur		14	14	
30	Entrepreneurship Development Training for women entrepreneurs	19-21 Dec 2013	Kathmandu		11	11	
31	Entrepreneurship Development Training for women entrepreneurs	15-17 Dec 2013	Bhaktapur		15	15	
32	Training on Gender Equality and OSH for women entrepreneurs	22-24 Dec 2013	Kathmandu, Lalitpur and Bhaktapur		20	20	
33	District Level Stakeholders Workshop on Issues and Solutions of Informality in Construction Sector	26-Mar-14	Bharatpur	52	4	56	

34	District Level Stakeholders Workshop on Issues and Solutions of Informality in Construction Sector	27-Mar-14	Pokhara	34	3	37	Pokhara Sub-Metropolitan City
35	Tripartite Training on Formalization of Informal Economy	21-25 Apr 2014	Pokhara	23	11	34	International Training Centre in Turin
36	District Level Stakeholders Workshop on Issues and Solutions of Informality in Construction Sector	15-May-14	Biratnagar	27	5	32	Biratnagar Sub-Metropolitan City
37	District Level Stakeholders Workshop on Issues and Solutions of Informality in Construction Sector	16-May-14	Itahari	32	4	36	Itahari Municipality City
38	Training on Improve Your Business for Emerging Construction Entrepreneurs (IYB Module of SIYB)	22-28 May 2014	Pokhara	20		20	Industrial Enterprise Development Institute (IEDI)
39	District Level Stakeholders Workshop on Issues and Solutions of Informality in Construction Sector	8-Jul-14	Kathmandu	35	8	43	Kathmandu Metropolitan City
40	District Level Stakeholders Workshop on Issues and Solutions of Informality in Construction Sector	19-Aug-14	Lalitpur	31	14	45	Lalitpur Sub-Metropolitan City
	<b>Total</b>			<b>606</b>	<b>425</b>	<b>1031</b>	
	<b>%</b>			<b>59%</b>	<b>41%</b>		

### 8.3 Bangladesh Component: Implementation Period: April 2013 to March 2014

Months	Type of Event	Title	Output	Date	No. of Participants	Category of Participants
April, 2013	Consultation Workshop	Consultation workshop with the Ministry of Labour & Employment (MOLE) on rapid assessment of informal economy of Bangladesh	- Technical input to the rapid assessment of informal economy & identification of sectors	10 April	10	- MOLE Officials including Secretary, Joint Secretary, Deputy Secretary & others
	Consultation Workshop	Consultation workshop with Bangladesh Employers' Organisation on rapid assessment of informal economy of Bangladesh	- Technical input to the rapid assessment of informal economy & identification of sectors	25 April	10	- BEF Secretary General, Labour Advisor & Directors/Officials of BEF
	Consultation Workshop	Consultation workshop with the Workers' Organisations on rapid assessment of informal economy of Bangladesh	- Technical input to the rapid assessment of informal economy & identification of sectors	30 April	15	- Chairperson, Member-Secretary & members of National Coordination Committee of Workers' Education (NCCWE)
May, 2013	National Workshop	Knowledge Sharing & Planning Workshop on the Informal Economy in Bangladesh	<ul style="list-style-type: none"> <li>- Knowledge shared on the ILO Tools on the formalisation of the informal economy &amp; Global good practices</li> <li>- Identified three priority sectors for project intervention in Bangladesh</li> <li>- Tripartite roles identified for project facilitation</li> </ul>	27 May	68	<ul style="list-style-type: none"> <li>- Government Officials from MOLE, External Relations Division, Ministry of Planning, Industries, Commerce, Social Welfare, Youth &amp; Women</li> <li>- Bangladesh Employers' Federation (BEF)</li> <li>- NCCWE (Workers' Federation)</li> <li>- Research &amp; Development Organisations</li> <li>- Japan International Labour Foundation</li> <li>- ILO Specialists (New Delhi/Kathmundu/Dhaka)</li> <li>- Bangladesh Bureau of Statistics</li> <li>- National Women's organisations</li> </ul>

						<ul style="list-style-type: none"> <li>- NGOs</li> <li>- Bangladesh Women Chamber of Commerce &amp; Industry</li> </ul>
July, 2013	Focus Group Discussion (FGD)	Tripartite Focus Group Discussion on identification of informality issues of Construction Sector in Dhaka region/district	<ul style="list-style-type: none"> <li>- Technical input to the Thematic Study on the Construction Sector in Bangladesh</li> </ul>	23 July	12	<ul style="list-style-type: none"> <li>- Local/regionally based employers' &amp; stakeholders of Construction sector</li> <li>- MOLE officials</li> <li>- Department of Labour</li> <li>- Department of Inspection</li> <li>- Workers' organisations of Construction sector</li> </ul>
	Focus Group Discussion (FGD)	Tripartite Focus Group Discussion on identification of informality issues of Construction Sector in Chittagong region/district	Technical input to the Thematic Study on the Construction Sector in Bangladesh	27 August	20	<ul style="list-style-type: none"> <li>- Local/regionally based employers' &amp; stakeholders of Construction sector</li> <li>- Department of Labour</li> <li>- Department of Inspection</li> <li>- Workers' organisations of Construction sector</li> </ul>
August, 2013	Focus Group Discussion (FGD)	Tripartite Focus Group Discussion on identification of informality issues of Construction Sector in Rajshahi region/district	Technical input to the Thematic Study on the Construction Sector in Bangladesh	15 September	21	<ul style="list-style-type: none"> <li>- Local/regionally based employers' &amp; stakeholders of Construction sector</li> <li>- MOLE officials</li> <li>- Department of Labour</li> <li>- Department of Inspection</li> <li>- Workers' organisations of Construction sector</li> </ul>
September, 2013	National Workshop	National Workshop on the Construction Sector: Challenges & Opportunities for Transitioning from The Informal to the Formal Economy	<ul style="list-style-type: none"> <li>- Reviewed the thematic study results on informality issues &amp; key obstacles of the Construction sector in Bangladesh</li> <li>- Provided recommendations on potential areas of formalisation</li> </ul> <p>Recommended potential roles of the tripartite partners, key stakeholders &amp; social partners</p>	27 September	72	<ul style="list-style-type: none"> <li>- Government Officials from MOLE, External Relations Division, Ministry of Planning, Industries &amp; Commerce</li> <li>- Bangladesh Employers' Federation (BEF)</li> <li>- NCCWE (Workers' Federation)</li> <li>- Japan International Labour Foundation</li> <li>- Construction Firms &amp; Trade Associations</li> </ul>



						<ul style="list-style-type: none"> <li>- ILO Specialists</li> <li>- Social Partners</li> </ul>
	Training	Awareness Raising & Capacity Building Training Workshop on Rights at Works & Decent Employment of the Construction Sector Informal Workers in Dhaka region/district	<ul style="list-style-type: none"> <li>- Contributed to increased awareness &amp; capacity of mid-level management from the tripartite partners on:               <ul style="list-style-type: none"> <li>- legal framework supporting the formalization of informal economy;</li> </ul> </li> <li>- organizing informal workers, ensuring safe workplace and promote skills development using ILO good practices;</li> </ul>	29 & 30 January	33	<ul style="list-style-type: none"> <li>- Local/regionally based small construction employers, stakeholders of Construction sector</li> <li>- MOLE officials</li> <li>- Department of Labour</li> <li>- Department of Inspection</li> <li>- District based basic unions</li> <li>- Local workers' organisations of Construction sector</li> </ul>
January, 2014	National Workshop	Workshop on presenting the findings on: Study on Labour Law, Business Environment & Growth of Micro & Small Enterprises in Bangladesh	<ul style="list-style-type: none"> <li>- Contributed to DWCP outcome BDG 103, and the work under the ILO Area of Critical Importance (ACI) on Facilitating Formalisation of the Informal Economy</li> </ul>	12 February	51	<ul style="list-style-type: none"> <li>- Government Officials from MOLE, External Relations Division, Ministry of Planning, Industries &amp; Commerce</li> <li>- Bangladesh Employers' Federation (BEF)</li> <li>- NCCWE (Workers' Federation)</li> <li>- Research &amp; Development Organisations</li> <li>- ILO Specialists</li> <li>- National Women's organisations</li> <li>- NGOs</li> </ul>
February, 2014	Advisory Committee Meeting	2 <sup>nd</sup> National Project Advisory Committee Meeting on Way out of Informality project Bangladesh	<ul style="list-style-type: none"> <li>- Approved Project Work Plan for 2014</li> <li>- Approved the proposal for issuance of national Identify Card for construction sector workers</li> </ul>	13 February	14	MOLE, BEF, NCCWE, ERD, Department of Labour. Ministry of Commerce, Ministry of Industries, Department of Inspector General, Bangladesh Women

						Chamber of Commerce & Industry, ILO
	Training	Awareness Raising & Capacity Building Training Workshop on Rights at Works & Decent Employment of the Construction Sector Informal Workers in Chittagong region/district	<ul style="list-style-type: none"> <li>- Contributed to increased awareness &amp; capacity of mid-level management from the tripartite partners on: <ul style="list-style-type: none"> <li>- legal framework supporting the formalization of informal economy;</li> </ul> </li> <li>- organizing informal workers, ensuring safe workplace and promote skills development using ILO good practices;</li> </ul>	5 & 6 March	37	<ul style="list-style-type: none"> <li>- Local/regionally based small construction employers, stakeholders of Construction sector <ul style="list-style-type: none"> <li>- MOLE officials</li> <li>- Department of Labour</li> <li>- Department of Inspection</li> <li>- District based basic unions</li> </ul> </li> <li>Local workers' organisations of Construction sector</li> </ul>
March, 2014	Training	Awareness Raising & Capacity Building Training Workshop on Rights at Works & Decent Employment of the Construction Sector Informal Workers in Rajshahi region/district	<ul style="list-style-type: none"> <li>- Contributed to increased awareness &amp; capacity of mid-level management from the tripartite partners on: <ul style="list-style-type: none"> <li>- legal framework supporting the formalization of informal economy;</li> </ul> </li> <li>- organizing informal workers, ensuring safe workplace and promote skills development using ILO good practices</li> </ul>	19 & 20 March	49	<ul style="list-style-type: none"> <li>- Local/regionally based small construction employers, stakeholders of Construction sector <ul style="list-style-type: none"> <li>- MOLE officials</li> <li>- Department of Labour</li> <li>- Department of Inspection</li> <li>- District based basic unions</li> </ul> </li> <li>Local workers' organisations of Construction sector</li> </ul>
		<b>Total Participants in Bangladesh Workshop/FGD/Training/PAC Meetings in 2013-14 (April-March): 424</b> <b>Workshop/FGD participants: 305</b> <b>Training participants: 119</b> <b>Total Female Participants: 16%</b>				

## ***Annexure 7: List of Documents Studied***

1. Way out of Informality Project, Bangladesh Component, Programme Budget, 2014.
2. Report: Knowledge Sharing and Planning Workshop, Bangladesh, 2013 (ILO)
3. The Informal Economy of Bangladesh-An Exploratory Study of Five Selected Sectors for Moving towards Formalization. ATM Nurul Amin& Shamima Sultana, (ILO)
4. Informal issues in the Construction Sector in Bangladesh & Opportunities for Formalisation: Concept Note on Programme Implementation, January 2014 ( ILO)
5. Memorandum of Understanding between Economic Relations Division, Ministry of Finance, Government of Bangladesh and the ILO Country Office , for the Project - “Way Out of Informality: Facilitating Formalization of the Informal Economy in South Asia (Bangladesh, India and Nepal) (May 30, 2013)
6. Report National Workshop on the Construction Sector: Challenges & Opportunities for Transitioning from the Informal to the Formal Economy , 21 September, 2013 (ILO)
7. Report: Seminar, Workshop & Training Events in Bangladesh component. 2013-2014
8. 6 month report on the Implementation of the Way out of Informality Sub-Regional Project, June 2013
9. 6 month report on the Implementation of the Way out of Informality Sub-Regional Project, June 2014, Thomas Kring, CTA
10. Technical Cooperation Progress Report(TCPR)-Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia (Bangladesh) 2013
11. Update on project ‘way out of informality’, 7<sup>th</sup> September 2012
12. List of Workshops organised or planned by the Way out of Informality Project (until end 2013)
13. Technical Cooperation Progress Report(TCPR)- Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia (Nepal) 2013
14. Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia, Annual Report, 2012
15. Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia, Annual Report, 2013
16. Proposal for Engagement in the Automobile Sector Value Chain in Maharashtra, The Sub-Regional project: Way Out Of Informality
17. Minutes of the First Meeting of the Project Advisory Committee, WOI Project (Ministry of Labor and Employment, Government of India, April 30, 2013
18. Report to MOLE on Activities undertaken by the project: Way out of Informality in India, Jan–Dece 2013
19. Draft Programme- First meeting of the Project Advisory Committee, [Project on Way Out of Informality: Facilitating Formalization of Informal Economy](#) 30 April 2013, (MOLE Government of India),
20. Agenda for Project Planning Workshop: Way Out Of Informality, Nepal, 2012
21. Agenda for First Knowledge Sharing Workshop: Way Out Of Informality Nepal, 2012
22. Work plan and budget Way Out Of Informality Nepal, 2014
23. Report on Knowledge Sharing Workshop & Project Planning Workshop, Nepal (MOLE & ILO)
24. List of Participants 1<sup>st</sup> National Steering Committee Meeting, Way Out Of Informality, Nepal, 2013
25. Meeting Minutes of 1<sup>st</sup> National Steering Committee Meeting, Nepal, 2013
26. Meeting Minutes of subcommittee formed by 1<sup>st</sup> National Steering Committee of Way out of Informality Project, Nepal, 2013
27. PAC Minutes, Nepal, Feb 2013
28. PAC Sub Committee, Nepal
29. Project Concept Note for Construction Sector to the Employer, Way out of Informality Project, Nepal, 2014
30. Concept Note for Construction Sector to the Government, Way out of Informality Project, Nepal, 2014
31. Concept Note for Construction Sector to the Trade Unions, Way out of Informality Project, Nepal, 2014
32. Workshop Report On Sharing The Study Report On Informality In Tourism Report And Planning Workshop, Nepal, 2013 (ILO & MOLE Nepal)
33. Proceedings Of Study Report Sharing And Planning Construction sector informality in Nepal, 2013 (ILO & MOLE Nepal)
34. Project Proposal, formalising women enterprises through enhancing their capacity and promoting gender equality in Nepal, 2014 (federation of women entrepreneurs associations of Nepal)
35. Suggestions and Recommendations Provision in Review of Existing Policy, Act and Regulation for Registration of the Informal Cottage and Small Industries Draft Report, 2014
36. Updating Research on Informal Sector of the Construction Industry in Nepal [Way out of Informality :Facilitating Formalization of Informal Economy Project, Nepal], 2013
37. Terms of Reference: Tripartite National Steering Committee ([Project on Way Out of Informality: Facilitating Formalization of Informal Economy](#)), Nepal

38. XBTC Implementation plan (Way out of Informality), 2011
39. Minutes of the meeting with Japanese delegation, 2014
40. Project Document, on Way Out of Informality: Facilitating Formalization of Informal Economy
41. Revised Budget 2014 - 2016 Planning Overview
42. Way Out of Informality Work Plan Comparison 2013 – 2014
43. Report: Decent Work Debate on Sustainable Enterprises, 2013
44. Final Draft Report: Promoting Employment And Skill Development In The Manufacturing Sector In India, 2014 (ILO & Institute For Human Development)
45. Promoting Transition towards Formalization: Selected Good Practices in Four Sectors
46. A357402 - Tripartite workshop on formalization of informal economy Activity Evaluation Main Results
47. Knowledge Sharing Workshop on Measuring for the Informal Economy, Delhi, 2013 (ILO)
48. Concept Note Statistics Technical Knowledge Sharing Workshop On measurements for the Informal Economy (ILO)
49. Final Report : Informal Employment Practices in Bangladesh`s Construction Sector and Opportunities for Formalization, WOI, 2013 (ILO)
50. Informality Among Small Scale Manufacturing Enterprises In The Automobile Sector. A Study in Three States (Haryana, Maharashtra and Tamil Nadu), T.S. PAPOLA, 2014
51. A Study Report On Informality In Tourism Sector In Nepal, 2013 (ILO)
52. Terms Of Reference, National Consultant: Updating Research on Informal Sector of the Construction Industry in Nepal, 2013 (ILO)
53. Terms of Reference for Consultancy on Conducting a Thematic Study of Informality among Small Scale Manufacturing Enterprises in the Automobile Sector in Select States in India The Sub-Regional project: Way Out Of Informality, 2013
54. Project- Progress Report, Way out of informality: facilitating formalization of Micro, Cottage and Small Industries, Department of Cottage and Small Industries, Nepal, 2013
55. Final Progress Report: Formalizing Women Enterprises through Enhancing their Capacity and Promoting Gender Equality in Nepal, Federation of Women Entrepreneurs Associations of Nepal, 2013
56. Project Presentation, Way Out of Informality: facilitating formalization of informal economy in Nepal, 2013
57. Agreement between Government of Nepal and The International Labour Organization On Way out of Informality: Facilitating Formalisation of Informal Economy Project, Nepal
58. Budget Plan WOI Construction Sector Interventions, Nepal
59. Progress Report: Facilitating Formalization of Informal Micro, Small and Medium Enterprises in Selected Districts of Nepal, 2013 (Federation of Nepal Cottage and Small Industries)
60. Group Work Findings: Workshop on Defining the Informality and Indicators in Nepal, Nepal, 2013
61. Final Report: Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module, Nepal 2013 (ILO & Industrial Enterprise Development Institute)
62. Interim Report: Assisting and Coordinating in Implementation of Construction Sector Intervention under Way Out of Informality [Woi] Project in Nepal, Santosh Kumar Gupta, 2014
63. Key Stakeholders for Formalization of CSI
64. List of Training/Workshops during December 2012-August 2014, Way out of Informality: Facilitating Formalization of Informal Economy in Nepal
65. Meeting Minutes of 2<sup>nd</sup> National Steering Committee of Way out of Informality Project, Nepal, 2013
66. Technical Cooperation Progress Report (TCPR)- Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia (Nepal) 2012
67. Way Out of Informality: Formalisation of Informal Economy in Nepal, Priority Sector and Interventions by stakeholders
68. Letter to Mr A C Pandey
69. Main Activities for Way Out of Informality Project in India (Sep 2014)
70. ILO Technical Cooperation Progress Report for WOI
71. The Industrial Enterprises Act, 2049 (1992)
72. Presentation on Status of Informal Enterprise Registration in Morang District, 2014