

**CONCEPT NOTE**

**INTERNATIONAL PARTNERS MEETING ON THE AUC-ILO JOINT PROGRAMME  
ON DECENT WORK FOR THE TRANSFORMATION OF THE INFORMAL ECONOMY  
(2020-2024)**

**ADDIS ABABA, AUC HEADQUARTERS, 20 NOVEMBER 2019**



## I. Context/background Advocacy, communication:

Despite its challenges, the informal economy remains a key component of most economies in sub-Saharan Africa. According to data from the World Bank's work on bench-marking business regulations, the size of the informal economy as a percentage of gross national income (GNI), ranges from under 30 percent in South Africa, the continent's largest economy, to almost 60 percent in Nigeria, Tanzania and Zimbabwe. The average size in sub-Saharan Africa (SSA) is 42% of the GDP<sup>1</sup>.

These statistics are convergent with the most recent published by the International Monetary Fund. On average, its share reached almost 38 percent of GDP during 2010–14, compared to 17% in OECD countries, 40% in Latin America and Caribbean, and 34% in south Asia. It contributes close to 50% of the GDP in oil exporter countries.<sup>2</sup> According to the IMF, the size of informal economies in sub-Saharan Africa ranges from a 20 to 25 percent of GDP in Mauritius, South Africa, and Namibia to 50 to 65 percent in Tanzania and Nigeria.

The characteristics of the informal economy in Africa underline its heterogeneity, the lack of recognition, lack of voice and representation in policy dialogue processes, low productivity level aggravated by weak social security coverage if any, and bad working conditions all resulting in a high level of working poverty (31%, ILO 2018). Other characteristics relate to the gender and youth predominant presence.

Pursuing its policy<sup>3</sup> objectives on the transformation of the informal economy, AU leaders set ambitious targets to be achieved by 2023 in the First Ten Year Implementation Plan of the Agenda 2063, in terms of upgrading of the informal economy units (at least 20% of informal sector ventures into the formal sector, 50% of which will be owned by women), and in terms of social security extension to workers in the informal economy (at least 20% of informal sector ventures into the formal sector, 50% of which will be owned by women).

They are aligned with the ILO Recommendation 204 concerning the transition from the informal economy the formal economy and the UN SGD targets 8.3 that 'encourage(s) the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services'.

There are challenges to the realization of these AU and UN objectives towards the transformation of the informal economy: skills gaps, financial policies and regulations, unfavorable and non-inclusive business environment, high working poverty level and inequality, etc.

In view of ensuring the effective implementation of the AU and UN policies on the transformation of the informal economy, and in line with the AU-UN Coordination

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<sup>1</sup> African Union Programme on Upgrading the Informal Economy (LSAC 2010, Addis Ababa, Ethiopia); Social Protection Plan for Informal Economy and Rural Workers-SPIREWORLD (LSAC 2011, Yaoundé, Cameroon)

<sup>2</sup> IMF 2016

<sup>3</sup> AU Programme on Upgrading the Informal Economy (2009) and Au Social Protection Plan for the Informal Economy and Rural Workers (SPIREWORLD)

Framework, as well as of African Labour Ministers Declaration<sup>4</sup>, the AU Executive Council adopted the AUC-ILO Joint Programme Decent Work for the Transformation of the Informal Economy.

It is essential to ensure sustainable funding of the Joint Programme and achieve the development objectives towards the transformation of the informal economy in Africa. Subsequently, in line with the sixth Key Priority Area of the Ouaga+10 Declaration and Plan of Action '*Partnerships and Resources Mobilization*', the Commission and ILO will deploy a strategy with targeted activities on partnership building and resources mobilization.

To this effect, a donors meeting will be organized to mobilize the resources necessary to the implementation of the AUC-ILO Joint Programme.

The event will be a half day event for the Social Affairs Department and ILO to present the Program Project Document to donors and to solicit for expression of interest for the 5-year project. The purpose of the event is to inform partners on the Program, and to start building technical and financial partnership for its implementation.

Organize with Ministry of Labour and Social Affairs of Ethiopia, Employers and workers Organizations of Ethiopia

## **II. Key info on the project and budget**

The project is structured around 3 objectives:

**Immediate Objective 1:** Knowledge and Communication/Advocacy facilitate informal economy transformation

**Immediate Objective 2:** Member States, AUC, RECs, Organizations of informal economy workers, and social partners facilitate gender-sensitive informal economy transformation

**Immediate Objective 3:** Integrated policies, strategies & institutional frameworks (at national/ sectoral level or for category of workers or economic units) developed and implemented

It has sectoral and/or cluster intervention. It also pursues Inter and/or intra-regional cooperation including South-to-South technical cooperation.

## **III. Objectives of the international partners' meeting:**

The specific objectives are for:

- a. Bring the informal economy world on the stage
- b. Information and awareness of international partners on the programme, stimulating interest among development partners in the program

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<sup>4</sup> Declaration, 13rd African regional Meeting, Addis Ababa, Ethiopia, December 2015

- c. International partners expression of interest and pledging in support of the program
- d. Strategic partnerships for enhanced implementation forged with development partners (advocacy, policy convergence, resource mobilization, etc)

A press conference will conclude the event.

#### **IV. Expected outcomes:**

The event will have the following outcomes:

- a. Publicity gained and a database of key contact for regular communication
- b. Potential technical and financial partnerships identified – North-South and South-South, Triangular
- c. Actionable suggestions and follow-up actions for the international partners
- d. Key contacts database creation with personal details (email address, tel, etc)

#### **V. Participants:**

The Commission will invite bilateral and multilateral partners, including UN Agencies, based in Addis Ababa to attend the event. Invitation will be also extended to Foundations and NGOS based in Addis Ababa.

The Minister of Public Service, Labour and Social Security of Burkina Faso will be invited to participate in the capacity of the Chair of the Bureau of the Third ordinary Session of the Specialized technical Committee on Social Development, Labour and Employment.

#### **VI. Venue and date:**

The meeting will be held the AUC Headquarters, Addis Ababa, Ethiopia.

#### **VII. Contacts:**

For further information and conformation of attendance, please contact:

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