

Policy and institutional challenges for the informal sector inclusion in formal systems



Reality

- Municipalities modernizing
- Some actors might be excluded (usually the IS)
- New private investments but with positive results
- The roles change

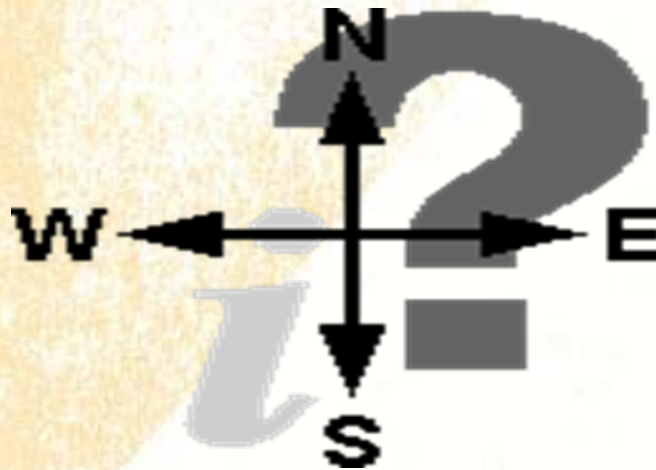


Who is the informal sector?

- Entrepreneurs, experts in the art of segregation and re-use
- Local knowledge, innovative with the regional resources
- Livelihoods out of waste
- If committed, they can impact the local development



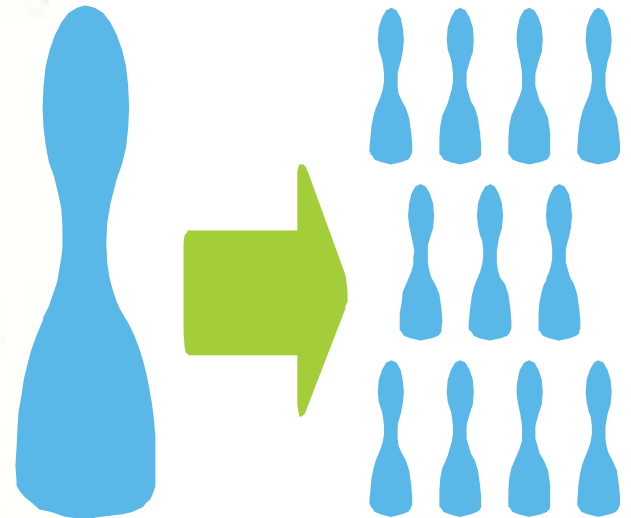
Policy and institutional framework needed for their social support, professionalisation and economic inclusion



1. Organisation

- There is no (“formal”) organisation
- Through organisation they become economic actors, they can get stable transactions, create interests' agreements and social protection (associations/cooperatives)

Policies should recognise the need for institutional development (capacity development)



2. Move higher in the value chain

Collect for
him/herself



Store
Process
Transform



National Policies should consider MF loans for storage capacity, environmentally sound process and materials transformation

3. Knowledge, experience & technology

Lack of:

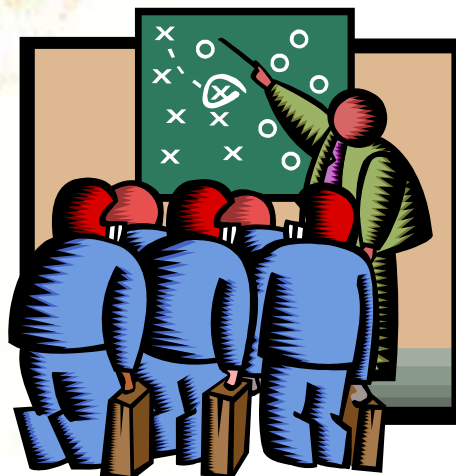
Knowledge

Experience

Technology

Business models

Strategic development plans



The **policies** should include means (\$) to face the transaction costs for the development of the process

4. Inclusion on 3R schemes

Collection for recycling/re-use



Reduction
Re-use
Recycling
schemes
participation



The **3R schemes** should recognise the advantage to include the informal sector participation

5. Laws and public policies for their inclusion

No status
Stigmatised
Criminalised

Recognised as a profession
Recognised added value



The **policies** created should recognise the contribution of the sector to sustainability

6. Acceptance of diverse collection systems



Policies shouldn't monopolise the services just to one contractor

Nicaragua







WVF



<http://youtu.be/TB0fAvQh0Kg>

What type of support was provided?

Municipality:

- Assuming their responsibility for the local development
- Acknowledge the existence of WP; their contribution to sustainability
- Provision of equipment, infrastructure and services
- Making visible amounts of materials recuperated

What type of support was provided?

Intermediate organisation provided:

- Training in: organisational, business, safety, waste management issues and others
- Bridged the informal sector with the formal system (municipality)
- Funded the transaction costs for the local development process

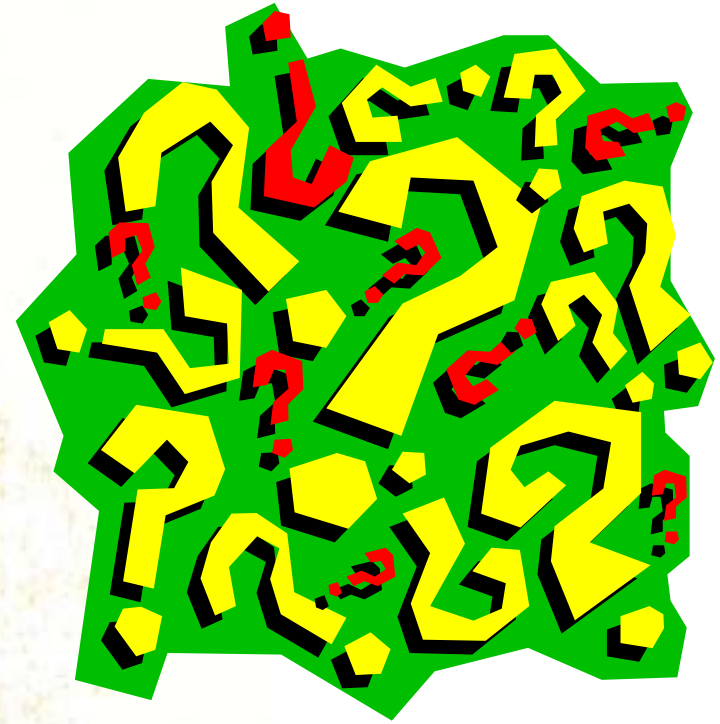
Asia











Comments?

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