



Informal Sector Integration

Some Considerations

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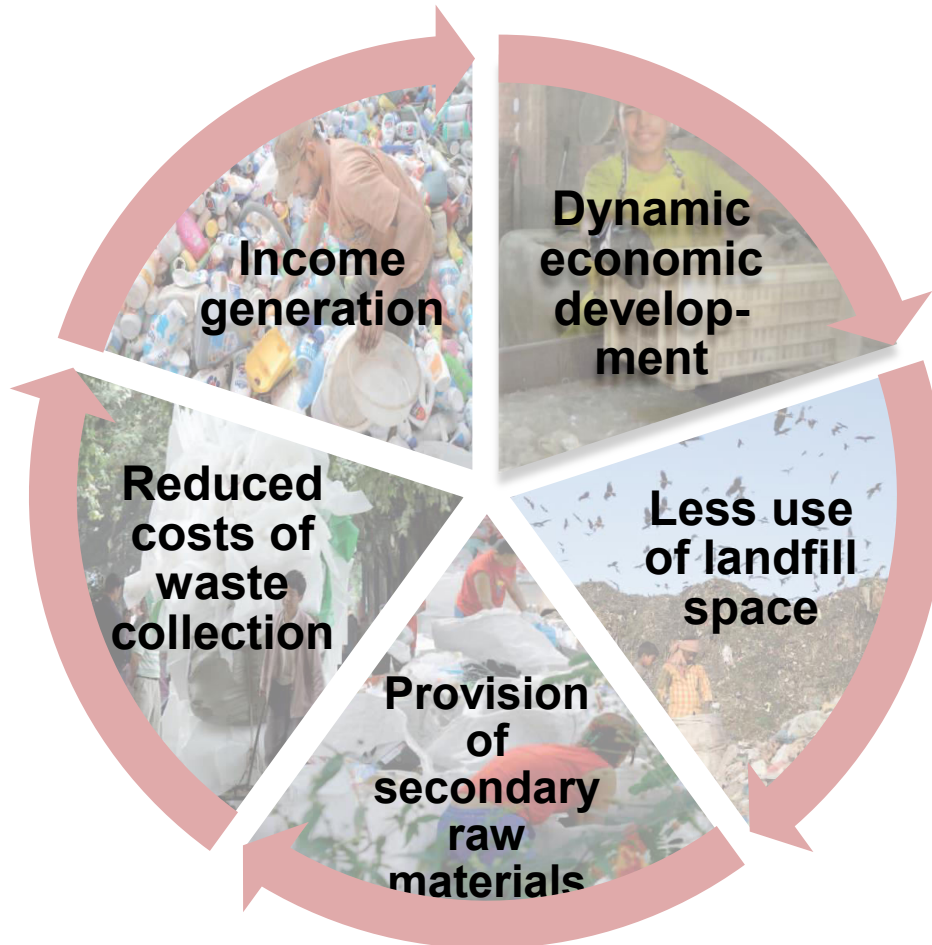
The Informal SWM Sector

- Highly flexible, dynamic individuals, micro- and family enterprises, adaptive to market developments
- Social stigmata, not easy to integrate into formal processes
- Workers often without alternative income opportunities, lacking education, technical and managerial skills
- Practices causing health and environmental harms widespread
- New collection and disposal systems restrict waste pickers' access to recyclables and their income opportunities, but effective control is difficult
- Payment of private service providers per tonne disposed discourage valorisation





Results: Benefits of informal sector integration



- IS usually works with comparably low costs and energy consumption
- achieves a high(er) recovery rate than formal sector: can contribute to legal targets and to longer lifespan of landfill
- More efficient for local authorities to use expertise and structures of IS than developing own/ formal structures for recycling
- IS can constitute important supplier of local industry
- Formalizing informal stakeholders can contribute to achieve political targets for employment creation



Lessons learned: Success factors for successful integration





Access to materials

- Accredited house-to-house waste collectors/buyers
- Sorting facilities on transfer stations/disposal sites
- Collection contracts for mixed/source segregated waste
- Public containers/buy-back centers for recyclables
- Waste banks in schools, temples/collection campaigns
- Contracts with big waste producers – supermarkets, commerce, industries
- Insert recovery quota in waste collection contracts - collection provider delivering recyclables to sorting centers





Business relations

- Strengthen self-perception of informal workers as entrepreneurs
- Design business development services designated to informal businesses
- Facilitate partnerships with micro-credit institutions
- Identify businesses interested in partnerships
- Disseminate information on recycling markets/ prices
- Give legal advice on contracting procedures
- Support transparent franchise systems (Start-up loans, transparent price system, regular meetings between company and franchisees)
- Encourage take-back systems by producers /subsidizing recycling activities as part of corporate social responsibility initiatives or producer responsibility schemes





Outlook

- Necessity of integration internationally recognized, now practical options for informal sector integration in all technical/ financial cooperation projects to be implemented
- Tools available (process flow analysis, scenario analysis of economic aspects, Poverty impact assessment for IS, value chain analysis, training modules, organizational models)
- Stress the business character of informal workers' activities from the beginning
- Cooperatives and SME as successful model for integration of IS
- Accompanying in the medium term, partnerships with NGOs and private enterprises important
- International initiatives for valuing informal recycling through carbon financing



Ongoing Initiative