

Research, Network and Support Facility (RNSF)

“Support to enhance livelihoods per people dependent on informal economy
and improve social inclusion of marginalised and vulnerable persons”

Good Practices and Lessons Learned

RESEARCH QUESTION	1- ENABLING ENVIRONMENT
SUB-TOPIC (Research matrix)	<u>Advocacy with government to improve legal and policy frameworks to support informal economy enterprises (1.2)</u>
REGION - COUNTRY OF IMPLEMENTATION	Central Asia - Kyrgyzstan
RESUME OF GOOD PRACTICES	<p>The RNSF team highlighted the use of the following participative and innovative approaches that are particularly relevant for the IE context:</p> <ol style="list-style-type: none"> 1. Establishment of the so-called Regional Service Networks in the two pilot districts that (among other components) included also: (a) groups of solidary producers, and (b) time banks. 2. Initial needs analysis carried out among potential project beneficiaries and stakeholders. 3. Focus on the application of standardisation and certification procedures on the production of informal economy producers, development of brands and logotypes
PROJECT NAME	<i>Women in Action and Solidarity against Poverty in Kyrgyz Republic</i>
YEAR	02/2012 – 02/2014
FUNDING AGENCY	European Commission
IMPLEMENTING AGENCY	Forum of Women NGO, Public Association Epkin, Social Fund "DIA"
KEY TARGET GROUPS	Women, Women NGOs, rural organisations, business and financial organisations, community groups, national and local authorities and institutions
SUMMARY OF THE ACTION	
<p>The project aims to provide vulnerable and poor women living in deprived rural areas of Chui and Osh regions with comprehensive support and income generation opportunities, through access to an integrated system of assistance services. The main goal of the project is to contribute to equitable development and poverty alleviation in the Kyrgyz Republic through improvements of interaction between State and Non-State actors on the issues of poverty alleviation at local, regional and trans-regional levels, capacity building of selected NSAs to</p>	

make them strategic partners of the State in social decision making, empowerment and increased participation of the rural communities in sustainable development.

GOOD PRACTICES

The RNSF team highlighted the use of the following participative and innovative approaches that are particularly relevant for the IE context:

1. Establishment of the so-called Regional Service Networks in the two pilot districts that (among other components) included also: (a) groups of solidary producers, and (b) time banks

The Regional Service Networks were established in the pilot regions as a system of interacting agencies and organisations that were developed around the Centre for Entrepreneurship Support. Network members included groups of solidary producers, time banks, and help centres for women. These elements were established in the pilot regions and they established a mutual cooperation across a wide range of services and aid that they were able to provide.

Groups of solidary producers (GSP) were inspired by the Italian experience of groups of solidary purchase, based on the principles of mutual trust, transparency, decent work, and respect for the environment. This experience was adapted to the national context in Kyrgyzstan. Groups of solidary producers were established on the basis of common values and common interests of the participating women. The group members launched the process of joint purchases and joint sales of their production, which allowed them to achieve better transaction conditions. The groups engaged in dialogue with producers of equipment and materials, as well as with the distributors of final products. The groups were also able to share more effectively the purchased resources, as well as the business risks. Collective purchases were realized mainly in terms of seeds, working tools and equipment.

Time banks were established in the course of the project as one of the elements of the Regional Service Networks. The main goal of the time banks was easing the heavy burden of domestic work by rural women. Typical services traded in the time banks included organisation of weddings and celebrations, processing of fruits, harvests. Two time banks were established in the framework of the project and another one was opened after the project end. The time bank opened in the village Saray in a dedicated office equipped with computer, printer, phone line, Internet and web camera. Five people work in the office. There is a register where the inputs by the members are recorded and time credits are allocated. The bank developed a system of cooperation with other agencies included in the Regional Service Network. In case that a woman asked for defence from domestic violence, depending on the situation and her preferences, she is referred to the specialized services (psychologist, central office, etc.).

2. Initial needs analysis carried out among potential project beneficiaries and stakeholders

Another important good practice used by the project was the needs analysis among the potential project beneficiaries and stakeholders. The analysis was carried out at the beginning of the project among 1100 rural women – potential direct beneficiaries. The analysis was focused on the characteristics of households, their needs, and the type of services needed. In the course of the analysis, 54 interested subjects defined their role, influence, potential activities and inputs that they could provide in the framework of the project. Subsequently 32 partner agreements were signed between the two regional agencies that implemented the project and other regional and local actors (including local government and community organs). The framework agreements define types of cooperation, rules and obligations of the parties. These efforts helped to overcome the initial stand-off between the governmental agencies and NGO's and provided important elements of public-private partnership.

3. Focus on the application of standardisation and certification procedures on the production of informal economy producers, development of brands and logotypes

A significant finding that was highlighted by the direct beneficiaries of the project was the importance of standardisation

and certification procedures. It became clear that standardising and certifying of their production increased their market competitiveness. Valuable information about the standards and corresponding certificates was provided during a meeting with the representatives of the Centre for Standardisation and Metrology of the Ministry of Economy. The meeting was organised in the framework of the project activities. Subsequently they were able to develop also brand names and logos that were used on the packaging materials.

CONCLUSIONS AND RECOMMENDATIONS

Income generating activities of rural women are usually highly interlinked with the informal economy. Therefore, it is recommendable to use the approaches that contain elements of association building, self-help and supporting the economies of scale. Typical examples of such approaches are associations formed around common purchase/sales operations and time banks. Common purchase and sales operations increase the volume of traded goods, which facilitates better financial conditions. They also foster the coordination of group members and represent a step towards further cooperation in other aspects of production and representation. Time banks represent an alternative monetary system that bases its value on units of time rather than on the formal currency. Time banks represent a system of reciprocal services among the group members. The time credit can be accommodated and traded among the group members. In essence, each member contributes by certain services and can receive services from others.

Proper needs analysis and data collection at the planning stage or initial stage of the project can serve as an important tool for identifying the true needs of project beneficiaries that are important enough to trigger association building and mobilisation of the local resources and actors around these shared goals.

Standardisation and certification of informal production is an important step toward increasing its recognition and market competitiveness. Cooperation with the official authorities, such as Centres for standardisation and Metrology, can be crucial in terms of providing orientation, information and bridging between informal producers and formal markets (including distribution networks and export facilities).

<p>FURTHER TAGS</p>	<ul style="list-style-type: none"> ▪ Capacity strengthening of government and civil society organisations, including on micro-finance (1.9) ▪ Improving coordination and collaboration between organisations to develop informal economy enterprises (3.4; 4.1) ▪ Linkages of informal enterprise owners with trade associations, cooperatives (1.10; 4.1) ▪ Awareness raising, behaviour change communications methods, dissemination of information methods- including on social inclusion in the IE (3.1, 4.3) ▪ Informal Economy enterprise start-up guidance - training and technical support (3.2) ▪ Production management (improved production techniques) training for informal economy entrepreneurs (3.6)
<p>SOURCE</p>	<p>RNSF Research Volume 4.3: https://europa.eu/capacity4dev/iesf/documents/rnsf-research-volume-43-gp-ll-15-ec-funded-projects</p>
<p>REFERENCE</p>	<p>EUROPEAID Project page: https://ec.europa.eu/europeaid/projects/women-action-and-solidarity-against-poverty-kyrgyz-republic_en</p>