

**Conference on Business Environment Reform
and the Informal Economy:
“How Business Environment Reform Can
Promote Formalisation — Learning From
Our Experiences”**

**12-15 April 2010
Cape Town, South Africa**

ABOUT THE CONFERENCE

The conference is intended for donor and development agencies, and their programme partners (i.e., policy-makers, practitioners, business membership organisations, civil society, academia) to investigate the influence that business environment reform has on the size, nature, and in particular, the incentives in terms of constraints and opportunities of the informal economy in developing and transition economies, and to identify lessons learnt and good practices in business environment reform that encourages the formalisation of informal firms and transactions.

The conference will focus on practice and programme interventions that improve the business environment in order to enhance the opportunities for formalisation. It will endeavour to better understand what kinds of reforms allow informal economy actors to access new markets and contribute to growth. *Thus, the conference will move from describing and understanding the informal economy to sharing specific and practical proposals for reforms that positively affect the informal economy.*

The central issue for the conference is to share and reflect on the practical experience and empirical evidence in terms of business environment reforms that has led to increased transition from the informal economy to formality. This will include how best donor and development agencies can support such reforms. The conference will provide an opportunity for the donor community to listen to other voices; it will allow those engaged in business environment reforms that are focused on the informal economy to present their experiences and share their analysis on this topic.

The conference will focus on the following key questions concerning business environment reform and its influence on the informal economy:

- 1 How does business environment reform affect the transition from the informal economy?
- 2 Which areas of the business environment require attention in order to encourage the transition to formalisation?
- 3 Why do some businesses choose informality over formality?
- 4 What kinds of business environment reforms have worked best to bring informal firms and transactions into the formal economy, and what has not worked?
- 5 What are the most appropriate programme partners for business environment reform that target the informal economy and how should they participate?
- 6 What impact does business environment reform that is focused on the informal economy have on economic growth and poverty reduction?
- 7 What advice can be given to donor and development agencies wishing to support business environment reforms that promote the formalisation of the informal economy?

**Conference on Business Environment Reform
and the Informal Economy:
“How Business Environment Reform Can
Promote Formalisation — Learning From
Our Experiences”**

**12-15 April 2010
Cape Town, South Africa**

THE CONFERENCE PROGRAMME

By participating in this conference you will enjoy a programme full of knowledge and insights on how business environment reform can promote the formalisation of the informal economy. You will hear many stories and experiences from around the world — not just from experts, but also from practitioners from all walks of life. You will have many opportunities to engage in thorough discussions with all these people. All participants will join in of the process of preparing guiding principles and recommendations on how business environment reform can improve the lives and growth prospects of informal enterprises. The programme involves a three-part process of discovering (Days 1 & 2), creating (Day 3) and exploring (Day 4).

Day 1: Monday, 12 April 2010	
Day Manager: Catherine Widrig Jenkins	
Study Tour, Official Welcome and Opening	
All Day	Participants arrive and check-in
13:00 – 17:00	<p>Optional Study Tour: Regulating Informal Enterprises in the City of Cape Town</p> <p>Meeting with local government official and informal enterprise representatives to learn more about how government and informal enterprises in Cape Town interact. What are the challenges, priorities, discontents and successes of business environment reform in this dynamic city (a FIFA 2010 Host City).</p>
17:00 – 20:00	Conference Registration
20:00 – 21:30	<p>Official Conference Opening Cocktail</p> <p><i>Welcome and Introduction to the DCED</i></p> <p>Andrei Mihknev, Chair, Business Environment Working Group, Donor Committee for Enterprise Development</p> <p>Opening remarks</p> <p>Vic van Vuuren, Director, ILO Office for Southern and Eastern Africa, Pretoria, South Africa</p> <p><i>Explanation of conference programme and process</i></p> <p>Marc Steinlin, Conference Facilitator</p>

Learning From Experiences On The Ground

This day is about discovering. You will discover and learn about business environment reform and the informal economy. Conference delegates will provide inputs in the form of key issues, approaches and concepts, as well as ideas, experiences, case studies, tools and resources on informality and business environment reform.

9:00-10:30	<p>The Many Faces of Business Environment Reform to Promote Formalisation: Connecting to the Conference Topics (a World Café)</p> <p>The first hour of the conference is dedicated to engaging with the conference topic, meeting other participants and the different perspectives on business environment reform and informality.</p>			
10:30-11:00	Morning Tea and Coffee Break			
11:00-12:45	<p>The Core Debates on Business Environment Reform</p> <p>In this session you will participate in a core debate of your choice around business environment reform and informality. You will hear key ideas and stories from people who are actively engaged in this field and you can participate directly in the discussion.</p>			
	<p>PARALLEL FISHBOWL 1 FACILIATOR: Andrei Mikhnev (IFC)</p>	<p>PARALLEL FISHBOWL 2 FACILIATOR: Martin Clemensson (ILO)</p>	<p>PARALLEL FISHBOWL 3 FACILIATOR: Tue David Bak (DANIDA)</p>	<p>PARALLEL FISHBOWL 4 FACILIATOR: Jonathon Brooks (UNDP)</p>
	<p>Why Do Some Businesses Choose Informality Over Formality?</p>	<p>How Reform Can Encourage The Transition To Formalisation?</p>	<p>How To Support Business Environment Reforms That Promote Formalisation</p>	<p>Reforms That Bring Informal Firms And Transactions Into The Formal Economy?</p>
	<p>Neil McCulloch Institute of Development Studies, Brighton, United Kingdom</p>	<p>Miguel Jaramillo Independent Consultant, Lima, Peru</p>	<p>Jacqueline Coolidge World Bank/IFC, Investment Climate Department, Washington DC, USA</p>	<p>Aminur Rahman Bangladesh Investment Climate Fund, Dhaka, Bangladesh</p>
	<p>Tilman Altenburg German Development Institute, Bonn, Germany</p>	<p>Oscar Antezana Chairman, Business Regulation and Evaluation Group, Lima</p>	<p>Ahmadou Aly Mbaye University of Dakar, Senegal</p>	<p>Marianne Sulzer Swisscontact, Pretoria, South Africa</p>
	<p>Ben Mbai Enterprise Development Network, Nairobi, Kenya</p>	<p>Richard Muteti Chief Executive, National Federation of Jua Kali Associations, Nairobi, Kenya</p>	<p>Azita Berar Awad International Labour Office, Geneva</p>	<p>Ezamo Sawaki Maponde PSD and Investment Division, Prime Ministers Office, Dar es Salaam, Tanzania</p>
12:45 – 14:00	Lunch Break			

14:00 – 16:00	Meet The Experts in Informality and Business Environment Reform You choose two out of six streams on topics relevant in the business environment reform and the informal economy. In a small group you will hear and respond to brief presentations of key ideas and experiences.		
	STREAM 1	STREAM 2	STREAM 3
	ECONOMIC INFORMALITY, CAUSES, COSTS AND POLICIES Kamer Karakurum-Ozdemir World Bank, Ankara, Turkey	INFORMAL ENTERPRISES AND LABOUR LAW Graeme Buckley International Labour Organization, Geneva, Switzerland	EXPERIENCES OF BUSINESS ENVIRONMENT REFORM AND INFORMALITY IN RUSSIA AND INDONESIA Marianne Sulzer Swisscontact, Pretoria, South Africa
	INFORMALITY AND THE BUSINESS CLIMATE IN WEST AFRICA Nancy Benjamin, World Bank, Dakar, Senegal Ahmadou Aly Mbaye University of Dakar, Senegal	HOW ACCESS TO FINANCE CAN BE USED TO PROMOTE FORMALISATION Anja Smith Centre for Financial Regulation and Inclusion, Cape Town, South Africa	LEGISLATIVE REFORM AND THE INFORMAL ECONOMY Vic van Vuren International Labour Office, Pretoria, South Africa
	RURAL AND AGRICULTURAL DEVELOPMENT AND FOOD SECURITY Jorge L. Daly and Melvin Spence Deloitte Consulting, USA	BUSINESS ENVIRONMENT REFORM AND INFORMAL WOMEN ENTREPRENEURS IN GHANA Aimée Hampel-Milagrosa German Development Institute, Bonn, Germany	INFORMALITY AND THE WBG ENTREPRENEURSHIP SURVEY Andrei Mikhnev Investment Climate Advisory Services, World Bank Group, Washington DC
	EMPOWERING INFORMAL BUSINESSWOMEN Jane Magigita Executive Director, Equality for Growth, Dar es Salaam, Tanzania	COOPERATIVE MODELS OF ENTERPRISE FORMALISATION Sam Mshiu ILO, COOP-Africa, Dar es Salaam, Tanzania	THE LINK BETWEEN BUSINESS ENVIRONMENT REFORMS AND THE INFORMAL ECONOMY Clifford Zinnes IRIS Center and the School of Public Policy, University of Maryland, USA
16:00 – 16:30	Afternoon Tea and Coffee Break		
16:30 – 18:00	Panel Session: How Does Business Environment Reform Affect The Transition From The Informal Economy? Moderated by Azita Berar Awad, International Labour Office, Geneva		
	Clifford Zinnes IRIS Center and the School of Public Policy, University of Maryland, USA	José Durán Chamber of National Industry, Bolivia	Caroline Skinner Women in Informal Employment: Globalizing and Organizing (WIEGO), Cape Town
19:00	Conference Dinner Lord Charles Hotel		

Day 3: Wednesday, 14 April 2010

Day Manager: Catherine Widrig Jenkins

Distilling Our Experiences Into Lessons, Principles and Future Goals: Producing Guidance for Reforms That Address Informality

This day is about creating. You will consolidate and assess the observations and insights of the first day, looking for trends, principles and practices in an interactive workshop approach. The facilitators will apply a methodology (also known as RTSC) allowing you and others to continue sharing your ideas and refining them. You will work in small discussion groups that are constantly reshuffled. Through this process, you will elaborate common grounds as to how business environment reform can affect formalisation. By the end of the day, you will have designed practical principles and recommendations for donor and development agencies and their programme partners.

9:00 – 9:15	Welcome, Introduction to the large group proceedings
9:15 – 9:45	Participant Introduction and Key Insights Who is in the room? What experiences? What are the key insights? Where are you from? How many years have you been working in that field? What are your key insights? You will exchange and discuss the key insights of your participation in the first conference day.
9:45 – 10:45	Good Practices What kinds of business environment reforms have worked best to bring informal firms and transactions into the formal economy, and what has not worked? You will identify good practices in the field of business environment reform. Then identify the key features and strengths of those. What can we build on? What should we do more of?
10:45 – 11:10	Morning Tea and Coffee Break
11:10 – 12:10	Critical Issues and Controversies A wide range of issues and controversies affecting business environment reform and informality will be presented and discussed. You will reflect on the most important trends that might influence or determine the promotion of formalisation through business environment reforms in the future; then reflect on and discuss the most significant controversies.
12:10 – 12:40	Hopes and Expectations What are our hopes and expectations regarding business environment reform and informality? What controversies should be resolved? What key questions should be addressed? What must be taken care of? You will explore and discuss your hopes and expectations regarding the promotion of formalisation through business environment reform.
12:40 – 14:00	Lunch Break
14:00 – 15:00	Vision What is the overall vision of business environment reform and informal enterprises? What do we want to achieve through reform? You will design a preferred future for business environment reform and informality.
15:00 – 15:45	Guiding Principles What are the guiding principles that will lead us in the right direction to make this vision a reality? You will reflect on and formulate the guiding principles that are adequate and essential to lead you and others in the right direction in the process of realising your desired future.
15:45 – 16:10	Afternoon Tea and Coffee Break

16:10 – 17:00	<p>Recommendations for Business Environment Reform</p> <p>What advice can be given to donor and development agencies wishing to support business environment reforms that promote the formalisation of the informal economy?</p> <p>You will discuss and identify the core fields, in which action is required in order to realize your common vision. You will do so based on the common ground, i.e. the guiding principles you identified in the earlier working session. You and others will then proceed to draft a preliminary set of recommendations.</p>
17:00 – 17:10	Explanation of the Day 4 Open Space
17:30	Evening Transport to Stellenbosch — The Capital of the Cape Winelands

Day 4: Thursday, 15 April 2010

Day Manager: Catherine Widrig Jenkins

Putting Good Our Recommendations Into Practice: How Business Environment Reform Can Help Informal Enterprises

This day is about exploring. It provides the space to further discuss and refine the principles and recommendations formulated in the previous day and to put flesh on these bones. Attention will be given to how to put these recommendations into practice: what does this mean in reality, how can the recommendations be implemented, what follow-up actions are required? You may want to discuss new ideas and viewpoints, raise matters of importance you feel might not have been raised so far, and refine your proposals further. Any participant may nominate issues to explore more deeply with like-minded participants. The conference will end with a presentation of all major reform proposals. You will work in Open Space Technology, a working format with minimal facilitation interference. Open Space is an elaborate, structured process in which participants jointly create and establish an agenda for the day based on their interests. They convene many workshops around those topics.

9:00 – 9:30	<p>Presentation of draft Conference Communiqué (output from Day 3)</p> <p>Framing the Open Space and Raising Critical Questions</p> <p>Opening the Open Space and Creating an Agenda</p>
9:30-10:30	Open Space Agenda Setting
10:30 – 11:45	Series 1 of Workshops
11:45 – 12:45	Series 2 of Workshops
12:45 – 14:00	Lunch Break
14:00 – 15:00	Series 3 of Workshops
15:15 – 16:30	Closing Plenary and Adoption of Conference Communiqué
16:30 – 16:45	<p>Closing Remarks</p> <p>Donor Committee for Enterprise Development</p>
17:30	Evening Transport to the V&A Waterfront in the Heart of Cape Town