



**MIFOTRA**



**Belgium**

partner in development

**LUXEMBOURG**

**AID & DEVELOPMENT**



ILO Flagship Programme on Building Social Protection Floors for All – Rwanda component

## TERMS OF REFERENCE

### **International Consultant: Extension of social security to informal workers in Rwanda.**

February – May 2023

#### Context

The Rwanda National Strategy for Transformation (2018-2024) reaffirms the central role of social protection in eradicating poverty and enhancing the standard of living of Rwandans. The sector is further guided by the National Social Security Policy (2009) and the National Social Protection Policy (2020 – 2024). The national social protection system includes contributory and non-contributory schemes. The Rwanda Social Security Board (RSSB) - established in 2010 provides six schemes: (1) pension scheme; (2) occupational hazards scheme; (3) maternity leave scheme; (4) medical scheme; (5) community-based health insurance scheme (CBHI) and (6) EjoHeza, a long-term saving scheme with membership available to the whole population. Several non-contributory programmes aim at covering the most vulnerable. Established in 2008, the Umurenge Programme (VUP) is Rwanda's flagship social protection programme. The VUP provides direct support to extremely poor and labour constrained households but providing adequate coverage to all households in need remains a major challenge.

While social health coverage reaches over 85% of the population, coverage of other schemes remains low. RSSB's contributory schemes reach only formal workers accounting for less than 10% of the population. However, the COVID-19 pandemic also underlined the vulnerability of workers in the formal economy who currently don't have unemployment protection. Since its launch in 2018, EjoHeza increased its membership reaching over 1,000,000 subscribers potentially providing protection to additional population groups including informal workers. However, to provide protection, the number of subscribers as well as the amounts saved will need to be increased.

According to the Rwanda Labour Force Survey 2021, persons with informal employment at their main job accounted for almost 90% of total employment. Employment in the informal sector was mostly in market-oriented agriculture (56.8%), followed by construction (12.6%), wholesale and retail trade, repair of motor vehicles and motorcycles (11.7%), transport and storage (5.3%), and in manufacturing (4.6%). The large share of informal employment underlines the need to focus on formalisation and extension of social protection to these groups to achieve universal social protection.

The Rwanda Labour Law (2018) clearly states that both informal and formal workers benefit from the same protection, including social security. However, the number of informal workers and self-employed workers registered in social security remains marginal. In addition, initial consultations with tripartite stakeholders also identified non-registered workers working for formal enterprises as a key challenge to extend social security. Efforts to extend social protection (in addition to health protection) to the informal sector have focused on the extension of the EjoHeza Programme. The programme has been successful in recruiting new members but regularity of contributions and further extending membership remains challenging.

Under the Decent Work Country Programme for Rwanda and the ILO Global Flagship Programme on Building Social Protection Floors for All, the ILO in collaboration with its tripartite partners is recruiting a team composed by an international and a national consultant to conduct a study on the barriers to extending social protection to employers and workers in the informal economy and to develop recommendations to address those. The study will take a comprehensive approach considering the whole social protection system. However, a strong focus of the study will be on the extension of the contributive social security scheme under RSSB and the creation of linkages between the non-contributory and contributory scheme.

The support to the extension of social protection to the informal economy is aligned with the Social Protection Sector Strategic Plan as well as with the Memorandum of Understanding on the promotion of occupational safety and health and extension of social security coverage between MIFOTRA and RSSB.

## Objectives

The main objectives of this assignment are

- Deepen the understanding on the situation of workers and economic units in the informal economy
  - o Size and characteristics of uncovered groups of workers (e.g. employment status, occupation/sector, geographical (urban-rural), type of employer (formal/informal), income, gender)
  - o Situation of economic units in the informal sector, including with regard to their productivity, their priorities and contributory capacity

- Social protection gaps among different categories of workers in the informal economy
- Identify possible barriers to coverage and formalization
  - Exclusion from legal coverage
  - Lack of information, awareness, and trust
  - Misalignment of benefits with priorities
  - Heavy costs of social protection and/or formalization procedures and inadequate financing arrangements
  - Complex and burdensome administrative procedures and services
  - Lack of enforcement of social security requirements, lack of control and low compliance
  - Lack of representation and organization of workers in the informal economy
  - Lack of integration and coherence of the social protection system
- Identify policy options for the extension of coverage based on a review of international experiences and taking into account the specific needs of workers in the informal economy with a strong focus
  - on extension of the contributory scheme
  - on linkages between social security and employment policies and
  - on creating linkages between non-contributory and contributory schemes.
- Specify financial and institutional requirements and resources (and the time frame and sequencing) of different policy options and extension strategies
- Produce a consolidated report based on the above analyses, systematize main findings and provide policy recommendations drawing on key lessons learnt from international experience (see ILO's Guide on Extending social security to workers in the informal economy, 2021), as well as guidance from ILO Recommendation 202 and other international social security standards, including the Social Security (Minimum Standards) Convention, 1952 (No. 102).

To enable an evidence-based consensus about the situation and promote ownership of the findings and conclusions, the study will aim to involve all stakeholders, including but not limited to, the Ministry of Public Service and Labour (MIFOTRA), Rwanda Social Security Board (RSSB), Private Sector Federation (PSF) as well as CESTRAR (Rwanda Workers' Trade Union Confederation).

The study will apply a gender sensitive approach by considering the specific barriers faced by women in the informal economy, in view of women's predominance and particularly vulnerable position within the informal economy.

## Scope and methodology of the assignment.

The study will be conducted by a team of an international and a national consultant. The study is composed of several steps allowing for the collection and analysis of the information and the involvement of the main actors concerned. The sequence of activities can be summarized as follows:

**Initial briefing by the ILO team:** a meeting will be organized between the two consultants and the ILO project team to ensure understanding of the ToR, set an activity calendar, and answer potential questions.

**Review of documents shared and initial consultations:** the consultants will review existing information as well as strategic and reference documents to define (in collaboration with the ILO working team) the scope of the study. They will also consult with tripartite partners and other development partners to identify ongoing studies and analytical work to identify the focus sectors of the study. They will then produce a methodological note and submit it for review.

**Desk and field research and production of the draft report:** the consultants will compile, collect, and analyse information to cover the objectives detailed out in these terms of reference.

This includes (i) a desk review of existing data and knowledge sources such as Labour force surveys, household consumption or income surveys, health surveys, censuses, enterprise surveys, administrative data obtained from ministries and social security institutions; and (ii) qualitative and quantitative data obtained through e.g. consultations with selected formal or informal organizations of informal workers (trade unions, associations), surveys of workers in the informal economy, focus group discussions with workers in the informal economy in selected sectors and categories of employment. They will work in close coordination with the other partners including CESTRAR to facilitate consultations with formal and informal workers.

Findings from desk and field research will inform and cross-validate each other. The consultants will produce a draft report detailing research results as well as key recommendations, then submit it for review.

**Restitution and validation, and production of the final report:** Findings will be presented to national counterparts for discussion and validation, and to define key recommendations to facilitation extension of social security to different categories of workers and employers in the informal economy. This process will be led by the ILO. The consultants will then revise the draft report based on inputs drawn from the workshop and submit a final report to the ILO.

As a summary, the international consultant is expected to carry out the following activities alongside the national consultant:

Activities / Tasks	Detailed outputs
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Review of reference documents shared by the ILO and initial consultations	Methodological note
<p>Desk research:</p> <ul style="list-style-type: none"> <li>• Overview of the laws, regulations, policies, strategies, and schemes / mechanisms of the broader social security environment; and analysis of the institutional capacity for the extension of coverage.</li> <li>• Analysis of social protection coverage gaps of different categories of workers and entrepreneurs in the informal economy, priority needs and contributory capacities</li> </ul>	Draft report summarizing the findings of the desk research.
<p>Surveys of beneficiaries in selected sectors and categories of employment:</p> <ul style="list-style-type: none"> <li>• Analysis of social protection coverage gaps of different categories of workers in the informal economy, priority needs, and contributory capacities</li> <li>• Analysis of barriers faced by these workers in accessing social security.</li> </ul>	<p>Final set of field research tools including:</p> <ul style="list-style-type: none"> <li>- Field research work plan</li> <li>- Survey questions,</li> <li>- KII questions,</li> <li>- FGD questions</li> <li>- List of actors consulted</li> </ul>
	Revised, updated draft report summarizing the findings of desk and field research
Formulation of policy recommendations to facilitate extension; presentation of results and final deliverables	Final set of recommendations
	Presentation and validation of results and recommendations at workshop
	Final report (MS Word) summarizing the findings of the stud

## Expected deliverables and timeframe

The assignment is expected to be completed within a period of 2 months.

The following deliverables are expected:

**Deliverable 1: A methodological note.** The first task will be to review reference documents provided by the ILO, and to identify available sources of information for conducting the desk research. This preliminary assessment should allow to identify the information that can feed into the different components of the study and then identify

gaps of information to be filled and methods to do so (i.e., through desk-review, key informant interviews and primary data collection).

The methodological note will include:

- The specification of the main objectives of the study (general and specific objectives).
- The scope of the study and the selected categories of workers and employers within the informal economy.
- The main issues to be covered and for each, the method of data collection, the main sources of information and, when relevant, data collection method(s) and tools; in case of interviews and focus groups, an indication of the number of persons to be covered.
- A preliminary list of relevant institutions and key informants.
- Draft research tools, including field research work plan, survey or KII and FGD questions.
- Research means available: moderators, interviewers, transcription, etc.
- Work plan and calendar of activities.
- A suggestion of outline for the draft report

**Deliverable 2: A draft report** of maximum 50 pages, which should summarize desk and field research findings, and cover:

- 1) The overview of the laws, regulations, policies, strategies, and schemes/mechanisms of the broader social security environment currently in place in Rwanda.
- 2) An analysis of social protection coverage gaps of different categories of workers in the informal economy, their priority needs and their contributory capacities.
- 3) An analysis of barriers faced by workers in the informal economy in accessing social security, including specific barriers faced by women.
- 4) Policy recommendations to facilitate the extension of social security (legal and effective coverage) to different categories of workers and employers in the informal economy.
- 5) The final set of research tools, to be included in the Appendix.

The consultants will be expected to review the draft report based on feedback and comments from the ILO, and to present the updated draft report at the multi-stakeholder validation workshop.

**Deliverable 3: A final report** of maximum 70 pages, which should cover the above-mentioned objectives and integrate comments and inputs gathered during the multi-stakeholder validation workshop. The final report produced by the consultants will be

written in English (Times New Roman 12-single space). It will include a 2-4 pages executive summary, a table of contents including relevant figures and tables, and the relevant annexes.

### Required experience and competences.

The consultant should demonstrate the following experience, expertise, and competences:

- Multidisciplinary background with proven skills and expertise in social sciences, economics, or other relevant areas of study; a PhD degree is an asset.
- At least 8 years of professional experience both at the national or international level in social protection, especially its extension to the informal economy.
- Sound knowledge of the informal economy, social security landscape and working conditions in Rwanda or East Africa.
- Familiarity with the ILO and its mandate, and the ILO's approaches to social protection and the formalization of the informal economy.
- Excellent command of English.
- Ability to carry out qualitative research, to deal with multiple stakeholders and to prepare reports and publications of a high quality, with policy-oriented conclusions and recommendations.

### Application submission and procedure

Interested applicants should submit their technical and financial proposal as well as a recent curriculum vitae and an example of a previous report drafted by the consultant via email to [darprocurement@ilo.org](mailto:darprocurement@ilo.org) with copy to [klein@ilo.org](mailto:klein@ilo.org) and [mutegaya@ilo.org](mailto:mutegaya@ilo.org) citing "Extension of social security to informal workers in Rwanda" as a subject, latest by 20 February 2023. The technical and financial proposal together should not exceed 10 pages excluding annexes. The financial proposal should not exceed 15,000 USD.

The consultant will be selected on the basis of value for money. A two-stage selection process will be adopted for the evaluation of proposals. The technical evaluation will be conducted first, followed by the financial evaluation. The evaluation committee will evaluate the proposals using the criteria and weighing below:

- The technical offer will account for 70%. The following criteria will be taken into consideration:
  - Consultant's background and qualifications to perform the task: 30%.
  - Consultant's understanding of the task: 30%.
  - Methodological approach: 40%.

- The financial offer will account for 30%, after having established whether the proposals are complete and free of calculation errors.

**Relevant background documents.**

- *Ministry of Finance and Economic Planning, National Social Security Policy*
- *Ministry of Public Service and Labour, Revised National Employment Policy*
- *Ministry of Local Government, Social Protection Policy*
- *Ministry of Local Government, National Strategy for Sustainable Graduation*
- *Rwanda Social Security Board, Action Plan 2021 – 2022*
- *ILO, Extending social security to workers in the informal economy: Lessons from international experience, 2021.*
- *Extending social security to workers in the informal economy: Online ILO Resource Platform*
- *ILO and FAO. 'Extending Social Protection to Rural Populations: Perspectives for a Common FAO and ILO Approach'. Geneva and Rome: International Labour Organization and Food and Agriculture Organization of the United Nations, 2021.*
- *ILO. World Social Protection Report 2020–22: Social Protection at the Crossroads – in Pursuit of a Better Future. Geneva, 2021.*
- *ILO Social Protection Floors Recommendation, 2012 (No. 202)*
- *ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)*
- *ILO Social Security (Minimum Standards) Convention, 1952 (No. 102)*
- *ILO. Building Social Protection Systems: International Standards and Human Rights Instruments. Geneva: International Labour Organization, 2021*