

ILO Terms of Reference

A Rapid Diagnostics Assessing the Impact of COVID-19 on enterprises and workers in the informal Economy in Nigeria

I. Background

The COVID-19 pandemic has reached different countries at different stages, and containment/mitigation responses vary. Yet the impact of falling global demand and disruptions in global supply chains, capital flows and travel are felt across regions. Women are particularly vulnerable to this crisis by the combined effect of job losses in hard-hit sectors, overrepresentation in the health care sector and the higher demands on their care work. Migrant workers and refugees are particularly vulnerable to border closures, which will lead to a decrease in remittances and reduced opportunities for outmigration. In the absence of appropriate measures, many informal workers would migrate back to the rural areas, accelerating the spread of the contagion.

Before the outbreak of COVID-19, Nigeria already faced a number of labour market challenges such as high levels of youth unemployment, informality, working poverty and limited access to social protection measures. Without policy measures to mitigate the impact on the labour market and household incomes, there might be further effects on economic activity due to lower levels of consumption and investment, which could result in a prolonged recession and deepen inequalities and poverty. A recent UNDP estimate showed that if lockdown measures are applied nationwide (not necessarily at the same time) for 3 months, it could result in (temporary) job losses for up to 13 million people, with the majority occurring in the informal sector¹. Overall, the economic shut down could lead to an increase in poverty levels to those of 20 years ago, pushing over 65 million people into transient poverty. Poverty rates could remain high at around 70%² even after the end of the pandemic, as it will take time to fully recover.

A 2018 ILO estimate shows that 93% of all employment in Nigeria is informal, with 95% of women working in the informal sector as compared to 90% of men.³ Roughly 50% of informal workers are independent workers, mainly own account workers and 50% are employees, meaning they work for an employer, mostly in small or medium informal enterprises. The overwhelming majority of informal economy workers work in vulnerable working conditions, with little to no access to occupational safety and health or social protection and are dependent on a daily income to feed their families. The COVID-19 crisis has further aggravated their situation with ongoing restrictions on movements between states and within state borders and the inability to engage (safely) in economic activities. There is growing evidence on the economic losses faced by workers and businesses engaging in certain occupations due to reduced demand, lack to access to markets, and the loss of mobility of people and goods. In Lagos and Abuja, this has already led to reports of increased criminality, with people taking to desperate measures to survive. Due to their over-representation in the informal sector and vulnerable employment, women and youth tend to be worst affected by the immediate and short-term adverse livelihood and economic consequences.

In an attempt to cushion the negative effects of COVID-19 on the economy and social wellbeing of its population, the Federal Government of Nigeria and its state governments have taken and are still discussing policy measures directed towards job loss prevention, social protection and economic stimulus including on strategies for swift recovery. At the time of writing, the ministry of Humanitarian Affairs, Disaster Management and Social Development has put in place several immediate relief measures and is planning to expand coverage of existing cash programmes, while exploring the set-up of new modalities and target groups, including informal workers

¹ UNDP Nigeria (April 2020) THE COVID-19 PANDEMIC IN NIGERIA: POTENTIAL IMPACT OF LOCKDOWN POLICIES ON POVERTY AND WELL-BEING

² Living below 1.90 \$ a day

³ ILO 2018, Women and men in the informal economy: A statistical picture, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf

and businesses. In the social protection sector, the National Social Registry is considered the main vehicle for social assistance in Nigeria, but this is currently limited in coverage and flexibility. A clear plan to identify and reach these workers and businesses is therefore still lacking.

Rapid diagnostics can assess the informal employment impacts of COVID-19 at the country-level and help to inform the work of the ILO, its constituents and the Nigerian government in responding to the crisis. This assessment aims to look at informal economy particularly affected, workers and enterprises most at risk; and possible policy responses in the short-, medium-, and long-term in the context of COVID-19. Specifically, the assessment aims to support informed, participatory, tailor-made measures to effectively and adequately reach informal businesses and workers. The assessment will also put particular emphasis on women and young people in a vulnerable situation.

II. Objectives

The objectives of the rapid impact assessment are:

1. Give voice to the women and men in the informal economy in Nigeria, as well as to their organizations, in order to make them heard so that their situation is taken into account in the development of responses to the COVID-19 crisis.
2. Understand the challenges, opportunities, needs and perceptions of informal workers and enterprises in order to guide the Governments, social partners, informal economy organizations and any other relevant stakeholders to develop and implement immediate and medium-term measures to address and overcome the COVID-19 crisis.

The assessment aims to highlight sectors and groups most affected by the crisis as well as identify the direct and indirect effects of the pandemic and adopted preventive measures on selected sectors, sub-sectors or activities in the informal economy.

More specifically, the rapid assessment aims to answer to the following questions:

Impact on the labour market and the informal economy

1. Which sectors, sub-sectors and occupations in the informal economy (including situations of workers in informal employment within “formal” enterprises) are most affected by COVID-19 and related containment measures (including movement restrictions and physical distancing and protective requirements);
 - a. How important are those sectors in the national economy and in employment?
 - b. What is the share of temporary, casual and own account work in these sectors?
 - c. What is the gender division?
 - d. How are young people represented?
2. Which economic sectors are most reliant on regional and global trade and how has the pandemic affected informal employment and economic/entrepreneurial options in these sectors?

Impact on workers and enterprises in the hardest hit sectors

1. How has COVID-19 and the related restrictions (on movements and physical contact) affected informal economy workers in terms of employment/economic activity and income?
2. How has the COVID-19 crisis impacted access to inputs, finance, food, water and electricity for workers and their households?
3. Are there particular gender and/or youth related challenges evident in the sectors/occupations most at risk?
4. Is there an increased care burden because of illness and closing of schools throughout the country and how does this affect income earning opportunities for women and men?
5. What are the differential effects, if any on worker groups including skilled workers, unskilled self-employed workers, casual workers, seasonal workers and the working poor?
6. Is there a risk that workers are forced to move within the country for survival?

7. How are informal micro, small and medium businesses enterprises (including in the social and solidarity economy) impacted by COVID-19 and related restrictions, in terms of economic activity, revenues and job losses?
8. Are there options for enterprises to preserve employment relations, through internal agreements or support by government?
9. To what extent have pre-existing liquidity problems worsened and is there any evidence of insolvencies?
10. What are the challenges for workers and enterprises in implementing prevention and protection measures against COVID-19? Can they continue their activities as usual while protecting themselves and their customers (or through tele-working); what are mechanisms implemented at the individual or collective level to minimize the impact of the pandemic? To what extent is relevant information and support available and accessible to them?
11. What are the opportunities to maintain workers' activity enterprises and enterprise activity (the related modalities and conditions, such as for example a reorientation of commercial activities and the related needs in terms of acquisition of new skills, links with (formal) companies which supply/produce goods and services related to prevention and protection measures against Covid-19), to limit the risks of loss of income and to ensure a means of livelihood?
12. Is the crisis creating opportunities within some sectors?
13. What are the needs (including perceived) of different sectors to effectively allow the realization of existing opportunities and limit the immediate, medium and long-term negative consequences;
14. What are the most pressing needs expressed by workers and including business owners or their representatives during the COVID-19 crisis, including for women and youth?

Policy responses and gaps

1. What policies/initiatives have already been announced/expanded/put in place to prevent/counter the impact of COVID-19 on workers and enterprises? Include a short description of the modalities, eligibility criteria and target groups
2. Are measures to address the consequences of COVID-19 (e.g. social protection including social assistance measures, financial relief for enterprises) implemented, is there a different approach between (formal and informal) sectors/enterprises/workers?
3. Which types of institutions or mechanisms are available to ensure economically viable MSMEs survive short-term liquidity constraints, and what programs are in place that could be scaled up (or are being scaled up) to support enterprises, workers and households to keep business operating, and workers in jobs?
4. Are policy responses targeted to specific sectors and/or social groups and if so which? Are there measures focussing on women/youth in particular?
5. Are particular gaps evident with respect to coverage as well as quality and speed of the supports being provided? To address which challenges? For which target groups?
6. Are there plans for ongoing containment measures and medium to long-term plans for recovery of employment, including productive development strategies and repositioning of the National Employment Policy?
7. What are the perceived priorities regarding policy measures for women and men entrepreneurs, youth entrepreneurs, people in situations of greatest vulnerability and workers and organizations in the informal sector?
8. Are there mechanisms to reach unregistered and informal firms and workers (e.g. data bases and cooperative memberships)?
9. What has been the involvement of organizations of formal and informal entrepreneurs and workers, including organizations of women and vulnerable groups in the responses to the crisis and what are ways to foster and promote their action?
10. What are the capacities of formal and informal organizations to participate in the implementation of a response in favour of economic units and member workers (membership files, pre-existence of emergency funds, actions in the area of social protection). What could be their potential roles?

III. Approach and Methodology

The assessment will follow the *ILO Rapid assessment of the impact of COVID-19 on enterprises and workers in the informal economy in developing and emerging countries Guidelines* (ILO April 2020) and employ a light method that can provide rapid insight and is sensitive to gender and non-discrimination issues.

In the absence of a recent list of contacts (businesses, entrepreneurs and workers) in the informal economy, the objective is not to ensure the representativeness of the results (through a representative sample), but rather to reflect the diversity of situations and points of view from different sectors and actors. The rapid impact assessment will be carried out through informal economy organizations (as well as cooperatives and other structures of the social and solidarity economy if relevant) in certain key sectors identified as most affected by COVID-19. In parallel, it will be complemented by interviews with key informants in the Government, social partners, research institutes, youth organizations, other UN entities, a few formal enterprises (notable those present on markets related to the supply/production and distribution of protective equipment against COVID-19, the production and distribution of food kits, etc.) and providers of financial and non-financial services to enterprises. Finally, focus group discussions with informal workers and enterprise owners will be facilitated to engage a larger group of stakeholders, generate group interaction and gain individual level insights. These discussions are not only informative, but also serve as a call to expand the target group beyond members of informal economy organizations.

The method chosen is qualitative, which does not exclude some questions with predefined answers. Methods were further selected to be in line with the current measures to prevent the spread of COVID-19, meaning that they can be performed remotely without interpersonal contact.

The rapid impact assessment will be carried out through 4 main data collection methods:

1. **A desk study** aimed to identify the sectors and sub-sectors most affected by COVID-19, preventative measures adopted by the federal and state governments, the impact of COVID-19 and related mitigation measures, as well as the socio-economic responses across states and sectors.
2. **A survey** among representatives of informal sector organizations in the hardest hit sectors, including associations of the Federation of the Informal Workers of Nigeria (FIWON).
3. **Interviews**, which can roughly be divided into two kinds: 1. To determine the sectors and worker groups hardest hit. 2. Into-depth stakeholder interviews, complementing the survey, aimed at performing a more into-depth assessment of the hardest hit sectors as well as capture the broader picture of impact and policy measures. Interviewees will include representatives of government, informal sector organizations (including CSOs), social partners, (formal) enterprises engaged in COVID-related products production, youth organizations and financial and non-financial service providers. To capture the voice and experiences of workers and enterprises in the informal economy, individual employers and workers will be identified for interviews.
4. **Group discussions via WhatsApp or other communication channel**— Chat Discussion Groups (WDG-C) carried out and moderated over a longer period (about a week). **[OPTIONAL]**

The following tools will guide the collection of information:

- Online survey/questionnaire (Survey Monkey or similar) for FIWON members (an alternative option provided in Word version, sent by email in case of poor internet connection);
- Guide of topics and questions for telephone interviews with a selection of key stakeholders: representatives of Government, informal sector organizations (including CSOs), social partners, (formal) enterprises engaged in COVID-related products production and financial and non-financial service providers
- Guide of themes and questions for telephone interviews with informal business owners, and workers;
- Guide of themes and topics covered in WhatsApp discussions.

The rapid impact assessment will follow three phases:

1. Preliminary Phase

Activity 1.1: Assessment to select branches of activities and sub-sectors as part of production chains most impacted by COVID-19 and identification of stakeholders and main contact persons.

Issues covered: sectors most impacted (why and how), size and features of the groups / sectors concerned (including gender and rural/ urban dimensions), main channels to reach them (in addition to identified organizations).

- **Desk review:** including review of existing information of COVID-19 measures and responses impacting informal economy sectors in Nigeria and analysis of existing studies and diagnoses (if any) to identify (sub) sectors most affected and get an understanding of the extent and nature of the informal economy or a sub-component already under focus (for example, informal enterprises and workers in the informal sector, undeclared work in formal enterprises, domestic workers in households). identification of main contacts within the Government, trade unions and employers' organizations, umbrella and sectoral organizations in the informal economy.
- **Telephone interviews:** Contact by telephone with key informants in the government, trade unions and employers' organizations as well as the umbrella organization in the informal economy or main professional organizations, cooperatives, and other structures of the social and solidarity economy active in 'potential' highly impacted sectors. A limited selection of financial and non-financial service providers will also be consulted at this stage. Initial interviews can also lead to further identification of other (government, CSPO and social partners) representatives as well as informal sector entrepreneurs and workers who can be interviewed.

Activity 1.2: Develop data collection tools in collaboration with ILO experts.

Deliverables:

- Preliminary assessment notes with a list of potential sectors selected for the rapid assessment, justification for their selection, contacts and key features of informal units and workers in those sectors.
- List of contacts of key representatives for survey and interviews
- Final data collection tools, including survey and Guide of topics and questions for telephone interviews with 1) informal sector representatives, 2) government officials, 3) formal sector representatives, 4) Financial and non-financial service providers. 5) (in)formal enterprises present on markets related to the supply/production and distribution of protective equipment against COVID-19, the production and distribution of food kits. 6) Workers and business-owners in the informal sector.

2. Data Collection Phase:

Activity 2.1 : Conduct survey among informal sector representations.

Activity 2.2.: Telephone Interviews

- Telephone interviews with informal sector representatives. Additional aim is to identify individuals for the WhatsApp discussions).
- Telephone interviews with relevant (federal and state) government representatives, including from Ministry of Humanitarian Affairs, Disaster Management and Social Development, Labour and Employment, Youth and Sports Development, Economy, and Women Affairs as well as representatives of states affected by lockdowns.
- Telephone interviews with social partners.
- Telephone Interviews with financial and non-financial service providers.
- Telephone interviews with youth organizations;
- Telephone Interviews with (in)formal enterprises present on markets related to the supply/production and distribution of protective equipment against COVID-19, the production and distribution of food kits.
- Telephone Interviews with workers and enterprises.

Activity 2.2 OPTIONAL: Remote Groups discussions over WhatsApp or other communication channel.

- WhatsApp groups: WhatsApp Chat Discussion Groups with informal economy actors targeted by the rapid assessment and identified through informal economy organizations. This includes, as relevant

depending on the focus, entrepreneurs, workers in informal employment in or outside of the informal sector, domestic workers or other specific targeted groups.

Deliverables:

- Survey results data.
- Summary Interview notes based on transcriptions of the information collected.

3. Data Analysis and Reporting phase

Activity 3.1: Analysis of Interviews, desk review and survey results

Activity 3.2: Reporting and incorporating feedback from ILO and government.

Deliverables

- Survey summary and graphs produced from information collected from informal sector organizations.
- Rapid Assessment report of no more than 30 pages outlining the impacts of the COVID-19 crisis on employment and provide policy options, differentiating between sectors that have been hit hardest, informal businesses and workers and with the aim to capture and address the different effects on women, youth and migrant workers.

IV. Deliverables and timelines

The selected service provider is expected to start project activities as soon as possible. The table below indicates the expected deliverables. Corresponding timelines for each phase and accompanying deliverables should be mentioned in the proposal. Start date and deadlines under the project will be finalized in conversation with the selected candidate.

	Deliverables	Phase and Timeline
1.	Preliminary assessment notes with a list of sectors selected for the rapid assessment, justification for their selection, contacts and key features of informal units and workers in those sectors.	Phase 1: Timeline: TBC
2.	List of contacts of key representatives for survey and interviews	
3.	Final data collection tools, including survey and Guide of topics and questions for telephone interviews with 1) informal sector representatives, 2) government officials, 3) formal sector representatives, 4) Financial and non-financial service providers. 5) (in)formal enterprises present on markets related to the supply/production and distribution of protective equipment against COVID-19, the production and distribution of food kits. 6) Workers and business-owners in the informal sector.	
4.	Survey results data.	Phase 2:
5.	Summary Interview notes based on transcriptions of the information collected.	Timeline: TBC
6.	Survey summary and graphs produced from information collected from informal sector organizations.	Phase 3: Timeline: TBC
7.	Rapid Assessment report of no more than 30 pages outlining the impacts of the COVID-19 crisis on employment and provide policy options, differentiating between sectors that have been hit hardest, informal businesses and workers and with the	

	aim to capture and address the different effects on women, youth and migrant workers.	
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V. Roles and responsibilities

The service provider is responsible for the coordination and final supply of the rapid diagnostics and its separate deliverables. The ILO Country office for Nigeria with support from the Enterprises and Employment Departments in Geneva will provide technical backstopping to all tasks. Government partners and social partners will provide feedback. They will additionally facilitate data and contacts as appropriate.

VI. Expertise and qualifications required

The service provider should have the following expertise and qualifications:

- A lead consultant with a Master's degree or equivalent in Economics, Political Science, Social Science or a related field.
- Minimum Relevant work experience of 7 (seven) years in Nigeria and/or at the international level including in the areas of employment, social protection and informality.
- Proven expertise and track record in research and assessments in the areas of Labour market and (informal sector) employment, working conditions, socio-economic vulnerability, social Protection and/or related fields.
- Experience in design and implementation of impact assessments including qualitative and quantitative data collection and analysis.
- A good understanding of the Nigerian (informal) economy and labour market.
- Previous working relations with the informal sector in Nigeria would be an advantage.
- Proven capacity to deliver the assignment.
- Excellent drafting skills in English. Sample of reports may be asked during the selection process

Technical proposals will additionally be ranked based on understanding of the assignment, technical quality, feasibility and cost efficiency of proposed approach.

VII. Application Procedure

We welcome technical and separate financial proposals accompanied by a track record of interested service providers with a matching profile. Both registered businesses as well as individual consultants are eligible to apply. Please send your application before July 10, 2020 to Dino Corell, Employment and Migration Officer and Nienke Raap, Social Protection Officer at the ILO Country Office in Abuja (abujareg@ilo.org).