



Food and Agriculture  
Organization of the  
United Nations



## Milan Urban Food Policy Pact Monitoring Framework

March 2018 version

**Indicator 40:** Existence of support services for the informal food sector providing business planning, finance and development advice

MUFPP framework of actions' category: Food supply and distribution

*This indicator assesses the existence of support services for the informal food sector providing business planning, finance and development advice. (The focus here is primarily in relation to sanitation and food safety regulations as a first priority, but it is important to look at wider support needs and provision – e.g. infrastructure, skills etc.)*

### Overview table

MUFPP Work stream	Food supply and distribution
<b>MUFPP action</b>	<b>Acknowledge the informal sector's contribution</b> to urban food systems (in terms of food supply, job creation, promotion of local diets and environment management) and provide appropriate support and training in areas such as food safety, sustainable diets, waste prevention and management.
<b>What the indicator measures</b>	This indicator assesses the existence of support services for the informal food sector providing business planning, finance and development advice. (The focus here is primarily in relation to sanitation and food safety regulations as a first priority, but it is important to look at wider support needs and provision – e.g. infrastructure, skills, etc.)
<b>Which variables need to be measured / what data are needed</b>	Types and numbers of informal food businesses, by category Types and numbers of businesses most in need of support services Types and numbers of support services available to informal food businesses Types of support needs that should be addressed as a priority
<b>Unit of measurement</b> (i.e. Percentages, averages, number, etc.)	This is an assessment but there could be useful metrics: - Number and types of informal food sector businesses - Number and type of priority informal food sector support needs - Types of support available and number of organizations providing this support - Number of informal food sector businesses that benefit from support services - Number of informal food sector businesses obtaining certificates or similar (e.g. sanitation and food safety certificates)

	<ul style="list-style-type: none"> <li>- Number of informal food sector businesses becoming registered as formal businesses</li> <li>- Number of informal workers in the food sector who have received support services on business planning, finance, development advice.</li> </ul>
<b>Unit(s) of Analysis</b> (i.e people under 5 years old, etc.)	Informal food businesses (or business owners)
<b>Possible sources of information of such data</b>	<ul style="list-style-type: none"> <li>-Existing reports; any registers of informal food businesses;</li> <li>-NGO's, agencies and municipal departments that work with food businesses; -</li> <li>Street trader organisations or unions; community organisations; police; food safety inspectors</li> </ul>
<b>Possible methods/tools for data-collection</b>	Mainly interviews with relevant experts and stakeholders
<b>Expertise required</b>	Research, interviewing and analysis of data
<b>Resources required/ estimated costs</b>	
<b>Specific observations</b>	The informal food sector is by nature not easy to support. Many cities will not have any data and may not have any support systems in place. In this case there could still be a useful assessment done to identify to what extent an informal food sector exists, and to find out what kinds of support needs there are. The areas of food hygiene and sanitation are inevitably a priority, given the potential impact on public health. A crucial point to note is that where the informal food sector does exist, the lives of low income families depend on it for their survival so much care is required in provision of support, whatever the specific priorities.
<b>Examples of application</b>	

## Rationale/evidence

This indicator assesses the existence of support services for the informal food sector providing business planning, finance and development advice. The focus is primarily in relation to sanitation and food safety regulations as a first priority but it is important to look at wider support needs and provision, for example improved trading spaces or subsidised mobile trading carts or credit provision or business skills. In the first instance a greater understanding about the nature and scale of the informal food sector is needed.

### Research into support needs

From 1999-2006 the Natural Resources Institute (NRI) worked with over 22 partners in African and South Asia on four separate street food and informally vended foods (funded by the UK Department for International Development, DFID). This work contributed to an increased understanding of how the informal sector is formed and the types of issues it faces. A feature of the urbanization process has been the development of informal food supply systems. Resource-poor groups have developed livelihood strategies with limited capital assets to meet opportunities in urban areas. This is typified by the increase in ready-to-eat food prepared and sold by street food vendors. However, while street food vending can be an effective way of providing low cost nutrition to urban populations, it can also pose risks to health, in particular for the young, the elderly and those with HIV/AIDS.

A mini-census and a survey of 334 street vendors in Accra, Ghana indicated that the street food sector employs over 60,000 people and has an estimated annual turnover of over US\$100 million with an annual profit of US\$24 million (equal to average daily profit of US\$1 per day). This was comparable to the findings from other studies in cities such as Calcutta; 130,000 street-vendors make an estimated annual profit of nearly US\$100 million. In Accra, most (94%) of the vendors were women, who had

minimal or no education, 75% did not pay taxes and most did not belong to vendors associations.

The research highlighted some key issues

- Street-vended and informally vended food can contribute significantly to the food security of those involved in its production, particularly suppliers of raw produce, food processors and vendors.
- Women are often owners or employees of street food businesses. In certain countries (Benin, Ghana, Lesotho, Togo and Democratic Republic of Congo), they represent 70 to 90% of vendors. In Ghana and most developing countries, most women sell food in the street primarily to improve the food security of their household and also to have some degree of financial independence.
- Despite its growing presence, it is a sector that has rarely been the focus of strategic research initiatives that determine the importance and potential hazards of street-vended food, and what contribution it makes to the livelihoods of the urban and peri-urban poor (both producers and consumers).
- The livelihoods of those in the informal street food sector and the health of consumers could be jeopardized if problems of food safety are not addressed. Loss in public confidence in street foods will not only jeopardize incomes of vendors but also of their employees, and of producers and traders of inputs.<sup>1</sup>

## Glossary/concepts/definitions used

### The informal food sector

The informal sector plays an important role, which is often viewed as controversial. It provides jobs and reduces unemployment and underemployment, but in many cases the jobs are low-paid and the job security is poor. It is important to understand what comprises the informal food sector in terms of context. Unfortunately there is no absolute definition - the simplest is whether the business is registered to pay taxes or not. The informal sector tends to include small manufacturing enterprises and small traders and service providers, legal and illegal activities and a wide array of artisans. The most visible activities relating to the informal food sector are: i) food production (urban and peri-urban); ii) catering and transport; iii) the retail sale of fresh or prepared products (e.g. the stationary or itinerant sale of street food).<sup>2</sup>

### Connections between the informal and formal sectors

It is important to remember however that one sector does not operate independently from others sectors. The food system is a collection of many systems, in which for example the informal and formal sectors are closely related, with mutual trade and exchanges occurring between them. For example, research in South Africa shows that informal traders source their products mainly from formal retailers. Moreover, many large firms engage the informal sector in formal business transactions where deliveries and collections are scheduled in accordance with pre-determined supply schedules. In many countries “farmer’s markets” sellers do not pay taxes, but do comply with certain hygienic measures, so whether or not they are included in the informal sector category is a grey area.

### Examples of support services

The NRI research projects mentioned above specifically addressed improvement in food safety. Public

<sup>1</sup> Street foods and informally vended food in Africa, Natural Resources Institute, University of Greenwich <https://www.nri.org/project-websites/food-and-markets/street-foods-and-informally-vended-food-in-africa>

<sup>2</sup> The informal food sector: Municipal support policies for operators; ‘Food in Cities’ collection no. 4; FAO, 2003 <http://www.fao.org/3/a-y4312e.pdf>

billboards were used to promote food safety to consumers. Teaching aids were produced in partnership with street vendor organisations, for both the street vendors and for the food inspectors. An initial 300 vendors were trained in improved food safety, with an additional 3000 trained by street vendor organisations. Training in financial management was then added, as vendors need to know the cost in improved hygiene and impact on business. A survey of consumers who buy from vendors was carried out and it became clear that consumers were willing to pay more for more hygienic food.<sup>3</sup>

## Preparations

The team responsible for monitoring this indicator should agree on:

1. Scope and parameters of the assessment
2. Main focus and research questions, in discussion with the municipality or relevant support organisations
3. Type of data disaggregation and categories that will be used (see further below)
4. Data collection method (analysis of records, interviews, surveys)
5. If surveys or interviews are to be used, questions and instrument have to be designed. Training of survey enumerators may be needed.

## Sampling

In case data are collected by means of an informal food business survey, guidance will be needed from vendors to estimate the numbers. A pragmatic approach may be to survey as many vendors as possible in key locations. The purpose of such a survey would be to find out what support needs they have, what support they receive, (and ideally) under what circumstances new support could be successfully provided. Depending on policy or monitoring priorities, surveys could be implemented among specific groups of vendors (e.g. youth, women, vendors of un-prepared foods, or vendors in specific areas of the city).

## Data collection and data disaggregation

The aim is to gather information that together provides an overview assessment. A number of research questions that focus around metrics could be useful.

### *Understanding the extent and nature of the informal food sector*

- Number and types of informal food sector businesses (It will very likely include street food sellers, but there may be other categories – see examples in definition section above)
- Number and type of priority informal food sector support needs
- Number and type of other businesses that supply the informal sector (important to understand their role in relation to support needs of the informal sector)

### *Understanding the extent and nature of any existing support for the informal food sector*

- Types of support available (this may vary considerably, for example from formal training in food hygiene to investment in mobile carts by the local government)
- Number of organisations providing this support

### *Understanding the take-up of support*

- Number of informal food sector businesses that benefit from support services
- Number of informal food sector businesses obtaining certificates or similar (e.g. sanitation and food safety certificates)
- Number of informal food sector businesses becoming registered as formal businesses

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<sup>3</sup> Street food in Ghana, changing food safety practices, Natural Resources Institute, funded by DFID, 2004  
<https://www.nri.org/images/images/project-pages/project2-moreinfo.pdf>

- Number of informal workers in the food sector who have received support services on business planning, finance or development advice.
- Number of formal businesses that are directly connected with the informal sector and need to be included in some way (recipients or providers of support).

Note. As the NRI reports show, it took several years to develop support work with the informal food sector. This exercise can at best provide an overview of the current situation but ideally should help to open up important issues that may not have been either acknowledged or addressed.

#### Data analysis/calculation of the indicator

The analysis should be presented as a short assessment report, ideally with recommendations for next steps. It could also be presented at a roundtable or workshop and used as an engagement mechanism for further discussion and action.

#### References and links to reports/tools

##### **Extensive international research on the informal street food and vendors in Africa (Ghana, Zambia, Zimbabwe) and India**

Street foods and informally vended food in Africa, Natural Resources Institute, University of Greenwich <https://www.nri.org/project-websites/food-and-markets/street-foods-and-informally-vended-food-in-africa>