



CITY OF HARARE

DEPARTMENT OF HOUSING AND COMMUNITY SERVICES

INFORMAL SECTOR (SMEs)

THE INFORMAL SECTOR DEVELOPMENT POLICY



BACKGROUND

The Informal Sector (SMEs) is governed by laws that seek to provide guidance to SMEs day to day operations and enhancement of service delivery.

Initially the Informal Sector was regarded as a supplementary income generating project with low per-capita income. However, as demand for more trading space increased, more emphasis is now being placed on Informal Sector growth and transformation of the same.

INFORMAL SECTOR LEGAL FRAMEWORKS

These are legal instruments that give direction to SMEs and good business ethics for the betterment of the Informal Sector.

- Informal Sector Policy
- Public health Act
- Relevant Council Policies and Resolutions
- Vending By-Laws of 2014
- Hawkers By-Laws of 2013
- Health By-Laws
- Any other related By-Laws

POLICY INTERVENTION

Policy intervention is a necessary tool to restore order in any business set up without which managing SMEs will be an uphill task. Below are some of the policy interventions:

- Provision of trading space
- Infrastructure development
- Selection and registration of informal traders
- Gender dimension

CATEGORIES OF SMEs TRADES

SMEs have been categorized into four (4) business portfolios such as:

- Social Markets
- Business Markets
- Home Industries
- Overnight Guarded Car Parks

- **Social Markets (Open Air Markets)**

Social markets are social service driven and targeted at the underprivileged members of the community who include vulnerable individuals such as widows/widowers, child headed families, the chronically sick and physically disabled persons.

This category of markets is represented by small scale markets such as fruits and vegetables and other related markets that Council provides to residents as part of its corporate social responsibility.

- **Social Markets (Open Air Markets)**

Below is an example of an undeveloped market site (Fruits and Vegetables)



- **Business Markets**

These are profit driven markets which operate as small business ventures. This category specializes in sale of new and second hand clothes, arts and crafts and many other related trades.

Examples of business markets (flea market and arts & crafts)



Arts and craft



Flea Market

- **Home Industries**

These are profit driven business ventures specializing in steel fabrication, brick molding, carpentry, mechanics etc. Beneficiaries operate on a one-year renewable lease and possess technical skills to carry out manufacturing businesses. Furthermore, home industry beneficiaries are placed on a three-year incubation period after which they shall graduate into large scale business ventures.

Examples of steel fabrication:



- **Overnight Guarded Car Parks**

These are overnight guarded car park facilities where clients pay a fee for parking services. The beneficiaries operate on a one (1) year lease period.

POLICY FRAMEWORKS

a) Selection and Registration of Informal Traders

The following are requirements needed for one to qualify for allocation of stalls/stands:

- Full name of applicant
- Certified copy of I.D
- Physical address of applicant
- Contact details of applicant
- Zimbabwe Republic Police Clearance
- Proof of residence
- Next of kin
- The applicant must not own any other market stall in the city
- The applicant must be a resident of Harare

- **For Partnerships, the following information is required:**
- Name of organization
- Certificate of incorporation
- Tax clearance certificate
- Proof of availability of funds
- Contact details
- Physical address

b) Gender Dimensions

The policy takes into consideration the mainstreaming of gender, different roles and responsibilities of men, women and youths in designing programs, projects, registration and allocations processes.

c) Allocation of Market Stalls /Stands To Beneficiaries

- The Director of Housing and Community Services is responsible for allocation of market stalls /stands

- Only qualifying applicants are eligible for allocation of stalls/stands
- The allottees shall be residents in Harare
- There shall be no multiple ownership of stalls/stands
- Failure to pay rent and/or other related charges result in repossession of the stand/stall.

d) Public/Private Partnerships (PPPs) and Public Private Dialogue (PPDs)

- Council recognizes the engagement and contribution of the Public and Private Sector Institutions to Informal Sector development. The dialogue and annual retreats and workshops with stakeholders will be held with the aim of soliciting financial support, training, capacity building and infrastructure development

e) Provision of Infrastructure

- Council shall provide basic infrastructure such as access roads, shelter, factory shells, ablution facilities, electricity and where necessary boundary fences, concrete walls or such services can be done through partnerships.

f) Health Requirements

- A vendor/ stallholder who has been allocated a stand or stall shall keep such stand or stall and its immediate environs in a clean and hygienic state.
- A vender/stallholder of foodstuff in a market, home industry or business market must ensure compliance with all the health regulations as stipulated in the Health Act and the relevant Health By-Laws and regulations.

g) Trading at Unauthorized Sites

- Council strictly prohibit vending activities at all unauthorized places in the city.
- Enforcement action will be taken against traders operating on unauthorized sites.

h) Vacation of Market, Home Industry and Guarded Car Park Stand/Stall

- A stall/stand holder shall immediately vacate such stand/stall upon the expiry of his/her permit of Lease Agreement unless the permit/lease agreement has been renewed.

- Vacation shall also be enforced on defaulters or those found sub-letting Council Market, Home Industry and Overnight Guarded Car Park facilities or breaching the prevailing by-laws or policy provisions
- In situations of death or serious incapacitation of the stallholder the lease shall automatically be terminated by Council and re-allocated to those on the waiting list. However, it is the Director of Housing and Community Services who shall have the prerogative to consider the retention or removal of certain stallholders on circumstantial or humanitarian grounds.

i) Formation of Management Committees

- A Site Management Committee selected among the traders shall be formed at all the trading sites.
- The role of Site Management Committee shall be to represent traders' interests and provide the link between City of Harare and Traders

j. Inspection of trading sites

- Council has the right to inspect all Markets, Home Industry, Overnight Guarded Car Parks or Business premises at reasonable times for purposes of checking compliance with or adherence to all prevailing Council By-Laws and policy provisions.
- Where damages are a result of deliberate negligence on the party of the property user, then the user shall make good such damage.

THE END.....