

**A Guide for Agencies
Planning and Developing Economic Strengthening Interventions
For Households and Communities
Caring for Orphans and Vulnerable Children**

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Acronyms

BDS	Business Development Service
DCOF	Displaced Children and Orphans Fund
CBO	Community-based organization
CSF	Community Savings Fund
DFID	Department for International Development (UK)
FFW	Food for work
IGA	Income generating activity
IGVGD	Income Generation for Vulnerable Groups Development (Program)
MFI	Microfinance institution
MSE	Micro and small enterprise
NGO	Non-governmental organization
OVC	Orphans and Vulnerable Children
PLWHA	Persons living with HIV/AIDS
PRA	Participatory Rural Appraisal
PVO	Private voluntary organization
ROSCA	Rotating credit and savings association
SL	Sustainable livelihoods
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
WEP	Women Empowerment Program (Nepal)
WFP	World Food Program

Summary

This guide is designed to (1) establish a process to identify economic strengthening opportunities on a local level using a sustainable livelihoods assessment and (2) provide guidance to implementing agencies on interventions that will economically strengthen individuals, households and communities with the intention of improving vulnerable children's safety and well-being. Whether a child's vulnerability is caused by armed conflict, displacement, HIV/AIDS, or other shocks, interventions should improve the ability of families and communities, as well as of young people, to provide for the children's safety, care, and basic needs. Improving household and community economic capabilities is an important aspect of strengthening family and community capacity and their coping ability. This guide concerns the critically important role that economic circumstances play in children's well being and, in each situation, how best to use the most appropriate approaches to improve their situation.

There is a critical need for donor, non-governmental organization (NGO) and community-based organization (CBO) learning on economic strengthening to help orphans and vulnerable children. The first step is to reach a better understanding of the economic constraints and opportunities that vulnerable children, their households and communities face. This knowledge is needed to develop a strategic approach and successful intervention. Understanding the programming options that can be used to address the constraints and take advantage of opportunities is an essential next step. Subsequently, it is important to design and implement activities that are based on best practices, build on market forces, seek sustainability, and improve vulnerable children's welfare. The USAID Displaced Children and Orphans Fund (DCOF) provided funding for this guide.

In terms of the analysis of problems and opportunities in this guide, much of what is presented is drawn from poverty alleviation and livelihoods strengthening approaches that seek to strengthen the economic position of the poor. Households that have strong sustainable livelihoods are able to better cope with the economic stress of additional children and other shocks that occur and do not need agency assistance in this arena. This guide focuses on those individuals, households, and communities where external interventions are necessary.

Developing assets and income opportunities are key to protecting and expanding the livelihoods of those individuals and households who care for vulnerable children and to building the livelihoods of vulnerable youths who are ready to enter the workforce. But it is important to view these issues in a holistic context. The aim is to ensure a multi-dimensional view of vulnerable individuals and households and their needs and wants. Further, the programs need to place people's priorities and aspirations firmly at the center of the interventions.

A second aspect of the development framework underpinning this guide is to support and use market-driven interventions where appropriate. Sustainable long-term solutions for economic strengthening and sustainable livelihoods ultimately depend on competitive income and employment markets. Market-driven programs are not only sustainable, but they also can reach a large number of the poor through the private sector. Programs need to build on existing markets and demand.

Chapters I and II provide an overview and a description of the guide’s development framework. Chapter II also includes definitions of economic terms that are often confusing to NGO social service organizations. Chapter III provides information on how to plan and undertake a sustainable livelihoods assessment. Chapter IV examines the process of learning from the sustainable livelihoods assessment to develop specific program recommendation. The chapter also presents principles on market-driven economic strengthening programs. Chapter V presents specific recommendations on economic strengthening program types. Also provided are some details on program characteristics and qualities to help in the selection and design process. The final chapter provides guidance on establishing good strategic alliances. It also includes a list of considerations for organizations starting new economic strengthening programs.

The holistic approach presented builds on these five elements.

1. An analysis of the context and services available to households examines the present situation and trends in opportunities and vulnerabilities in the economic, social and political context, with a focus on their impact on households with vulnerable children.
2. An analysis of assets or resources, at the individual (vulnerable child), household and community levels looks at human, social, economic, physical and natural resource assets.
3. The organizations and institutions influencing livelihoods, including formal and informal civic, economic and cultural organizations and institutions.
4. Livelihood strategies/coping mechanisms, including but not restricted to consumption, production and exchange activities.
5. The resulting livelihood outcome is assessed in terms of vulnerability, income, food, health, education, and other basic needs of children and households.

Although much information is needed to get a holistic view, it is possible to keep it simple, matching the sustainable livelihoods assessment activity with agency (i.e., NGO) capacity.

Economic strengthening interventions can be divided into 10 categories:

- | | |
|---|---|
| 1. Agricultural development | 6. Community-based asset building |
| 2. Microfinance: saving and credit | 7. Grants for household-based asset building |
| 3. Improved or new technologies | 8. Child care support |
| 4. Market linkages and/or product development | 9. Group income generating activities (IGAs) |
| 5. Training and technical services | 10. Community-identified coping strategies: the replication process |

The sustainable livelihoods approach recognizes that economic strengthening increasingly stems from a diversity of “work activities” including wage labor, farming, services, small enterprise operations, petty trade, rentals, survivalist micro-enterprises, and other sources. Income-generating interventions add diversity to household livelihoods, reduce their risk, and improve resilience to economic and social shocks.

Chapter I: Background and Introduction

A. Overview: Challenges and Problems

Armed conflict, population displacements, HIV/AIDS and other diseases, governmental failures, drought, and environmental degradation affect a vast number of children in the developing world. The impacts of these complex and often interrelated problems undermine household livelihoods and increase poverty, consequently threatening children's safety, well-being, and development. Poverty-related impacts include inadequate nutritional intake and barriers to access to education and health services. To be sure, poverty is not the only problems these children face, but improving their situation ultimately does require addressing the economic situation of their families.

To help orphans and vulnerable children, a multidimensional set of interventions is required. As the number of orphaned and vulnerable children grows around the world, especially in Africa because of AIDS, local communities, national agencies and international assistance groups are straining to meet children's multiple needs. They all recognize the integral link between children's safety, well-being, and development and their family and community's capacity to protect them and provide for their care. Sustainable livelihoods underpin such capacity. In a growing number of communities, households do not have enough resources to provide economic support to the ever-increasing numbers of orphaned and affected children. These poor households are struggling to meet children's basic needs. When these needs are not met, the child's opportunities diminish and the vicious cycle of poverty emerges or continues.

The International HIV/AIDS Alliance writes in its briefing notes on economic strengthening that:

- Living in poverty reduces children's chances of a good education.
- Poor education reduces their chances of good qualifications.
- Poor or no qualifications reduce their chances of worthwhile employment.
- Poor or no employment leads to further poverty for their offspring.

B. Economic Strengthening Programs and Guidance

Children's safety and well-being depend first on their caregivers' ability to protect and provide their basic needs. Strengthening the household's economic capacity and sustainable livelihoods are central elements to:

- Ensure that the child's basic needs of food clothing and shelter are met.
- Prevent children from moving onto the street.
- Protect children living in areas affected by armed conflict.
- Enable households to reintegrate and provide adequate care for separated children.
- Enable vulnerable children to attend school.
- Mitigate the impacts of AIDS on children.

In the “Principles to Guide Programming for Orphans and other Children Affected by HIV/AIDS,” which USAID, along with UNICEF and UNAIDS, helped to develop, economic strengthening is identified as an important objective:

Strengthen the economic coping capacity of families and communities: It is important to establish sustainable interventions to respond to household economic needs. These will vary, depending on widely varying local circumstances, and could include: reduction or elimination of school related or health care expenses, micro-enterprise or micro-finance programs, agricultural assistance, special investment funds to address local collective needs, provision of welfare assistance, or building basic infrastructure to support the productive base of the community. (*Children on the Brink 2002, 34*)

The donor community in general and especially local communities have recognized that, while many NGOs/CBOs have tried to improve household and community economic capacity and some have produced good results, more often they have not achieved their objectives. These organizations as well as local communities that support children’s safety and well-being need more economic strengthening information and practical guidance to help orphans and vulnerable children. Many local organizations have expertise primarily in child welfare, protection and psychosocial services. They need assistance to incorporate appropriate, effective microeconomic strengthening elements into their programs.

At the same time, there is an extensive set of experience and body of knowledge on microeconomic strengthening programs that donors, governments and local communities have helped to develop, but these lessons are not readily accessible to child-focused organizations. Nor is much of this literature written with a focus on improving child safety and well-being. Many local NGOs and CBOs are struggling with few resources and limited expertise, but are learning to establish sustainable economic strengthening interventions. The success and lessons learned from their work and that of organizations that specialize in microeconomic interventions are being distilled and documented and that information is being used to improve the effectiveness of all types of child-focused programs.

There is a critical need for increased donor, NGO, and CBO learning on economic strengthening to help vulnerable children and orphans. A better understanding of the economic constraints and opportunities facing vulnerable children and their households and communities is a first step to developing a strategic approach and successfully implementing interventions. Understanding the programming options to address constraints and take advantage of opportunities is an essential second step. Next, it is important to design and implement the economic strengthening activities so that they are based on best practices that build on market forces, seek sustainability, and improve vulnerable children’s welfare. This guide is designed to advance the learning process to implement improved economic strengthening programs for orphans and vulnerable children.

Chapter II: Purpose, Developmental Framework and the Sustainable Livelihoods Approach

A. Purpose

This guide is designed to: (1) establish a process to identify economic strengthening opportunities on a local level using a sustainable livelihoods assessment and (2) provide guidance to implementing agencies on interventions to economically strengthen individuals, households, and communities with the intention of improving vulnerable children's safety and well-being. Whatever the cause of a child's vulnerability, the primary solution is to improve the ability of families and communities, as well as of young people themselves, to provide for their safety, care, and basic needs. Improving household and community economic capacities are important aspects of strengthening family and community coping skills. There are other important dimensions as well—such as promoting children's psychosocial well-being and development, providing them with education and other basic services ---which are addressed in other documents. This guide, however, concerns the important role that economic circumstances play in children's well-being and how to use the most appropriate approaches to improve their economic situation.

Much of this guide is drawn from poverty alleviation and livelihoods strengthening approaches that seek to strengthen the economic position of the poor. It has a special focus on children who are vulnerable because of war, civil disturbances, and HIV/AIDS.

Households that have strong sustainable livelihoods are able to cope with the economic stress of additional children and other shocks that they may face and do not need agency assistance to cope. This guide focuses on those individuals, households, and communities where an external intervention is necessary.

B. Development Framework

The guide's goal is to protect and expand the livelihoods of the individuals and households that vulnerable children depend on as well as build the livelihoods of vulnerable youth who are ready to enter the workforce. Assets and income opportunities are key to strengthening their livelihoods, but they must be understood and developed within a holistic context. The aim is to ensure a multi-dimensional view of vulnerable individuals' and households' needs and wants. Further, the programs that result should place peoples' priorities and aspirations for improved livelihoods firmly at the center of the interventions.

Over the last 10 to 15 years, a multidimensional view of poverty has emerged that considers physical, natural, human, financial and community (social) assets as the means to improve the welfare of the poor. This multidimensional view has given rise to what has become known as the *sustainable livelihoods approach to poverty alleviation*. International agencies that use a sustainable livelihoods approach include the United Nations Development Programme (UNDP), CARE, Oxfam, the UK Department for International Development (DFID), and Save the Children, UK. While there are variations in their methods, nearly all are based on the work of Chambers and Conway in the early 1990s. Their definition of sustainable livelihood is central:

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihoods opportunities for the next generation....¹

This manual uses a sustainable livelihoods approach to assess economic strengthening opportunities and constraints.

A livelihoods-based approach provides a map for navigating the complex ways in which people live. The approach examines how people access resources, what can impede their access, how resources are used to build assets, and how loss of or building assets affects people's vulnerability to shocks and stress. A livelihoods approach is a useful tool for understanding complex issues and for coping with household and individual vulnerability.

DFID describes its sustainable livelihoods-focused development as follows:

- **People-centered:** Sustainable poverty elimination will be achieved only if external support focuses on what matters to people, understands the differences between groups of people, and works with them in a way that is congruent with their current livelihood strategies, social environment and ability to adapt.
- **Responsive and participatory:** Poor people must be the key actors in identifying and addressing livelihood priorities. Outsiders need processes that enable them to listen and respond to the poor.
- **Multi-level:** Poverty elimination is an enormous challenge that will only be overcome by working at multiple levels, ensuring that micro level activity informs the development of policy and an effective enabling environment, and that macro level structures and processes support people to build upon their own strengths.
- **Conducted in partnership** with both the public and the private sector.
- **Sustainable:** There are four key dimensions to sustainability: economic, institutional, social, and environmental sustainability. All are important; a balance must be found among them.
- **Dynamic:** External support must recognize the dynamic nature of livelihood strategies, respond flexibly to changes in people's situation, and develop longer-term commitments.²

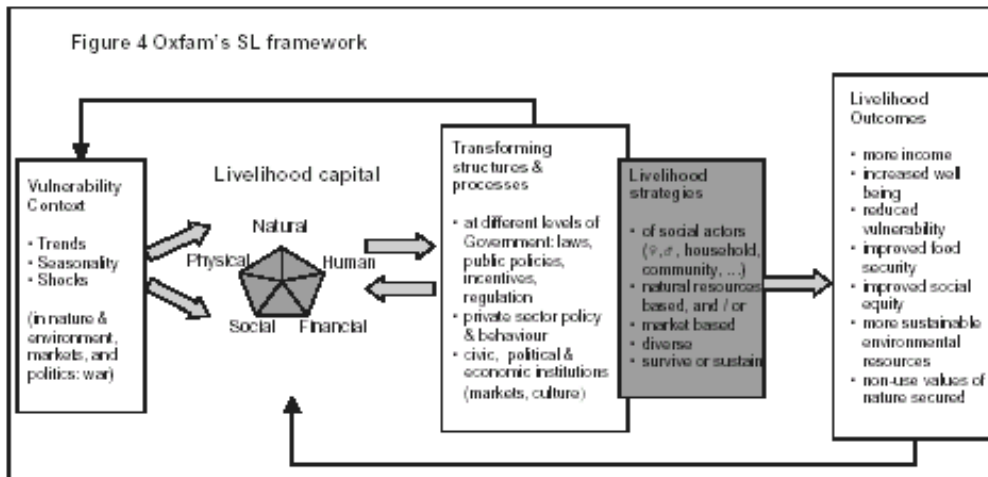
Most approaches stress the importance to livelihoods of assets or resources in five areas: social, physical, human, financial, and natural. The sustainable livelihoods approach also stresses the need to maintain a focus on outcomes, i.e., thinking about how development activity impacts upon people's livelihoods, not only about immediate program outputs.

Oxfam puts the pieces together in the following graphic that is typical of the approach:³

¹ R. Chambers and G. Conway, "Sustainable Rural Livelihoods: Practical Concepts for the 21st Century," (Brighton: IDS, 1992), 296:7.

² Diana Carney et al., "Livelihood Approaches Compared," (London: DFID, November 1999).

³ Ibid.



The five aspects of livelihood capital in the chart—natural, human, financial, social, and physical—illustrate the approach’s multidimensional nature.

- **Natural capital:** The natural resource stocks from which resource flows are derived that are useful for livelihoods (e.g., land, water, wildlife, biodiversity, environmental resources).
- **Human capital:** The skills, knowledge, ability to provide labor, and good health that are important to a person’s ability to pursue different livelihood strategies.
- **Financial capital:** The financial resources that are available to people (whether savings, credit supplies, regular remittances, or pensions) and provide them with different livelihood options.
- **Social capital:** The social resources (i.e., networks, group memberships, relationships of trust, and access to wider institutions of society) that people draw on in pursuit of livelihoods.
- **Physical capital:** The basic infrastructure (i.e., transport, shelter, water, energy, and communications) and the production equipment and means that enable people to pursue livelihoods.⁴

For this guide, a central concern is to identify and understand the livelihood strategies and coping mechanisms that individuals and households use to handle shocks and stresses that leave children vulnerable. These mechanisms are described and modeled within the approach. Agencies such as NGOs, CBOs, government organizations, and donors use a rapid appraisal to gain the information needed for planning purposes. This is the first step in the participatory process that is embedded in the approach. Participatory methods are central to understanding coping and selecting and applying economic strengthening options.

A second aspect of the development framework is supporting and using market-driven interventions where appropriate. Sustainable long-term solutions for economic strengthening and sustainable livelihoods ultimately depend on competitive income and employment markets. Market-driven programs are not only sustainable, but can also reach a large number of the poor through the private sector. They build on existing markets and demand. Sustainable programs

⁴ Ibid.

avoid subsidies and grants to market participants and support institutional and market development. A market understanding is essential to planning a successful program. There are various techniques to map out the sector or market. Essentially the agency needs to understand:

- Market participants,
- Participants' financial returns and pricing,
- Physical movement and processing of goods,
- Size of markets,
- Competition, and,
- Regulations and institutions in the markets through which the products move.

The market information is then related to the target population's livelihoods and assets to see what opportunities may exist.

C. Safety and Care of Vulnerable Children First

Most agencies that are helping and ensuring the care of vulnerable children first look to see that the children are living in a safe environment and that their psychosocial needs are being met. There is very little that can be done to improve the children's economic situation if they are not in a safe and relatively stable living arrangement. In this guide, the assumption is that the child's safety and psychosocial challenges will have been largely met or are being met before the economic strengthening support is added. This means that the vulnerable children are in households and communities. Thus, households and communities, not individual children, are the focus for analysis and programs. However, the child's place and role in the household cannot be ignored. The household structure may not be traditional; for example, it may be a group of street children living in a halfway house. The household may be child-headed. Finally, some older youths may be ready to become productive members of society and live independently. The analysis of economic strengthening opportunities begins with an understanding of assets, livelihoods and coping.

D. Vulnerability

The general economy and market or livelihood opportunities play a major role in determining the success of households in earning enough income to meet basic human needs. Where the economy is weak, even stronger households will have problems coping. High levels of AIDS morbidity and mortality, political instability and violence, and economic shocks can all be causes of a weak economy and poor economic opportunities. In this situation, community support will weaken as member households face ever-increasing problems. Moving from strong to weak, here are three general living arrangements for orphans and vulnerable children.

1. Living on their own alone or in small, often changing, groups.
2. Living in economically weak households with few assets—human, physical or communal—and with tenuous livelihood security.
3. Living in a household with stronger livelihoods and assets.

Orphans and Vulnerable Children Living Situation and Economic Vulnerability

Orphan/Child Situation	Strong Economy	Weak Economy
<ul style="list-style-type: none"> • Outside of stable household (HH) • In economically weak HH • In strong economic HH • Community support to OVCs and OVC HH 	<ul style="list-style-type: none"> • Highly vulnerable -Seek psycho-socio stability • Vulnerable • Economically viable • High potential for community support 	<ul style="list-style-type: none"> • Highly vulnerable -Seek psycho-socio stability • Highly vulnerable • Vulnerable • Lower community support, especially in highly-affected AIDS areas

E. Situation Analysis

A special note should be made of the situation analysis, which is an important analytical process for communities and households with vulnerable children. The situation analysis for vulnerable children is an approach that gathers information on factors that cause vulnerability and current or potential protective factors. It includes attention to livelihoods but is more broadly focused than the sustainable livelihoods analysis. It has been used in a number of countries to plan strong programs for vulnerable children, but generally does not include an adequate depth of analysis or focus on economic strengthening issues.

The United Nations High Commissioner for Refugees (UNHCR) used this situation analysis definition in a refugee situation:

Situation analysis is the process of assessing a complex situation within its wider context, systematically gathering information, identifying the main problems and needs within a refugee population, identifying the principle resources contained within that population, and analyzing the information gathered in order to facilitate the process of planning in a systematic, strategic and integrated manner. It differs from the narrower concept of needs assessment in that it has a broader scope, for example, in its focus on the wider context and in identifying refugee capacities and resources as well as problems and needs.⁵

Another practitioner describes a situation analysis with a particular focus on HIV/AIDS impacts on children:

Situation analysis is a process of gathering and analyzing information to guide planning and action. It involves gathering information about the epidemic, its consequences, household and community coping responses, and relevant policies and programs. It concludes with analyzing the information gathered, identifying geographic and programmatic priorities, and making specific recommendations for action. Situation analysis provides a basis to make hard choices about how and where to direct available resources to benefit the most seriously affected children and families.⁶

⁵ UNHCR, "Situation Analysis," *Action for the Rights of Children*, (Geneva: UNHCR, October 2002), CD ROM version, 14.

⁶ John Williamson, "What Can We Do To Make A Difference, Situation Analysis Concerning Children and Families Affected by AIDS," October 2000, 4.

A situation analysis should lead to a working understanding of priority issues. It should generate credible technical information on the current and future magnitude of children becoming orphans and other stresses on children and families.

Situation analysis provides a multidimensional view with an emphasis on the social, psychological, and health matters that are needed to plan and implement appropriate interventions to benefit vulnerable children. The sustainable livelihoods analyses presented in this guide and a situation analysis can be blended together added to provide an even richer picture of circumstances of orphans and vulnerable children. This document does not provide a guide on how to combine the approaches but recognizes that many organizations helping children do use situation analysis. The combined use of the two approaches can only strengthen the analysis.

F. Asset Growth Early in the AIDS Cycle

The temporal aspect of household economic vulnerability is important in areas of increasing AIDS mortality and morbidity. Building assets in the early stages of the AIDS epidemic enables households to better cope as the inevitable financial and livelihood problems arise later in the AIDS cycle.

Sustainable livelihoods assessments done in lower AIDS prevalence areas will help to identify economic strengthening activities that will make households more resilient to the effects of AIDS. With early planning, households and communities can become more aware of choices and consequences that arise from the pandemic.

1. Overview of the Approach and Sequencing

While the exact sequencing and assessment tools will vary depending on the program goals, these are the steps and decision points for a sustainable livelihoods assessment for households and communities that support orphans and vulnerable children:

- **Set Objectives:** The general objective is economic strengthening for vulnerable children. The agency will need to adapt this general objective to meet its needs. Clear and direct objectives facilitate the process.
- **Review Existing Information:** A comprehensive review of existing information and staff knowledge will set the parameters for field data collection. Given the high cost of data collection, this guide places a heavy emphasis on using existing data and staff knowledge to build a holistic view of household livelihood opportunities and constraints. Nonetheless, there is a need to check the data; fieldwork validation of the conclusions of secondary and staff information is always useful. Chapter IV provides more information and a series of questions to address.
- **Field Data Collection Planning:** This requires identifying information gaps and designing tools for gathering information, selecting sites, preparing communities, and field team training.

- **Assessment Data Collection:** The fieldwork should focus on household assets, livelihood strategies and coping mechanisms to deal with stress. The methods to be used include focus groups, key informant and household interviews, calendars, case studies and other participatory rural appraisal (PRA) methods.
- **Livelihood Problem and Opportunity Analyses:** The analyses represent the first cut at the selection of strategically focused interventions that build on local capacities and address serious livelihood constraints that make children vulnerable. The interventions will respond to community opportunities as well problems or negative coping strategies that require either mitigation or new ideas and opportunities.
- **Synthesis and Intervention Options:** Economic strengthening interventions flow from the analysis. One key characteristic in this approach is that the holistic analysis will give rise to a focused intervention rather than to a broad range of often inadequately linked activities. The synthesis stage should identify the major intervention that will have the greatest leverage or beneficial impact on improving livelihoods. A single sector program that responds to the best livelihood opportunity or the most serious constraint is the most likely to be operationally successful. Selecting an intervention through the sustainable livelihoods approach will result in a high impact on the livelihoods of the target households and communities. Chapter V presents guidance on the best economic strengthening approaches. In many cases the needed interventions may fall outside of the expertise and experience of the organization completing the assessment. Partnerships and technically skilled staff will be needed. Resource constraints for new program interventions will exist for nearly all organizations.
- **Analysis and Design Workshops:** Communities and household representatives need to be involved in understanding the data and selecting strategically focused interventions. Building on the assessment, the communities screen possible interventions to determine design challenges. The selected interventions are reviewed with the community to determine if they are valid priorities.
- **Responsive and Participatory Interventions:** Local ownership and participatory design processes are usually conducted at this stage. Once the design is finalized, a baseline is conducted on the outcome indicators that will be measured for project impact. Monitoring systems are established to capture project outputs, livelihoods, and contextual changes.

2. Definitions

Planners and workers with child welfare expertise often misunderstand the terms used in enterprise development, economic strengthening, or asset building programs. In an attempt to clarify these terms, the chart below presents the terms and definitions used in this guide.

Also, two terms need to be defined on community's involvement in the sustainable livelihood and poverty alleviation:

1. The community needs to provide information about itself to inform agency decision-making. For this manual, “rapid appraisal” is used for the task of gathering data. This task involves strong community participation, however, the agency will then use this information to make subsequent decisions, usually on program planning.
2. The community also needs to be involved in the decision-making and learning process to ensure its ownership and commitment. Community empowerment is the objective. Community capacity building is usually part of the process. For the task of community decision-making, learning and empowerment, “participatory learning and action” will be used.

TERM	DEFINITION
Apprenticeship	<ul style="list-style-type: none"> • A semi-structured form of on-the-job training, usually in a craft or trade that is guided by mutual agreement, social custom, or tradition.
Business Development Service (BDS)	<ul style="list-style-type: none"> • Any non-financial service provided from the public and private entities that seeks to improve business operations and sales
Business linkages	<ul style="list-style-type: none"> • An ongoing trade relationship among commercial-oriented enterprises
Coping mechanisms	<ul style="list-style-type: none"> • The various ways individuals, households and communities deal with social, environmental, economic, health and other sources of stress or shock
Cost effectiveness	<ul style="list-style-type: none"> • A measure of an intervention’s impact or benefits compared to its cost, usually measured as a ratio of costs to benefits
Demand	<ul style="list-style-type: none"> • The quantity and type of goods or service that buyers (individuals or businesses) want to purchase at a range of prices; described as consumer behavior
Food security	<ul style="list-style-type: none"> • When all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life
Impact	<ul style="list-style-type: none"> • An intervention’s economic and social effects on an individual, household or business
Income generation activity	<ul style="list-style-type: none"> • Broadly speaking, this is any activity that produces income. In practice and for this guide, IGAs are operated with some form of free or low-cost inputs including labor. Product markets are often non-competitive.
Informal sector	<ul style="list-style-type: none"> • A large set of micro businesses and livelihoods that exist largely outside of government regulations and control with an ambiguous legal status. Start-up is easy; capitalization and returns are low. Petty trade is a typical activity.

TERM	DEFINITION
Intervention	<ul style="list-style-type: none"> • A temporary mechanism or set of actions by which an agency tries to affect change (often a program or project)
Livelihood	<ul style="list-style-type: none"> • Comprises the capabilities, assets (stores, resources, claims and access), and activities required for a means of living; a livelihood is sustainable if it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets.
Market	<ul style="list-style-type: none"> • A set of arrangements by which buyers and sellers are in contact to exchange goods and services—the interaction of supply and demand for goods and services
Market development	<ul style="list-style-type: none"> • Activities that try to make the interaction between supply and demand more effective
Market transaction	<ul style="list-style-type: none"> • An exchange between suppliers and consumers at a price set by the market
Micro and small enterprise (MSE)	<ul style="list-style-type: none"> • MSEs operate in most cases in the informal sector. The number of employees determines the MSE size. Small businesses have 1 to 10 employees, while micro business are most often owner-operated with no employees.
Microfinance	<ul style="list-style-type: none"> • Savings and small-scale lending done without collateral, it focuses on reaching the poor and near poor who do not have access to credit and safe savings. Financial services other than savings and credit are sometimes included.
Micro credit	<ul style="list-style-type: none"> • The lending under microfinance; much effort has been put into creating institutions that offer micro credit on a sustainable and profitable basis.
Outreach	<ul style="list-style-type: none"> • The number of clients or beneficiaries reached by an intervention; they receive services or supplies that benefit their businesses or households.
Public Goods	<ul style="list-style-type: none"> • A good or service is public if the amount consumed by one individual or business does not reduce the amount available for consumption by others.
Service Provider	<ul style="list-style-type: none"> • A business or institution that provides business development services to an individual or firm
Supply	<ul style="list-style-type: none"> • The quantity and type of goods or service that sellers (individuals or businesses) want to sell at a range of prices; this describes sales behavior.

TERM	DEFINITION
Sustainability	<ul style="list-style-type: none"> • The ability of an entity to operate independently without subsidy; a private enterprise is sustainable when it covers all costs including a return on equity without subsidy.
Vocational Training	<ul style="list-style-type: none"> • Purposeful activity to transfer skills and knowledge that will be used to pursue an occupation or secure a livelihood

Chapter III: Sustainable Livelihoods Assessment: Towards Economic Strengthening of Households and Communities that Support Vulnerable Children

A. Keeping It Simple: Matching Livelihood Assessment with Agency Capacity

The holistic economic strengthening framework presented in chapter II may be daunting to many practitioners as they begin to plan for these activities. This type of analysis often engenders concerns among agency staff that it implies a lengthy, in-depth and complex process and that the livelihoods analysis will become an end in itself. These dangers can and should be avoided, as it is critical to minimize gaps between the analysis and design stage as well as avoid unnecessary data collection.⁷

A flexible approach will permit a variety of analyses, ranging from a detailed one that is dependent on much new data collection, to one that is quick and based in staff knowledge and published reports. However, across all levels there is a need to ensure that the emphasis is on gaining a multidimensional view of livelihoods and coping mechanisms for vulnerable children and their households, and on placing priorities for improving livelihoods firmly at the center of the analytical and planning process.

The flexible approach's key components are to:

- Use a basic structure for the analysis that can be expanded and deepened depending on availability of data and time.
- Use existing information and staff knowledge on the general context, environment and risks facing the targeted households and communities.
- Focus on field assessments of targeted household assets, livelihood strategies, and coping mechanisms of the vulnerable through rapid and participatory assessments.
- Prioritize problems and opportunities.
- Identify potential interventions to help vulnerable children.

B. Basic Structure

Sustainable livelihoods approaches share basic concepts and use a five-element framework. Agencies have particular entry points to the approach based on their program objectives. These reflect varying conceptual emphases. A holistic approach is always used. For this guide, the entry point will be the vulnerable children's economic welfare.

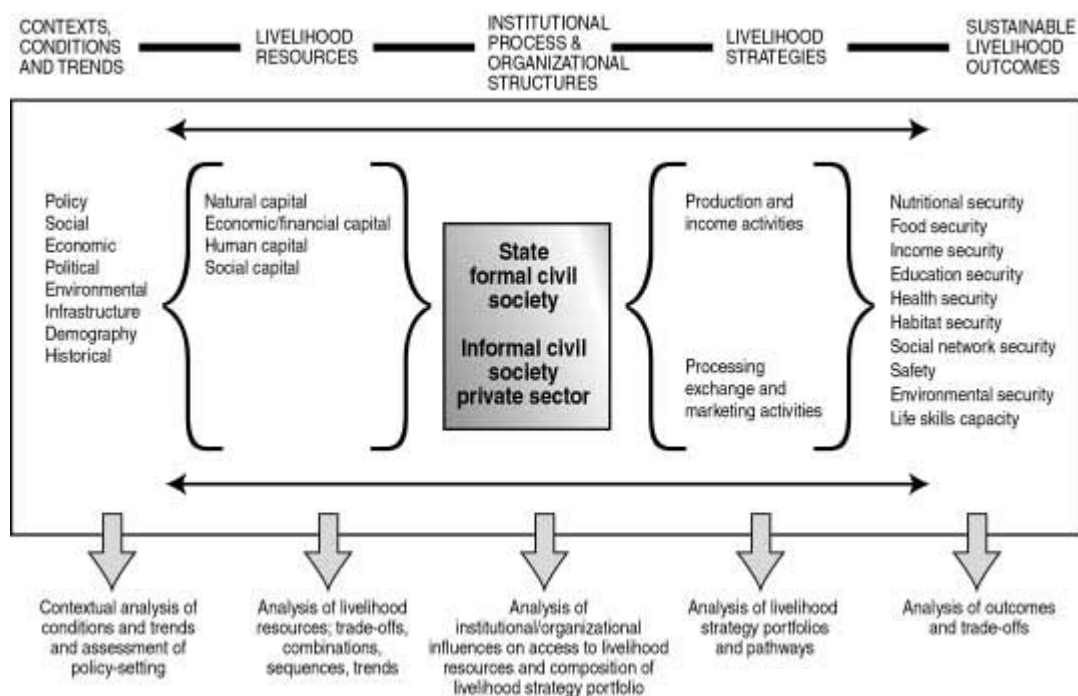
The five elements are:

⁷ Timothy R Frankenberger, Michael Drinkwater, and Daniel Maxwell, "Operationalizing household livelihood security," 2000, available at: <http://www.fao.org/docrep/003/X9371e/x9371e12.htm>. and Drinkwater and Rusinow, 1999 - Document commissioned by and developed for CARE USA, PHLS Unit.

1. An analysis of the context and services available to households: This includes the present situation and trends in opportunities and vulnerabilities in the economic, social and political context, with a focus on the impact on households with vulnerable children.
2. An analysis of assets or resources at the individual (vulnerable child), household and community levels, comprising human, social, economic, physical and natural resource assets.
3. The organizations and institutions influencing livelihoods, including formal and informal civic, and economic and cultural organizations and institutions.
4. Livelihood strategies/coping mechanisms, including but not restricted to consumption, production and exchange activities.
5. The resulting livelihood outcome, which is assessed in terms of vulnerability, income, food, health, education and other basic needs of children and households.

An early adopter of this approach, CARE has put this basic framework into a graphic as presented below. CARE calls its approach “Household Livelihood Security.”

Household Livelihood Security: A Framework For Analysis



More detailed explanations of CARE’s framework and examples of its use in various countries are available at www.careinternational.org.uk. A review of these examples will benefit those undertaking livelihood analyses, especially those who plan a large-scale review and detailed household level assessments.

C. Existing Information and Staff Knowledge

Since the approach’s success rests on a holistic analysis, a good understanding and recording of the multidimensional aspects of livelihoods are needed. However, this understanding can and in most cases should come from existing information and staff knowledge. If ongoing programs

exist for vulnerable children, then much, if not all, of the information may have already been collected. For example, a situation analysis may have been completed. Even without a prior assessment, however, existing published documents and staff knowledge are usually strong enough to limit the need for extensive fieldwork to conduct a basic assessment. The goal is to streamline the approach. Of course, if the program objectives are large and an extensive review is desired, the analysis is only stronger with a comprehensive review.

1. Fieldwork for household assets, livelihood strategies, coping mechanisms, and outcomes

The fieldwork in a “light” approach will fall on the household level aspects of the basic framework, primarily household assets and vulnerability (elements 1 and 2) and livelihood strategies and coping mechanisms (element 4). Information will also have to be collected for livelihood outcomes (element 5). Again, the idea is to gather essential economic strengthening information that is useful in a holistic context.

At the household level, the information required includes household assets and how these are used to earn adequate income, how resources are allocated, and the levels of outcomes achieved in terms of income, risks and access to basic needs such as food, water, shelter health care and education. Assets include not only productive assets, such as land, tools, trading stock and livestock, or financial assets, such as savings and cash, but also the intangible assets of labor, capacity, and the social relations that underpin livelihood activities. Important among these is the household’s ability to cope with risk, what these abilities are, and the coping strategies used. Livelihoods must be understood at the community and household levels. Household-level outcomes have to be put in a community or broader social and political context.

2. Team Members and Planning

An assessment involves a vast amount of learning about the household situation and economic strengthening opportunities. The assessment team members will build relations with local communities and key informants. Thus, the agency will benefit from having as many of its staff as possible on the assessment team. This needs to be balanced with staff availability and regular demands on their time. Also, the team needs to have technical diversity to understand and analyze the multidimensional data and information collected. A business development specialist or an agriculturalist who knows livelihoods, an individual familiar with local institutional and social issues, and an evaluator familiar with the assessment methods or rapid appraisals should be on the team.

The team size should be kept manageable and match fieldwork needs. A 3-4 person team can handle the limited proposed fieldwork. The agency and team need to establish working relationships with communities and make sure to explain the purpose of the data gathering. Care must be taken not to raise community expectations. Generally, the experience of a community based organization should provide a strong base for outreach to and participation by the community. For those agencies that seek more guidance, the websites-- www.livelihoods.org; http://www.careinternational.org.uk/resource_centre/livelihoods.htm; and www.undp.org/sl-- offer detailed suggestions and guidance on planning.

D. The Sustainable Livelihoods Assessment: Key Information Needs and Methods for Economic Strengthening Interventions

The five basic elements of this approach are presented below with questions and suggested data gathering methods. The questions can guide the staff in collecting published reports and data, in completing the group, key informant, and/or household interviews, and in the focus groups. However, in many cases, the questions will have to be modified and follow-up questions added to elicit the needed information from the particular communities assessed.

Again, the assumption is made that adequate secondary information and staff knowledge exists and will be used to meet assessment and planning needs. The need is for data on household field assets, livelihood strategies, and coping mechanisms. For the field assessments, some data collection exercises can be done without being selective about informants insofar as they know their community well and are honest in their responses. However, the fieldwork must focus on households with vulnerable children.

Various types of interview processes and interactive data-gathering tools are used to elicit sustainable livelihoods information (see the text box). A case could be made that answers to the element questions could be elicited through any of the general interview and focus group techniques. In the elements tables under “methods,” the first method listed is the one most likely to provide the information in the most efficient manner. In most cases, this will be through secondary sources and staff knowledge. Secondary sources can include previous assessments; government documents and plans, census data and official statistics, project reports, evaluations and impact studies, academic and professional studies and reports. Staff knowledge about local institutions, customs, and livelihoods and coping will be extremely useful.

1. Interview Processes and Data Gathering Tools

- **Group interviews** are usually held with a large, but manageable, group of community members, sometimes separated by gender to capture differing views. They are directed to obtain a general community overview. Group interviews are used to collect basic information about the community infrastructure and facilities (i.e., schools, medical posts, etc.), land tenure systems, markets, general trends on population movements and climate, cultural characterization and, they allow the strategic identification of the most prevalent livelihood systems. They are valuable to fill in data that may not be available from secondary sources and to check on information that remains unclear after a review of published data. However, sufficient time should be allowed for the free and open expression of community members.
- **Key informant interviews** can be conducted simultaneously with and/or right after the group interviews with the village and institutional leaders and authorities. Other than local

Interview Processes and Data Gathering Tools
<ul style="list-style-type: none">• Group interviews• Key informant interviews• Focus group interviews• Household interviews/case studies• Interactive tools: calendars, flow and Venn diagrams, ranking and scoring exercises• Surveys

authorities, key informants may be people noted for their unique perspective or experience with vulnerable children.

- **Focus group interviews** are held with groups that are representative of the major livelihood systems in the particular communities being assessed. The groups are smaller than those in the group interviews. More qualitative data is sought in the focus groups. Staff should be able to identify these people with the help of key informants and group interviews. The main objective is to be able to identify and describe the common characteristics of community members who have the same livelihoods. The interviews should yield valuable trend information on the livelihood systems and their security as perceived by the community members. They are also an important information source on conflict within and among groups and communities, on the local impact of national policies, and on vulnerable and at-risk children.
- **Household Interviews/Case Studies:** Household interviews yield case studies that identify differences among households and allow for comparisons of households with similar or different livelihood systems. From the information obtained, the survey team may develop case studies of typical households within a livelihood system and document the differences among households belonging to the same livelihood system based on children added to the household, ethnicity, gender, head of household, etc. Household interviews focus on the constraints and opportunities that individual families face and attempt to map intra-household dynamics, such as allocation of food, resources, decision making, trade-offs, etc. The interviews also capture information on household demography, assets and resources, the proportion of income spent on food, times of seasonal stress, and specific coping strategies. Usually, the sample includes three to six households that are selected opportunistically to represent the community's livelihoods.
- **Interactive Tools:** Diagrams can be used to present complex information in an easy-to-understand visual format, making it easier to analyze. Three different types of diagrams—originally derived from agro-ecosystem analysis—are often used.
 1. *Calendars* are used to indicate seasonal features and changes and are useful for allowing community members to identify critical times in food availability, crop production cycles, cropping patterns, expenses for celebrations, holidays, or the start of school year, health problems and other major expenditures.
 2. *Flow diagrams* are used to present cyclical events in food production, business operations, marketing, and consumption. Flow diagrams can also be used to describe the decision-making processes of local governments and service agencies and to identify the opportunities and constraints for household participation. These uses may be useful in looking at the decisions related to orphan placement.
 3. *Venn diagrams* can be used to understand the institutional relationships in a community. Such information can be critical to understanding the informal social mechanisms (e.g., claims) that buffer households or groups from periodic shocks.
 4. *Ranking and scoring exercises* elicit people's views and judgments on the relative importance of a range of issues and actions. These exercises can be used to identify the items and issues surrounding child care and support. In most assessments, the technique

is used for wealth ranking of households and to determine the appropriateness or selection criteria for potential interventions and coping strategies.

- **Surveys:** Conventional surveys of targeted households and individuals can also be used. The most advantageous way to use a survey is to gather the qualitative data first and then to use the survey to quantify a problem, need, or opportunity.⁸

2. Livelihoods Matrixes

Element 1: An analysis of the context and services available to households

The present situation and trends in opportunities and vulnerabilities in the economic, social and political context are analyzed, with a focus on the impact on households with vulnerable children.

Area and Key Questions	Methods
Political	Abbreviation Key⁹
What are the key government services provided at the local level?	SSS
What is the local government's impact (real and perceived benefits)?	SSS, FG, GI
What is the local level decision-making process? Who has the power?	SSS, FG
What are the government initiatives for households supporting vulnerable children? Poor households? Households affected by HIV/AIDS?	SSS
Have there been changes in government policies that affect health, education, welfare and livelihood benefits? Have the impacts been positive or negative?	SSS, KI, GI
What are the policies and practices to access common community resources?	SSS, GI
What are the national and regional women's development policies & practices?	SSS
What are the poverty alleviation policies?	SSS
What policies exist to address the needs of vulnerable children and orphans?	SSS
Does the national HIV/AIDS policy address economic issues?	SSS
Cultural and Social	
To what extent do women participate in decision making at various levels in the community?	KI, SSS, FG, HI
What are the different religious and ethnic groups living in the community? How do they interact? Share power? Are there conflicts? Over what issues?	SSS
How have orphans, widows or other vulnerable community members traditionally been cared for? Are these traditions changing? If so, how?	SSS, GI, KI, FG
What are community and individual views toward orphans and vulnerable	KI, FG, R&S

⁸ The descriptions of these were largely taken from Frankenberger et al, article on "[Operationalizing household livelihood security: A holistic approach for addressing poverty and vulnerability](http://www.careinternational.org.uk/resource_centre/livelihoods.htm)," available at the CARE Resource Centre at http://www.careinternational.org.uk/resource_centre/livelihoods.htm. Document commissioned by and developed for CARE USA, PHLS Unit.

⁹ SSS = Staff, secondary sources, published information, previous assessments; KI = Key informants interviews; FG = Focus group interviews; GI = Group interviews; HI = Household interviews/case studies; R&S = Ranking and scoring

Area and Key Questions	Methods
children?	
How much stigma is there against those living with HIV/AIDS? Against their families?	KI, SSS, FG, HI
What are the key cultural trends (i.e., early marriage, single parenting, preference for male children, other)?	SSS, KI, FG
Infrastructure	
What infrastructure exists in the area (e.g., roads, rail, irrigation, ponds, dams, storage facilities, markets, electricity, piped water, schools and training facilities)? Who benefits from the infrastructure? Why? Who does not have access?	SSS, FG
How does the community perceive the benefits from the infrastructure?	KI, GI
How is the infrastructure maintained? Are there fees for infrastructure use?	SSS
Are there orphanages in the area? How does the community view them?	SSS, KI, GI
Social Services	
What are the types and number of education institutions in the area?	SSS
What are the types and number of health institutions in the area?	SSS
What is the quality of local health and education services?	KI, SSS
How easily can the poor access health and education services?	KI, FG
What are the different programs that operate in the area to increase access to education and health by the poor? By orphans and vulnerable children?	SSS, KI
Do some residents have access to government pensions, emergency support, poverty alleviation programs, food for work, etc.?	SSS, GI, KI, FG
Trends (2-5 years)	
What are the environmental changes, such as water availability, soil fertility, air pollution, water reservoir, sanitation, deforestation, etc.?	SSS
What are the trends in access to basic health services and education?	SSS, KI, FG
What are the most important local economic trends (i.e., growth, poverty, skills, opportunities, markets, labor mobility)?	SSS, KI
Has the area's economic condition improved or worsened? In what ways?	SSS, KI
What are the most important local social and cultural changes?	SSS
Have the number of orphans and vulnerable children grown?	SSS
What changes have occurred for orphans and vulnerable children support and care?	SS, KI, FG
How have agricultural practices changed? What caused these changes? What have been the results?	SSS, KI

Element 2: An analysis of assets or resources

This is reviewed at the individual (vulnerable child), household and community levels and includes human, social, economic, physical and natural resource assets.

Area and Key Questions	Methods
Human/Labor	
What are the main skills and labor/occupations found in the community? In	SSS, GI, KI

Area and Key Questions	Methods
the general area?	
Is there labor migration? By whom? Where and for what purposes? What are the levels of remittances? What are the local consequences (positive or negative) of labor migration?	SSS
What kinds of agriculture and farming systems are used locally? In the general area?	SSS, GI, KI, FG
What levels of agricultural skills are needed for different farming systems?	SSS, KI
When do youths enter the labor markets? With what levels of skills?	SSS, KI
What are the key trends in labor and skills?	SSS, KI.
What are the key trends in labor supply and demand?	SSS, KI
Are there labor categories that are in high demand?	SSS, KI
How are AIDS and other diseases affecting people's ability to work?	SSS, FG, KI, GI
Are there government or other programs working to introduce new agricultural and business technology and techniques?	SSS
Social	
What are the household and community relations in times of need? Is the community supportive of households that face crisis or shocks? What help is provided?	GI, KI Venn Diagrams
In what ways are social networks supporting orphans and vulnerable children? What are the limitations? Are there ways these could be strengthened?	KI, FG
Are there effective networks to support people with AIDS or other chronic illnesses and their household?	SSS, KI, FG
What CBOs and religious groups work in the community? Any with activities that benefit children? Are there any projects or other programs that could strengthen livelihoods?	SSS, KI, GI, FG
What social structures exist that limit social support (i.e., ethnic divisions, caste, class, religion, etc.)?	SSS, KI, FG Venn diagrams
Are there other important aspects or patterns in social support and sharing assets?	SSS, KI, FG
Overall, what are the constraints and opportunities for social support to improve household status and livelihood?	All
Economic/Financial	
What are the sources of credit and who has access to these sources?	SSS, KI, FG
What forms of savings exist that can hold assets safely and are easily accessible? Who has access to formal savings facilities?	SSS, KI, FG
Who are the large employers in the area?	SSS
What farm inputs are available? From what sources?	SSS, KI
What market linkages exist for local products?	SSS, KI, GI
Are there any special funds to promote economic development?	SSS
Are there any special funds to help the poor build their assets and meet basic needs?	SSS, GI
Physical	
What machines, tools and equipment and other productive assets are found in households and related businesses? In more vulnerable households?	SSS, KI, FG, HI
What are households' patterns of land holdings? Describe the type,	SS, KI, FG, GI

Area and Key Questions	Methods
availability, use and other land factors.	
What are the land improvements patterns (i.e., wells, terracing, irrigation, other)?	SS, KI, FG, GI
What are the household patterns for animal ownership?	SSS, KI
What are the patterns of households' holdings (i.e., furniture, radio, jewelry, etc.)?	SSS, KI, FG, GI
What are the households' patterns for transport type (i.e., auto, bike, donkey, etc.)?	SSS
What stores or shops exist in the area? What are the patterns of shop ownership?	SSS, KI
What are the physical community's assets (i.e., mills or other processing facilities)?	SSS
Natural	
Are there common lands used for grazing, firewood or other livelihood support/ who benefits?	SSS, KI, FG
Is any mining done in the area?	SSS, GI, KI

Element 3: Organizations and institutions influencing livelihoods

These include formal and informal civic, economic and cultural organizations, institutions and structures.

Area and Key Questions	Methods
General Overview of Institutions	
What institutions are important to livelihoods? (Describe by type)	SSS, KI
What services are they providing? Which are helping OVC households?	SSS
Who has access to the services? Vulnerable households' access?	FG
What are the sources of training, market development and other livelihood enhancing activities provided in the area? Which training is felt to improve livelihoods, especially for vulnerable children households?	SSS, KI
Government	
What are the government extension services (agriculture, small business, other) provided? Are they useful to improve livelihoods? Who benefits?	SSS, KI, FG
Civil Society	
What are the business associations, CBOs and NGOs that support and advocate for business and livelihood development? What are they doing?	SSS, KI
What collaboration and networking levels exist in civil society to help the poor?	SSS, KI, FG
Are there associations of PLWHA (people living with HIV/AIDS)? Are any organizations supporting OVC?	SSS
Private Sector	
What is the population's attitude to the private sector? Attitude of the poor?	SSS, KI
What is the government role in the private sector? Regulating? Controlling? Other?	SSS, KI

Area and Key Questions	Methods
What types of private business services are provided in the area (i.e., input supply, nursery, processors, cooperatives, training and technical services, etc.)? Which can and do help strengthen livelihoods?	SSS, KI
Which businesses are getting the services?	SS, KI
Are there particular subsectors or crops that are expanding in the private sector? Who has taken advantage of this expansion?	SSS, KI
What financial institutions operate in the area? Which are providing credit and savings services to the poor?	SSS

There are many variations in coping mechanisms. These mechanisms are adopted in response to stresses and resulting vulnerabilities, which may involve internal or external causes and often the interaction of the two. Internal causes may include:

- Departure, illness, or death of a family member,
- Taking in orphans or separated children,
- Conflict due to a new stepparent,
- Drug or alcohol abuse, and,
- A family member's disability.

Presented below is a table of risk factors that provides a planning framework for reviewing external causes of vulnerability, related coping mechanisms, and livelihood outcomes. The chart is adapted from "Operationalizing household security,"¹⁰ cited above, and is useful in helping to complete the assessments for elements 4 and 5, below.

RISK FACTORS					
SOURCES OF LIVELIHOOD	Environmental risk	Social risk		Economic risk	Conflict
		State	Community		
<i>Human capital</i>					
Labor power, education, skills and knowledge, health	Disease, epidemics (malaria, cholera, dysentery) due to poor sanitary or environmental conditions, HIV/AIDS and other infections diseases	Declining public health expenditures / services, user charges, declining education expenditures	Breakdown in community support of social services, especially for orphans and children	Privatization of social services, reduction in labor opportunities	Conflict destroyed social infrastructure, displacement, mobility restrictions
<i>Financial, physical and natural capital</i>					

¹⁰ Op. cit.

RISK FACTORS					
		Social risk			
Productive resources (land, machinery, tools, animals, housing, trees, wells, etc.), liquid capital resources (credit access jewelry, savings granaries, animals, other personal assets)	Drought, flooding, fire, land degradation, earthquake, pests, animal disease	Land confiscation, insecure tenure rights, taxes, employment policies, laws prohibiting women's ownership of land	Appropriation and loss of common property resources, inheritance problems of orphans and widows, increased theft	Price shocks, rapid inflation, food shortages, loss of access to safe savings and credit	Conflict leading to loss of land, destruction or loss of assets, theft, displacement from property
<i>Social capital</i>					
Claims, kinship networks, safety nets, common property	Recurring environmental shocks breakdown ability to reciprocate; morbidity and mortality affect social capital	Reduction in safety net support (school feeding, supplementary feeding, food for work programs (FFW), etc.)	Breakdown of labor reciprocity, breakdown of sharing and support mechanisms, stricter loan requirements, lack of social cohesion, ethnic or religious divisions	Shift to institutional forms of trust, stricter loan collateral requirements, migration for employment	Communities displaced by war; theft leads to breakdown in trust
<i>Income Source</i>					
Productive activities, process and exchange activities, other employment sources, seasonal migration	Seasonal climatic fluctuations, affecting employment opportunities, drought, flooding, pests, animal disease, morbidity and mortality of income earners	Employment policies, declining subsidies or inputs, poor investment in infrastructure, taxes	Breakdown of traditional labor exchange	Unemployment, falling real wages, price shocks	Marketing channels disrupted, access to financial services disrupted

Element 4: Livelihood strategies/coping mechanisms

These include consumption, production and exchange activities.

Area and Key Questions	Methods
General Data	

Area and Key Questions	Methods
Using secondary data, what are agricultural, industrial, services and trade production and opportunities in the area?	SSS
What seasonality exists in livelihoods?	SSS, Calendars
What are the number and type of enterprises in the area?	SSS
What are the most important wage labor categories? The fastest growing?	SSS
Agricultural/Farm Household Income	
What are the main subsistence crops? Cash crops? Typical production?	SSS
What livestock (breakdown as appropriate) do households own? When are they sold?	FG, SSS, Calendar
What are the income patterns from crops and livestock?	FG, SSS, KI, Calendar
How is labor distributed in the household?	FG, HI
What are the marketing strategies? How much is sold, stored?	FG, KI, Flow diagram
What are farm labor opportunities and constraints?	SSS, KI, FG, GI
When are crops produced and marketed?	SSS, FG
What activities can children undertake on farm? Are there income sources for vulnerable children?	FG, SSS, HI
What are the food security patterns in the area?	SSS
What are the wage labor patterns in farm households? Where do household members work? Salary/short-term labor? How much labor migration is there? Amount of remittances?	SSS, KI, FG Calendars
Agricultural/Farm Household Risks	
What risks do households face? Consider post harvest loss, bad weather, crop price fluctuations, credit, lack of labor, HIV/AIDS, other disease or death of income earner, social conflicts, food insecurity, poor nutrition, other.	FG, SSS, KI, GI R&S
Household and Agricultural/Farm Coping	
<p>What are the agricultural/farm coping mechanisms used? What are their consequences? Consider:</p> <ul style="list-style-type: none"> • Switching from cash to food crops • Starting a household garden • Changing crops to reduce risk, labor or costly inputs • Introducing new technology, e.g. new seeds, treadle pump, micro-drip • Increasing child labor • Selling animals and/or tools • Ending participation in local agricultural development program • Deferring payments and purchases • Selling land • Renting land • Forgoing the harvest of tree crops such as coffee • Gathering fruits, roots and other food from the bush • Hiring out household labor for food • Migrating for labor income • Reducing food consumption 	FG, GI, R&S SSS

Area and Key Questions	Methods
Coping through expenditure shifts: <ul style="list-style-type: none"> • Changing to less costly foods • Reducing food intake for household • Foregoing a local or family celebration or festival • Reducing or foregoing health care services • Forgoing home repairs • Depending on neighbors and relatives for meals • Withdrawing children from school • Seeking NGO and government charity 	
Small and Micro Enterprise/Non Farm Income/Wage Household	
What are the main income sources in the households?	FG, KI, SSS
Who earns the income?	FG
What are the time requirements? Is the income seasonal?	FG, SSS
Is some of the income from farming?	FG
What activities can children undertake on their own? Are there income sources for vulnerable children?	FG
How and where are the products produced sold?	KI, Flow diagrams
Is the business borrowing money for its operation?	KI, FG, HI
Risks	
What risks do households face? Consider the loss of a job, loss of market, sickness in family, HIV/AIDS, credit default, theft, sale of assets to meet food and other basic needs, poor health, high costs of school, health, culturally required household support of family and friends	FG, SSS, KI, GI R&S
Household/Business Coping	
What are the household/business coping mechanisms employed? Consider: <ul style="list-style-type: none"> • Changing household labor input into a microenterprise • Reducing time working in a microenterprise • Drawing down inventory • Selling equipment • Adding new livelihood activity that is less time intensive • Renting out part of the house • Forgoing debt payments • Borrowing funds for basic needs • Migrating for labor income • Selling assets not used for production (radio, jewelry, expendable livestock) • Seeking NGO and government charity • Accessing microfinance services 	FG, GI, R&S SSS
Household Expenditures	
What are the major expenditures required in the households (i.e., education, weddings, taxes, healthcare, etc.)?	FG, SSS, GI, SSS R&S
How does the household meet these requirements? When is payment	FG, R&S, SSS

Area and Key Questions	Methods
required?	
What is the impact of these payments on the household? On business?	FG, HI, KI
Coping through Expenditure Shifts	
<ul style="list-style-type: none"> • Changing to less costly foods • Reducing food intake for the household • Foregoing local or family celebration or festival • Reducing or foregoing health care services • Forgoing home repairs • Depending on neighbors and relatives for meals • Withdrawing children from school 	FG, GI, R&S
Community Support	
What community support is available when livelihoods are weakened? Has the household turned to such assistance in the last two years?	GI, SSS, FG
What is the nature of the assistance? How does it help?	SSS, FG
What are the household and community attitudes to such assistance?	KI, FG, SSS
How long can such assistance be provided? What factors limit or extend community capacities to provide support to vulnerable children or households?	KI, FG

Element 5: The resulting livelihood outcome is assessed in terms of vulnerability, income, food, health, education, and other basic needs of the household and its vulnerable children.

Area and Key Questions	Methods
Income	
Is the economic position of the target households improving or declining? <ul style="list-style-type: none"> • Have they adjusted livelihoods and expenditures to reduce risk? • Are they less or more vulnerable to shocks today than a year ago? • What indicators can be used to identify or measure such changes? 	FG, SSS, HI R&S
Basic Needs:	
Is there adequate income to meet the basic needs of the household and especially its children?	FG, HI, R&S
What are the outcomes of the livelihood strategies and coping mechanisms for the household and OVC in the areas of the planned interventions?	
Food Security and Nutrition	
Does the household consider itself food secure?	FG, GI
Do the children get adequate food?	FG, SSS
How do such factors as intestinal parasites or labor requirements affect children's food requirements and nutritional status?	SSS, KI, FG
Education	
Are the children in school? If not, why?	SSS, FG, KI, HI

Area and Key Questions	Methods
Does the household receive education support from any source?	SSS, FG, KI, HI
Health	
Have the household members been sick over the last year? <ul style="list-style-type: none"> • If so, what health care services have they received? • Have the services met the household health care needs? 	GI, FG, HI
Do the children visit a clinic on a regular basis for preventive health care?	FG, SSS, HI
What is the child and infant mortality for area?	SSS
Safety	
Are the children and women safe in the household? In the community?	FG, KI, HI
What family or community activities could improve the safety of children and women?	FG, KI

Synthesizing the data from the various assessment methods is an important task that can take considerable time and energy. For the data collection, synthesis, and analysis iteration, it is essential to have an organizing framework or structure. Using an element and matrix structure with the questions written out as above is one way to organize the information. Variations on this structure could be developed and used. Also, an agency with its own strategic and planning processes may want to use a different process structure to organize the data.

To give an idea of what a completed sustainable livelihoods assessment might look like for a particular community, there is an example in annex A of a livelihood matrix that more or less follows the five elements listed above. The assessment was completed in the Kanai Nagar community in the Mongla region of Bangladesh in 2002.

Although the next chapter covers data synthesis and analysis, it is important to note that data analysis and interpretation can and should be done throughout the assessment process. Some of the best opportunities for data checking and analysis are:

- After secondary data sources have been reviewed and compiled.
- During the team training or discussions on the process to help decide on field data collection needs and plans.
- At the close of field activities, to consolidate findings from all data sources and prepare necessary analytic charts and models.
- At a subsequent workshop designed to build consensus among local organizations regarding priority problems and local poverty-reduction strategies.¹¹

¹¹ Frankenberger *et al.* "Household Livelihood Security Assessments: A Toolkit for Practitioners," (Tucson: CARE by TANGO International Inc., 2002) - Document commissioned by and developed for CARE USA, PHLS Unit, available at http://www.careinternational.org.uk/resource_centre/civilsociety/hlsa_toolkit.pdf

Chapter IV: Analyses, Recommendations and Intervention Design

The next step involves using the assessment results to develop specific program recommendations and involves market-driven program principles. Together, these are the building blocks upon which an agency can develop an economic strengthening intervention. Specific recommendations on economic strengthening program categories are presented in chapter V.

A. Assessment Findings and Recommendations

Once the assessment is complete, the next step is to formulate hypotheses and recommendations regarding the major livelihood constraints and opportunities to improve vulnerable children's economic position. The assessment team members will derive a series of intervention recommendations to help alleviate identified constraints and build on opportunities. Interventions will be aimed at helping households with vulnerable children enhance or sustain their livelihoods and thus strengthen their economic position. Livelihood strengthening may be achieved through:

- Increasing or retaining productive assets at the household level.
- Expanding alternative economic activities.
- Stabilizing markets during times of shortages or oversupply.
- Developing appropriate interventions in response to shocks or stress (e.g. increased children in household, protracted illness, political instability, economic downturn, or violent conflict).
- Providing personal self-reliance and empowerment strategies and training, including marketable skill development.
- Designing and providing support to CBOs or other local group to build and improve community relationships for better group-based activities for vulnerable children.

B. Using Assessment Data To Identify Recommendations and Interventions

The assessment data analysis should identify opportunities for interventions in some of the areas listed above. Below are three examples of the types of recommendations that might follow from the synthesis and analysis:

1. The household level data from livelihood strategies/coping mechanisms (element 4) may show that particular activities or program interventions are improving livelihoods. For example, adding livestock (chickens, goats, other) to raise and sell for income or switching from one crop with low returns to another with higher income potential could improve incomes. The interventions planned should include working with the community to expand a positive coping mechanism—behaviors or actions by a few individuals, households or communities that have a positive outcome in addressing common constraints.
2. In reviewing the assessment data on organizations and institutions that influence livelihoods (element 3), there may be a government, NGO or CBO program that is improving livelihoods (e.g., a community bank program). However, it may not be working in the target area or with only selected households in the area. The program may be addressing the same or similar problems or constraints as those found in the assessment (e.g., a lack of safe savings

opportunities identified in element 2, asset analysis). The recommendation may be to introduce a community-banking program by partnering with the other agency or, if a partnership is not feasible, starting a new community-banking program.

3. From the context of the vulnerable children’s nutrition status (element 1) and of livelihoods (element 4), the planning agency might determine that household gardens have the potential to improve nutrition and may offer income opportunities from the sale of surplus vegetables. There are various ways to promote the gardens. A partnership with a NGO working outside the area, a new agency program, or working with a CBO to promote the gardens and distribute the seeds are three such options. If the institutional analysis has shown that a CBO has interest and maybe even some household gardening experience, a subsequent recommendation could be to build the capacity of the CBO and other local groups to promote gardens in households where vulnerable children live.

There is no secret formula to doing the analyses. The recommendations and possible interventions should flow from the data itself, especially the newly collected information. Since economic strengthening is the objective, vulnerability, assets, livelihoods, and coping data are usually the most productive ones for identifying options. Essentially, the team is asking what the data show about vulnerability and opportunities (assets, livelihood and coping) for households with vulnerable children. What interventions can reduce or eliminate the vulnerabilities? On the positive side, what interventions can build on opportunities or expand positive coping mechanisms? Although the analysis comes from an understanding of the data itself, some instruments and techniques are listed below to help in the process of understanding.

C. Analysis Instruments and Techniques¹²

Various tools and methods can be used to process and analyze the assessment information. Some have been adapted from among the existing “toolkits” of professional disciplines such as economics.

1. The Five-Element Matrix

This guide is organized according to the five-element matrix for sustainable livelihoods presented in chapter III. The findings obtained from the various information-gathering methods are entered onto the five matrix elements for each community. (See annex A for an example of a completed matrix.) The matrix questions in chapter III provide the outline for gathering data and findings. The most important step in the analysis is crosschecking among the elements and within the elements to see if the same problems and opportunities are identified. A high confidence level results when such crosschecking identifies common problems and opportunities. The matrix’s holistic approach also enables the analysts to identify potential negative impacts of opportunities. Where potential responses are proposed to address identified problems, the matrix is a good tool because its multidimensional view helps identify where there may be negative impacts to the proposed program.

¹² Much of this section is taken from the “Household Livelihood Security Assessments: A Toolkit for Practitioners,” cited above.

The process should generate an understanding of different patterns of livelihoods. Not all households are the same, and deciding how to divide them into different profiles is a critical challenge to the assessment. Proper categorization of households need not be 100 percent accurate, but there should be confidence about the household livelihood activities in general and the placement of household in the model profile. A limited number of livelihood strategies will have been identified among the vulnerable households. Profiles of the livelihood systems can be developed using criteria such as their effectiveness in supporting orphans and vulnerable children, in different administrative areas, in different agro-ecological zones, etc. These profiles are intended to reflect the variations in livelihoods and coping mechanisms among households.

2. Other Instruments and Techniques

The “Toolkit for Practitioners,” cited above, identified the following additional instruments as effective for data presentation and analysis and for building consensus among diverse organizations and disciplines. The description of the tools draws from the TANGO work. These tools represent a menu of options for the assessment team.

- Coping opportunities analysis should be part of every sustainable livelihoods analysis exercise. This analysis identifies positive coping strategies among households and communities that are not widely used and understood. Positive coping includes behaviors or actions conducted by a few individuals, households or communities that have a positive outcome in addressing common constraints. Project design efforts should identify and build on these positive examples because these are solutions shown to work locally. This type of analysis is easily accomplished within the structure of the five element matrix.
- Problem–Cause Trees: How people prioritize their own problems is important in determining the underlying causes and in mobilizing local support for potential solutions. Interrelationships between and among the causes and the problem are often shown in a tree type diagram. Such analyses of causal relationships should be completed for only for a few (three or four) of the most important problems, such as children’s causes of vulnerability. Other problems might include low income, poor health, and limited access to finance or another resource. Information for this analysis is best gained in focus groups and household interviews. The most frequent, and therefore probably significant, causes will become evident when the principal problem trees are compared.
- Gender Analysis: Understanding gender relations and dynamics is critical to an understanding of household sustainable livelihoods. Improving women’s status often benefits vulnerable children’s welfare in the household. The analysis should take into consideration gender divisions of labor, access to goods and services, control over resources, power relations and rights. The analysis should attempt to identify strategies and activities that will contribute to improved gender equity. This analysis should also investigate the potential for differential gender impacts of (both positive and negative) of a range of potential intervention options.

- Institutional analysis focuses on the internal and external capacities (human, financial and material/physical) of local institutions and NGO/CBOs to implement or be partners in specific interventions. Do the institutions have the person power, technical skills, management systems and needed physical assets (offices, vehicles, computers, land, etc.) for a specific role in the proposed intervention or program?

3. Analysis of Children's Role in Livelihoods and Education

The analysis should give particular attention to children's economic roles and how the roles differ between boys and girls. For example, there may be an opportunity cost for families to send their children to school that would need to be addressed. Other economic differences to examine are those of orphans, ethnicity, age, caste, or other factors that marginalize the child.

4. Recommendations

The assessment should lead directly to recommendations for action and a program or intervention. For each intervention, the agency has to make clear the basis and support for the recommendations in the analyses and clarify the chain of logic from the findings to the recommendation. Most importantly, it must identify the problems that the children experience and the anticipated benefits of each recommended intervention.

Where the assessment has identified several possible interventions, the analysis should spell out complementarities and/or trade-offs for each recommendation. A preferred set of interventions should be identified and justified.

The implementation options should be considered along with specific agencies and approaches. Implementation coordination and complementarity across program components will need to be explained and justified in the recommendation.

The recommendations should:

- Explain and justify any proposed partnerships.
- Identify potential impacts (positive and negative) on each agency's existing activities and plans.
- Explain how the partnerships complement existing activities for vulnerable children.
- Provide an estimate of a proposed partner's capacity and interest.
- Include recommendations on any capacity building required.
- Discuss any government policies and programs that may have an impact on any recommended interventions and outline further actions.
- Outline the cost and funding options and weigh the costs and benefits, i.e., conduct a general review to ensure that cost and funding options are not beyond the range of what is feasible.

When the recommended interventions include grants or subsidies to help build the assets of the targeted households, the agency should determine the possible disincentives. The next chapter discusses this and other program design issues in more detail.

Where the recommendations call for a new agency undertaking (i.e., no partnership opportunity), an initial review of the agency's objectives and capacity and the possible new intervention should be included. Some guidelines on partnerships and alliance are presented in chapter VI.

D. Understanding and Using Markets

The economic strengthening recommendations that flow from the assessment will identify the right things to do. Economic strengthening programs that achieve lasting results follow a few core market-related principles, regardless of their geographic location, sector focus, or target clientele. Understanding the following principles is important to making decisions and planning economic strengthening interventions:

1. Economic strengthening programs are based in an understanding of client needs but start with the market. Programs are more likely to be successful if they work with existing or emerging markets, rather than try and create new markets.
2. Sustainable programs avoid subsidies/grants to participants in the market. This means that the actual transactions—the sale of a service or product—should not be subsidized. Subsidies are used, however, to support services that strengthen the market. For example, an NGO could develop and promote a new type of treadle pump and then make the design available to all suppliers. The NGO might also promote the new pump to farmers to increase demand. Farmers will benefit, as will all the suppliers. The general promotion gives no one farmer or supplier a competitive advantage.
3. A market-driven program works with existing players who know and participate in markets. This makes for a quick impact but has the drawback of making it more difficult to focus on a particular set of vulnerable households.
4. Existing market players may include development organizations and not-for-profit associations, but are often commercial entities—buyers, transporters, exporters, brokers, distributors, and small business consulting and training firms. These entities deliver the goods or services to households or micro businesses.
5. Having good market knowledge is essential to program planning. There are various techniques to map out the sector, subsector or market, but essentially one needs to understand the participants, their returns and pricing, the physical movement and processing of goods, market size, competition, and maybe a bit more. Subsector analyses, value chain flows, and focus group/interviews are all used.
6. With strong market knowledge, effective programs only intervene where market inefficiencies or failure exist. An effective program facilitates market growth largely by overcoming market failures or distortions. To overcome problems, the intervention should not favor one or a small group of market operators. The intervention itself should not disrupt the market. Tread lightly when intervening in the market—overcome the market failures without creating new distortions.

7. Effective programs link participants to immediate opportunities, rather than training individuals and developing their capacity for unidentified opportunities. Have the clients demand the service. For many years, government, donors and NGOs have offered training and technical services based on what they believe or identified as business needs. However, supply-side training and consulting services usually do not meet business or individual needs.
8. From the outset, a program should have an exit strategy as part of its long-term plan. After the program intervenes in the market and the market distortion or failure is overcome, the program will end. But the services or products (benefits) will continue to flow to the households through the market.
9. A program that strives to find large markets with strong growth or growth potential is likely to have greater impact. With this approach, a single program can reach many individuals. Homogeneous raw materials or intermediate products (often in the agricultural sector) usually can provide good economic returns for a large number of participants. For example, a project that links thousands of poor households to a growing export market for vegetables has a greater impact on households than a project that presses peanut butter and provides income to only hundreds of families and minimal market growth.

The market-based intervention should become self-sustaining in terms of both the institutions and benefits flowing to clients. The need for agency and donor support ends in a limited time period. The market participants are the beneficiaries.

Another advantage of market-driven program is that they can be designed to be self-targeting. Market-based delivery of goods and services follows supply and demand and consumer preference. Access to the good or service is open to all. Product or service parameters are set to market the product or service to a particular segment of society, which could be the rich, the poor, sports fans, women, or another group. Anyone could buy the service or product, but there is a target population that the product or service is aimed at. "Targeting" means the sale of services or goods to a particular market segment based on the demand for the good or service.

Market-based economic strengthening services and products are similar to any other market good or service sold. They can be marketed and designed to reach a particular segment. In developing countries, economic strengthening programs are designed to reach the poor and disadvantaged households. For example, microfinance loans are small and have high interest rates. Richer individuals and larger business are not interested in microfinance loans because of their small size and high cost. The frequent meetings and repayments required also discourage richer clients from seeking these loans. Similarly, extension services sell farming input packages in very small amounts to reach the poor, while larger farmers look for greater quantities at better prices.

E. Subsidized or Grant Economic Strengthening Programs for the Poor

In market-driven economic strengthening programs, providing grants or subsidized assistance directly to businesses and households is inappropriate and undermines the program's market nature. On the other hand, in much of the poverty alleviation literature direct subsidized assistance to households and their businesses is viewed as necessary for those individuals and households that are unable to take advantage of market opportunities because they lack the assets

to do so. These individuals and households are often described as destitute or living in extreme poverty. Children in these households are usually at risk and face insecurity in meeting food and other basic needs.

This apparent difference in programming approaches rests in the fact that the households are, in fact, different. The extremely poor and destitute often do not have the resources or assets to take advantage of market-driven economic strengthening programs. Direct assistance to build their assets is desirable. A training grant is an example of building a human asset. Providing tools and seeds for a farm household in exchange for some form of public service labor is a way of making some physical assets available. In some cases, tools of a trade are given to an individual after completing training or an apprenticeship. Cash or food for work (FFW) to rehabilitate public or private land is an example of building a natural resource asset. In all these cases, the amount of grant assistance is limited and targeted, and there is a requirement of a major contribution or effort by the beneficiary, i.e., work, training, an apprenticeship, or the like. This type of exchange helps reduce the household's potential dependency on the free goods and services. The grant assistance amount remains small in comparison to local contributions. The individual's livelihood success still rests on his or her initiative, hard work, and business acumen.

Another scenario where market-driven programs do not reach poor households and vulnerable children is where there is a social dynamic such as caste, prejudice, HIV/AIDS stigma or other factors that marginalize the group. In this situation, the service or good is not being supplied to the marginalized group although it is designed to do so. An example would be a mini-drip irrigation program for vegetable gardens where the sales agents or distributors are not offering the systems to HIV/AIDS-affected poor households. In this case, the implementing agency will need to identify the problem and develop an economic strengthening intervention to overcome the stigma issue. The sales agents may need training or an incentive to overcome their bias. The guideline is to work within the existing markets and with existing actors to change the systems or attitudes to overcome the access problem. A subsidy should not be used to lower the price of the good or service offered to the marginalized group. The classic example used is with credit when interest rates were subsidized for poor farmers. Very quickly, the better-off farmers pushed the poor out of the program to get the low-cost loans. In fact in some cases, the loan size was increased to meet the larger farmers' needs.

Another subsidy issue that microfinance institutions face occurs when well-intentioned NGO/CBO loan programs provide credit at low interest rates or allow repayments to be late or cancelled altogether. In these cases, other borrowers in the area expect the same policies from their lenders or simply seek to shift to the new loan source. Other programs that are built on commercial terms and strict repayment suffer, as clients don't pay. The borrowers' negative behaviors will undermine the microfinance institution's viability and sustainability and the client benefits of its credit programs. As a result, the NGO/CBO loans programs with subsidized interest and/or tolerance of poor repayment go out of businesses quickly as loan capital is dissipated by low interest and low repayment rates. Essentially, as the grant money runs out, the program folds, and clients no longer have access to financial services.

F. Reaching Households with Vulnerable Children

1. Approaches to Reaching Vulnerable Households

In communities where there is a high poverty level, the selection of a few households to benefit from economic strengthening programs, even when based on the true needs of vulnerable children, can cause a backlash in the community. The question often asked is “Why should special assistance go to this particular household just because the family supports an orphan when this other household (or my household) is even poorer and we have more children?” Thus, most successful targeted programs depend on the community to identify the program beneficiaries. Community-based selection criteria and transparent and acceptable procedures are prerequisites to success. It takes time to develop the processes to establish community support and direction and the right arrangements. Extensive discussions, planning, and preparation are usually required.

Another option is to open a poverty alleviation program to all the poor in a particular area or community. This type of all-inclusive program is especially attractive in areas where poverty is pervasive and nearly all children are at risk. It avoids the difficulty of selecting the most needy households. However, it may be less effective in meeting the needs of vulnerable children since some of its resources will go to the poor who do not have children. The program structure should be such that it attracts only the poor.

Increasingly in parts of Africa, high AIDS prevalence is draining regions of household and community assets and making them unable to cope with the affects of AIDS. Households are affected through sickness, health care expenditures, loss of labor and incomes, funeral expenses and other costs. Community support mechanisms cannot keep pace with increasing demands, as they fail to meet the needs of those affected. In high poverty areas, an agency focus on care for vulnerable children or a donor with a mission to support vulnerable children will find inclusive programs are attractive and effective. For example, an accumulating savings and credit program with minimal saving and small loan amounts will be attractive only to the poor. In this case there will be no household or social criteria used to target participation. The program’s small size and organizational structure will mean that it reaches the poor. The implementing agency will monitor and track participants to ensure that those with vulnerable children are included. This should be the first measure of the program’s benefit to vulnerable children.

2. Community Ownership

For most agencies that provide support for vulnerable children, community involvement is an inherent part of every program. The range of involvement varies from those who use only rapid appraisals to gain information for program design to others who have the community at the center of the analyses, design and implementation. An implementing agency’s philosophy and goals will set out where in this range community actions for new programs will fall. Although the extent of participatory approaches may vary, it is essential to have household and community commitment and ownership of the intervention.

Some economic strengthening programs, primarily those that are market led, will have less community participation but high commitment and ownership levels that household members set who see the intervention's financial benefits. The market will set the program parameters. Client demand and product marketing should be included in such programs. For example, the residents in a community may wish to greatly expand the production of existing crops, but the amount that exporters will purchase may be small because existing farmers already meet the demand for these crops. However, this does not mean that these programs are not client based. A good program that finds a shrinking demand in one market will work with its clients to find new opportunities to use their skills and assets in another market, such as niche crops for foreign markets.

Another program to be avoided is establishing a new service delivery entity to meet the needs of those not currently served. This is a costly and inefficient undertaking and may disrupt the market. The private sector is providing the services or product without help from a donor or government. Spending donor funds to establish a competitive organization should be avoided. In fact, such interventions may create additional market distortions. Reform of existing market institutions or actors is the priority.

In designing an economic strengthening intervention, an implementing agency needs to understand the factors and reasoning surrounding its market-led and subsidy program aspects. The economic strengthening program objectives must take into account the market opportunities and challenges as well as the social needs that may require grants and subsidies. The implementing agency needs to provide the development logic for the interventions selected and justify their effectiveness and efficiency.

Chapter V: Economic Strengthening Interventions

Presented in this chapter are details on program characteristics and qualities to help in the selection and design process of economic strengthening interventions. For this guide, economic strengthening interventions are divided into 10 categories:

1. Agricultural development
2. Microfinance: saving and credit
3. Improved or new technologies
4. Market linkages and/or product development
5. Training and technical services
6. Community-based asset building
7. Grants for household-based asset building
8. Child care support
9. Group IGAs
10. Community-identified coping strategies: the replication process

The 10 categories are useful as an organizational tool to present the guide's economic strengthening interventions. They should not be viewed as definitive categories. There is much overlap among the 10 areas and other organizing structures may be more useful in a different context.

The sustainable livelihoods approach recognizes that economic strengthening increasingly comes from a diversity of "work activities" including wage labor, farming, services, small enterprise operations, petty trade, rentals, survivalist micro-enterprises, and other sources. The income generating interventions listed below add diversity to household livelihoods, reduce the risk, and create resilience to shocks. The types of work will vary, and the diversity of the work is a positive force for sustainable livelihoods. The impacts are primarily at the household level but community level impacts and direct assistance are included among the interventions.

A. Agricultural Development

Six types of agricultural development interventions are discussed in this section. They are not mutually exclusive. A combination of several of the elements into a more comprehensive program may be the best way to attain sustainable livelihoods. Finally, the crosscutting concern of gender equity to reduce differences in access to resources and programs is especially important in these interventions.

1. Labor Savings Methods

In situations where the household has lost members because of AIDS, war, civil strife, or a natural disaster, there is a need to reduce crop production labor requirements and secure a livelihood. One coping mechanism that farm households often use is a switch in the crop mix from those that are more labor intensive, such as some cash crops (e.g., vegetables and tobacco), to those that are less so (e.g., cassava, sweet potatoes). The switch usually means less income but more food security. The intervention could encourage the traditional switch but it may not

improve the household livelihoods. A more advantageous action would be to add new labor saving crops to the mix that continue to earn needed income (e.g., guava beans in Zimbabwe). Other types of labor saving activities include:

- Improved seed varieties that require less weeding.
- Change to lighter tools to match with the lesser strength of women, older children and elderly.
- Introduction of low or minimum tillage production.
- Improved water access to reduce the time that women and children spent hauling water.
- Fuel-efficient stoves to reduce time spent gathering and carrying wood.

Maintaining or increasing household income and food production can have a positive impact on the children's welfare in the household.

2. Agricultural Training for Youths and Widows

While labor in vulnerable households tends to be limited, labor may still be underutilized because of a lack of knowledge or skills. A farming household may have lost the main agricultural producer who has the knowledge and skills to farm. An older child, widow, or even grandparent will need to learn the basic agricultural skills to take full advantage of the farm asset. His/her labor is underused because the person does not know how to farm well. Training can be done within the community by formal institutions, such as the extension service, NGOs and CBOs with agricultural activities, and local schools, or through informal farmer-to-farmer methods. Many women have been excluded from traditional extension services and, on becoming head of the household; many need additional knowledge and skills to produce food and cash crops.

Care must be taken not to draw newly trained farmers from other priority activities. School age children need time away from farming for school. A woman head of household needs time for household tasks and childcare. Farm and household work demands must be balanced for adults and children. An agency must understand and respect the multiple and competing demands on the time of vulnerable household members and ensure that the training's overall effect is to improve household livelihoods and the children's welfare.

3. Locally Available and Low Cost Inputs

Vulnerable farming households have limited capital assets. Lower cost interventions that use locally available materials are needed to match reduced household assets. For example, composting and other forms of waste management can be used to fertilize crops. Traditional or integrated pest management may also be used. A local seed bank to identify and keep the best of the local seeds is another opportunity. Vouchers for seeds given to farmers to cover part of the cost of new seeds can be used with both local and imported hybrid seeds. Through local suppliers or a special seed fair, farm families can obtain local or improved varieties depending on their situation and needs.

4. Improving Nutrition

The poor nutrition of vulnerable children in farm households is a common problem that can be addressed through a number of agricultural programs. The most widespread intervention is a household garden that produces vegetables and other nutritious food. Sometimes mini-drip irrigation is added to the program to increase yields and acts as a laborsaving device. In some cases the yield are so high that a surplus is produced and marketed to add and diversify household income. Improved seed or a change in the staple crops might be another type of nutrition intervention. Higher yields of the family's basic food crop will improve nutrition in most cases.

5. Animals for Consumption, Sale and Manure

Households that have lost livestock due to armed conflict, displacement, or economic shocks may still have the land, fodder, and skills to care for them. Replacement of the animals through a loan scheme can build household assets and improve livelihoods. The addition of local chickens and small ruminants that may not have been part of the original household livelihood systems can also bring a high economic return in many cases. Training in animal care and some basic marketing advice may be required. Increased consumption of meat or eggs also helps improve nutrition. Sale of the animals can be an important income source. Use of the animal manure to fertilize crops is another benefit.

6. Traditional Agricultural Development Programs: Input Supply, New Technologies, Farming Systems and Export Crops

The five previous agricultural development interventions bring nutritional benefits and address weaknesses in a farm household's asset base caused by stress. In some cases, however, there may be adequate assets, including labor, for households to take advantage of general agricultural development programs. Examples include:

- Provision of marketing inputs such as chemical fertilizers, pesticides and improved seeds.
- New technologies and farming systems, such as input intensive, high value crops that may be exported (see the market linkage section, below).
- Agricultural credit for inputs, tools, machinery or on-farm capital improvements (buildings or irrigation infrastructure, for example).

Crop marketing and post harvest loss reduction interventions are other possibilities. The latter can include improvements in on-farm storage, warehouse receipt programs, and marketing association or cooperative activities to help small farmers earn higher prices for their crops.

There are agricultural development programs being implemented in most countries. Encouraging program expansion into the agency's target geographic area is a logical intervention when national coverage is incomplete. Promoting the participation of households with vulnerable children in these programs when the programs have reached the targeted geographical area. Again, care should be taken to ensure that the intervention would benefit households supporting

vulnerable children. The assessment will identify appropriate opportunities and shape the program.

B. Microfinance

Microfinance services can be provided through a range of institutional structures, including microfinance institutions (MFIs), banks and other formal financial institution. Less formal structures might include a credit and savings cooperative, a supplier offering credit, an informal community-based savings and credit association, a CBO or NGO revolving fund, a moneylender or a very informal credit and savings group such as a rotating credit and savings association (ROSCA).

Microfinance includes savings opportunities, loans for farm, business and household needs, and some basic loan insurance against illness or the death of family members. Many credit programs also have also incorporated services, such as literacy and numeracy instruction, other forms of education or training, HIV/AIDS awareness, and women's empowerment. Again, the assessment will help identify microfinance priorities.

This guide focuses on three approaches that offer the most promise to benefit vulnerable children. These are:

1. MFIs as the largest and most common potential partner to agencies.
2. Community-based savings and credit associations as an exciting new, high impact model.
3. Revolving funds as the most often used form of financial assistance that agencies use.

1. Microfinance Institutions and Credit

Over the last 15 to 20 years, MFIs have extended loans to the poor and near poor who have not had access to credit. A lack of collateral and high lending costs were the main reasons that banks gave for not lending to this group. The MFI poverty focus and collateral alternatives brought micro credit to tens of millions of people. Largely, their focus has been on credit, not savings. The goals have been to use institutional development to make MFIs financially self-sustaining and, in many cases, commercial in nature. There has been much success in these goals.

Although MFIs focus on loans for use in household businesses, in practice, households use the credit to meet a wide range of needs. The success of MFIs in securing repayment is due largely to their lending methodologies rather than clients' business performance. The most important collateral substitution method is group or individually guaranteed loans, but other techniques include frequent payment at group meetings, short loan periods, follow-on loans contingent on previous loan repayment, and forced savings to cover possible defaults. Interest rates are at commercial levels plus the extra operational cost of doing micro lending. Rates can be from 12-80% but are typically in the 30-40% range.

When considering a partnership with an MFI, three main aspects should be considered to determine if there is a good match between the goals regarding vulnerable children and the MFI program:

1. The MFI loan size.
2. The household use of the loan.
3. The associated repayment risks.

There are also some special considerations in cases where AIDS is causing stress in the community and household.

Despite language from the microfinance community about benefiting the poorest of the poor, all MFIs, if they are to be financially viable, must work with clients who have the capacity to conduct some kind of income stream to repay loans. This excludes the very poor households from the reach of most MFIs. These households have become destitute or fallen into extreme poverty level where they lack the capacity to support themselves at least for part of the year. Above this level, however, there is a range of incomes usually starting at or near the poverty level where household do benefit from micro credit. An MFI's lowest-income clients usually fall close to this poverty line.

For many of the poorest households that are having difficulty supporting and caring for the children in their homes, an MFI's starting loan size may be too big, since the household has few assets upon which to build income and to take advantage of the loans. Also, young people and widows may lack the skills and experience (human capital in the model) to capitalize and use the loan productively. Too large a loan adds little or no opportunity for additional income and great risk in terms of meeting loan repayments. Starting with small loans can enable a household build its capacity eventually to use and benefit from larger loans.

Where loan size is appropriate to the households, there must also be a clear household benefit to borrowing money. Loans increase risk because repayments have to be made. Credit for productive uses that the household has identified creates repayment income and a surplus for the family. Matching the credit with another economic strengthening component to improve the household's sustainable livelihoods may well be needed. However, MFI lending can be used to help households through lean periods when school fees, health costs, and even other loan repayments limit the household's ability to purchase food. This "income smoothing" benefit should not be underestimated. Even very poor families can benefit from loans, if they have the capacity to repay them, although the appropriate size is usually very small.

In terms of reaching households with vulnerable children, with very few exceptions, MFIs will not target lending to specific families or individuals. However, the programs are open to all and are designed for the poor. If the MFI is operating in a geographic area of concern, then the agency may encourage its households to seek to participate in the MFI's program. An agreement could be reached for a special feeder or graduation program into the MFI. The Income Generation for Vulnerable Groups Development (IGVGD) Program that a local NGO runs in Bangladesh trains and then places very poor women in its mainstream credit program. (See the text box on page 50 for more information on the IGVGD Program.)

Savings act as a hedge against future cash demands (e.g., school expenses, funerals, health care costs) and are more important than credit to many households. Although most MFIs require

clients to save, this is generally to guarantee loan repayment and protect the MFI against defaults. Few MFIs offer genuine savings services to their clients. An ideal program is one that is safe, has easy deposit and withdrawal procedures, and accepts very small accounts. Indonesia has a notable exception to this ideal, where the bank, BRI, and other MFIs have built strong lending and savings systems for much of the country. There is an emerging trend in MFIs to be more client responsive. Clients are asking for safe savings programs and some MFIs are making adjustments to add savings programs. MFIs that have introduced savings programs should be attractive partners in most cases. Savings-led programs are an emerging alternative to traditional MFI approaches and are discussed below.

In areas where AIDS is becoming a serious problem, it should be noted that some MFIs have begun to adjust their programs to changing client needs and capabilities. These include:

- Developing new products (such as voluntary savings), changing loan conditions (e.g., smaller loans, shorter loan periods, less frequent repayment meetings).
- Transferring loan responsibility to others in the household.
- Providing prevention and care education.
- Adjusting business plans and targets.
- Developing workplace policies.
- Establishing alliances with AIDS care and support service organizations.

These MFIs are likely to offer good products for households in areas strongly affected by AIDS.

2. Community-Based Savings and Credit Associations

Currently emerging as the best savings option for the poor are community-based and -managed saving and credit structures. The organization could be a formally registered cooperative, a community-based organization, a club, an association registered as a charity or welfare group, or an informal grouping. The typical association membership is in the 20-30-person range, but a good number are larger.

These initiatives share a savings mobilization focus as a first step, then lend the accumulated funds within the association or community. The agency is a facilitator; it develops the associations and then steps out and lets them operate independently. Sustainability comes in the continuing operation and expansion of the association and network of associations, as opposed to the development of a central MFI. With the savings-led approaches, there are no externally provided loans funds available to groups. Groups start by mobilizing and accumulating funds that, in turn, are loaned to members who repay to the group with interest, building the pool of funds for loans back to members.

The success that the savings-led approaches are demonstrating in very poor communities challenges the MFIs' operational assumption that the poor need additional funds channeled into their communities. However, some programs do channel funds into the groups at a later stage when the group's savings and lending capacity and experience have grown. Interest earned goes back to the savers because overhead costs are extremely low. Essentially, the group or association members are paying interest to themselves as a way of accumulating group and

individual savings. Earnings on savings are usually very high compared to that offered by local banks. Typically, accumulated interest of the savings groups is 2 to 4 times higher than what the bank offers. After an initial training period, the groups are member-managed. Some programs also incorporate social objectives such as literacy training and empowering women.

These programs seem to be most successful where a local informal lending method already exists in the community. There are many variations on these arrangements and almost as many names (i.e., merry-go-rounds, *tontines*, and *ekubs*, to name but a few). The agency's role in developing a savings-led program is to build on the existing informal system's strengths and to add modern accounting, interest payments, and flexible terms in ways that better meet the members' financial needs.

These programs are creating a microfinance model based on building equity through savings and interest earned in independent small groups rather than the traditional MFI method of incurring debt to institutions that are often far from the community. Although there are a growing number of community-based, savings-led programs around the world, they are still in their infancy and geographical coverage is minimal. There are limited partnership opportunities with this form of economic strengthening since there are a small number of operating programs. However, an agency may be able to secure training or hire the expertise needed to establish its own savings-led initiative. The agency's role would be to mobilize and train savings-led groups. The agency trains and pays a facilitator to work with a dozen or so groups over the course of a 6- to 12-month period to help establish the savings and credit associations. Except for impact monitoring, facilitator and agency involvement with the group ends after the start-up period. With agency support, the facilitator can then move on to work with other groups in the area. In some cases, facilitators begin to offer the initial group training on a fee-for-service basis with payment coming directly from the mobilized groups.

In some cases a large number of groups are established relatively quickly, but this may not be possible in every situation. It was done in Nepal under the US NGO Pact's Women Empowerment Program (WEP).¹³ In this initiative, 130,000 women formed savings groups by and large within existing groups over a two-year period. CARE's Village Saving and Loan Program model has also reached large numbers of poor households with saving/asset building programs in several African countries. Its Mata Masu Dubara Project in Southeast Niger has reached close to 200,000 poor women in about six years. An evaluation found that group members spent more than non-members on children's education.¹⁴ In CARE's savings-led Kupfuma Ishungu in Zimbabwe, school fees are the most frequent use of member's earnings from their group-financed economic activities. As a result, the participants refer to it as "the

¹³ Jeffrey Ashe and Lisa Parrott, "Pact's Women Empowerment Program In Nepal: A Savings and Literacy Led Alternative to Financial Institution Building," (Washington, D.C.: Pact, September 2002).

¹⁴ Hugh Allen, "CARE International's Village Savings & Loan Programmes in Africa: Micro Finance for the Rural Poor that Works," (Atlanta: CARE, 2002), 15.

program that puts children through school.”¹⁵ The text box on “Mexico’s Community Savings Fund” provides more information on this successful model.¹⁶

To reach many households and build savings assets in areas where most households include vulnerable children, an agency would do well to develop programs based on this new model. In addition to the lump sum of accumulated savings and interest, group members also benefit by having access to loans that may be needed in addition to the savings. It should be noted that the approach is still somewhat experimental. Its similarity to credit unions and savings and credit cooperatives may offer a base in some countries to develop a self-managed group approach. Again, the existence of a local informal group credit scheme on which to build the saving and credit association eases the program development task.

3. Revolving Funds

Many small NGOs and CBOs have established loan funds for families in need. Borrowers are selected individuals and households that meet established criteria. Thus, the loan programs are targeted. Such funds are usually established with outside grant money, which is then used to set up a revolving loan fund. Those that make individual loans without guarantees fail relatively quickly. Other programs, learning from the success of the MFIs’ group guaranteed loan schemes, use the group guaranteed methodology. These usually work well enough for some years but then the fund faces a repayment crisis, loss of key staff, or fraud. If the MFI’s institutional strength is not there to buttress the program and correct the problem, the troubled revolving fund usually collapses. In most cases, the NGOs/CBOs that are running loan programs, whether group guaranteed or not, do not have the skills, systems or experience that an MFI has to right the problems.

Mexico’s Community Savings Funds

The Community Savings Funds (CSFs) that the Ministry of Agriculture in Mexico promoted seek to provide marginalized community groups with a simple mechanism that allows them to save and administer their own funds securely, efficiently and profitably, according to their own needs and priorities. Specially trained promoters help set up CSFs for a one year period—using a standardized toolkit—after which time they are expected to work autonomously. There are 540 CSFs in 12 states with over 12,800 members and savings totaling 4.45 million pesos (US\$445,000) (Zapata, 2001).

Further, revolving funds rarely grow much beyond the original agency grant. Members see further membership and lending growth based on the infusion of more seed capital as a revolving fund grant. There are some exceptions where the revolving fund does grow into a self-sustaining MFI or cooperative, but these are rare. However, most revolving funds do operate for some years and thus help selected households during this period. With the emerging savings-led models mentioned above offering enormous growth potential, self-help and strong sustainability, agencies should be challenged to do more than establish a simple revolving fund. Any credit facility proposed to build financial assets should consider a saving component as essential.

¹⁵ Jestias Rushwaya, Peter Koegler, and Hugh Allen, “End of Term Evaluation of Kupfuma Ishungu Rural Microfinance Project (RMFP), Zimbabwe,” 3.

¹⁶ Gabriela Zapata, “Community Savings Funds: Providing Access to Basic Financial Service in Marginalized Rural Areas of Mexico,” 2001.

C. Improved or New Technologies

A technology program can work with manufacturers, marketing agents (including government), NGOs or suppliers to provide new equipment to expand or improve household livelihoods. These programs are often based in a particular subsector, such as carpentry, metalworking, agricultural processing, and especially agricultural production. However, there are also more broadly applicable technologies such as drip irrigation for home gardens that can help all poor households. Agriculturally-based technologies, (e.g., treadle pumps or a new mill design), also fit in the agricultural development category. Thus, an agency should consider the guidance presented under agricultural development and this section in developing an economic strengthening program.

There may be manufacturing, distribution and extension program components, with different institutions working in each area. In the more complex programs, there is usually one organization, often an NGO, which coordinates and facilitates the overall process.

In almost all cases, an agency should avoid starting a new program for improved or new technologies. The technology, marketing, distribution, and its actual application to the business or farm are complex processes. Often loan funds are provided to the farmer or entrepreneur to purchase technology. Taking these tasks together makes for an enormously challenging program that takes expertise in a wide range of areas from technology to the business systems to make and distribute the technology to the operation of a business. The exception to this rule might be where a well-accepted agriculture technology is used in a neighboring region and all that is needed is a promotional effort that uses existing systems and entities to reach local producers who support vulnerable children.

Collaborating with an existing facilitator or local supplier would be a less-risky approach. If the technology is subsector-specific, the number of potential beneficiaries might be small. Agriculturally-based technologies are usually the best way to reach large numbers of households.

The lessons learned on the introduction of new and improved technologies, especially for small businesses, but also for farm households, are that private sector market-driven approaches are the most effective and successful ones. The technology's private providers adopt a customer-driven perspective—in the case of this guide, that of a poor household under stress. They seek to understand what the customers want and can afford. They understand the business systems surrounding the technology transfer and sale. They innovate and market test variations on the product and services to reach different market segments. This highlights the fact that a partnership with a private firm is a strong option. Some of the most well received business development services, such as technology transfer, have a “facilitator” that works with service providers to grow the market and build service capacity. A facilitator is usually a not-for-profit entity that helps all sales and services providers in the market (i.e., manufacturers, sale agents, repair facilities for the technology) to build capacity and grow the market. Partnership with facilitators offers an opportunity to work with many providers.¹⁷

¹⁷ http://www.usaid.gov/our_work/humanitarian_assistance/the_funds/pubs/town_hall/bds-hivpresentation.pdf

D. Market Linkages and/or Product Development

In a market linkage or product development program, household producers supply a product or crop to a broker, an exporter, a large manufacturer, or a grower with linkages to existing markets where additional products can be sold. On their own, the household producers usually cannot reach such a market. Some market linkage programs focus on developing links between disadvantaged agricultural producer groups and formerly inaccessible markets. In some cases, producers simply need market information; in others, they need assistance in organizing and pooling their production to meet a more commercially-oriented client. In addition to the market linkages, quality control and design assistance are often provided to ensure that the product meets market demand. The product nature and quality are critical for the sale. For manufactured and handcrafted goods, the broker, exporter or importer will often play a role in the product design or redesign.

Market linkages often start with agricultural export crops or handicrafts. For example, a broker or a market representative (i.e., housewares or ladies' accessories in the U.S., furniture in Europe) might be invited to a country to assess local handicraft market potential. Almost always, the local and export product markets are small. In looking at potential markets, usually outside of the region, either larger cities or export to Europe or the U.S., the product may not be attractive to these external markets. In many cases, the broker is able to suggest new designs, colors, or different products that use the local techniques. For example, the European market did not find the color of traditional rugs in Jordan attractive. Changing the dye for the rugs, but keeping the traditional designs, made the product more marketable in Europe. In Peru, traditional weaving techniques were used to make pet sweaters for the American market. In both cases, quality control was an issue and exports limited until consistent top quality products became the standard.

Agricultural examples are numerous and usually link small-scale producers through contract farming to large farms or cash crop exporters, such as vegetables or flowers. Producing quality products is the small producer's first challenge. Timely production to meet export market demand is also required. Small-scale farms can produce export quality crops that move through large commercial farms, brokers or exporters to high price, high quality markets. With time and experience, these farmers can also begin to export directly, often through a farmers association or cooperative.

A typical agricultural market linkage would be to link local farms to regional markets more directly to get a higher farm gate price for producers. Often a cooperative or association will collect crops and, with this higher volume, market directly to a city market or other market center and get a better price. A similar arrangement might be developed for rural products (i.e., handicrafts, artisanal house wares, coffee beans, or processed agricultural products such as milled grain or honey). An agency intervention can play an important role in facilitating these in-country regional market linkages.

If there is a strong agribusiness sector or a design and export capacity with market linkages in a country, then an agency should be able to facilitate the quality and marketing linkages for export crops and products. If such linkages do not exist or are weak, the agency's task becomes much

more difficult and a larger undertaking. Again, the skills, experience and contacts needed to develop market linkages are not often found in an agencies working with vulnerable children. An agency seeking to develop a market linkage program would be well served to hire a technical marketing expert to help in program planning.

E. Training and Technical Service

Providing training, apprenticeships, technical assistance, and business management support have been traditional approaches to micro business development and employment generation. Often micro credit is added where the creation or expansion of micro businesses is the objective. In most developing countries and certainly in rural areas, salaried opportunities are few. Therefore, many programs concentrate on small and micro business development. The business training and consulting efforts concentrate on the internal weaknesses facing the microentrepreneurs—primarily a lack of technical skills and business operational know-how. In most cases, this internal focus has proven to be inadequate to build sustainable and profitable business. To achieve success, new businesses also need assistance with external factors such as market access and business services as well as reliable infrastructure for sales and service.

A new non-financial business services model has emerged that goes beyond training and technical assistance to include a diversity of interventions and arrangements to help micro businesses. Besides the usual training and technical inputs, business services also provide information services, design, product promotion, technology transfer, and market linkages. Payment types include the traditional fee for services but also arrangements where the BDS costs are imbedded in the transaction through commissions, input and sales prices, and business relationships. A complete understanding of this new approach is beyond the scope of most agencies working to help vulnerable children. Nonetheless, such a market-driven slant is useful in building livelihoods for youths and household members supporting vulnerable children. Technology transfer and market linkages have been discussed above.

For training and technical assistance provision to individuals and businesses, two market-driven areas are important to consider in selecting training and technical support for youths and new or existing businesses. First, there must be market demand for the trained individual or the service to be provided. The market approach guidelines presented in chapter IV provide market demand information. To assess service or training demand, it is useful to check with local providers (trainers and consultants) to see how well their particular graduates or small businesses do after the assistance ends. Focus group discussions with small business operators on local opportunities could also be valuable. Clearly, if market assessments identify real opportunities to expand businesses and find employment, then training, apprenticeships, and technical assistance will work well to strengthen household livelihoods.

Second, the agency needs to examine who is providing potentially relevant local technical assistance and training services. Selecting the best or using more than one provider to meet varying needs will make for a stronger program. Training and technical service providers should know about student job placement and the impact of their services on businesses. Those that do not have this information are probably not market-driven. Developing the agency's training and technical assistance capacity is usually not necessary or desirable. However, there are times

when such capacity needs to be established because there are no service providers in the particular area of interest.

To train vulnerable youth to enter the job market, the key measure is the demand for the trained individual's services. A vocational training center that provides training based on its staff's skill areas and its own view of local needs without local market knowledge will have little success in placing its graduates. Apprenticeships have been a more successful type of program; these are more flexible and put trainees directly in a work environment. However, these too have had problems when too many young people are trained for the same service in a local market or when skill levels are too low to result in employment. Most programs are also small compared to the growing number of unemployed vulnerable youths. Thus, if the number of youths that need assistance is relatively small, (for most areas, the market can only absorb hundreds not thousands of youths), and there are market-driven training and apprenticeships, a youth training and apprenticeship program will work well.

F. Community-Based Asset Building

In many areas, environmental degradation, the lack of market infrastructure, destroyed bridges, or poor roads for transport are limiting the opportunities for local households including those supporting vulnerable children. Poor households may have labor available to help plant trees, build terraces, protect springs, repair roads and build market infrastructure. Food or cash given to a household member in exchange for work to build community assets has the dual benefit of helping improve their income and livelihoods as well as provide a community asset that will help the poor as well. Many agencies have implemented a FFW program under USAID's Food for Peace programs or those of the World Food Program (WFP). However, cash for work is a far more desirable because it gives the household greater choice and creates local demand for products and services. Since cash for work is a better approach, the agency should select this modality. However, where the WFP, USAID or other donors are operating FFW programs that are open to local agency participation, the food resource may provide the option with the greatest outreach.

The key to a successful intervention of this type is community participation in the planning and actions as well as the appropriate wage payment or food allocation for each unit of work. Participatory learning and action techniques are a good method to engage communities to direct the process. The sustainable livelihoods assessment is good way to identify needs and opportunities. In most cases, the analyses will show that the work assistance will be time limited. Household labor is not available at all times throughout the year. In agricultural areas, household members will need to work on their own farms or as hired farm labor to meet seasonal needs. A second concern is that FFW programs may distort local food markets. Usually the food donor handles this issue. There are two main methods to reduce distortion. Providing a food that does not compete with local production is one way, usually this is a food that the consumers find less desirable than locally produced items. For example, bulgur wheat might be provided in a rice producing area. Another approach is to provide the food at a time when the market supply is thin—often the “hungry season” right before the main harvest. The food demand is much greater than the supply at this time and the added food fills the gap.

Building infrastructure and mitigating environmental degradation through work programs also need time limitations. At some point, agency efforts need to be turned to establishing sustainable livelihoods for vulnerable households and moving away from the welfare objectives of cash or FFW. The community assets that have been established through the work programs can be used to build household income. For agricultural communities, one or two growing seasons are almost always an adequate recovery time. However, in some places such as Ethiopia, chronic vulnerability and food shortages result in community-based asset-building programs that last for many years. A major concern for the longer running programs is that the communities become dependent on the cash and food aid.

Overall, agencies should plan on short-term, community-based asset building to be supported by an economic strengthening program to improve sustainable livelihoods for vulnerable households.

G. Household-Based Asset Building Grants

There are some programs where food and cash are provided to household members to help them as they train and develop experience in the selected business operations. In some poverty alleviation programs, often after a relief program, households receive small grants to help keep their children in school, rehabilitate farm lands (build bunds, terrace, clean wells, etc.) or for essential inputs to restart production (seeds and tools in agricultural areas). Grants to the poorest households are often described as a “social safety net.” However, disbursing the grants as safety nets without an asset building objective and plan does not fully use the resource. A safety net may leave recipients dependent on ongoing support and does not help them achieve self-sustaining livelihoods. Mini-grants to households should be considered only as necessary first steps for the poorest households as part of an asset building and graduation process to achieve sustainable livelihoods. These programs are building household assets while providing some cash to the poorest household to meet immediate needs.

Almost a dozen years ago in Bangladesh, the local NGO, BRAC, started the Income Generation for Vulnerable Groups Development (IGVGD) Program, mentioned above and described in the box below, which begins with household food grants to help destitute rural women achieve sustainable livelihoods. Training for microenterprise production, savings and social service support all come together in the process. The IGVGD Program has reached about a million women who have made the transition to sustainable livelihoods over the 18-24 month program timeframe. BRAC is an enormous NGO that brings resources from several sectors where it works to the economic strengthening program. The WFP provides the free food and there is also some government support. This multidimensional support appears to be important to the program’s success as well as the relatively long (18-24 months) timeframe. Based on the BRAC and other smaller program experiences, it is clear that grants programs intended to benefit vulnerable children should be targeted to the destitute households and youths only. Community-based targeting is the surest way to reach these extremely poor households. Asset building and graduation plans are essential to avoid dependency and ensure that the program is truly temporary. Finally, some significant contribution from the household or youth should be made part of the process.

H. Child Care Support

There is a large range of options for ongoing care for separated or orphaned children that includes various kinds of support for households already caring for children other than their own. Two types of programs for direct childcare are important for livelihood strengthening: (1) small grants to households to help care for orphans, and (2) child daycare support, which frees adults to engage in economically productive activities. The difference with the previously described intervention is that direct asset building is not an objective. Traditional community-based support is not strong enough to handle the additional orphans caused by civil strife, natural disasters, or AIDS. Households receiving the grants or daycare are usually not destitute but are poor. Community or family coping mechanisms require additional buttressing to ensure childcare and support. The advantage is that children stay in the community rather than go to an institution. Childcare grant support programs need to take care so as not to undermine community commitment and initiative to help vulnerable children on their own. For daycare support, community volunteers often are the basis for the program. The support may come through organizing a community-based daycare cooperative, establishing a volunteer or commercial daycare service, or developing in-home daycare services. Agencies may pay for the development and running cost of a volunteer program or actually pay commercial daycare providers to help its client households. The success and attractiveness of community-based programs rests on the community's ability to care for vulnerable children without significant outside input.

I. Group Income Generating Activities

Agencies have often sought to help community groups generate funds to benefit vulnerable children by supporting business activities that the groups operate on a volunteer basis. The goal of such programs is not to build household incomes but to develop a funding pool, which can be used for local charitable purposes. Such local economic assistance activities are often described as income generating activities (IGA), which may be true for the short term but few prove to be sustainable. Examples of IGAs include community vegetable gardens, volunteer made and sold handicrafts, a church-based group buying or making local products for distribution to donors, and various kinds of business activities (i.e., mills, raising chickens or other small livestock, or making bricks, juice, candles, paper, sandals and the like). Such income-generating programs are

The BRAC IGVD Program

The BRAC IGVD program begins with an 18-month commitment of free food (with the support of the WFP and the government) to people at the greatest immediate risk. The program engages participants in skill training activities such as poultry rearing and silk production and processing. The program also provides the participants with access to BRAC's Essential Health Care services, which addresses the link between productivity and health. During this period, BRAC helps participants to learn to save, building up an economic "nest egg" for future investment and protection. Most participants then progress to individual income-earning activities in the same sectors. Within two years of starting the process, roughly 80% made the transition—with their small income-earning activities and accumulated savings—into BRAC's mainstream microfinance program as borrowers. This progression of support services—from training grants to savings to self-employment—appears to be sufficient to break down the barriers of extreme poverty, social isolation, lack of productive skills, and poor self-confidence that previously kept this population from self-employment.

not market-driven and are successful only as long as the necessary community involvement and outside support continues. Another disadvantage is that the time required to make a business successful takes participating volunteers away from providing support to vulnerable children, which is often their primary concern.

Fund-raising activities of relatively short duration have proven to be somewhat more successful. They do not depend on ongoing volunteer labor or ongoing donor inputs. Often they are organized using locally available resources. Examples include organizing and charging admission for entertainment events (e.g., music, dance, or drama—traditional or otherwise), a raffle for items donated by local businesses, a walk or run supported by donations, and other time-limited activities.

An agency that does want to undertake a fundraising event or an IGA needs to calculate the event's benefits versus the cost early in the planning process to ensure that it is a worthwhile effort.

J. Community-Identified Coping Strategies: The Replication Process

This process flows from the assessment results and could present a variety of interventions that might fit into the previously listed categories. The replication of community-identified positive coping mechanisms is a high-impact, low-cost intervention that is listed here to ensure that agencies consider and use it. While the assessment identifies the coping mechanisms currently in use in a community, some of which may be suitable for scaling up or replication, a community participatory learning and action process can be used to test the feasibility of general replication and promotion of the coping mechanism. Some market and technical analyses are likely to be needed. For example, if the coping mechanism is a switch in cropping patterns, it will be necessary to check to see how much additional crop outputs the market could absorb without a price collapse. The agency will need to complete such a review if the community does not have or cannot get the information.

The general objective is to make successful coping mechanisms a permanent part of sustainable livelihoods. This replication process will have households moving from coping—getting through a crisis in the short term—to permanently adapting or changing the mix of strategies used to meet the household's economic needs.

Chapter VI: Management and Operation of Sustainable Livelihood Interventions

There are many issues and challenges that arise in the selection and design of new economic strengthening programs. Establishing good strategic alliances and a list of considerations for those organizations starting new programs are important factors to discuss.

A. Alliances and Collaboration

The previous chapter detailed the advantages of establishing an alliance between an NGO helping orphans and a technical agency with economic strengthening programs. Discussions centered on collaboration's technical advantages. However, there are some significant challenges on the management and operational sides when trying to bring two organizations together for such an intervention. A decision on the alliance structure is an important first step. The arrangement can vary but there are four categories that cover most options: integration, subagreements, complementary programs, and referral systems.

1. **Integration** involves a true integration of staff, management, financial and control systems, and other program resources for a particular intervention. There are considerable challenges in merging the systems, management and operational cultures of two organizations. It is difficult to find examples of this approach, and there are no published reports on such an approach for economic strengthening to help poor households. It is hard to see this as a preferred option. The technical and other benefits would have to be substantial to be greater than integration's management and operational costs.
2. **Subagreements** are a more common approach. Through a written agreement with a second agency, a lead agency agrees to help with a particular intervention aspect. This approach is common among contractors who are hired to complete a specific task. An example would be for an NGO that is helping orphans to come to an agreement with an agricultural development agency to have it provide technical staff and planning assistance to introduce a new cash crop to poor households. Conversely, an agency operating a group-based, savings-led program may come to agreement with an NGO that is helping orphans to improve program participation and impact on households with orphans. Again, there is not much published literature on this type of alliance; however, it does seem to be a straightforward way to exchange technical assistance for an economic strengthening intervention to help vulnerable children.
3. **Complementary programs** are another approach that involves two agencies adjusting their programs to work together and complementing each other's work, but each is operating independently. For example, two agencies could agree to work together on a watershed development program. The first agency, which is operating a FFW program, could rehabilitate a watershed through terracing, tree planting and the construction of other water management structures. A second NGO could then help to organize the community to take advantage of the watershed resources to best help poor households with vulnerable children. The arrangement between the two would be relatively simple and not require any form of integration.

4. **Referral Systems** are another type of complementary program. For example, an economic strengthening agency and an organization helping orphans agree to refer clients to each other. There would be a procedural agreement and rules for participation in each other's program. Again, this would be a simple approach to implement since it would not require a complex management arrangement.

In reviewing potential alliances and complementarity between NGO service providers, there are qualities and factors to be examined. The discussion begins with the management issues mentioned above:

- **Compatible Objectives and Goals:** A partnership between different organizations must be based on a common desire to help children at risk. There must be a clear understanding how the new program or partner programs fit within each organization's objectives and plans. A written agreement with well defined alliance goals and objectives would ensure mutual understanding and commitment.
- **Operational History and Success:** A review of the allied organizations' respective operational history will provide important information about collaborating and any special program needs. A partner operation that is still getting started or has a mixed record of success warrants caution.
- **A Community-Rooted or Client-Responsive Organization:** An agency that has completed a sustainable livelihoods assessment is looking at problems holistically and from the local community's perspective. A potential partner organization that uses a sector approach and is less concerned with beneficiary or client participation is likely to be a weak partner to a community-rooted organization.
- **Sales and Operations Linked to Existing Markets:** Understanding local economic and market conditions that vulnerable households and children face is critical to program design. Existing programs that have done such an analysis and are built on the findings are the most attractive partners. Also, as economic strengthening program costs are often high, a partner that has a track record of other sales and operations programs linked to existing markets will have lower financing requirements. Financially sustaining a relationship with this type of partner should be easier and the overall sustainability of the joint efforts greater.
- **Ease of Expansion to the Targeted Area:** If the potential partner is already working in the targeted region, it is a positive factor for the alliance. If the partner does not work in the area, the agency should review the partner's ease of expansion into the region. Clearly, the greater the expansion challenge, the greater the concern. For many economic strengthening programs such as microfinance and business development programs in urban areas, expansion into rural areas creates some special challenges.
- **Ability to Scale-up:** The organization's capacity to expand its program will be key for the partnership. Can the organization reach the target population with a quality program in the timeframe determined?

B. Starting A New Economic Strengthening Program

An organization that is helping households and communities that are caring for vulnerable children will not always find strategic partners in areas where their assessments have identified opportunities. The challenge facing these organizations is whether they can develop and establish a new economic strengthening initiative in addition to existing programming. Presented below are some suggestions and actions to improve new program planning and implementation.

- **Seek technical expertise.** Since the program's technical aspects will almost always be new to the agency, seeking out an experienced person or group to help in the planning and design will ensure that the activity gets started correctly with an appropriate design. Often technical personnel are available within the country or region. These consultants also have a feel for local conditions and special adaptations that may be needed to make the program work well in the region.
- **Ensure agency program understanding and commitment.** Agencies can be committed to the economic strengthening outcome and not fully understand the effort and requirements that are needed to achieve the desired results. Making sure that all staff—especially the board of directors and senior staff—understand the challenges and effort needed is an important task. Technical planning and design input are needed to achieve a comprehensive understanding of the program's scope.
- **Don't be afraid to start slow.** There are often important critical economic needs that require immediate responses and programs. However, learning by doing and keeping the pace of the program growth equal to the agency's capacity growth are good reasons to maintain a slower expansion rate. It is better to have a smaller but growing program that is successful than a larger one that is filled with problems that will lead it to contract and end.
- **Build on best practices.** Most economic growth areas now have a collection of best practices that can provide the implementing agency with detailed guidance on a range of implementation actions. Program design should start with these best practices and implementation should follow them. The previous chapter is a good starting point to learn about best practices in economic strengthening programs.
- **Match the scale of the intervention to that of the problem.** Some economic growth activities reach an operational efficiency at a particular scale. For example, MFIs are most efficient when they have more than 7,000 clients. If the population with economic strengthening needs is smaller than the program size needed for efficiency, then another type of intervention should be considered. Whatever the program, its scale should be kept within the agency's management capacity.
- **Deepen market analysis** beyond what was learned in the sustainable livelihoods assessment to help refine program approaches and increase its effectiveness. Map the market and identify market weaknesses.

- **Don't overburden existing staff with new program implementation.** Existing staff members are usually fully employed with current programs and activities. Placing additional responsibility on them for new programs will overburden them and risk not only the failure of new programs but of existing ones as well. Their skills and experience are likely to be in areas other than economic growth.
- **Don't lose sight of the program beneficiaries—vulnerable children.** Setting specific indicators and targets regarding children's well-being (e.g., school attendance, nutritional status, health status, etc.) in the new program and monitoring and evaluating them often will be important to be able to determine whether or not the interventions are actually improving the children's situation. A set of indicators and targets will be the basis for monitoring and evaluation activities.

Annexes

- A Sample Livelihood Matrix**
- B Economic Strengthening Intervention Program References**

Annex A
Livelihood Matrix Sample

This sample Sustainable Livelihoods Matrix was taken from Timothy Frankenberger *et al.* "Household Livelihood Security Assessments: A Toolkit for Practitioners," (Tucson: CARE by TANGO International Inc., 2002) - Document commissioned by and developed for CARE USA, PHLS Unit.

Annex XI An Example of a Filled-in Livelihood Matrix for the Kanai Nagar Community in the Mongla region in Bangladesh, 2002

1. CONTEXTUAL INFORMATION

Context	Information
Political	<p>The population of the village is 7,879. There are 3,967 males (50.3%), and 3,912 females (49.7%). The average number of members per family is 7-8. There are approximately 1000 households in the village. The impact of local government bodies is limited. The union council chairman and the members rarely visit the village people. The shrimp PL collectors in the village know that there is a govt. law not to collect PL from the natural environment but they are collecting it anyway and have not been stopped. Men, women and children are heavily engaged in collection of the PL. Govt. officials said that these people have no other options so they do not stop them. Different government officers of different departments work in the Upazila, e.g., Upazila Nirbahi Officer, Upazila Fisheries Officer, Upazila Agriculture Officer, Upazila Livestock Officer, Upazila Health Officer, Upazila Education Officer, Upazila Social Service Officer, Upazila Cooperative Officer, Upazila Youth Development Officer, Upazila Program Officer for non-formal Education, Upazila Women's Affairs Officer, and the Branch Manager - Palli Daridra Bimochon Foundation. These departments aim to develop the education and livelihoods of the poor villagers. Some of the above departments have different social and developmental projects in the village, but most of them are small and limited in scale due to shortage of funds and labor (e.g., only one or two persons in a department for the Upazila). When any social problems among the villagers or with outsiders occur, the local govt. bodies rarely come forward to solve them. Rather the senior influential members of the village normally solve the problems through discussion (shalish) and if necessary they rely on assistance from political leaders. Cases that cannot be solved by the local people go to the police and the court. The rural communities do not receive expected benefits from the govt. officials. The following ongoing programs are reported to be active in the village:</p> <p><i>Palli Daridra Bimochon Foundation (PDBF)</i> has had a chapter in the village since 1985. They have provided loans to 25 PL collectors, of whom only 15 regularly repay loans. The program was discontinued for some time due to the loan defaults. Recently, the foundation has scheduled weekly visits in the area to start up the program again. The Upazila Social Service Department has had a society for women (Mothers Club) since 1997. The society has 20 members. The department provided one sewing machine to the society and trained the members through a sewing expert for six months. Later, an interest free loan was provided to the members for buying machines. All the members are repaying the loans in monthly installments with a 10% service charge. The department has formed another chapter with 30 male members. Interest free loans were provided to the members. All the members are repaying the loans in monthly installments with a 10% service charge. In addition, tree saplings and first aid supplies are occasionally distributed among the members from the department. A social worker is visiting the chapters every week. The Youth Development Office works in the village providing credit to the Youth for fish and agricultural activities. The Upazila Women's Affairs Office is also working with women in the village providing loans.</p> <p>The fisheries department is also inspecting ponds in the village. Some shrimp farmers complained that they have not received any effective suggestions from the fisheries officer about how to deal with shrimp white-spot disease. The Department of Agriculture is also visiting the village periodically to monitor input use and to provide advice.</p> <p>Girls attending primary school receive some support in the form of a scholarship (<i>upa-britti</i>). The amount provided is Tk.25 per month. The health visitors are carrying out national vaccination programs, e.g., polio, in the village. Only a few members of the village (around 11) have received VGD cards and 5-10 people receive old age allowances. Since the development activities of the govt. departments in the village are not sufficient relative to the present needs, the changes in the lifestyle of the villagers as a result of assistance have been few.</p>

	<p>The villagers reported that they have received some support from NGOs working in the area after natural disasters in previous years (CARE, Caritas, World Vision). During natural disasters, sometimes they received food from the Chairman of the UP who receives food from NGOs including World Vision. They also receive cloth from the UP.</p> <p>There is no police service in the village, but there is a village defense party. Police that do come are very corrupt – a uniform means that villagers must give money or they will be harassed. In contrast, residents feel that the coast guards are honest people that uphold law and order. The presence of the coast guard has increased in recent years.</p>
Cultural	<p>Women participate in NGO meetings with Caritas and World Vision, and they also participate in BRDB cooperatives. Mainly women from the Hindu and Christian parts of the community attend the NGO meetings and initiatives. Women from the Muslim community occasionally attend the programs. They are poor and prefer to work rather than attend the NGO meetings.</p> <p>The community is mixed with Hindus (50%), Muslims (40%) and Christians (10%) living in the village. Within the village, the religious groups are loosely isolated by locale.</p> <p>The Hindus are the original residents in the area and are comparatively rich. They are socially, culturally and economically better off.</p> <p>There are a total of 700 Christians, divided into Catholics (137 families), Protestants (37 families), Fellowship Christians (11 families), New Epistemic Christians (3 families), and Baptists (1 family). There is no open conflict among the religious or ethnic groups. Following the Hindus, the Christians are the next well off group.</p> <p>The Muslims are the poorest group. Most migrated from the Barisal district about 35-40 years ago. Almost all of them are fishing families and illiterate, and they still use the traditional Barisal ascent. The children of these Muslim families try to avoid school and have difficulty competing with the children coming from the Hindu families. Therefore, in the schools, the children try to isolate themselves from each other. Practically, the Hindu and Christian children are dominant in the CARITAS run schools.</p> <p>Most of the time there is harmony between the different ethnic groups. Hindu women report, however, that after the last election, different ethnic groups voted for different parties leading to some local conflict.</p> <p>Women's mobility has improved in the last 10 years. Women sometimes go to the hospital with their husbands or other family members, neighbors or cooperative members. Some of the husbands feel that they are poor providers because the women have to work. Gender relations have improved in the last 10 years.</p> <p>Social cohesion and adherence to social norms have declined in the village over the last 10 years, primarily due to poverty. Some social norms have disappeared completely. Respect for elders has diminished and younger people no longer defer to them.</p> <p>Some people maintain local or religious customs. The Hindus do not start any new work on Saturday or Tuesday. When they carry fish to their house at night they first touch the fish with fire before entering the house. Muslims involved in fry collection sometimes blow on their chests for God's blessing and after the fry collection they put their hands in smoke before entering the house.</p> <p>With respect to marriage practices, Muslims are more likely to support the practice of early marriage, while Hindus and Christians are less likely to encourage this. While there is no registration in Hindu marriages, Muslims do have registration. Hindus do not support caste differences. Women do have some say in marriage choices of their children but the major decision maker is the husband. Dowry is still common among all groups.</p>
Infrastructure	<p>The government and NGOs have constructed many roads in the last 10 years. There is an all weather road that runs through the village. Electricity has increased in the last 10 years – 17</p>

	<p>households now have access to electricity. While there are no markets in the village, there are 30 small shops. Access to information has improved in the last 10 years. Radio and television are available in the village. Some people are reading newspapers. The villagers frequently travel to Mongla so they are kept up to date on world events. In terms of weather information, residents access information very quickly from the Mongla port. This information helps them prepare for cyclones and severe weather. NGOs have been working with the village on disaster preparedness (World Vision and Caritas).</p> <p>There is no hatchery in the village. Although a villager took a loan to establish a hatchery in the past, it was never completed. Water reservoirs for drinking purposes have increased by 2 in the last 10 years (World Vision). There are three mosques, one madrasa, one church, one cyclone center also used as a primary school up to class 3, and another primary school managed by Caritas up to class 3. In addition there is one private primary school that receives support from the government. It has classes up to grade 5. The NGO schools are considered better than the private school.</p> <p>In addition, there is a BNP club and a World Vision office in the village. A house also exists in the village that serves as a periodic clinic for vaccinations. The chilar canal borders the south side of the village. There is also a brick road that runs by the village. Most of the land around the village is used for shrimp and rice farming.</p>
Historical	<p>In general, water levels have not changed in last 10 years, although siltation has increased dramatically during the same time period. There has been no change in the course of the river and levels of erosion have not changed in the last 10 years. Soil fertility has declined over the last 10 years, which may be due to increased salinity of the soil. However, the salinity of river water is decreasing due to an increased flow of fresh water from the north. Stocks of wild fish, prawns, hilsha and Jew fish have all decreased in last 10 years. While in the past all fish species were available year round, the supply is now seasonal. Bio-diversity is decreasing over time. Generally, livelihood conditions have not improved in the last 10 years. While social services have increased over time, so has poverty.</p>
Educational	<p>Two schools are run by CARITAS, up to class 3. About 100 children are in each school. One of the schools is in the cyclone shelter. There is also one government-registered primary school (Ayesha Siddiqua Primary School). This school has 4 teachers (2 male and 2 female; the head teacher is female; out of the 4 teachers, 3 have PTI training). This school has 120 students. There are more female students (about 65-70%). The dropout rate is about 30-40%. In addition, there is one nursery school that is run jointly by CARITAS and World Vision. This school provides education up to grade 1. There are 2 teachers and 69 students. At this school, books and chalk are provided by CARITAS, and World Vision provides teacher salaries. Slightly more than half of the village is literate. In terms of the different ethnic groups, 80-90% of the Hindus and Christians are literate and 15-20% of the Muslims. Girls' education is encouraged through the provision of a stipend, particularly in the Muslim community. In the Hindu and Christian religious communities, girls' education is normally encouraged. The only non-formal adult education program is run by CARITAS. Adults who want to secure a loan from CARITAS must first be able to write their name.</p> <p>In the mosque, the Imam teaches prayers and some Arabic, but the participants are very few – only 5-10 children irregularly. There is a private Hefze Madrasha that teaches the Holy Quran; the students are few in number and irregularly attend. Education is increasing and villagers feel that this is a good thing. Most children attend school, with the exception of children from the poorer Muslim families. About 50% of the Muslim children go to school, 70% of the Christians, and 100% of the Hindus. There is no adult education program in area except the program provided by CARITAS. While there was an effort to initiate an adult education program in the village – a government 'Illiteracy Elevation' program for women, due to conflict between religious groups the community was not able to implement the program.</p>
Health	<p>There is no hospital in the village, but residents do have access to a family health clinic. There are no tube or shallow wells. The primary source of drinking water is pond water. One or two health staff regularly visits the village (twice weekly) to provide child health care, vaccines and immunizations. Health staff also provides advice on family planning. Adults must travel to Mongla for health services. They do not have an arsenic problem in village.</p>

	<p>The main problem is access to safe drinking water.</p> <p>The major diseases are gastric problems and skin diseases. The seasonal calendar indicates that diarrhea is a problem in March and April. Chicken pox is also a problem in March and April, and fever and dysentery in March. Fever is also a problem in September. No goiter or night blindness was found in the village. Life expectancy is about 50 years for vulnerable groups (compared to the regional average of 60 years). Men live longer than women. Women may get urinary tract infections from bathing in saline water.</p>
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2. RESOURCES

Context	Information
Human (Labor, education, training, health)	<p>The main occupation for the poor in the village is PL collection - males, females, and children are involved in collection. Households migrate to the Sundarbans during the winter season and stay there for one week to catch fish and crabs, and then return to the village. The following week they repeat the process. Women also collect wood illegally in the Sundarbans as a way to make money. The guards allow them to carry out this collection without arresting them. Women participate in PL collection without any problems. Some people think that women should not work, but most appreciate it. Wage earnings vary seasonally. From the seasonal calendar, PL collection is done from Jan to June: villagers collect saline shrimp PL from Jan-June; during April and May they only collect fresh water prawn PL; during August, September and October, they fish for other species particularly for Hilsha. During November and December, they are involved in crab collection and go to the Sundarbans to collect firewood. They have trouble getting a job in Mongla. They have limited access to agricultural work. They do not have access to savings, and they live hand to mouth. From October until November, they have very little income. Ten percent of the population is skilled laborers. These skills include being able to catch PL better.</p> <p>Although the number of people fishing is increasing daily, the income from fishing is declining. Generally, wage earning opportunities are decreasing. Few government people come to this village to work with the poorest members of the community and residents have received little training support from government agencies. Rather, they obtain skills from neighbors and elders.</p> <p>There are no government officials from the village and no local professionals. Two teachers teach in the CARITAS school and 4 teachers teach at the private school. Some of the rich family members live in Mongla to conduct business. World Vision has provided skills training and awareness on poultry farming, but many of the poorer families did not have the capital to apply the training. Several Hindu families, however, did apply the training.</p>
Social	<p>Relationships between the households are normally good but sometimes there is conflict along religious lines. During disasters or shocks, they take loans from neighbors, generally with an interest rate of 5-10% per month. All the money that females earn from fishing is spent on their families. Fish stocks are decreasing, making it difficult to support families on income earned from fishing. Some females are participating in savings groups started by NGOs (World Vision) and the government.</p> <p>There is some government Khas land in the village. The poor build their houses here. There is a cyclone shelter in the village and the villagers use it in bad weather. World Vision is helping to build a new road and provides credit and helps form groups for the poor. World Vision is also working on health and sanitation and is providing slab latrines. Around 10% of the households have ring slab latrines. Caritas has built the cyclone shelter in the village and also conducts some educational programs.</p> <p>The villagers do not observe any ceremonies like <i>Nabanna</i> (seasons new rice ceremony), but Muslims observe <i>Eid</i>, and Hindus observe <i>Durga Puja</i>, <i>Basanti Puja</i> and <i>Rasmala</i>. Christians observe <i>Christmas</i>. During any of these ceremonies, households invite other households from different religious groups to attend the ceremony.</p> <p>Many of the poorer Muslim families have been living in this village for the last 30-40 years.</p>

	<p>Hindu families were living in the village before the Muslims migrated to it. Earlier the Hindus had good rice production from their land. Now they can only cultivate one rice crop from the field. The poverty level of the Muslims has increased, thereby limiting leisure time to socialize with neighbors. Poverty has increased because of the decreased access to fish, low seasonal prices, and illegal access to forest land for acquiring timber for sale requires a bribe.</p> <p>There is a trend of second marriages in the village. However, very few people have a second wife. They pay and take dowry for marriages. The minimum that the poor pay for dowry is around Tk. 5000. When the poor pay dowry, they have to sell assets such as trees, animals or land, making them poorer. A dowry dispute identified in one case study went to court for the last 4 years. A family is paying Tk. 400-500 per month to a lawyer to pursue the case. The middle poor said that they have limited support from others except their immediate relatives.</p>
Physical	<p>Most of the poor Muslim households live on Khas land along the river. They are essentially landless. There is no deep or shallow tube-well. There are about 1000 households. About 80-90 houses have tin-roofs and the rest of the houses are makeshifts or made of plant leaves (goal pata).</p> <p>Middle poor have access to tin roofs, and may have more than one boat, and several nets.</p> <p>There is a LGED all weather roads that runs within the village. Using the road, people can go to Mongla by rickshaw. Land at the western side of the LGED road is flood prone. LGED and World Vision construct and repair roads. In new road construction, the village carries 5% of the costs. There are two mosques, one Madrasa and three churches present in the village</p> <p>The Hindus, the original residents, own most of the agricultural land. Some of the immigrant Muslims have homestead land for their home only, and the majority have no land. They have constructed their house on government land or on other people's land. Muslims own only have 2.8% of the land in the village. Christians only have .25% and the Hindus have the rest of the land. The second level poor have homestead land (48 dec).</p> <p>Most of the households have small ponds or ditches near their houses. They use these ditches for domestic purposes. In the village there are 4-5 comparatively better ponds where people collect drinking water in the off-season (when stocked rain-water finishes). Villagers stock shrimps and other fishes in their ponds. Farmers themselves grow rice crops on their own land. In the shrimp culture season most of the villagers lease their land at the rate of Tk. 4000 per acre per season.</p> <p>All of the PL catching families have boats, PL collecting nets and other necessary items (silver pot, small bowl, lantern, etc.). Some families rear poultry in small numbers (2-5). Each of the Hindu families has 2-3 cattle. There are about 30 TVs and 10-15 radio cassettes being used in the village. There are about 30 shops present.</p>
Natural	<p>The village is located on the Pashur river and an adjacent canal from where PL are being collected. The village is in close proximity to the Sundarbans where they collect fish, crabs and firewood. The government bans PL collection from the open water, but the collectors are catching them. They are not facing any adverse consequences for doing this. Riverine fisheries resources are decreasing day by day due to over exploitation, destruction of larval fishes and other crustaceans during PL collection, resulting in the degradation of natural habitats. PL abundance is reduced as a result. PL prices are decreasing due to the availability of hatchery produced PL. Due to the prevalence of shrimp culture the salinity of the cropland has increased resulting in a decrease in alternative crop production.</p> <p>The soil that households have access to is clay soil. During high spring tide in the monsoon months, part of the village becomes inundated. There are some coconut trees found in some households. <i>Sapta</i> and <i>quava</i> trees are also found around homesteads. They also grow eggplant. They do not have mango trees in the village. They buy mango from Mongla. The middle poor have coconut trees, sapota and some timber trees on their homestead. The middle poor also may have access to small ponds. From July to December is the fresh water</p>

	period; January to June is the saline period. The peak saline months are March and April.
<i>Economic</i>	<p>According to informants in the village, the households in the village fall into the following wealth categories:</p> <ul style="list-style-type: none"> • Richest – have considerable agricultural land > 15 acres; 2-3 cattle; 4-5 or more coconut trees • Middle Class - having lands > 3 <15 acres; 2-5 or more coconut trees; have or have no cattle • Poor – having lands > 0.5 <3 acres; • Poorest – No land, or have very small land only for the house; depend on fishing, fire wood collection, daily wage labor, etc. <p>Villagers get credit from CARITAS, World Vision, PDBF, many government offices, the private sector (large shrimp farmers), and moneylenders. The poor seek loans from moneylenders from October to mid December. In December the need for a loan is high because villagers are preparing their boats and fishing nets.</p> <p>A few shops are available in the village (30). There is a market in the neighboring village. For large purchases people go to Mongla. The poor rely on fishing and fuel wood collection for income. Well off people have cropland and the ability to fish if they desire. At present there are no alternative job opportunities for the poor in the area. They have great difficulty facing crises.</p> <p>In terms of land access, access per person or family has decreased over the last 10 years. People are getting poorer in the last 10 years and bribes are increasing. While there may be more opportunities resulting from an increase in education, the poor are rarely able to take advantage of them. Although skill levels are increasing, technology has not improved in the village over the last 10 years.</p> <p>80% of the households have access to poultry. Most do not have cows but some have buffaloes. They do not have cows do to the limited access to fodder and salinity is bad for cows. The middle poor do not have any savings. Two years ago some middle poor took loans from BRDB. Now these loans are not available because the village group does not function well.</p>

3. INSTITUTIONS AND ORGANIZATIONS

Context	Information
Organizations/ Institutions	<p>There are a number of government departments and NGOs working in the village (see the Political context section). The poor in the village want the government to provide loans and create employment opportunities through industrial investment. Community members also want the government to provide Khas land to the poor. The UP was supposed to provide housing for poor women in the village but the houses were not given to them. They suspect that the houses were given to another group. Occasionally, the fisheries department comes to the village to tell residents not to collect PL. Access to other government departments is mixed.</p> <p>Four NGOs work in the village. These are World Vision, CARE, Proshika, and Caritas. (See key informant interviews for descriptions of programs). Health and family planning are provided to the village by the health ministry. Community members also visit the Upazila Health Complex, but it is very far away from the village. Two primary schools are sponsored by CARITAS up to grade 3. The cyclone shelter is used as a primary school. There is also a private primary school. (See context section). There is also a nursery school supported jointly by Caritas and World Vision. There is a village doctor, but he has no formal training. Residents purchase some household goods at the Mongla market. There is a cooperative society sponsored by BRDB.</p> <p>(See the Political context section for a review of the various offices that work in this village).</p>

Training	People want more training on fishing and other income generating activities. NGOs are currently providing a wide variety of training. (See key informant interviews).
Collaboration/ Integration/ Networking/ Linkages	There is no conflict between the various programs being implemented by the NGOs. The NGOs also work effectively with the government health offices and LGED.
Private sector	Sometimes private business people come to the village and ask residents to hold wood that is taken illegally from the Sundarbans. In this way, the village essentially becomes a staging area for contraband wood. Shrimp farmers also provide loans to PL collectors. Some of the better off farmers in the village are also acting as middlemen in the PL business.

4. LIVELIHOOD STRATEGIES

Context	Information
Major Livelihood Strategies (On-farm and off farm income)	<p>Fishing is the major livelihood activity of the poor. They do not have many other sources of income due to a shortage of capital. Very few people pull a rickshaw. Normally the poor work in their village, they rarely go outside for work. The poor women will go to the Sundarbans to collect firewood and crabs.</p> <p>Richer households engage in rice cultivation and shrimp farming. Some people collect firewood from the Sundarbans. They negotiate with people so that the police do not harass them. Middle poor households are also engaged in PL and fishing, but they may also be engaged in small business. Some are engaged in buying fish from other fishing families and selling it to other communities.</p> <p>In terms of agriculture, they plant one rice crop: farmers plant rice in seedbeds in July, transplant rice in August; and harvest during the second half of November.</p> <p>PL saline water shrimp stocking begins in mid January. Households partially harvest during the last week of April; they restock shrimp at this time. Final harvesting is during the month of August. Some farmers continuously stock PL from January to June. The continuously harvest from end of April to August.</p>
Major risk and coping strategy	<p>Natural disasters such as cyclones occur in April. Flooding occurs in September and October. During this season, nets can be damaged from the heavy water flow. If the net is damaged, fishers may have to take a loan from the moneylenders to buy new nets. Illness can also be a major risk. The incidence of diarrhea and small pox is highest in March and April. Fevers are common in January and September. Dysentery occurs in the month of Feb. Another risk is theft of their boats. The rate of interest of a loan can also be a major risk for households. Police harassment is also a major risk.</p> <p>For middle poor households, the major risks are boat theft, damage of nets due to water flow, and illness. Most people do not have good risk management strategies.</p>
Investment	Households collect fishing material from Mongla. There is no bank in the village to take a loan for the equipment. In the past, fishers were able to get loans for fishing equipment from the government, but many people defaulted on the loans so the program was discontinued. (See key informant interviews.)
Mutual support	Social cohesion has declined because of the increase in poverty. While the middle poor are invited to the village <i>shalish</i> (village court), they often cannot afford the time to participate. Poorer households do not have time to participate. Social conflicts do arise over who participates in loan programs and NGO activities.

5. LIVELIHOOD OUTCOMES

Context	Information
Food security	The poor eat <i>dal</i> 3-4 times per week, and they consume vegetables 6 days per week. The poor may eat egg 1 time per week. They eat fish 2-3 times per week when fish are available and they eat meat very rarely. For the poor, they have food shortages from June to March (10 months). During the rainy season, food shortages are particularly high. Sometimes the middle class farmers experience food shortages for 7 months, but for poor households shortages are more severe. The middle poor experience acute food shortages in the rainy season, and these households may experience some food shortages periodically throughout the year. During the rainy season, the poorer households reduce consumption to one meal a day. Middle poor will take a loan from relatives to cope with the food shortage. In times of food crisis, women suffer the most. After the children and husband eat, there is little for the women to eat.
Education	The poorer households (primarily Muslim) cannot send their children to school do to a shortage of money. The middle poor have trouble sending children to intermediate school and they can't afford good clothing for their children, which is troublesome.
Health	Twenty percent of the households suffer from serious diseases. The middle poor cannot afford medical treatment for all of the family members during the time when illness is most severe. There is a family health clinic in the village, and health staffs visit the village a couple times a week. Access to safe drinking water is the biggest health problem.
<i>Shelter</i>	Middle poor have access to tin roofs. Poorer households live in small thatched structures on government Khas land or borrowed land. They have very poor housing security.
Social	Sometimes there is conflict but residents try to resolve the problem from within the village. If they cannot solve it then they go to the UP chairman. If that does not work then they go to the police station or the courts. There are cases of divorce but the number is very low. Divorce rates are higher among Muslim families, but households were unwilling to talk about it. Hindus rarely divorce.
Environment	Fish supplies are decreasing. Siltation is increasing, and environmental degradation is getting worse. Bio-diversity is decreasing dramatically. Soil salinity is also getting worse.
Safety	Husbands and other younger men sometimes abuse women. Sometimes the miscreant violates women. The police also periodically harass villagers, who often have to pay a bribe to avoid harassment.
Nutrition	Females from poorer households are often malnourished. The poorer households suffer from acute food shortages for many months of the year. As well, the elderly are particularly vulnerable.
FGD for only women group	Women's mobility has increased in recent years. The NGOs and government have created many opportunities for women. Unfortunately they still have limited say in household decisions; they eat last, and are still abused by their husbands. Women have gotten together to protest divorces, but they have not been successful in stopping them.

Comments of the facilitators (Observation): It was difficult to get the same answer from different people in the community regarding NGO and government programs, the size of the different ethnic groups, whether payment of dowry was still being practiced, and what types of infrastructure were available. We had to send a team back to the village to clear up some of the confusing information.

ANNEX B

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