

## **Town Hall Meeting**

# **Economic Strengthening of Household and Community Safety Nets to Mitigate the Impacts of AIDS**

## **Document I—Main Report**

December 2000

# T A B L E O F C O N T E N T S

## ***Main Report (Document I)***

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**Note:** Some of the presentations made during the Town Hall meeting are available only in power point format. Those presentations can be downloaded or viewed from the new DCOF website: [www.usaid.gov/Pop\\_health/dcofwvf/report](http://www.usaid.gov/Pop_health/dcofwvf/report). They are as follows:

- “Understanding the Implications of the Pandemic” John Williamson and Susan Hunter
- Questioning Boundaries: Linking Adolescent Reproductive Health and Livelihood Programs—Simel Esim, ICRW
- Economic Strengthening and Human Rights, Stigma and Discrimination—Clif Cortez, USAID
- Business Development Services in Areas Heavily Affected by HIV/AIDS—Paul Bundick, DAI

## ***Background***

An informal donor's technical group of organizations involved with mitigating the impact of AIDS on children, their families, and communities hosted a "Town Hall Meeting on Economic Strengthening of Household and Community Safety Nets to Mitigate the Impacts of AIDS".

The daylong event took place at the United States Peace Corps office in downtown Washington, DC on Tuesday, November 21<sup>st</sup>. The agenda is included as Annex 1. (Annexes are available as a separate document. The main report and annexes can be downloaded from [www.usaid.gov/pop\\_health/dcofvvf/report](http://www.usaid.gov/pop_health/dcofvvf/report))

Individuals and representatives of organizations addressing the impacts of HIV/AIDS, and those engaged in microfinance and business development services attended. The list of participants is attached as Annex 2.

This event was the second Town Hall Meeting on topics relevant to children affected by AIDS. The first was held at USAID, August 10<sup>th</sup>. Its topic was "Community Mobilization to Mitigate the Impacts of AIDS on Children and Families".

The objectives of this second Town Hall meeting were to:

- ❑ Provide a forum for learning and exchanging information between microenterprise and HIV/AIDS practitioners
- ❑ Provide information on how households cope economically in times of stress
- ❑ Examine strengths and weaknesses of different microenterprise services in supporting economic coping strategies
- ❑ Present programmatic responses to the HIV/AIDS pandemic and examine them in relation to economic strengthening needs of households affected by HIV/AIDS

Explore options for fostering strategic alliances and creating new and utilizing existing modes for information exchange and dialogue

## ***Introduction***

After welcoming remarks by Chris Cosnick of Peace Corps and introductory comments by Lloyd Feinberg of Displaced Children and Orphan's Fund (USAID) and Mark Connolly of UNICEF/New York, participants took part in a "Borrower Risk" simulation. Heather Clark of the UNCDF's Special Unit on Microfinance (SUM) originally developed this exercise. It was refined by Jill Donahue (DCOF), Joan Parker (DAI), Paurvi Bhatt (USAID) and Laura Van Vuuren (World Relief) for use at the African Regional Micro-credit Summit (ARMS) in Harare, Zimbabwe (October 8 to 12, 2000).

This lesson stimulated thinking and discussion on how a common microfinance methodology—peer group lending—deals with the normal risks and costs of credit. Town Hall participants acted out the roles of members in a solidarity group that received loans from a microfinance institution.

Participants acted out their roles during four "rounds" representing periodic meetings where members made repayments on their loans to the loan officer. During the rounds certain members experienced "shocks". Some of them were AIDS-related events—one member became increasingly

ill, another had to unexpectedly care for numerous orphans, yet another had to attend to the affairs of an extended family member who died. Some were not—one member's business was destroyed by fire. The simulation allowed Town Hall participants to place themselves in the shoes of MFI clients by demonstrating the risks encountered and the pressures and problems of group lending in an environment heavily affected by HIV/AIDS.

At the end of the four rounds, participants drew various conclusions about their experience. The following statements are examples of the highlights:

- Access to financial services plays an important role in helping households weather economic crises, AIDS-related or not.
- There was a wide variation in how the groups interacted. Some were more creative than others in devising solutions; others were more willing to find collective solutions; and some did not see their individual interests as being met by belonging to the group.
- It is in the best interests of individual members to find solutions to each other's repayments problems for two reasons: a) continued access to the financial service for each member depends on everyone's successful repayment; and b) you may be the next person that needs assistance; especially where AIDS is a problem.
- After repeated crises, though, credit becomes a burden to the person experiencing the crisis and to the other members who are collectively responsible for repayment.
- Having an emergency fund of member's voluntary savings would buffer all members from the shocks experienced by any one of them.
- Waiting until a crisis occurs leaves the solidarity group members and the institution with very few options. It would be better to come up with strategies ahead of time.
- Emergency funds are fine, but not enough over the long run. Other, more institutional and formal mechanisms must be put in place (i.e. insurance, default funds, etc)

The simulation is not yet available for distribution, but will be available through USAID's MicroEnterprise Best Practices (MBP) initiative in the next few months. Participants can periodically check the MBP website for announcements ([www.mip.org/pubs/mbp-def.htm](http://www.mip.org/pubs/mbp-def.htm)). The UNCDF SUM office should also be publishing the original simulation for public use as part of a larger body of training materials. It is not yet available either, but participants can check the SUM website for more information ([www.uncdf.org/sum/](http://www.uncdf.org/sum/)).

### ***Understanding the Implications of the Pandemic***

John Williamson of the Displaced Children and Orphan's Fund (DCOF) provided Town Hall participants with an overview of the magnitude, duration and consequences of HIV/AIDS. The presentation featured statistics and other information that he and Susan Hunter developed in the course of updating "Children on the Brink". He also illustrated the strategic implications for developing effective programs that respond to the pandemic's impact. Finally Mr. Williamson presented a framework to mitigate the impacts of AIDS on children and families. Readers can access Mr. Williamson's presentation at [www.usaid.gov/pop\\_health/dcofwwf/reports/](http://www.usaid.gov/pop_health/dcofwwf/reports/). The document, "Children on the Brink 2000—Executive Summary" is also available at this website.

## ***Understanding Economic Strengthening in an HIV/AIDS Context***

In her presentation, Jill Donahue of Displaced Children and Orphan's Fund, focused on the economic coping strategies of poor people in the face of risk and loss and the role of microenterprise services in reducing the economic impact of AIDS

The main points highlighted were:

- The impact of HIV/AIDS does not stop with the individual who contracts HIV. It erodes the resources of immediate and extended families as they try to cover multiple hospital trips, medical expenses and funeral costs. For many families, concern about sliding into poverty subsumes the other effects of HIV/AIDS.
- Income and savings become crucial weapons as households struggle to build and protect their economic resources. Microenterprise services can help families increase their income and build their savings.
- Microenterprise services are about the needs of clients who are poor. However, these services cannot, nor should they attempt to, meet all their clients' needs.
- There is need for more innovation within the microenterprise sector in communities that are, or will be, heavily affected by HIV/AIDS. Both HIV/AIDS and microenterprise sectors need to think about strategic alliances between them.

The full notes from this presentation are included in Annex 3. In addition, Ms. Donahue's paper (on which the presentation was based), "Microfinance and HIV/AIDS—It's Time to Talk" can be downloaded from [www.usaid.gov/pop\\_health/dcofwwf/report/creditreps.html](http://www.usaid.gov/pop_health/dcofwwf/report/creditreps.html).

## ***Responses from three surveys***

Next on the agenda were presentations on the results from three different surveys carried out over the last year. The first was "Questioning Boundaries: Linking Adolescent Reproductive Health and Livelihood Programs" by Simel Esim of the International Center for Research on Women. The second was "Responding to Economic Needs of Households and Communities affected by HIV/AIDS" by Jill Donahue of the Displaced Children and Orphan's Fund with assistance from Mary Partlow and staff at Global Health Council. The third was "The Intersection of Microfinance and HIV/AIDS: Glimmers from Africa" by Joan Parker of Development Alternatives, Inc.

The presentation notes are included in the Annex document.

"Questioning Boundaries" (Full presentation notes: Annex 4; power point presentation also available on [www.usaid.gov/Pop\\_health/dcofwwf/report](http://www.usaid.gov/Pop_health/dcofwwf/report))

- ICRW feels that programs addressing adolescent reproductive health must be more closely linked to activities supporting adolescent livelihoods.
- Linked programs are important because sexual and reproductive behavior for adolescents is closely linked with their educational, environmental, social and economic options.
- ICRW is conducting an analysis of programs that integrate adolescent reproductive health and livelihood concerns, with a view to developing recommendations for more effective strategies.
- The first phase consisted of an inventory and review of existing information on 239 programs. The second phase will assess 3 to 5 linked programs in India, Kenya and Colombia respectively.

- Findings from the first phase include:
  - ✓ Out of the 239 programs, only 89 or 37.2% could be classified as linked in any form.
  - ✓ Africa had the largest overall number of programs (109); however, Africa also had the fewest number of linked programs (33.9%).
  - ✓ Asia has the highest proportion of linked programs (21.5%),
  - ✓ Latin America has the highest proportion of programs that are linked in any form (41.2%) but many of these are only tentatively or weakly linked.
  - ✓ In Africa and Asia reproductive health interventions focus more on education and awareness rather than provision of services.
  - ✓ In Latin America, reproductive health components in linked programs include both education and medical services, and livelihood activities include vocational skills, job training, and skills building.
  - ✓ In Asia, livelihood activities have a stronger emphasis on entrepreneurship, while programs in Africa include a variety of interventions ranging from traditional vocational skills to micro-credit.
  - ✓ In all three regions, most of the linked programs originate from the reproductive health sector rather than the economic sector. In these programs, livelihood concerns are usually added on project components.
  - ✓ Very few programs that are linked by design give equal weight to the two components.

“Responding to Economic Needs” (Full Presentation notes: Annex 5)

- USAID’s HIV/AIDS and microenterprise working group commissioned an informal and rapid survey among HIV/AIDS NGOs August. The purpose was to gain information about the general state of economic strengthening interventions in HIV/AIDS affected countries.
- Thirty-three organizations sent in surveys from 17 different countries in Asia, Africa and Eastern Europe
- Of the 33 respondents, 17 were multipurpose NGOs and 16 focused on HIV/AIDS programs
- Target groups were: widows, caregivers, PLWA or single, female-headed households who care for orphans (61%); PLWA only, either individually or through groups (22%); and Youth who are at risk of contracting HIV/AIDS and/or who are orphans (17%)
- Almost every NGO carries out some type of training in business or IGA skills (92%).
- NGOs also carry out savings and revolving loan fund schemes;
- The purpose “to strengthen household income and resources” was the most common response across all types of economic interventions;
- The average coverage (for those who provided figures) is: 440 households, or 198 groups, or 532 individuals.
- The average cost (only 11 respondents provided cost estimates), including the most costly, is USD 61,000. Excluding the two most costly programs, the average drops to USD 10,000.

“Glimmers from Africa” (Full presentation notes: Annex 6)

- USAID’s HIV/AIDS and microenterprise working group commissioned a survey (“Impact of HIV/AIDS on MFIs”) from Microenterprise Best Practices (MBP) to determine the level of awareness among MFIs as to the impact of HIV/AIDS on their clients and institutions.

- Of 22 African MFIs in high-prevalence countries:
  - ✓ 95% say clients are under “extreme financial stress” due to medical expenses
  - ✓ 77% say clients are under “extreme financial stress” due to funerals
  - ✓ 50% say clients are under “extreme financial stress” due to care for orphans
  - ✓ 60% say clients are showing increasing illness
- This has affected their performance in the following ways:
  - ✓ 57% report increasing client problems with loan repayments
  - ✓ 25% say loan defaults on the rise
  - ✓ 47% report increased requests for access to compulsory savings
  - ✓ 45% report increased client absenteeism at meetings
  - ✓ 29% report requests for smaller loan sizes
- The survey could not definitively prove that HIV/AIDS is the cause for the above figures; however, these results are not appearing in the non-HIV/AIDS countries and this makes it likely that HIV/AIDS is impacting MFIs.
- UNAIDS survey (“Innovations by MFIs to Respond to HIV/AIDS”) indicates that:
  - ✓ So far, no MFIs appear to be closing; but some prefer to keep their heads in the sand (ignorance is bliss)
  - ✓ There are some experimenters: 43% of the MFIs include health/prevention information; others use the MFI as a conduit for other non-financial services; others are working on products for self-protection (loan insurance) or new products for clients or better ways of keeping affected clients in program

### ***Break out groups— Exchanging Sound Practices***

The next portion of the Town Hall consisted of splitting up the participants into two groups: those involved primarily in HIV/AIDS activities wanting to know more about specific microenterprise interventions; and those involved primarily in microenterprise activities wanting to know more about specific HIV/AIDS interventions. Each group then listened to a series of speakers on a panel.

For the HIV/AIDS group, the presentations were:

- Microfinance services (Ellen Vor der Bruegge, Freedom from Hunger. Presentation notes found in Annex 7).
- Savings schemes (Jill Donahue, Displaced Children and Orphan's Fund. Presentation notes found in Annex 8)
- Business Development Services (Paul Bundick, DAI. See below for website to download power point presentation)
- Youth enterprise programs (Andrew Baird, U.S. Peace Corps)

Each speaker emphasized the following points in his or her comments:

- How does the approach work? What are its goals? What are the challenges?
- What are the advantages and disadvantages? What lessons have been learned about what works and doesn't work to achieve the goals of the service?
- What are the typical characteristics of clients? Who are they?

For the Microenterprise group, the presentations were:

- Prevention (Eric Van Praag, Family Health International)
- Home-based care (Carol Larivee, Family Health International)
- Orphans and Vulnerable Children (John Williamson, Displaced Children & Orphan's Fund)
- Human rights, stigma and discrimination (Clif Cortez, USAID HIV/AIDS Division. See below for website to download power point presentation.)

Each speaker emphasized the following points in his or her comments:

- What are the issues related to the current scale and adequacy of programming in relation to the magnitude of the needs?
- How is capacity building taking place?
- How are gender issues addressed?
- How are youth involved?
- What is the relevance of household economic coping?

Those interested can obtain the power point presentations by downloading them from the new DCOF website: [www.usaid.gov/index.html](http://www.usaid.gov/index.html).

### ***Creating Dialogue—Plenary***

After listening patiently to the various presentations, participants voiced their opinions, asked questions and drew conclusions about issues relating to economic strengthening in families and communities affected by HIV/AIDS. Some of the burning issues raised were as follows:

- Which is better—promoting multi-sectoral programming and integration within one institution or seeking linkages with other organizations to create synergy? Separate, joined or blended? How does one decide?
- Blended programs need to be based on participatory, community-based methods. Who is the catalyst? The role of the facilitator is extremely critical.
- How much do we know about the type and effectiveness of economic interventions? Does it work? If so, under what conditions? If not, why not? What are their implications?
- How can microenterprise programming benefit heavily affected communities where illness leads to death in >30% of the families in that community?
- How can linked or integrated initiatives go to scale, the impact of AIDS is overwhelming. Microenterprise programming is moving too slowly. The pandemic is moving quickly; how do we speed up?
- What are the practical methods for linking AIDS and microenterprise programs? How could linkages actually work?
- What is or how do target populations (of each intervention) overlap?
- We need to get out of the 'provider perspective' and into intermediation between what clients of microenterprise services demand and what can be provided (demand pull instead of supply push).
- Need more information on the impact of microenterprise services on the shocks experienced in households and on behavior change.
- Microenterprise programming is a good opportunity to move services into communities, but it HAS to be done right (must adhere to sound practices).



- Given the stigma associated with HIV/AIDS, how can we bring people together for collective action? Does microenterprise programming require collective action?
- Microfinance has built-in incentives to deal with/respond to HIV/AIDS.
- But microfinance is not the ONLY response. We need to bring in other payers as well.

### ***Exchanging Views***

Facilitators of the plenary discussion assisted the Town Hall participants to synthesize the issues, opinions and questions raised into broad theme areas. These theme areas would then become the topics for small group discussion. The following themes emerged from the joint analysis:

1. "Advocating for and building strategic alliances and linkages between the Microenterprise and HIV/AIDS communities"
2. "Research needs--what information and study results do we already have and what additional information is needed?"
3. "What is happening already in communities and how do we build on this?"
4. "Issues surrounding stigma and discrimination stemming from HIV/AIDS" and
5. "How do we scale up economic strengthening programs?"

The task of each small group was to: a) discuss issues and air views regarding their topic; b) determine actions that each individual would commit to within their own institutions (or personally); and c) indicate what they would like others to be doing.

### ***Where to next?***

After the small groups finished with their discussions; each provided the rest of the participants with a "snapshot" of their discussions. The full notes for each theme group can be found in Annex 9. The following summarizes the highlights of the "snapshots" provide by each group:

#### **Theme group 1—"Linkages and Alliances"**

The burning issues that underlay the group's debate were:

- What, exactly, is the nature of a linkage?
- Linkages MUST be consensual.
- The ideal linkages are organic and natural; one allows them to build from the bottom up.
- Linkages should be as loose or as tight as the concerned parties want them to be.

Some of the actions the group felt they (as individuals or as institutions) could undertake or they felt other needed to undertake were:

- Sensitizing and educating donors
- Promoting mutual exchanges of information, skills and views between the microenterprise and HIV/AIDS communities
- Information sharing and problem solving at the local level (in field programs)
- Create a forum, a network and a directory of resources

## **Theme group 2—“Research Issues”**

The burning issues underlying the discussion in this group was:

- How much do we know about the type and effectiveness of economic interventions? Does it work? If so, under what conditions? If not, why not? What are their implications?

The group decided that supporting more studies of the type carried out by ICRW (Questioning Boundaries: Linking Adolescent Reproductive Health and Livelihood Programs). Putting together inventories of programs that are relevant would also be useful.

Qualitative case studies might reveal useful information on how linkages can work, on how microenterprise services help (or hinder) households to cope with the impact of HIV/AIDS. AS would more quantitative impact studies.

However, first, a research agenda needs to be developed. Using practitioner networks would be an effective way to get input that would help develop a research agenda that would respond to both HIV/AIDS and microenterprise “industries”.

## **Theme group 3—“What is happening already in communities and how do we build on this?”**

First of all, the best way to find out what is happening is to go out to communities, listen and learn. One way to do so is through study tours or assessments. The goal would be to identify the existing assets (as opposed to problems) and build from what is there in a community.

We should all strive to be ambulatory resource centers, learning from other programs and creating multiplier effects to scale up and out successful approaches (to building the economic strength of communities and families affected by HIV/AIDS).

Successful approaches would have more power if practitioners could speak with one voice. Creating “how-to” manuals would be a good way to do this.

## **Theme group 4—“Stigma and Discrimination”**

More research is needed! We need to understand the causes of stigma, but we need to hear it from the community level. In addition, indicators on stigma are very weak. They don't tell us much.

In terms of determining what works and what doesn't:

- Involve PLWA
- Use mass media effectively
- Catalyze young people
- Mobilize political leaders and lending groups to reduce stigma

Empower women in their own financial capability and through affording them access to many financial options.

Promote home care as a paid vocation, as a bona fide enterprise.

## Theme group 5—"Scaling Up"

Underlying issue is that programs in general are reaching far too few people. The pandemic is affecting enormous numbers of people. So does scaling up happen?

Must bridge the gap between "investor" (donor) and "investee" (recipient of funds). The investor seems to drive the process whereas the investee remains passive.

Ideas for bridging this gap:

- Establish a more user-friendly reporting process
- Negotiate accountability
- Communities that have already invested in themselves should be priority targets
- Identify and develop indigenous talent and technical assistance and link these to local resources.

### *Closing remarks*

The day ended as it began with Lloyd Feinberg of the Displaced Children and Orphan's Fund and Mark Connolly of UNICEF/New York offering closing remarks.

Both emphasized that:

- The dialogue needs to continue and needs to move into other arenas
- We all need to know more and especially about impact, but we need to discover this at and from the community
- Stigma is and will continue to be an obstacle to any programming that tries to reduce the impact of HIV/AIDS on families and their children. We all need to put eradicating it at the top of our agendas.
- We need to pay attention to how the microenterprise sector has managed to provide its services on a large scale. There may be lessons to learn from that experience.
- Human and Children Rights and promoting a rights-based approach should be a priority

Mark Connolly also added that, after observing and participating in the Town Hall, that there is an enormous untapped potential in partnerships between the HIV/AIDS and microenterprise fields. Today's Town Hall was just a start. The dialogue must continue.

One way to continue the dialogue is to subscribe to the CABA (Children Affected by HIV/AIDS) and HIV/AIDS and Microfinance listservs. To subscribe to these listservs:

- **CABA electronic discussion forum.** Send a subscription request to Dierdre Gilmore with the Synergy Project at <dierdre@tvassoc.com>.
- **Microfinance & HIV/AIDS listserv** (hosted by CMF/Asia Pacific):  
[www.hivaidsmf/listbot.com](http://www.hivaidsmf/listbot.com)