



International Strategy for
Disaster Reduction

Guidance Note on Recovery

LIVELIHOOD



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IRP was conceived at the World Conference on Disaster Reduction (WCDR) in Kobe, Hyogo, Japan in January 2005. As a thematic platform of the International Strategy for Disaster Reduction (ISDR) system, IRP is a key pillar for the implementation of the Hyogo Framework for Action (HFA) 2005-2015: Building the Resilience of Nations and Communities to Disasters, a global plan for disaster risk reduction for the decade adopted by 168 governments at the WCDR. The key role of IRP is to identify gaps and constraints experienced in post disaster recovery and to serve as a catalyst for the development of tools, resources, and capacity for resilient recovery. IRP aims to be an international source of knowledge on good recovery practice. IRP promotes “Build Back Better” approaches that not only restore what existed previously but also set communities on a better and safer development path and support development of enhanced recovery capacity at regional, national, and sub-national levels with particular focus on high-risk low-capacity countries.

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Introduction

Purpose

There is currently an abundance of documents, plans and policies that address common issues faced in the mitigation, preparedness and relief phases of natural disaster management. Yet for disaster recovery planners and policy makers, there is no cohesive documented body of knowledge. It is conceded that preventive measures are vital to reducing the more costly efforts of responding to disasters. Nevertheless, in the post disaster situation, the availability of knowledge products reflecting the practices and lessons learned is critical for effective and sustainable recovery. Unquestionably, a wealth of experience and expertise exists within governments and organizations; however the majority of this knowledge is never documented, compiled, nor shared. Filling this knowledge gap is a key objective of the International Recovery Platform and The Guidance Note on Recovery: Livelihood, along with its companion booklets, is an initial step in documenting, collecting and sharing disaster recovery experiences and lessons. IRP hopes that this collection of the successes and failures of past experiences in disaster recovery will serve to inform the planning and implementation of future recovery initiatives. The aim is not to recommend actions, but to place before the reader a menu of options.

Audience

The Guidance Note on Recovery: Livelihood is primarily intended for use by policymakers, planners, and implementers of local, regional and national government bodies interested or engaged in facilitating a more responsive, sustainable, and risk-reducing recovery process. Yet, IRP recognizes that governments are not the sole actors in disaster recovery and believes that the experiences collected in this document can benefit the many other partners working together to build back better.

Content

The Guidance Note on Recovery: Livelihood draws from documented experiences of past and present recovery efforts, collected through a desk review and consultations with relevant experts. These experiences and lessons learned are classified into two major issues:

1. Enabling livelihood protection
2. Improving livelihood promotion

The materials are presented in the form of cases. The document provides analysis of many of the cases, highlighting key lessons and noting points of caution and clarification. The case study format has been chosen in order to provide a richer description of recovery approaches, thus permitting the reader to draw other lessons or conclusions relative to a particular context.

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It is recognized that, while certain activities or projects presented in this Guidance Note have met with success in a given context, there is no guarantee that the same activity will generate similar results across all contexts. Cultural norms, socio-economic contexts, gender relations and myriad other factors will influence the process and outcome of any planned activity. Therefore, the following case studies are not intended as prescriptive solutions to be applied, but rather as experiences to inspire, to generate contextually relevant ideas, and where appropriate, to adapt and apply.

A Working Definition of Livelihood

When asked “what is a livelihood”, few would struggle to answer. “Making a living”, “supporting a family”, or “my job” all describe a livelihood. The term is well recognized as humans inherently develop and implement strategies to ensure their survival. The hidden complexity behind the term comes to light when governments, civil society, and external organizations attempt to assist people whose means of making a living is threatened, damaged, or destroyed. From extensive learning and practice, various definitions have emerged that attempt to represent the complex nature of a livelihood. This document embraces the definition suggested by Chambers and Conroy:

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base. (Chambers & Conway, 1991)

In order to better understand how people develop and maintain livelihoods, the UK Department for International Development (DFID), building on the work of practitioners and academics, developed the Sustainable Livelihoods Framework (SLF). This framework is an analysis tool, useful for understanding the many factors that affect a person’s livelihood and how those factors interact with each other. The SLF views livelihoods as systems and provides a way to understand:

1. the assets people draw upon
2. the strategies they develop to make a living
3. the context within which a livelihood is developed
4. and those factors that make a livelihood more or less vulnerable to shocks and stresses

Livelihood assets:

Assets may be tangible, such as food stores and cash savings, as well as trees, land, livestock, tools, and other resources. Assets may also be intangible such as claims one

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can make for food, work, and assistance as well as access to materials, information, education, health services and employment opportunities.

Another way of understanding the assets, or capitals, that people draw upon to make a living is to categorize them into the following five groups: human, social, natural, physical, financial, and political capitals

Box 1. Livelihood Assets

<i>Human capital:</i>	Skills, knowledge, health and ability to work
<i>Social capital:</i>	Social resources, including informal networks, membership of formalized groups and relationships of trust that facilitate co-operation and economic opportunities
<i>Natural capital:</i>	Natural resources such as land, soil, water, forests and fisheries
<i>Physical capital:</i>	Basic infrastructure, such as roads, water & sanitation, schools, ICT; and producer goods, including tools, livestock and equipment
<i>Financial capital:</i>	Financial resources including savings, credit, and income from employment, trade and remittances

Source: Eldis – Livelihoods Connect, Retrieved from <http://www.eldis.org/go/topics/dossiers/livelihoods-connect/what-are-livelihoods-approaches/livelihoods-assets>

Livelihood context:

Livelihoods are formed within social, economic and political contexts. Institutions, processes and policies, such as markets, social norms, and land ownership policies affect our ability to access and use assets for a favorable outcome. As these contexts change they create new livelihood obstacles or opportunities.

Box 2. Livelihood Contexts

<i>Social relations:</i>	The way in which gender, ethnicity, culture, history, religion and kinship affect the livelihoods of different groups within a community
<i>Social and political organization:</i>	Decision-making processes, civic bodies, social rules and norms, democracy, leadership, power and authority, rent-seeking behavior
<i>Governance:</i>	The form and quality of government systems including structure, power, efficiency and effectiveness, rights and representation
<i>Service delivery:</i>	The effectiveness and responsiveness of state and private sector agencies engaged in delivery of services such as education, health, water and sanitation

<i>Resource access institutions:</i>	The social norms, customs and behaviors (or ‘rules of the game’) that define people’s access to resources
<i>Policy and policy processes:</i>	The processes by which policy and legislation is determined and implemented and their effects on people’s livelihoods

Source: Eldis - Livelihoods Connect, Retrieved from <http://www.eldis.org/go/topics/dossiers/livelihoods-connect/what-are-livelihoods-approaches/policies-institutions-and-processes>

Livelihoods are also shaped by the changing natural environment. The quality of soil, air and water; the climatic and geographic conditions; the availability of fauna and flora; and the frequency and intensity of natural hazards all influence livelihood decisions.

Livelihood strategies:

How people access and use these assets, within the aforementioned social, economic, political and environmental contexts, form a livelihood strategy. The range and diversity of livelihood strategies are enormous. An individual may take on several activities to meet his/her needs. One or many individuals may engage in activities that contribute to a collective livelihood strategy. Within households, individuals often take on different responsibilities to enable the sustenance and growth of the family. In some cultures, this grouping may expand to a small community, in which individuals work together to meet the needs of the entire group.

Livelihood Vulnerability:

The strength of a given livelihood is not only measured by its productive outcomes, but equally by its resilience to shocks, seasonal changes and trends. Shocks might include natural disasters, wars, and economic downturns. Availability of resources, income-generating opportunities, and demand for certain products and services may fluctuate seasonally. More gradual and often predictable, trends in politics and governance, technology use, economics, and availability of natural resources, can pose serious obstacles to the future of many livelihoods. These changes impact the availability of assets and the opportunities to transform those assets into a “living”. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive.

Livelihood Interdependence

One final important characteristic of livelihoods is their interdependence. Very few livelihoods exist in isolation. A given livelihood may rely on other livelihoods to access and exchange assets. Traders rely on farmers to produce goods, processors to prepare them, and consumers to buy them. Livelihoods also compete with each other for access to assets and markets. Thus positive and negative impacts on any given livelihood will, in turn, impact others. This is a particularly important consideration when planning livelihood assistance.

Why consider livelihoods?

The role of livelihoods-based responses following natural disasters has been debated within the humanitarian community over the last decade. The importance of taking into account the livelihoods of disaster affected populations and, where possible, protecting and developing them, has been increasingly recognised and addressed by all key actors within disaster recovery processes.

More importantly, disaster affected populations have overwhelmingly identified livelihoods as their greatest recovery priority. An evaluation of the Disasters Emergency Committee involvement in the 2001 Gujarat recovery effort noted that, “People constantly emphasised the need to restore livelihoods rather than receive relief and expressed some frustration that outsiders did not listen to them on this point” (Humanitarian Initiatives UK, 2001,p.16). Similar findings in Indonesia (CDA, 2006), Nicaragua (Delaney & Shrader, 2000), Iran (Fallahi, 2007), and Haiti (Oxfam, 2010) affirm at a global scale the importance people give to restoring their capacity to earn a living

Box 3. When recovery efforts fail to consult intended “beneficiaries

In the Maldives, there has been an unprecedented investment by aid agencies in infrastructure (non-existent prior to the tsunami) construction for fisheries-related activities (fish markets, harbours, etc.) as well as for waste disposal and management on the islands. However, this evaluation found that in most cases, these facilities were lying abandoned and unused – the fish markets were intended to be run by fisheries cooperatives in a context where cooperatives have historically not existed, while the construction of the latter was not accompanied by any awareness-raising campaigns on hygiene and civic responsibility, or the potential economic benefits of waste recycling (Brusset et al., 2008, p. 68).

Source: A ripple in development - main report, retrieved from <http://www.reliefweb.int/rw/rwb.nsf/db900SID/AMMF-7SHNRJ?OpenDocument>

An area requiring greater attention is to establish tools and guidance for agencies to clearly assess communities’ social capital and its remaining capacity following a disaster. New, more comprehensive assessment tools have been developed to better understand livelihood needs and guide disaster livelihoods work such as the Livelihood Assessment

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Toolkit, described in Box 4. An essential component in many of these assessment tools is the establishment of a livelihood baseline, or a pre-disaster profile of the affected communities.

Box 4. Livelihood Assessment Tool Kit

Assessing the impact of disasters on the livelihoods of people and the capacity and opportunities for recovery and increased resilience to future events is an important part of the response to disasters, yet current assessment systems are often weak, uncoordinated and are not strongly linked to livelihood recovery interventions.

In order to improve understanding of the impact of disasters on livelihoods, the Food and Agriculture Organization of the United Nations (FAO) and the International Labour Organization (ILO) have jointly developed the Livelihood Assessment Tool-kit (LAT).

The LAT consists of three main technical elements:

1. Livelihood Baseline Assessment (which is undertaken pre-disaster);
2. Immediate Livelihood Impact Appraisal (undertaken immediately after the disaster); and
3. Detailed Livelihood Assessment (undertaken up to 90 days after the disaster).

In the process of development, the LAT has been tested, redefined and refined in a number of countries including Pakistan (2005 Kashmir earthquake); Indonesia (2006 volcanic eruption and earthquake in Yogyakarta); Philippines (2006 Typhoon Reming); Bolivia (2007 flooding); and Pakistan again in 2008 (livelihood baseline work).

The toolkit can be accessed at http://www.fao.org/fileadmin/templates/tc/tce/pdf/LAT_Brochure_LoRes.pdf

Livelihood recovery is an evolving process

Livelihood recovery is also a building process that takes place in a very dynamic environment. Livelihood strategies must be able to adapt or change altogether as the surrounding conditions change. Disaster assistance, across all sectors, also directly and indirectly impacts livelihood recovery, either enabling or impeding it.

A young and growing field of practice

Livelihood recovery, as a field of practice, is in a young and experimental stage. It is only now beginning to be formalized within disaster response and recovery initiatives, yet there is often few shared understandings about how to comprehensively assess and implement “livelihoods recovery”. Interventions often rely on former modalities of providing food and replacing physical assets. Programming and funding for livelihoods support is channeled through multiple sectors, and livelihood practitioners struggle to develop effective coordination mechanisms and tools to assess needs, evaluate impacts, and prevent overlapping and conflicting interventions.

Still, much has changed in the way that national and international actors respond to the livelihood needs of affected peoples. The growing recognition of the complex make up of livelihoods has resulted in many new modalities and more comprehensive programs that address not only the replacement of physical assets, but the restoration of crucial social networks, the provision of financial services, and the development of markets. Furthermore, there is an increasing emphasis on long term sustainability and the resilience of livelihoods to future disasters. Within this changing discourse of practice and learning, new approaches are continually defined and lessons drawn from experience

Box 5. Livelihood practitioner communities of practice

A growing number individuals and organizations engaged in livelihood programming have joined together to share experiences, ideas and resources through the establishment of communities of practice. Several of these have a strong online presence and provide a range of knowledge services.

Eldis - <http://www.eldis.org/>

SEEP Network - <http://www.seepnetwork.org/Pages/Default.aspx>

UK Department of International Development Livelihood Resource Centre - <http://www.livelihoodsrc.org/>

Other communities of practice which address livelihood recovery include:

International Recovery Platform - <http://www.recoveryplatform.org/>

Preventionweb - <http://preventionweb.net/english/>

ProVention Consortium - <http://www.proventionconsortium.org/>

Gender and Disaster Network - <http://www.gdonline.org/>

The following case studies and associated lessons emerge from this dynamic and young field of practice. Respecting the growth of the field and the contextual nature of livelihood recovery, the material is intended solely to generate ideas and not to prescribe actions

Livelihood issues in Recovery

Introduction to key issues

In order to frame the stories and ensuing discussion, it is useful to introduce the operational framework by which livelihood interventions are most commonly planned and implemented.

Within this framework, livelihood interventions are loosely categorized into three overlapping phases that roughly correspond to the immediate, short, and long term needs of affected populations. These phases are *livelihood provisioning*, *livelihood protection* and *livelihood promotion*.

In the acute phase of a disaster, livelihood provisioning activities typically consist of providing critical food and non-items necessary for survival. The livelihood protection phase of interventions aims to protect, replace and rebuild the productive assets needed to initiate a pre-existing or new livelihood. The livelihood promotion interventions serve to initiate and strengthen livelihoods to be more economically and environmentally sustainable as well as more resilient to future disasters. In general, these phased activities build upon each other. The duration of each set of activities will vary based on the type of disaster and the extent of damage. Additionally, different types of interventions will need to be undertaken simultaneously as the recovery rates of households and communities will differ

Box 6. A phased Approach to Livelihood Programming

<i>Livelihood provisioning</i>	Livelihood provisioning is a set of relief based interventions that involve providing food and meeting other essential needs for households to maintain nutritional levels and save lives.	Interventions of this type usually entail food and health relief for people in an emergency or people who are chronically vulnerable.
<i>Livelihood protection</i>	Livelihood protection is a set of interventions that involve protecting household livelihood systems to prevent an erosion of	These types of interventions entail timely food and income transfers; infrastructure repair, rehabilitation, and improvements,

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	productive assets and replacing or rebuilding productive assets.	carried out through food- or cash-for-work or some other means; and replacement of assets such as tools, boats and seeds.
<i>Livelihood promotion</i>	Livelihood promotion is a set of development based interventions that involve improving the resilience of household livelihoods so that food and other basic needs can be met on a sustainable basis	Interventions of this type entail strategies such as diversifying livelihoods strategies; creating alternative income-generating activities; providing financial services, such as loans and insurance; and strengthening markets.

Adapted from: The Household Livelihood Security Concept, Retrieved from <ftp://ftp.fao.org/docrep/fao/X0051t/X0051t05.pdf>

Different methods, capacities, resources and timeframes are required to achieve the different objectives of livelihood provisioning, protection, and promotion. Livelihood provisioning is a relief-based objective, which relies on swift response and the logistical capacity to deliver critical provisions. Livelihood protection is aligned with the recovery phase and requires careful and complex assessment and benefits from local contextual knowledge. Livelihood promotion is the transition from recovery efforts to development goals and requires the long term commitment of governments and other development actors.

The following case studies and discussion focus primarily on the livelihood protection and livelihood promotion phases. The contents are organized as follows:

Issue 1: Enabling livelihood protection

- Cash grants and material assistance
- Creating temporary income-earning opportunities
- Procuring local goods and services
- Using market chain analysis to reinvigorate markets

Issue 2: Improving livelihood promotion

- Engaging development actors in livelihood programming
- Building and strengthening micro-finance institutions
- Intervening in markets
- Ensuring economic and environmental sustainability

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These guidance notes will not address issues specific to livelihood provisioning as these are better presented within the scope of relief operations. However, as the need for food and other critical items may persist well into the recovery phase and beyond, livelihood provisioning activities are referenced throughout the document.

Issue 1 - Protecting and replacing productive assets

The first step towards building self-reliance and a sustainable livelihood is reestablishing the necessary assets to generate income. Without an income, individuals and households are obliged to rely on friends, family, and available assistance to meet their most basic needs of food and shelter. Where help is limited, many are forced to resort to adverse coping mechanisms, such as cutting down on meals or selling off any remaining productive assets. Without assets, earning opportunities decrease and many are forced to migrate for menial work or take on overwhelming debt. To prevent this spiraling cycle of vulnerability, it is imperative to act swiftly to protect the assets people have salvaged and replace or rebuild those that have been lost.

Since assets may not be immediately available, continued livelihood provisioning may be necessary to prevent asset depletion. Moreover even when productive assets have been re-established, considerable time may pass before they can be used to generate income. This may be due to the nature of the livelihood (Farmers who must await the harvest to sell crops), or a lack of market demand. Without coinciding social welfare support, existing and new assets are quickly sold to purchase food and other essential items. This illustrates the importance of effective coordination of livelihood provisioning and protection activities.

Protecting or rebuilding assets requires different and multiple interventions. For example, farmers who had lost their crops due to cyclone Nargis needed new seed and soil treatments as well as assistance to clear debris from the damaged fields and rehabilitate salinized land. Likewise, repair of roads, new stock, a means of transport, and child care facilities may be needed for a small or micro-enterprise to reestablish its businesses.

In order to urgently address the asset needs of affected populations, governments and other recovery actors have developed and applied a range of different approaches. The most common approaches include: cash grants, in-kind assistance, and temporary employment.

NOTE: If targeting for the replacement of livelihoods assets is directed only for those whose livelihoods assets were destroyed or damaged by the disaster, this method may favor the more advantaged socio-economic community members who had more livelihoods assets pre disaster. Whereby the more socio-economic disadvantaged community members in many cases may not have owned any livelihoods assets and they may be the most vulnerable people affected by the disaster.

NOTE: Although public infrastructure, housing, health, education are all important assets upon which people rely, these have not been fully addressed here, but are covered in the corresponding companion documents.

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Sub Issue 1: Cash and materials assistance

Cash grants have become a popular and successful means of assisting people to meet their essential food needs and rebuild their livelihoods. The use of the cash grants 1) empowers beneficiaries with choices to purchase locally according to their personal needs, 2) promotes self directed recovery, and 3) assists in stimulating the local economy whilst minimizing the potentially complicated logistics associated with in-kind distributions.

The advent of cash-based interventions emerged from queries and concerns about the appropriateness and cost-effectiveness of in-kind assistance (particularly food aid), which for decades, made up the bulk of humanitarian assistance. A study from the 1990s noted that due to the large influx of food aid to drought-inflicted areas of Ethiopia, the price of local grain plummeted, leaving farmers in surrounding regions with large surpluses and no market (IFRC, 2003). Since then donor agencies, governments, and NGOs have increasingly experimented with cash-based interventions, exposing old myths about misuse and uncovering new applications and challenges.

Individual cash grants

Widely used as a provisioning intervention in the relief phase, many livelihood practitioners have begun experimenting with cash as a livelihood recovery tool, such as Save the Children's livelihood recovery program in Myanmar (See Case 1).

Providing cash grants has raised many questions revolving around the issues of misuse and transparency which many agencies have grappled with and resolved. To ensure that the cash assistance achieves its intended purpose, programs have required that beneficiaries include a business plan for grant eligibility and/or provide receipts detailing how the cash was spent.

Vocational or business skills development programs often supplement their training services with a cash grant that serves as startup capital. The skill-training component of livelihoods programmes proves to be extremely useful for all beneficiaries as it enhances their knowledge of recent developments and new techniques used within their specific livelihoods sectors, and they also became aware of many government support services offered by the various extension officers veterinary, agriculture, fisheries etc.

In defining the amounts for cash grants, it has been a challenge to ensure that they are of sufficient value to enable the beneficiaries to reestablish their livelihoods, whilst moderate enough to provide funds to as many beneficiaries as possible across a broad area.

Case 1: Livelihood cash grants in Myanmar

After Cyclone Nargis ravaged the Ayeyarwaddy Delta in May of 2008, Save the Children in Myanmar (SCiM) initiated a 'cash grant for livelihood recovery' programme.

In line with the priority needs identified by affected communities, the programme aimed to help cyclone-affected households to 'begin to fulfill their right to livelihoods and to

reduce dependence on food assistance through the rapid replacement of essential livelihoods assets'. With funding from the Disasters Emergency Committee (DEC), the programme provided 28,000 households with cash grants. Livelihoods Committees were formed in each village to facilitate the delivery of livelihoods projects. Assets supplied included boats, nets, livestock, items to start small businesses and fertilizer.

The programme used a mixture of cash grants direct to households and facilitated procurement of livelihood assets. The choice between these two methods was based on several factors, including whether the local authorities would accept the use of cash as a means of recovering livelihoods, the applicability of cash to livelihoods activities, market access and the potential for cash to cause conflict between targeted and non-targeted communities. Safety and logistics were also considered.

In light of the tensions caused within some communities as a result of household-level targeting in food aid programming, it was decided that the project would give equal levels of assistance to each household in the targeted villages. Villages were selected according to the following criteria.

1. Food security: so that households would not use the assistance to buy food, it was essential that people enjoyed minimal levels of food security.
2. Degree of mortality and damage.
3. Degree of household poverty and vulnerability.
4. Multi-sector approach: other Save the Children sectors should be working in the village, to ensure maximum outreach capacity and pre-existing relationships.
5. Overlap: avoid areas where other agencies were doing similar work.

The project was launched in the last week of July 2008, and was completed by the end of September, a little over two months later. The target of 28,000 households was reached across seven area offices in the eastern and western regions of the Delta. This is notable given that SCiM did not have a livelihoods programme in place prior to Nargis.

An internal evaluation of the project was conducted, involving focus group discussions with 17 Livelihoods Committees and 102 interviews with households from poor and very poor wealth groups, including 54 in an area which only used cash grants and 48 in an area which used a mix of cash grants and facilitated procurement. As most households used the majority of their cash grant to buy livelihoods assets, there was no obvious difference between the two methods in terms of outcome for the households concerned. A market survey was also carried out, including interviews with seven traders.

Impact on livelihood recovery

Most people said that the project had had an impact on their livelihood recovery, through investment in essential livelihoods assets. Of the 102 households surveyed, 37 said that they had recovered their livelihoods to a quarter or below of their pre-cyclone

levels; 52 reported that livelihoods had recovered to 50% or above their pre-cyclone levels; nine stated that their income levels were 100% or above pre-cyclone levels and four did not respond.

Usage of cash

Livelihoods Committees (LCs) from each of the 17 villages visited reported that nearly all the grants had been used for the purchase of assets to support livelihoods, predominantly casual labour, petty trade and fishing. The household surveys also showed that the majority – 66 households – used all of their grants for the purchase of livelihoods assets. Thirty used most of the grant for livelihoods assets, with the balance going on food, education and health expenses; only six households reported not using their grants for livelihoods asset recovery, instead opting to spend all of the money on food, education and health.

Save the Children's Emergency Cash Transfer Programme in Myanmar accessed at <http://www.odihpn.org/report.asp?id=2992>

Lesson 1: Whilst targeting is a useful way of ensuring that cash grants are provided to those in greatest need and are used as intended, it can create frustration, provoking feelings of unfairness amongst those who are not included. This is particularly the case amongst highly collective societies. As disasters impact upon all community members, everyone in the affected area is indirectly or directly affected. Therefore the provision of a cash grant to all households can raise the economic level of all households equally, therefore reducing potential tensions within communities. By choosing to provide assistance at the village level, rather than at the household level, the initiative was able to prevent such frustrations. Another common approach to targeting is to have the community members determine who should receive assistance.

Lesson 2: When assistance providers are accountable to donors or government funding mechanisms for the use of funds, a strong monitoring and evaluation plan can provide the necessary information to determine and report the impacts of the cash grant program.

Lesson 3: By developing sound and socially accepted targeting criteria and a thorough monitoring and evaluation component, this initiative has shown that cash grants can be a highly effective means of assisting affected individuals to rebuild their productive assets.

Community block grants / social funds

Cash has also been provided to communities in the form of a one-off grant or via a social fund. This form of cash assistance serves to build both physical and social capital. Local committees, or CBOs, administrate the funds, identify how they should be invested, and manage the chosen project. Community-based grants may be targeted to specific populations, who may have less access to disaster assistance such as women, or the ultra

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poor (see Case 2). In such cases, the grant may also serve to build self-confidence and local leadership capacity.

Case 2: Village livelihood grants in China

On March 6, 2009, over 30 villagers in Mingyue Village at Anxian of Sichuan – near the epicenter of the devastating 2008 earthquake – gathered at the village committee’s meeting room. They were coming together, almost a year after their first participatory planning workshop to discuss how to re-start productive activities in this earthquake-affected community. Representing all of the 485 households in the village, participants included village leaders, women’s organizations representatives, and ordinary villagers. Some of them just finished rebuilding their houses that had collapsed in the earthquake, while the rest were still in the process of rebuilding. However, most of them had one problem in common: rebuilding their homes was costly, most of their money, if not all, was now gone, and they were having difficulty resuming agricultural activities. They all knew it was unlikely they would get government support any time soon to assist them in rebuilding their livelihoods. Anxian was one of the 10 worst hit counties in China, according to the central government; the local government’s initial focus was on reconstructing the country’s major infrastructure facilities in the county.

A workshop was organized by the Sichuan Academy of Social Sciences (SASS) with support from The Asia Foundation through the Give2Asia China Earthquake Recovery Fund. It is a major activity under the one-year program called Community Participation in Rural Development in Earthquake-affected Sichuan. Since December 2008, the program has aimed to promote public participation in rural communities’ recovery decisions in Sichuan. After the needs assessment and participatory planning workshops, it provides initial funding to pilot villages to carry out the plans developed by the villagers, and encourages them to seek relief funds from other sources to complete the rest of the necessary activities identified in the workshops.

With support from SASS, villagers from Mingyue actively and openly debated for over three hours on how to best jumpstart their local economic recovery. Some thought it was important to first repair the irrigation system that was damaged in the earthquake. Others believed that they should switch to grow new varieties of oranges, because a market no longer existed for the current variety. And some shared eco-agriculture models they had seen on TV and in newspapers. Throughout the debates, many of them repeatedly emphasized that they needed quality and practical technical support on agricultural activities. Women, the majority in the village, asked for development plans tailored to their needs. (Most of the men have left villages in Sichuan to work in eastern and southern coastal areas of China.)

The Mingyue villagers finally agreed on an eco-agriculture model: to utilize the existing orange orchards to raise a native species of chicken and promote home-stay tourism. The initial funding provided by the program would cover fees for technical experts, expense for villager’s study tours, cost of purchasing chickens, and paying for materials such as feeds, immunizations, and pesticides for orange plants. The villagers also decided

that the village's women's organization should lead this effort.

The Anxian local government has been behind the project in the Mingyue Village; the Agriculture Bureau and Animal Husbandry Bureau have become involved daily with the project team. While the central government has called for public participation in the reconstruction efforts, such community participation normally remains a substantial challenge. Many officials shared that they were already doing their best, but acknowledged that capacity for participatory recovery at both the local government and community levels was weak. They were enthusiastic about this project, saying customized relief efforts are essential for successful long-term rehabilitation and reconstruction.

Source: From China: Women-led earthquake recovery, Retrieved from <http://asiafoundation.org/in-asia/2009/05/13/from-china-women-led-earthquake-recovery/#more-1848>

Lesson 1: By placing the affected communities at the center of identifying needs and designing and implementing potential solutions, the initiative benefits from their intimate knowledge of available assets, local market opportunities, and viable livelihood strategies.

Lesson 2: The project has involved local government agriculture and animal husbandry bureaus. By establishing working relationships with these local experts, the women may still have access to technical support once the project has terminated.

Lesson 3: The initiative illustrates a gender-sensitive recovery approach as it recognizes the critical economic contributions that women make to household incomes and encourages and strengthens their leadership capacity to address their recovery priorities.

Case 3: Community cash grants in Orissa

In a small village in Orissa state, is a neighborhood of 600 households that primarily depend on fishing and fishing-related activities for their livelihood. With a fleet of 90 flat bottom wooden plank boats, a crew of three fishermen per boat would fish the local waterways. During the 1999 cyclone most fishermen lost their boats and fishing gear. Attempts were made to repair a few of the damaged boats, but most fishermen were forced to take on work as wage labourers. As hiring boats from outside the village was too costly, they contacted members of a nearby NGO, the Voluntary Health Association of India (VHAI-Aparajita) for assistance.

In October 2000, with the help of funding from the UK Department of International Development (DFID), VHAI-Aparajita provided a community cash grant to rehabilitate the neighborhood. The families chose to use the majority of the grant to replace their boats and regain their livelihoods. With the grant, they could only build 25 replacement craft, so they decided to share each boat amongst 5 families. The villagers set up a

committee that was responsible for the selection of beneficiaries and the management of boat building activity. The committee decided to provide space and labour for the construction of a boat building shed. To ensure that the boats were made to the design and quality required by the fishermen, local carpenters were brought together to carry out the work. VHAI-Aparajita also arranged for net suppliers to visit the village so that the fishermen could select the type and quality of nets and gear that corresponded to their specific needs.

The committee managed the vessel production and the weekly payment to carpenter. An agreement was made that 50% of the total cost of the boats and corresponding nets would be repaid in 18 installments once the fishing activity resumed. The monthly installments were then deposited in the bank and used for additional community investments.

Source: Learning Lessons from the Cyclone: A Study of DFID's Support for Post-Cyclone Livelihoods Rehabilitation in Orissa, India, Retrieved from <http://www.imm.uk.com/DS/Open.aspx?id=07cc8193-dd90-49c0-a247-604da67616dc>

Lesson 1: If the total funding would have been divided and disbursed to each household, no family would have had sufficient money to rebuild boats. By providing the lump sum to the group as a whole, individual members were able to negotiate a way for all households to have access to a fishing boat.

Lesson 2: By building on the existing organizational capacity of the community to define and manage recovery initiatives, the funding has not only been used to meet the livelihood needs of the fishermen, but has been reinvested in future community recovery projects.

Lesson 3: Additionally, by using local resources to rebuild the boats, the project has benefitted local markets and indirectly assisted the livelihoods of others within the community.

For additional information on block grants and social funds, please see:

Building Resilient Communities: Risk Management and Response to Natural Disasters through Social Funds and Community-Driven Development Operations.
World Bank

http://siteresources.worldbank.org/INTSF/Resources/Building_Resilient_Communities_Complete.pdf

Social Protection in Asia and the Pacific – Chapter 11 Social Funds: Theoretical Background and Chapter 12 Social Funds: Project and Program Issues. Asian Development Bank

http://www.adb.org/documents/books/social_protection/default.asp

Advantages to cash assistance

There are many advantages to using cash as a means to support production. Probably the strongest argument for giving cash vs. in-kind assistance is that it transfers the decision-making power to the affected individuals, who typically know better what they need than do assistance providers. This argument has been consistently echoed by beneficiaries of cash grants (Harvey, 2005). Where adequate supply exists, cash grants may strengthen local markets as well. In Mozambique, “87% of purchases following a cash grant took place within the district and argued that the programmes money was spent mainly in local distribution points and therefore remained in the region, stimulating sales, income gains and job creation by store owners and their employees” (Abt Associates Inc. & Agricultural Policy Development Project, 2002 cited from Harvey, 2006). Another argument for using cash grants is that administrative costs can be significantly less than in-kind assistance

Box 7. Linking cash-based programs with financial institutions

The use of personal saving accounts to deliver the cash grants can be very positive. It provides the beneficiaries with direct contact with the banking sector, the opportunity to develop greater understanding of managing their own finances, and a tool to start simple saving plans and to make financial plans for their future. As access to these basic financial services has often been out of reach for disaster affected people in many developing countries, the inclusion of simple training sessions to highlight the benefits of savings and to create awareness of other financial services such as micro credit and micro insurance can further enhance the impacts of this modality of payment.

From an administrative perspective, the opening of private savings accounts proves to be a very transparent and accountable delivery mechanism that ensures a hand-to-hand provision of assistance to each of the selected beneficiaries.

Challenges and drawbacks of using cash

Evaluations indicate that when cash grants have been given to purchase, repair, or rebuild productive assets, most of the money is spent as intended. Yet, exceptions have occurred when assistance providers could not effectively target the grants. In some cases, beneficiaries without other income or assistance used the money to purchase food or repay debts. In other cases, such as in post-tsunami Aceh, poor coordination between too many assistance providers meant that some households were receiving multiple grants simultaneously.

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Some of the potential challenges of using cash for livelihood assistance

- Cash usage is difficult to monitor. This has been an impediment for many livelihood assistance providers who are equally accountable to donors. However studies suggest that with careful targeting and a strong monitoring and evaluation plan, cash grants can be directly linked to asset recovery.
- Effective targeting and registration of beneficiaries can be difficult as everyone wants cash. Practitioners have attempted to address this issue in various ways. One effective approach is to work through local NGOs and civil society groups who are familiar with the intended population.
- Women and children may benefit less, when cash is distributed to men. Recognizing this challenge, many cash grant programs now insist on distributing the cash grant directly to the beneficiary.

Material assistance

Material assistance may be more suitable when there is an urgent need to replace crucial assets that are not immediately available in local markets. One example of this is the distribution of seed to farmers who need to immediately plant their crops to avoid losing a season's harvest.

When Cyclone Nargis devastated Myanmar's Ayeyarwaddy (Irrawaddy) Delta area in 2008, not only did it leave more than 140,000 people dead or missing but it also caused an estimated 1.2-million-ton drop (6%) in rice production, jeopardizing the country's food security and exports. With limited time to replant for the next harvest and high levels of salt contaminating the soil, the Myanmar Agricultural Service, in partnership with the International Rice Research Institute (IRRI), provided flood and salt-tolerant strains of rice from the IRRI's seed banks (IRRI, 2008).

Material assistance may also be advantageous in the following situations:

- When an injection of cash might cause significant inflation;
- If the possession of cash endangers physical security;
- If it is difficult to target grants to appropriate beneficiaries; or
- When there is evidence of considerable corruption (although materials assistance is by no means corruption proof).

Direct material distribution appears to have greater success when beneficiaries either participate in the selection of materials, or lead the process altogether (See Case 4). The All India Disaster Mitigation Institute has developed an approach where recipients identify the productive assets they require.

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Case 4: Livelihood Relief Fund

The Livelihood Relief Fund (LRF) is a demand-driven asset replacement service provided the All India Disaster Mitigation Institute (AIDMI) serves survivors of floods, earthquakes, a tsunami, as well as civil strife. LRF staff initiates the process by visiting affected communities and raising awareness of the fund and the eligibility requirements. AIDMI focuses its assistance on the most vulnerable of populations, particularly those which are often excluded from assistance; hence LRF recipients must provide both pre- and post-disaster livelihood information and proof that they have not received other relief assistance. Recipients identify the particular assets they need and, along with LRF staff, consult several vendors to identify the best price. AIDMI purchases the goods and turns them over to the recipient. A series of monitoring visits and a second needs assessment are carried out to verify if further assistance is required. If so, recipients are eligible for a second round of assistance through the LRF. Although staff intensive and time-consuming, this individualized approach to livelihood protection has been highly successful, serving over 10,000 low income women, social minorities, and informal sector workers.

Source: Transferring risk through microinsurance, microcredit and livelihood relief: Best Practice Case Studies, Retrieved from http://www.proventionconsortium.org/themes/default/pdfs/AIDMI_bestpractice_casestudies.pdf

Lesson 1: This form of material assistance helps to ensure that assistance is being used as intended, while still placing the decision-making power in the hands of the beneficiaries.

Lesson 2: In the dynamic economic environment following a disaster, continued monitoring and the opportunity for additional assistance gives beneficiaries the flexibility to make changes in their livelihood strategies if the market demand weakens.

Lesson 3: As this approach is staff-intensive, it may be less viable on a large scale due to high administrative costs

In-kind assistance may also come in the form of services. Cash for work and food for work programs have been used with much success to rehabilitate agricultural land and de-silt ponds. For more on CFW programs, see *Issue 2: Creating Temporary Income-Earning Opportunities*.

Drawbacks of providing material assistance

One of the weaknesses of directly providing materials is that the materials supplied, particularly when imported, often do not meet the specific requirements of the local context. A well known example of this issue is the provision of boats to Indian Ocean fishermen following the 2004 Tsunami. Governments and donors reasoned that a rapid

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replacement of lost and damaged boats could lead to immediate income generation for fishermen and additional benefit to the local economies. Although the reasoning may have been sound, most of the initiatives were highly supply driven and resulted in an oversupply of inappropriate or unsuitable boats (See Case 5). This not uncommon phenomenon points to a larger issue commonly associated with direct in-kind distribution - that of poor or little beneficiary consultation.

Case 5: Uncoordinated provision of fishing boats

The problems that have emerged in the fisheries sector highlight some of the complex problems in providing livelihood assistance to match community needs in difficult post disaster conditions. Assistance to replace damaged boats has been forthcoming from many donors ... and the number of boats is already close to pre-tsunami levels. However, because the fishing industry uses a wide range of vessels, fishing techniques and practices, including the use of a wide variety of nets, fishing vessels that have been provided do not always match community requirements.

The uncoordinated replacement of fishing vessels in some locations has resulted in a larger number of smaller vessels than before the tsunami, potentially leading to overfishing. Typically, the smaller boats have been repaired and replaced fastest with over 80 per cent restored countrywide compared to the more expensive multi-day and 3.5 ton boats which indicate a replacement of between 60-70 per cent. However, replacement has been quite uneven. In the southern areas such as Kalutara, Hambantota and Galle, as well as Trincomalee in the east, the number of traditional craft already exceeds the pre-tsunami levels.

Data also shows that many NGOs are planning to continue providing boats which in some places could lead to a doubling of pre-tsunami fishing effort, especially in the near shore coastal areas which were already subject to over-fishing prior to the tsunami. As a result, efforts are underway to encourage a reduction in the distribution of small craft. Some NGOs have been responsive; Sewa Lanka, an NGO, cancelled an order for 2000 traditional canoes.

Source: Post-Tsunami Recovery: Issues and Challenges in Sri Lanka, Retrieved from <http://www.adbi.org/files/2005.10.dp39.tsunami.recovery.srilanka.pdf>, p.20

Lesson 1: Although well-intentioned, the in-kind assistance failed to adequately account for the context-specific needs of fishermen in the affected areas.

Lesson 2: Without actively engaging the fishermen in determining the design requirements, assistance providers failed to recognize the complex effects on the marine ecosystem and the local economy. A longer term effect of the inappropriate boats was that fishermen were limited to particular fishing areas which resulted in depleting an equally, if not more, valuable asset - the fish! This in turn led to smaller and smaller catches. Smaller catches meant decreased earnings for fishermen as well as for those whose livelihoods depended on the fishermen's catch (e.g. fish processors, middlemen, traders,

market women).

Lesson 3: It is extremely important to have consultations at the village and community levels to identify the real needs and the best ways to meet those needs, including the type of materials i.e. imported vs. domestically procured.

Vouchers

An alternative to cash and in-kind assistance, commodity or cash vouchers are distributed and can be exchanged with specific local vendors for cash, goods or services (See Case 6). Voucher initiatives are often combined with commodity fairs for farmers and pastoralists. During the fair, they are able to exchange the vouchers for seed, livestock and other goods sold by invited traders and other farmers and pastoralists (see Case 11). Although more costly and time-consuming to implement, voucher interventions can enable local investment and give greater choice to beneficiaries when cash grants are unfeasible.

Case 6: Agricultural vouchers in Malawi

In Malawi in 1999, a flexi-voucher was provided to some households as an alternative to the provision of 'starter packs' of seed and fertiliser. These vouchers could be exchanged for cash at selected retail outlets. Although most of the recipients used the cash to buy basic household necessities, the money saved enabled them to work on their farms, rather than having to do casual labour during the planting season. It was thus seen as a more effective way of increasing production than buying seeds or fertiliser.

One recipient had bought a combination of soap, salt and cooking oil. He estimated that he was now able to spend an extra 2.5 months on his own garden and produce. He said that his garden was better than he had ever seen it and he was expecting a much greater harvest compared to last year. In addition his tobacco was normally sold whilst still in the field to a middleman at a low price. This was the first ever year that he was able to harvest the tobacco, tie it into bundles and sell it for a decent price. (Harnett & Cromwell, 2000, p.30 cited in Harvey, 2006)

Source: Cash and vouchers in Emergencies, Retrieved from <http://www.odi.org.uk/resources/download/310.pdf>

For more information on cash grants, direct in-kind support, and vouchers, please see:

Cash transfers in emergencies: A synthesis of World Vision's experience and learning. Bailey, Sarah; Savage, Kevin; and O'Callaghan, Sorcha
<http://www.odi.org.uk/resources/download/3674.pdf>

Guidelines for Cash Transfer Programming. International Federation of the Red Cross and Red Crescent Societies
<http://www.ifrc.org/docs/pubs/disasters/cash-guidelines-en.pdf>

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Implementing Cash-Based Interventions: A Guideline for Aid Workers. Accion Contre la Faim

[http://www.actioncontrelafaim.org/fileadmin/contribution/8_publications/img/Ouvrages_et_fascicules_techniques/Secu_alimentaire/Cash based Interventions Guideline 2007.pdf](http://www.actioncontrelafaim.org/fileadmin/contribution/8_publications/img/Ouvrages_et_fascicules_techniques/Secu_alimentaire/Cash_based_Interventions_Guideline_2007.pdf)

Analysis of livelihood cash grant programme implemented for older people after Tsunami. HelpAge

http://www.helpage.org/Resources/Researchreports/main_content/rB89/LLHcashgrantprogrammeinBA.pdf

Questioning Seeds and Tools: Emerging Strategies in Post-Disaster Seed Relief and Rehabilitation. Eberdt, Caroline

<http://www.jha.ac/articles/a115.htm>

A Report from the Office of Evaluation: Strategic Evaluation of the Effectiveness of WFP Livelihood Recovery Interventions. World Food Program

<http://www.wfp.org/content/strategic-evaluation-effectiveness-wfp-livelihood-recovery-interventions>

From food crisis to fair trade: Livelihoods analysis, protection and support in emergencies. Jaspars, Susanne

[http://www.reliefweb.int/rw/lib.nsf/db900sid/SHIG-7LZCTD/\\$file/ENN_Mar2006.pdf?openelement](http://www.reliefweb.int/rw/lib.nsf/db900sid/SHIG-7LZCTD/$file/ENN_Mar2006.pdf?openelement)

Cash and Vouchers in Emergencies. Harvey, Paul

<http://www.odi.org.uk/resources/download/310.pdf>

Sub Issue 2: Creating temporary income-earning opportunities

Engaging people in temporary income-generating opportunities can serve multiple recovery objectives. In addition to providing regular wages to meet household needs and rebuild productive assets, temporary employment can help alleviate the psychosocial effects of long term reliance on outside assistance. Two common ways of creating employment opportunities are cash for work (CFW) initiatives and public works employment schemes.

Cash for work initiatives

Cash for work (CFW) initiatives pay cash to individuals for undertaking community or public relief and reconstruction work. CFW projects are short term, labor-intensive, interventions designed to repair or rebuild a collective asset (e.g. building drainage systems, clearing agricultural land, planting trees, rural access roads, debris clearance, replant crops) while simultaneously injecting cash into local markets. Increasingly popular, CFW projects have been deployed extensively by governments and I/NGOs since the 2004 Indian Ocean tsunami (Doocy et al, 2006).

CFW projects can be particularly successful when managed and designed by a team of community members. A community project team, representing the population, determines the work to be done, the beneficiaries, and the appropriate wage level. The facilitating agency supplies the necessary tools, the wages and other resources needed

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to carry out the work. Once the initiative begins, the project team organizes, supervises, and records the work completed and distributes the wages.

Case 7: A Second Incarnation of the Cash for Work Programme: Flood affected Kheda

When the July 2005 floods struck the slum community of Indiranagar in the Kheda region of Gujarat, the All India Disaster Management Institute (AIDMI) was able to respond quickly, using its 'Cash for Work' experience in southern India. In addition to the repair of flood damage to property, infrastructure and livelihoods, perhaps one of the most significant benefits of the programme is the opportunity it has given to construct a new drainage system. The first one of its kind in the region, it will make dramatic improvements to public health, sanitation, and disaster mitigation in the community, and would have been unattainable had it not been for the Cash for Work programme since it would cost around Rs. 60,000/-. There is a sense of enormous pride apparent as they proudly display the drainage canal system. It has given the community a renewed sense of optimism, and members have expressed that they feel a little more secure now that these measures are in place.

Source: Humanitarian Policies: Disaster Mitigation at the Institutional Level. 2nd International Workshop on Disaster Mitigation: Potential of Micro Finance for Tsunami Recovery, Retrieved from http://www.preventionweb.net/files/2060_VL108401.pdf

A number of lessons drawn from CFW projects include:

- Lesson 1:** CFW projects should pro-actively include the poorest households/individuals who have suffered the greatest losses. Without a concerted effort to do so, they may be inadvertently excluded by community decision-makers.
- Lesson 2:** CFW programs can undermine essential livelihood activities, particularly if extended too long. This was the case in one CFW initiative in Sri Lanka following the tsunami. Many fishermen preferred the wages earned through the CFW project relative to the income they could generate from fishing. Experience suggests the wages under the cash for work program should be lower than prevailing market wages. (Jaspar, 2006).
- Lesson 3:** Arrangements should be made for those individuals incapable of undertaking hard labor, or unable to attend due to child care restraints. Past projects have provided child care, offered direct cash grants, or found alternative activities for those unable to participate (Creti, 2004).
- Lesson 4:** Innovative use of CFW programs has created linkages to longer term livelihood needs. AIDMI has developed CFW programs in which participants learn a local skill and undertake small scale productive activities.

CFW projects abound during initial relief efforts where extensive cleanup is required. As efforts shift from relief to recovery, CFW projects typically scale down, targeting smaller and more vulnerable populations. CFW appears to best suited to situations where the restoration of a community asset will benefit many and sufficient food and market

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activity exist to support the inflow of cash. CFW is ideal for unskilled labor-intensive work; projects requiring considerable technical support or highly skilled labor are not recommended as they prevent broader participation and risk sub-standard quality results. Although the designated work will depend on the context, several examples of past projects include:

<ul style="list-style-type: none">• Rehabilitation of public facilities such as markets, sanitation systems, and parks	<ul style="list-style-type: none">• Repair of social infrastructure such as schools, clinics, and childcare centers;
<ul style="list-style-type: none">• Clean up and rehabilitation of local roads, and drainage ditches	<ul style="list-style-type: none">• Clearing or reclaiming agricultural land, agricultural terracing and soil conservation projects, cleaning irrigation canals, and revitalizing fish ponds

Box 8. Linking Cash for Work to longer term financial services

World Vision, a development NGO with established programs in Sri Lanka since the late 1970s, facilitated a number of cash for work programs following the 2004 tsunami. Noting surplus incomes due to cash transfers, “World Vision adopted a policy of compulsory saving of a minimum of 25% of CFW wages in savings account locked for three months. This applied to all CFW projects of two weeks’ duration or longer.

In the south of Sri Lanka, beneficiaries chose the NSB [National State Bank] for cash transfer, since the bank had village-level branches at post offices, required only Rs200 to start a savings account (compared to Rs500 at the People’s Bank), and provided the highest interest rates for saving accounts. A cash for work supervisor/monitor collected passbooks from beneficiaries once a week, at the same time as collecting CFW attendance sheets. Passbooks were returned to beneficiaries after the cash was deposited” (Aheeyar, 2006).

Source: Cash delivery mechanisms in tsunami-affected districts of Sri Lanka, Retrieved from <http://www.odi.org.uk/resources/download/3766.pdf>

For additional reading on cash for work programs, please see:

The Mercy Corps Cash for Work Program in Post-Tsunami Aceh. Doocy, Shannon; Gabriel, Michael; Collins, Sean; Robinson, Courtland and Stevenson, Peter

<http://www.mercycorps.org/files/file1134672803.pdf>

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When Cash for Work Works. Southasiadisasters.net

http://www.alnap.org/pool/files/southasias_disasters_net_10_Cash_for_work_works_dec_2006.pdf

Guide to Cash for Work Programming

[http://www.reliefweb.int/rw/lib.nsf/db900sid/SODA-73M3YH/\\$file/mc-cashforwork.pdf?openelement](http://www.reliefweb.int/rw/lib.nsf/db900sid/SODA-73M3YH/$file/mc-cashforwork.pdf?openelement)

Public works employment schemes

Public works employment schemes are used to engage communities in larger-scale public works activities such as the reconstruction of roads, schools and public offices. Unlike livelihood-oriented CFW programs, in which participants commonly determine the specific work to accomplish, public works employment schemes are designed by governments. According to the ILO, typical projects invest 40-60% of the reconstruction funds into local communities through wages and income. This immediately stimulates the local economy and benefits other local livelihoods (2000). Public works employment schemes are typically medium to longer term projects that require technical and managerial support.

Case 8: Labor-based road construction programs in Nias

In partnership with the BRR (Agency for Rehabilitation and Reconstruction of Aceh and Nias), the provincial and district governments of Aceh and Nias, the Multi-Donor Fund for Aceh and Nias (MDF) and district governments, the ILO and UNDP implemented an employment intensive infrastructure project to rebuild almost 200km of rural roads.

The initiative focused on building the capacity of district public works officials and small-scale contractors to manage, supervise and implement road rehabilitation employment projects. The project provided the necessary techniques, standards, systems and strategies necessary to undertake the road rehabilitation and conducted a training of trainers for select district public works officers. These officers, in turn trained over 70% of district public works staff and small-scale contractors in 'public works employment' approach, including contract administration, site supervision and use of standard approaches in engaging communities in road works. Additionally, Kecamatan Development Programme (KDP) facilitators and community supervisors also received training in road work supervision. As the project progressed, district public works across the island gave recognition to contractors who had taken training. This served to give them a competitive advantage while increasing the incentive to propagate the approach.

A mid-term evaluation of the project found that the newly-rehabilitated roads were of superior quality and cost 10-50% less than those rehabilitated through more traditional approaches.

Over 400,000 worker days have been generated through the road rehabilitation project, with women making up 30% of the labor force. Moreover, the district public works and KDP have strengthened their collaboration in village road rehabilitation and maintenance management. This collaboration has resulted in the implementation of

new pavement techniques that address environmental protection and worker and community health issues.

Source: Evaluation: Creating Jobs: Capacity building for local resource-based road works in selected district in NAD and Nias, Retrieved from http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_099778.pdf

Lesson 1: Modifying infrastructure approaches to be less equipment-based and more labor-oriented can create significant medium term economic opportunities for a large unskilled labor force. In order to achieve the best results in terms of efficiency, durability and quality, an appropriate mix of labor and equipment-based programs may be the most beneficial.

Lesson 2: Recognizing and strengthening the capacity of skilled contractors to implement labor based public works approaches can increase their eligibility to take on future infrastructure projects.

Lesson 3: Engaging local NGOs with strong ties to the community helps to mobilize community participation, facilitate the management and supervision of work, and establish transparency amongst the various actors.

Lesson 4: Generally, it is a good idea to hire local contractors, purchase inputs from local suppliers, and hire local labor for rehabilitating infrastructure.

Projects are usually initiated by relevant ministries. Local authorities are charged with managing the overall project. They receive training and support to ensure that the intended objectives of job creation, skills enhancement, and infrastructure reconstruction are met. A low-tech, labor-driven approach to reconstruction allows local contractors to bid for the work. Ongoing training and institutional support help them to compete for large-scale contracts in the future. The affected communities make up the majority of the work force. On-the-job learning, and ongoing training programs are planned to enhance their technical, managerial, and decision-making skills.

Public works employment schemes are best suited to environments in which there is an abundant supply of labor, an adequate number of skilled contractors, and access to necessary small equipment and material resources. An ADB study of projects in the Philippines, India and Indonesia, recommends public works employment schemes for the following activities (Donnges, 2009):

- | | |
|--|---|
| <ul style="list-style-type: none">• Construction of large dams and irrigation structures (including lining of canals); Construction and maintenance of ports, railways and airport runways, and dredging channels. | <ul style="list-style-type: none">• Agricultural terracing and land development, and cleaning irrigation canals, fish pond development; and water and soil conservation, flood protection, river training and drainage works, irrigation works. |
|--|---|

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<ul style="list-style-type: none"> • Low-volume unsealed roads (construction and maintenance) and high-volume roads (maintenance); 	<ul style="list-style-type: none"> • Rehabilitation and maintenance of public offices, parks, playing fields, parking areas, etc;
<ul style="list-style-type: none"> • Water and sanitation, electrification and telecommunication (trenches for laying pipe and cable) 	<ul style="list-style-type: none"> • Construction and maintenance of markets, workshops and other economic infrastructure;
<ul style="list-style-type: none"> • Social infrastructure (construction and maintenance of schools, clinics); Construction of sanitation systems; 	<ul style="list-style-type: none"> • Construction of primary and secondary roads and bridges;

NOTE: Public works employment projects have been integrated into longer term strategic planning. One example of this is the Philippine government's Comprehensive Livelihood and Emergency Employment Program (CLEEP). A multi-department initiative led by the president, CLEEP serves as a social safety net that aims to provide jobs and build the skills of more economically vulnerable population, while improving the country's infrastructure (CLEEP, 2009).

For further information on public works employment schemes, please see:

ILO Guide on Responses to Support the Recovery and Reconstruction Efforts in Crisis-Affected Areas in Indonesia. ILO

http://www.microfinancegateway.org/gm/document-1.9.26632/29927_file_iloquide.pdf

Employment - Intensive Infrastructure Programmes: Labour policies and practices. Tajgman, David and de Veen, Jan

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/---invest/documents/publication/wcms_114940.pdf

Matching workers with jobs

The process of rebuilding, particularly after a large-scale disaster, can create a wealth of employment opportunities. Yet governments, private sector, and international actors struggle to find qualified individuals to meet their human resource needs. Quite often, the problem is not a lack of appropriately skilled individuals but rather the challenge of identifying them and linking them to the appropriate employment opportunities. One measure taken by the ILO was to align job-seekers with employers through the establishment of employment centers (See Case 9).

Case 9: Employment centers in Indonesia

Before the Tsunami, unemployment stood at 250,000 people (Population 4.2 million). Now the number has reached 600,000. According to the ILO report, some 38% of the

population in NAD and North Sumatra are in danger of falling into poverty.

The Employment Service for the People of Nanggroe Aceh Darrussalam (ESPNAD) was jointly set up by the International Labour Organization (ILO) and the Government of Indonesia. It is located at the local government's Vocational Training Center (Balai Latihan Kerja). Funded by UNDP along with donor countries Australia and the Netherlands, the Employment Centre seeks to match job seekers with a big pool of prospective employers that include international organizations and local companies. It has developed a database of skilled Acehnese people to meet the needs of reconstruction efforts taking place in cities across the province.

According to a recently published ILO report, almost 400 people in Banda Aceh have received either temporary or fixed term employment in the first few weeks the Centre was opened. By the end of March, 2005, more than 10,000 job seekers, including around 2,000 women, had registered in the Centre's database. They come with a variety of skills and are looking for a variety of jobs. One woman said that even though she recently graduated in Environmental Studies, she was open to applying for anything, "...my friend told me that they're (the Centre) looking for qualified professionals in all sorts of fields. I thought I might try my luck and find a job so that my parents don't have to support me anymore".

Source: UNDP Press Release accessed at <http://www.undp.org/cpr/disred/documents/tsunami/indonesia/pr120505.pdf>

Lesson 1: The employment center database can be a powerful tool for job matching and labor analysis but it requires sufficient technical capacity to maintain it in the long run and strong public outreach to ensure its use.

Lesson 2: Employment centers have also provided counseling on job searching and self-employment, conducted rapid assessments of local labour markets, and referred interested persons to training programmes, social services and other relevant employment support.

Lesson 3: Where sufficient data is collected, it can serve to inform recovery-related labor policies. However the data would need to be collected on a regular basis and perhaps more frequently to capture changes brought on by relief and recovery interventions.

Lesson 4: Employment centers have also made arrangements to provide appropriate skills training for the job seekers: to prepare individuals for the job at hand as well as to develop skills for future work

Sub Issue 3: Procuring local goods and services

Local sourcing of goods and services for reconstruction initiatives can strengthen weakened markets, revive local businesses and provide temporary employment for the affected population. However, local recovery can also be negatively affected by the flow of reconstruction funding out of the local economy through overreliance on national and

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international contractors (ALNAP, 2009). Reasons commonly cited for outsourcing goods and services include urgency, technical capacity, higher local costs, donor conditionality, and political will. Growing evidence shows that concerns about quality, technical capacity, and cost are mostly unfounded (or can be supplemented with targeted technical assistance), and where market capacity exists, purchasing local goods and services stabilizes and strengthens local economies.

Case 10: Economic Impact of Yogyakarta Housing Reconstruction

Following the Java Earthquake of May 2006, the Government of Indonesia swiftly initiated its housing reconstruction program. The program injected over 600 million dollars into the local economy via a community and owner-driven approach.

The two affected provinces took different approaches to permanent housing recovery: Central Java evenly distributed its shelter grant among affected households, while Yogyakarta provided a government grant to community groups that prioritized funding distribution among members of the community. As the government insisted that houses be built to disaster resistant standards, the reconstruction programs included training programs for homeowners and skilled trades-people. Studies conducted in one area, indicated that the building labor force increased from 19 to 29% during the reconstruction period. As of December 2007, approximately 97.3% (279,000) of the houses were reconstructed.

The locally-driven approach contributed significantly to the economic recovery of the area. Although unemployment rates were higher than pre-earthquake figures (5.9%), they dropped from 14.87% to 9.74% due to the reconstruction activities. On a broader scale, a survey conducted by the UNDP in April 2007 indicated that 95 percent of affected entrepreneurs had resumed their business activities.

The same UNDP survey noted that 53 percent of affected enterprises were still struggling to reach pre-earthquake capacities. Therefore, in May 2007, the government developed and disseminated a plan to directly promote economic recovery which focuses on the revitalization of micro and small enterprises. These activities are currently in progress and expected to continue through December 2011.

Source: IRP Recovery Status Report 01: The Yogyakarta and Central Java Earthquake 2006, Retrieved from http://www.recoveryplatform.org/assets/publication/RecoveryStatusReport/RecoveryStatusReport_Yogyakarta.pdf

Lesson 1: A rapid and sizeable injection of cash into the economy through owner and community driven reconstruction programs can significantly boost economic recovery and create jobs.

Lesson 2: Owner-driven reconstruction can ensure that housing design meets specific livelihood needs. In the case of Yogyakarta, many micro and small enterprises were home-based industries. Owners were able to accommodate the storage of materials and the need for workspace into the design of their houses.

Lesson 3: Disaster resistant construction training to communities and builders, improves builders' skills while reducing the populations physical vulnerability to future earthquakes and cyclones.

Lesson 4: The intense concentration on housing reconstruction may delay the recovery of livelihoods. This has been a large criticism of the government's recovery approach. As the housing reconstruction work is not sustainable, the economic improvement may only be a temporary spike. However, the long-term economic impact of the approach has yet to be seen.

NOTE: In owner-driven reconstruction projects, supplementary livelihood assistance may be needed to ensure that more vulnerable populations are able to meet their subsistence needs. Following the Gujarat earthquake of 2001, it was reported that some families with fewer reserves were forced to spend money from the first installment of the reconstruction grant in order to purchase food and other critical items. Because of this they were unable to complete the first stage of construction, thus rendering them ineligible for the second grant installment.

Investing in local economies may also create inflation if the supply of goods and services is not sufficiently large enough to meet the demands. This is more likely to occur in smaller countries with less stable economies. This was the case of the Sri Lanka owner-driven reconstruction project following the 2004 Tsunami. The demand for skilled labor outweighed the supply and by August 2005, while the project was still in its earliest phase, the total cost per house rose from Rs 400, 000 to Rs 550, 000. This increase was primarily driven by increased wages of carpenters, masons and other skilled tradespeople. Additionally inflation had increased 12.7%, a significant jump from the pre-tsunami period (Jayasuriya et al, 2005).

For smaller-scale initiatives, the risk of market distortion decreases, however evaluations strongly encourage the use of market assessments for any intervention with potential market impacts (ALNAP, 2009)

Sub Issue 4: Using market chain analysis to reinvigorate markets

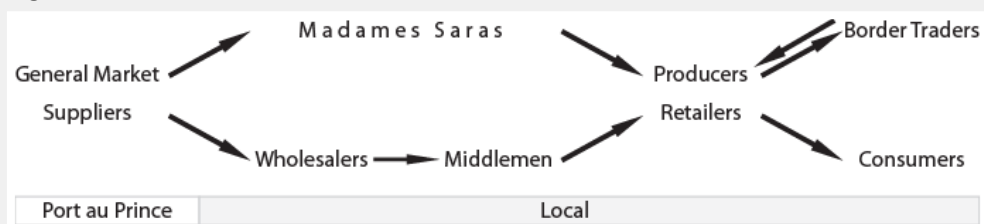
Rarely does a disaster affect only one livelihood along a given market supply chain. Where producers incur damage to crops, livestock, fishing boats and gear, those who process, transport, trade, sell and purchase the final product may also be impacted. In such situations, assistance directed solely to a farmer or fisherman may help to rebuild or replace valuable assets, but may limit their selling power if others in the supply chain are not assisted. Market analysis has been used to identify appropriate interventions all along the supply chain. This can result in more appropriate assistance to a broader range of individuals while revitalizing markets more quickly.

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Case 11: Improving relevancy of livelihood interventions through market analysis in Haiti

In June 2004 continuous rains resulted in large landslides and floods in the South East of Haiti, causing a loss of human lives, and the destruction of houses and infrastructure. As part of a food security assessment, Oxfam and three local community based organizations conducted a market chain analysis to assess the impact of the disaster on local markets and to identify interventions to reestablish normal market functioning.

The analysis began by assessing the supply chain as well as the market services and environment, before and after the floods. The first step was to identify and interview the actors who were trading key foods and non-food items considered essential for survival and for livelihoods. They included local consumers, women who act as transporters between villagers and middlemen, 'Madame Saras' (women who traded goods between the capital and the rural areas), and retailers. The results were combined with information gathered from farmers' organizations and local community-based organizations.



Oxfam's analysis showed that only a few major local wholesalers supplied the main staple food and other primary commodities. They purchased goods directly from the capital, Port au Prince, and received zero-interest loans from general market suppliers on the basis of acquaintance and trust. The wholesalers supplied goods (rice, sugar, flour, oil, beans, cement, etc.) to middlemen, who usually transported the goods by donkey and mule. The middlemen sold commodities in small amounts to numerous retailers, who took the goods on a daily credit basis and sold them in the more marginal areas. Alternatively, Madame Saras would buy direct from general market suppliers in the capital city and supply the retailers. In some cases, producers also sold their commodities directly in local markets. Lastly, women traders exchanged goods at the Dominican border and in the local markets.

As a result of the floods:

- Wholesalers lost their transport and storage facilities, because trucks were damaged and storehouses were destroyed. They had been left with debts to pay and it was impossible for them to obtain further credit.
- Middlemen, retailers, border traders, and the Madames Saras, lost their pack animals (used for transport) and their stocks.
- Consumers lost both assets and income-earning opportunities, thereby reducing their purchasing power.
- General market suppliers were not affected.

Oxfam's multi-pronged response to the floods focused on restoring the functionality of the value chain through interventions to assist producers, middlemen, retailers and the poorest consumers.

Through a Cash for Work (CFW) program, 500 of the poorest consumers were able to earn income while rehabilitating the damaged roads and drainage channels that connected the communities with the local markets. Additionally, food vouchers were distributed for food insecure families that could be exchanged for rice at local retail shops until food supplies normalized.

250 Madame Saras and women border traders received cash vouchers (~USD115) to rebuild their petty trade businesses. The vouchers could be used to purchase the necessary assets from local retailers.

500 farmers received vouchers (~USD130) to purchase livestock and seed to sow the next season's crops. Fairs were organized in the communities in which the vouchers could be exchanged for seed and livestock supplied by middlemen and other farmers. This also served to facilitate the flow of market information (e.g. prices, availability, quantities).

Assistance to wholesalers was not considered necessary, because these were among the wealthiest in the community.

Sources: Evaluation of the Livelihood Programmes in Mapou and Cape Haitian, Haiti, Retrieved from <http://www.alnap.org/resource/3360.aspx>

From food crisis to fair trade: Livelihoods analysis, protection and support in emergencies, Retrieved from [http://www.reliefweb.int/rw/lib.nsf/db900sid/SHIG-7LZCTD/\\$file/ENN_Mar2006.pdf?openelement](http://www.reliefweb.int/rw/lib.nsf/db900sid/SHIG-7LZCTD/$file/ENN_Mar2006.pdf?openelement)

Lesson 1: The market chain analysis findings enabled Oxfam and its partners to design tailored assistance strategies that catered to the different needs of the farmers, traders, retailers, and consumers.

Lesson 2: By conducting the analysis, the interventions not only proved more relevant to specific livelihood needs, but also strengthened the market. This in turn helped to restore economic activity and create further income-generating opportunities.

Lesson 3: Because of the mutual trust between the communities and the CBOs, Oxfam was able to gain access to detailed market and livelihoods data. This access was essential to identify and target the various groups, collect sufficient data, and implement the resulting interventions.

Market chain analysis is a powerful tool when accurate and sufficient data can be gathered. However it does require time and resources if it is to be used to its fullest potential. Adequate sample sizes are necessary to develop a reasonably accurate picture of the market chain both pre- and post-disaster. Additionally, various market actors may be hesitant to provide information on cost and pricing, particularly if they benefit from

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poor market information flows. Many local institutions, such as micro-finance institutions, local banks, chambers of commerce, or trade associations, engage regularly in local market activity and possess a more thorough and detailed understanding of local economies. Partnering with these institutions, who stand to benefit from market improvements, can greatly facilitate the collection of data and identification of market blockages.

Case 12: Unblocking markets through targeted loans in Haiti

Beginning in May 2004, Fonkoze, the largest Haitian microfinance institution, partnered with Concern Worldwide to help repair local supply chains. Two main problems faced the communities of Saut d'Eau, Mirebalais, Hinche, Thomonde, and Thomassique, where the experiment was undertaken:

1. A cash flow crisis, caused by the inability to repay local suppliers who were previously offering credit.
2. A breakdown in transportation to and from the capital, caused by an increase in fuel prices and insecurity.

These problems caused key suppliers to run out of stock. They were thus forced to close their businesses. Consequently, local markets had little access to basic commodities, and the commodities that were available became so expensive that many merchants were unable to sustain their businesses. Living conditions quickly deteriorated. Fonkoze and Concern developed a flexible loan product that was offered to key suppliers so that they could provide credit stock to smaller vendors, who could thus resume supplying their local communities. This injection of commodities back into the communities would, in turn, help to bring prices back down to affordable levels. Fonkoze and Concern conducted a market analysis to appraise the situation. Fonkoze's clients, the small traders, were very helpful in targeting the local suppliers they had depended on for cash and credit-based sales. The small traders, in conjunction with Fonkoze and Concern, designated sixteen key suppliers to receive loans. The key suppliers were brought together to participate in the design of the special one-year loan product. The loan conditions were:

1. Recipients had to supply Fonkoze clients.
2. Their commerce had to be related to foodstuff.
3. They had to be able to prove that they had been victims of looting and decapitalization.
4. They would repay the single, non-renewable loans over a one-year term.
5. The interest rate was 5% per month, declining balance.
6. The minimum loan was set at 50,000 HTG (~USD 1,190) and maximum at 300,000 HTG (~USD 7,142).

No compulsory savings were required, but borrowers were required to offer proof of ownership of assets offered as a guarantee against the loan. After receiving the loan, the

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suppliers were able to replenish their stocks from wholesalers in Port-au-Prince and to begin selling again to their local communities. The injection of capital into the local economy had a significant effect on both the supply and the prices of commodities in the local market.

Source: Post Disaster and Post-Conflict Microfinance: Best Practices in Light of Fonkoze's Experience in Haiti, Retrieved from http://www.microcreditsummit.org/papers/Workshops/32_WerlinHastings.pdf

Lesson 1: Recognizing the weakened market state, Fonkoze, working with its existing clients was able to quickly identify the cause of the market blockage.

Lesson 2: By carefully tailoring an appropriate loan to meet the supplier's asset needs, Fonkoze not only helped revive the suppliers' livelihoods, but reinvigorated the market flow. This allowed Fonkoze's clients to restart their petty businesses and avoid defaulting on their loans

For more information on market chain analysis tools see

Emergency Market Mapping and Analysis (EMMA) Toolkit

<http://www.oxfam.org.uk/resources/downloads/emergency-market-analysis-toolkit.pdf>

Issue 2 - Improving livelihood promotion

Livelihood promotion is an array of interventions designed to assist people to convert available assets into a sustainable and resilient means of earning a living. Livelihood promotion moves beyond the restoration of assets and pre-disaster livelihood strategies. It attempts to take advantage of the “window of opportunity”, created after a disaster to strengthen livelihood strategies and increase sustainable income-generating opportunities in hopes of enhancing people’s resilience to future disasters.

Livelihood promotion interventions may be direct, indirect, or typically, some combination of both. Direct interventions focus on improving livelihood strategies. Examples might include the provision of technical training and business development counseling, or introducing new sustainable technologies to improve production. Indirect interventions aim to influence the social, economic, and political environment so as to increase and improve livelihood opportunities. Indirect interventions might include linking people with new markets or advocating for policy changes that constrain earning potential.

Box 9. Challenge of integrating Livelihood Promotion in Recovery Programming

Integrating livelihood promotion into disaster recovery programming is only now being recognized at an international scale. In practice, post disaster livelihood promotion interventions have been rather limited and little documentation exists of the design and impacts of these efforts. However, evaluations of recent disaster relief and recovery efforts indicate that the longer term goal of livelihood promotion is often 1) forfeited for continued livelihood protection interventions, or 2) undertaken by relief actors who are restricted by short term funding periods and possess different mandates.

NORAD’s 2007 synthesis of tsunami recovery evaluations noted that the largest share of livelihood assistance focused on replacing lost production assets (particularly houses and fishing boats) and rebuilding infrastructure (such as schools, hospitals and roads). In Sri Lanka, Indonesia, and The Maldives, the Tsunami Evaluation Commission’s 2009 report noted that:

Market research and the conversion of segments of the economy require long term involvement, and more breadth of expertise, of a kind which is simply not granted to NGOs which operate with funding of a maximum of two or three years’ horizon. As a result the evaluation found during the coastal field work quite a lot of evidence of too many people being trained in the same kinds of activity, and provided with economic assets, but with no adequate assessment of market demand having been done (Brussel et al, 2009, p.70)

Similar findings emerged from the World Bank report on Mozambique’s 2000/2001 floods:

Post-emergency training and capacity building was minimal with very few organizations working with the communities to identify existing skills for re-skilling, marketing opportunities, or alternative income sources. It appears that interventions

to tackle these issues are seen as the prerogative of the development programs. This resulted in missed opportunities of restoring and enhancing livelihoods for the affected communities (Wiles et al., 2005).

Although the problem persists, there is a growing recognition of the gap and the need to engage sooner and more intensively in livelihood promotion activities. Some of the efforts made to address the issue have included:

- Engaging development actors earlier within the disaster response;
- Increased support of microfinance institutions in relief and recovery phases;
- Conducting more thorough livelihood assessments with particular attention to pre-disaster conditions.
- Increased market-based approaches to livelihoods recovery.
- Increased investment in pre-disaster planning for livelihoods recovery (especially where disasters are more frequent). There is lot of empirical evidence to support that payoffs to such investment are very high, in terms of saved lives, physical damage and economic losses

Sub Issue 1: Engaging development actors in livelihood programming

Strengthening livelihoods against future shocks requires flexibility, contextual knowledge and a long term commitment. There is no ‘quick fix’ for economic vulnerability. Humanitarian actors, with short funding terms and a very different mandate, are often poorly prepared to take on these long term “development-oriented” objectives. Realizing this, many governments, donors, and INGOs have attempted to engage local governments, civil society, and development-oriented NGOs in post disaster livelihood programming.

Case 13: Local development NGO takes on livelihood recovery in Tamil Nadu

Although the state and central government of Tamil Nadu, India provided an extensive amount of assistance to the regions devastated by the 2004 tsunami, the remote districts of Ramanathapuram and Thuthicorin (or Thoothukudi) received much less attention than the more populated regions.

The international organization Terre des Hommes Suisse, partnered with People’s Action for Development (PAD) to provide livelihood support within these two districts. PAD was one of the very few NGOs working in the area. PAD employs an integrated and participatory approach to development within local fishing communities. PAD’s key focus areas are community building, economic development, health and education, and eco-system environmental conservation. Due to their established relationship throughout the district, PAD was able to immediately step in and effectively assess the reconstruction needs of each village.

PAD’s recovery assistance concentrated on fishing, post-fishing and complementary

activities by reinforcing existing community self-help groups (SHG) and creating additional groups throughout the districts. The SHGs included fishermen and women assuming post-fishing activities (e.g. processing, drying and selling). This type of group-based community approach led to several innovative initiatives.

In the fishing sector, new community boats, motors, different types of nets, and hooks had been supplied to encourage fishermen to resume going at sea as quickly as possible. Unlike more accessible affected areas of Tamil Nadu, in these districts, there was no oversupply of boats and fishing.

One of the earliest decisions made by the community was that they would pay for the gifted boats. The remuneration was collected in a savings fund, used for maintenance and repair, emergencies, and compensation to families in the case of a death.

The SHGs also purchased, distributed and managed 35 insulated ice boxes and a few freezers to be collectively owned (one freezer for 20 fishermen on average). This allowed them to keep the fish fresh for longer periods of time, enabling them to expand their markets and increase incomes by 30-40% of pre-tsunami earnings.

With the support of a small microcredit revolving fund of 859,000 Indian Rupies (1 US \$ = 46 INR), financed by Terre des Hommes Suisse and channeled through PAD social workers, the SHGs took up micro entrepreneurial initiatives in the following areas:

- post-fishing marketing and transportation to end markets,
- bulk purchase of rice for resale,
- production of fish pickles, soap and other small items consumed by local village households,
- small shops, and
- goat rearing.

Thanks to the micro-finance scheme several SHGs have reduced or eliminated their debt dependency on private intermediaries and traders who transported the dried fish.

Other SHGs have organized regular fish auctions. Out of their total sales, 75 % of revenues go to fishermen, 5 % to SHG-appointed traders, 15 % to microcredit repayment, and 5 % to a SHG saving account (to be used only in case of emergency). The intent is for the account to serve as a collective micro-insurance fund to be contracted through PAD with an insurance institution located in the closest city. In a few cases, SHGs recruited traders as regular employees to manage the fish auctions, marketing and transport of the fish to the end clients. Strong social relationships between PAD staff, SHG leaders and some of the traders enabled the arrangement.

The social dynamics of certain SHGs have also resulted in advocacy activities at the local level. Following the tsunami, PAD initiated the creation of village development committees in charge of channeling aid and relief assistance. Some SHG leaders were particularly inspired and have become pro-active in the committees, raising awareness of reconstruction and development related matters of common interest. This may be

described as the beginning of a gradual and encouraging empowerment process, which was simply inexistent prior to the tsunami. These committees meet at least once a month, identify community issues (such as the delivery of basic infrastructure and social services), and try to address them with local district officials.

Source: From Post-Tsunami Emergency Assistance to Livelihood Recovery in South India: Exploring the Contribution of Micro-Entrepreneurship Initiatives in the Gulf of Mannar, Tamil Nadu, 2007. Retrieved from http://www.terredeshommes.org/pdf/publication/working_paper_regnier.pdf

Lesson 1: In many tsunami-affected coastal communities, the oversupply of boats resulted in overfishing. PADs longstanding engagement in the local economy and its focus on environmental conservation helped to ensure a more sustainable replacement of fishing assets.

Lesson 2: Rather than assume that the replaced boats and nets would have a trickle-down effect on other community livelihoods; attention was given to strengthening a broader range of livelihoods, including fish processors and traders. This not only enabled a recovery of the market, but increased profits beyond pre-tsunami levels.

Lesson 3: PAD's participatory approach to community-driven development through existing self-help groups placed the decision-making power within the hands of those who understood the complexities of individual livelihoods and their interdependence. PAD's provision of financial services and technical support helped community members to realize some unique and innovative solutions that aligned with longer term development objectives.

Lesson 4: Local, well-established and committed NGOs can be valuable partners in bridging the gaps between relief, recovery, and sustainable and disaster resilient development.

Partnerships need not be limited to governments and I/NGOs. An increased attention to public-private partnerships has allowed many non-traditional development actors to engage their time, skills and resources to strengthen the livelihoods of disaster affected populations.

Case 14: Engaging Universities and the Private Sector in Yogyakarta

Of all the forms of intangible cultural heritage, the craft home industry sustained the most severe economic impacts as a result of the earthquake. No orders-no buyers means no income for families struggling to survive after the earthquake. To address this problem and improve the sense of community belonging, social inclusion, and cultural identity, Gadjah Mada University and its partner Exxon Mobil developed a program called the Post-Earthquake Revitalization of Kotagede Crafts.

This program focused on how to support the low-income silversmithing families that were victims of the earthquake. Out of the estimated among 178, around 100 silversmith are low-income families and fully relying on the craftmaking. 50 target beneficiaries were

organized. The program was essentially a product-based ordering system targeting silversmiths with some background in market based products. The objectives of this specific program were:

1. To motivate low-income silversmiths to solve their own economic problems after the earthquake by working on an “order-based program”
2. To introduce a collaborative program simulating the relationship between “customer and craft worker” to improve the quality of silver craft products.
3. To promote silver craft products resulting from the “order-based program” to a wider market either inside or beyond Kotagede.

The program was basically implemented for two years, from March 2007 to February 2009. However, the program should be sustained until the silversmith industry is restored to pre-quake or better levels of activity.

The initiator and implementing organization of this program is Gajah Mada University. It is supported by its key partner, the US-based oil company, Exxon Mobil. The program is locally supported by Lurah (Village Leader) of Jagalan, OPKP Kotagede (Organisasi Pelestari Kawasan Pusaka Kotagede), a local NGO for Kotagede Heritage District Preservation, and KP3Y (Koperasi Produksi Pengusaha Perak Yogyakarta), the Cooperative of Silver Works Producers in Yogyakarta. It is supported by Dinas Perindustrian DIY (Agency of Industry of Yogyakarta Province) at the provincial government level and with the National Agency for Export Development (BPEN, Badan Pengembangan Ekspor Nasional) at the national level.

This program was implemented in two phases:

Phase 1: Reviving small industries and promoting the best products of small industry through a partnership program

Overall, 53 silversmiths were observed, but only 40 were selected to be involved in this partnership program. They were selected based on a verification of their qualifications (also, some candidates stopped working as silversmiths after the earthquake). The objective of the preparation and elaboration of a prototype for silver craft design, the objective was to improve silversmiths’ skill levels, as well as to improve their silver craft design ‘vocabulary.’ The process of making a prototype was important because the result was indicative of the silversmith’s skills (capacities and capabilities, speed and quality of the finished product). The quality of the prototypes was reviewed by experts based on the design quality (art value, usefulness, market value, originality) and silver smithing skills (tidiness, design transformation, technical skill, and detailed design ability).

Moreover, during the process of program implementation some agreements were reached regarding such issues as the role of OPKP in stabilizing the raw material price of silver by supplying the commodity, the development and sustainability of the partnership program, as well as UGM’s commitment to support product marketing. The production of prototype was based on recommended designs and the silversmiths’ expertise. Each silversmith received orders valued at about Rp. 2,000,000.00 – Rp.

2,500,000.00. All of the resulting products have been included in the catalogue of Kotagede silver craft products, which contains pictures, names or titles of products, product specifications (weight, materials), designer and silversmith names, as well as product prices. This catalogue has helped considerably with product promotion and marketing.

Phase 2: Marketing and promoting the best products of small industry

Small-scale craftsmen in Kotagede have limited access to opportunities to promote and market their products. In this phase, the team from UGM and OPKP Kotagede collaborated on several activities aimed at marketing the products, including providing a space to be used as a collective showroom as well as participating in national and international exhibitions. The first step in the development of a collective showroom was for Omah UGM to serve as a collective gallery for Kotagede silver crafts. Several alternative locations were also planned as potential collective showrooms in Kotagede, including Omah Loring Pasar (OPKP office) and Babon Aniem (a Kotagede landmark).

To develop a reputation more broadly, Kotagede silver crafts should be marketed outside Kotagede. For this reason, silver craft products resulting from the partnership program were marketed in some outlets outside Kotagede as well as via an Internet website (<http://kotagedecrafts.multiply.com>). Some Kotagede craftsmen, specifically the silversmiths participating in the partnership program, have attended various national and international exhibitions. As a result, there were several transactions between representatives of the Kotagede silversmiths and potential national and international buyers.

Source: IRP Recovery Status Report 01: The Yogyakarta and Central Java Earthquake 2006, Retrieved from http://www.recoveryplatform.org/assets/publication/RecoveryStatusReport/RecoveryStatusReport_Yogyakarta.pdf

Lesson 1: The program was able to draw on the expertise and resources of a wide range of stakeholders to design and implement an approach which addressed the multiple issues required to rebuild and improve the silversmith livelihoods. This more complex approach allowed silversmiths to improve their skills, expand their design vocabulary, broaden their knowledge of marketing and promotion, and finally, recover from their financial losses after the earthquake.

Lesson 2: The program provided a way for the academic community to get involved in community service. It also served as an exercise in effective funding management that will benefit other community economic revival efforts even when the funding for this program has ended.

Sub Issue 2: Building and strengthening micro-finance institutions

Although the utility of microfinance is recognized globally, its role in livelihoods recovery is beginning to receive greater international attention much due to the successes of microfinance initiatives in Bangladesh and India over the past few decades – see The

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Grameen Bank, BRAC, and the Self Employed Women's Association (SEWA). Carefully designed programs catered to particular populations not only help people to meet their basic needs, but provide them with a means of replacing lost assets, restarting businesses, developing new livelihood strategies, and reducing their risk to future disasters.

Microfinance is a range of financial services provided to low income populations who typically lack access to more traditional financial institutions. With insufficient collateral, a poor or no credit history, and often irregular income patterns, those living below the poverty line are considered too high a risk for traditional banks. With no other options, people commonly turn to informal collectors and money lenders who typically charge extremely high interest rates. Under such conditions, escaping the poverty trap can be near impossible. Microfinance institutions (MFI) attempt to fill the gap, providing some combination of savings, credit, insurance, and capacity building services, with the goal of facilitating the asset growth necessary to escape the cycle of poverty.

Case 15: Tailoring Loans for Farmers in Bangladesh

Northern Bangladesh is home to some of the world's poorest and most vulnerable rural people. The area, like the rest of the country, is frequently hit by floods and cyclones. Its smallholder farmers are trapped in poverty, largely excluded from borrowing and knowledge of farming practices that could help improve their lives and protect them from potential risks.

In recent years, non-governmental organizations (NGOs) specializing in microfinance have been extremely successful in reaching poor rural people in Bangladesh. But most have directed lending towards landless households or those with less than 0.2 ha of land, and they have largely excluded smallholder farmers. The International Fund for Agricultural Development (IFAD) and the Government of Bangladesh joined forces with the Palli Karma-Sahayak Foundation (PKSF), one of the world's leading independent microfinance institutions. Together, they pioneered a new approach to delivering financial services to small and marginal farmers in the country. The results have been excellent.

By providing credit to farming communities through local NGOs, the project has introduced flexible financial services that meet the needs of smallholder farmers while solving problems encountered by microfinance projects in the past. Innovations include:

- extending the grace period before repayment starts
- extending the period between payments from weekly to fortnightly, monthly or even quarterly
- requiring regular payments only of service charges during the first part of the loan period
- offering seasonal loans with lump-sum repayment after harvest

In a country where flooding and other extreme weather events are frequent – and can

devastate a farmer's livelihood – the provision of a disaster reserve fund is an important addition to the project's microfinance package.

Alongside the microfinance services, the project provides training in improved farming techniques, crop diversification and animal husbandry.

The project, which started in 2005, will run for six years. Nearly 5,500 groups have formed already, with a total of 97,500 borrowers. Small farmers have been able to pay off moneylenders and rid themselves of the burden of debt that many carried with them perpetually. Better still, they have been able to buy land, make home improvements, vaccinate their poultry, and in some cases, create employment opportunities for others within their villages.

Source: IFAD Rural Poverty Portal, Retrieved from <http://www.ruralpovertyportal.org/web/guest/country/voice/tags/bangladesh/microfinance>

Lesson 1: Microfinance institutions commonly possess the will and flexibility to develop tailored financial products unavailable from other formal lending institutions. This is particularly important for farmers and other who do not receive their income incrementally.

Lesson 2: Loan usage studies from MFIs around the world have shown that microcredit not only serves as an alternative to high interest informal loans, but also frees many borrowers from long term debt.

Lesson 3: This is the first time that PKSF, through its partner organizations, provided loans (larger than the microcredit amounts) to farmers (marginal and small farmers) and did so very successfully. PKSF was the implementing agency and the funds were given as grant to PKSF by IFAD.

Microfinance services

Microfinance products and services can address livelihood recovery needs in a variety of ways.

Micro-credit – MFIs provide small loans to repair or replace critical livelihood assets (these may serve to rebuild homes, replace tools, or purchase initial stocks), finance existing debt (high-interest informal loans) or to supplement fragile incomes. Loans are also given to entrepreneurs to develop new livelihoods. Loan repayment builds credit worthiness, leading to larger loans and greater opportunities.

Micro-savings – Savings accounts which provide the security and structure to build up an asset base and ensure the security of hard gained income. Collaboration with cash-based initiatives during the relief phase has resulted in the creation of savings accounts. These accounts not only protected the cash received, but helped people leverage it for rebuilding livelihoods. Storing excess income in the form of cash or assets (e.g. livestock) is also a common mitigation mechanism for populations exposed to frequent disasters.

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Safeguarding these stocks, in the form of cash, allows people greater versatility in coping with and recovering from disasters.

Micro-insurance – These are typically small-scale insurance plans at a low premium, providing payouts in the occasion of emergencies or deaths. Micro-insurance plans may be bundled with loans or savings accounts and are often backed by larger insurance companies to reduce client costs (See Case Study 16). Although insuring against asset loss can be difficult, many MFIs have developed innovative solutions for individuals and groups amongst some of the most economically vulnerable populations.

Micro-leasing – For those without sufficient assets to serve as collateral, resources such as tools or machinery can be leased with the option to buy. Although advised for long term credit worthy clients, leasing can be a powerful way for farmers and skilled tradespeople to reinitiate or diversify their livelihoods.

Remittance services – MFIs often serve as a pivotal access point for cash support sent by families and friends both nationally and internationally. Fonkoze, in Haiti, has allowed the Haitian diaspora a means of quickly providing support to family members following floods, civil unrest, and most recently, the 2010 earthquake (Fonkoze, 2010).

Training & market services – MFIs frequently provide financial management, entrepreneurial, leadership, and vocational trainings to accompany their services. In addition to trainings, MFIs conduct local market analyses to help entrepreneurs find a viable niche market or link producers and traders to larger area markets.

NOTE: “Those initiatives have proved to be more viable and sustainable where the savings and micro-credit activities were accompanied by a corresponding investment in the development and improvement of market linkages... general product improvement [and]...a rough business plan” – Tsunami Evaluation Commission (Brussel et al, p.48-49).

Case 16: Providing insurance to the poorest populations in Gujarat

SEWA, the Self Employed Women’s Association has taken on an innovative approach to providing insurance to some of the most vulnerable members of disaster affected communities in India, following the Gujarat Earthquake of 2001.

SEWA, through its large network of members throughout the region, set up village development committees. One of SEWA’s goals was to provide small loans to the poorest village women. This has enabled them to diversify their livelihood base, gain regular income and enhance their ability to manage risk. To reduce their vulnerability to future shocks, SEWA provides an integrated microfinance package that includes micro-insurance. Realizing both the need for insurance and for an effective intermediary between insurance companies and the poor, SEWA established SEWA Insurance, an intermediary for formal insurance companies. This innovative product offers life, health and asset insurance within one policy.

SEWA is promoting this product through an integrated approach that combines savings,

credit and insurance. The poorest often even have difficulty paying the minimal 100 Rs. premium for an individual policy in a lump sum; therefore members can save for their insurance premium through small monthly installments. At the end of the year when the policy is due for renewal or when new policies are to be purchased the full premium amount is withdrawn from the account and members who were not able to contribute the full amount are still insured with the balance of their premium treated as a loan.

By linking insurance with savings these women are provided insurance for the first time. As the microfinance package is managed by the village development committees, information and enforcement problems are reduced as members enter into multiple and repeated relationships with each other and SEWA. The experience of SEWA has shown that microfinance can significantly reduce the vulnerability of the poor in hazard-prone areas particularly when coupled with institution building and training.

Source: The Experiences of SEWA, Retrieved from http://www.unisdr.org/eng/public_aware/world_camp/2005/docs/case-study-4-Microfinance-and-Disaster-Mitigation-sewa.pdf

Lesson 1: With sufficient political will, innovative financial services can be developed to reduce the vulnerability of some of the poorest and most marginalized populations

Lesson 2: Through its extensive network of women workers who lived in the affected communities and had benefited from SEWA financial services in the past, SEWA already had “staff” on hand. Therefore it was able to quickly and effectively identify those in greatest need, and provide relevant assistance.

Lesson 3: Since the financial service was managed by fellow community members (cum SEWA members), the beneficiaries could easily access needed information while accountability for repayment was shifted from the organization to the community itself.

Lesson 4: Micro-insurance is only useful if an individual has had insurance prior to the onset of a disaster. Thus this service is aimed at mitigating damage and loss due to future disasters. However coupling micro-insurance with loans and/or other services is one way of dealing with the immediate impacts of a recent disaster while preparing for the future

NOTE: Besides the valuable financial services they provide, MFIs can contribute greatly to any livelihood recovery activity. Their intimate knowledge of local economies and their trusted community networks make them valuable partners in the assessment, design, and implementation of livelihood recovery initiatives

Conditions for establishing MFIs following a disaster

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It is very difficult to establish MFIs immediately following a disaster, as it takes a considerable amount of time to make them operational. However, disasters also present a window of opportunity for decreasing vulnerability and MFIs can be a strong tool for developing resilience to future disasters.

In general, four main conditions have been identified for establishing new microfinance initiatives following a natural disaster: sufficient demand, political stability, population stability, and relevant technical expertise.

Sufficient demand – If markets are completely stagnant, microfinance lending may result in a high rate of loan default. A minimum of economic activity is needed to ensure that borrower can generate sufficient income to repay their loans. Even so, with some financial support, MFIs can be established if market growth projections are positive. Offering savings, business training, and remittance services can prove beneficial, particularly when separate cash grant and cash for work initiatives are undertaken in the perspective area.

Political stability – Pre-existing political instability may be exacerbated by a natural disaster (although in some cases, such as Aceh, the disaster may serve to resolve prior conflicts). A thorough feasibility assessment should be undertaken to ensure MFIs can carry out business safely and profitably.

Population stability – Microfinance initiatives require the longer term involvement of beneficiaries, therefore they are best suited to areas where people have never left or have returned with the intention to stay.

Relevant technical expertise – Effective microfinance initiatives require both financial and social mobilization skills, and adequate human resources may be scarce following a disaster. However, community members can and have developed informal savings and credit schemes, such as revolving funds, on their own, provided the necessary technical guidance.

Other factors that may influence the viability of microfinance initiatives include: the financial regulatory environment, potential links to a functional banking system, and potential overlap or competition with other livelihoods initiatives.

Supporting pre-existing MFIs

In many cases, support to pre-existing MFIs has served to protect people's savings and accelerate the transition from livelihood provisioning to livelihood promotion. The provision of funding and loans to MFIs can ensure that they remain solvent even as clients are forced to withdraw their entire savings and are unable to repay existing loans. Without the needed capital MFIs have been forced to suspend their services. Following the 1999 floods in Bangladesh, BRAC needed to delay its recovery loan program until April 2000 because it was waiting to receive approval for a grant from a donor (Beck, 2005).

For further information on microfinance services in disaster recovery see

Disaster Risk Mitigation: Potential of Micro Finance for Tsunami Recovery.
Chakrabarti, P.G. Dhar; Kull, Daniel; Bhatt, Mihir R.
http://www.preventionweb.net/files/2060_VL108401.pdf

Microfinance in post-disaster and post-conflict situations: Turning victims into shareholders. Hudon, Mark
<http://www.uni-koeln.de/ew-fak/aef/10-2007/2007-2%20Microfinance%20in%20Post-Disaster%20and%20Post-Conflict%20Situations.pdf>

Bangladeshi Experience in Adapting Financial Services to Cope with Floods: Implications for the Microfinance Industry. Brown, Warren and Nagarajan, Geetha
http://www.qdrc.org/icm/disasters/bangladeshi_experience_in_adapting_financial_services.pdf

Microfinance and Disaster Management. Banking with the Poor (BWTP)
<http://www.bwtp.org/mfdm-research.html>

Sub Issue 3: Intervening in markets

Livelihood sustainability depends increasingly on local and global markets. Fewer and fewer households rely on one source of income and the informal economy absorbs over half of the world's labor force (Chen et al., 2004). Thus, governments, donors, development practitioners and advocacy groups are paying more attention to market interventions as a means of strengthening the livelihoods of urban and rural poor. Recognized as an omission in the majority of post-disaster livelihoods programs, greater attempts are being made to develop market-responsive and market-strengthening interventions.

There are many benefits to addressing markets for livelihood promotion. By understanding market forces and trends, livelihoods programs can more effectively tailor their assistance to the complex needs of different market actors. Additionally interventions at the market level shape the economic environment in which many livelihoods operate. When accurately assessed and carefully designed, market-based interventions can generate greater opportunities for a larger group of people. Furthermore, engaging people throughout the process also builds important business skills and market knowledge thus preparing people to adapt to future market changes.

In general market-based interventions may serve one or several of the following objectives:

- Identify economic viability of new or existing livelihoods

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- Supply and value chain analyses can be integrated with vocational training programs, microfinance services, and business development grants to assess the supply and demand linkages necessary for sustained business growth. One example of this is the Post-Earthquake Revitalization of Kotagede Crafts project undertaken by the Gadjah Mada University and Exxon Mobil, following the 2006 Yogyakarta earthquake (See Case 14).
- Business development training can assist small and medium enterprises to streamline their business practices, increase profitability, and access financial resources commonly limited to larger formal sector enterprises.

Case 17: Business development services in post-tsunami Thailand

The 2004 Indian Ocean tsunami devastated many coastal industries in the provinces of Phuket and Phang-Nga, particularly in tourism and fishing. Prior to the tsunami, GTZ operated a program to promote small and medium enterprise competitiveness in Thailand. Program staff mobilized within two weeks of the disaster to address the needs of small and medium enterprises (SMEs) affected by the disaster.

The project's main objective was to assist SMEs to restart their businesses as soon as possible following the disaster via access to credit and training in business management and planning.

The RESTART project established business centers in the two provinces in partnership with the Ministry of Industry. The centers were staffed with local ministry staff and 25 local business consultants.

RESTART services began with a motivational group counseling program to help entrepreneurs develop goals for restarting their business. After in-depth discussions of their pre-tsunami business activities, beneficiaries received business development training and intensive individual consultations to create business plans. These carefully devised plans aimed to help SMEs to reestablish or restructure existing businesses and start up new enterprises.

The project worked closely with several local banks so as to link its business development services with potential business loans for the participating SMEs. The business plans, accompanied with letters of reference by RESTART were used to apply for loans.

Key characteristics of the RESTART project included:

- RESTART staff members were all experienced small-enterprise development specialists who attended GTZ's CEFE (Competency-based Economies through Formation of Enterprise) entrepreneurship training courses.
- Rather than trying to create something new, the RESTART project acted as a broker, scanning the environment to identify the most appropriate support packages to fit the needs of the SME clients.

- The RESTART team reported to the provincial industrial officers in Phuket and Pang Nga, who had administrative responsibility for co-coordinating all ministry of industry assistance to tsunami-affected enterprises. This integration ensured that all concerned branches of the ministry of industry understood the aims and objectives of the project.

Sources: <http://www.mmw4p.org/dyn/bds/docs/532/GTZ%20Thai%20Restart%20Final%20Report%202005.pdf> and <http://www.businessgrowthinitiative.org/KeyPracticeAreas/Documents/Market%20Development%20in%20Crisis-Affected%20Environments.pdf>

Lesson 1: Business counseling by qualified local consultants can help small and micro enterprises to develop a more viable plan for reestablishing their businesses.

Lesson 2: Coupling the counseling with linkages to startup loans can be critical when asset losses are high

Lesson 3: Linking affected small and micro enterprises to pre-existing financial services (where they exist) may be more sustainable than directly distributing loans through the project.

Lesson 4: Providing initial loans through banks offers SMEs the opportunity to develop a financial relationship with the bank and build credit-worthiness.

Lesson 5: Partnering with local governments can help to align multiple livelihood recovery efforts and link them to longer term economic development plans

Help individuals and MSMEs take advantage of specific market opportunities.

Market-based interventions may focus on building the productive capacity of individuals and groups to meet a pre-identified market demand (See Case 18). This might include: business development training, product improvement assistance, and the provision of labor-saving technologies. Katalyst (www.katalyst.com.bd/), a pro-poor market development NGO in Bangladesh, collaborates with potential buyers to provide specific demand-driven assistance to farmers. This approach can be a win-win situation for both buyers and sellers.

Case 18: New market for traditional livelihoods in Sri Lanka

Sri Lanka is the world's largest supplier of coir, or coconut fiber, which is used to make rope and twine, doormats, brooms, geo-textiles to stop soil erosion, and other items for the domestic and export markets. Because producing coir yarn requires little capital investment, it is accessible to the country's poorest workers. Women make up 75 percent of the workforce, and 95 percent of those work from home, using methods unchanged over generations: after soaking coconut husks in water for months, the women clean the softened fibers and then spin them—either by hand or using a manual spinning wheel operated by three people—into a rough twine that is used as rope or converted into a variety of products.

The 2004 tsunami hit the industry hard, wiping out coconut palm trees, spinning

equipment, coir mills, and soaking pits. Oxfam intervened immediately to help the women restore their incomes by supporting local mills, shipping in coconuts from areas less affected by the tsunami, and offering the women wages for restoring their coir pits.

While the short-term interventions were underway, the National Institute of Business Management carried out a market chain analysis to learn how the spinners could eventually increase their profits. NIBM researchers determined that if the women could improve the quality and consistency of their yarn, they could take advantage of growing international interest in natural, renewable products. They suggested that the women learn to manufacture value-added products like doormats, brooms, and planters, which they could sell at higher prices than simple twine. They proposed creating a worker-controlled company that would represent the interests of village-level coir spinners and improve their leverage in the marketplace.

Based on this analysis, Oxfam staff worked with the communities on all fronts: helping the women organize self-help groups and later an umbrella federation, providing training on how to create value-added products and run small businesses, and developing and distributing mechanized equipment to help the women boost their production and ensure greater consistency in their products. The results have been dramatic: the women have doubled or tripled their pre-tsunami incomes. And they report that they are thinking and working like businesswomen—saving, reinvesting, and making plans to tailor their products to the markets. “We are mindful that if we make the correct product with the correct design and quality, then we can have good opportunities in the market,” says S. H. Namali Jayanthi, a coir worker from Lunukalapuwa. “If there is a drop in the market for some product, we can produce another.” And as their role as breadwinners has grown, so has their confidence in themselves and their standing in the community. “We used to stay in our houses and not come out and get involved in [community] work,” says M. M. Somalatha, also from Lunukalapuwa. “Now we don’t have that fear. We discuss issues in this community and try to solve them in our role as women leaders.”

Source: Oxfam International, *Improving Livelihoods After Disasters*, Retrieved from <http://www.oxfamamerica.org/publications/improving-livelihoods-after-disasters>

Lesson 1: Developing both short and long term livelihood activities can ensure that livelihood protection activities lay the foundation for sustainable livelihood promotion.

Lesson 2: Partnering with business and economic experts can help to expose new viable markets for traditional livelihoods.

Lesson 3: Most market development approaches require multiple interventions. Identifying new markets is only one step in the process. Building technical and business skills, acquiring the necessary assets to meet demand and developing leadership and organizational capacity all contribute to making a venture more sustainable.

Develop collective capacity of market actors.

Stronger relationships amongst market actors can smooth market ‘bumps’, facilitate a quick identification of gaps, and improve market information flows. The development of business or commodity-based networks (e.g. business and trade associations) has allowed members to exchange valuable information and practices (See Case 19), collectively own and share essential productive assets, and identify new markets. The organizations may also provide members with the collective strength to negotiate with external organizations, interact with larger market forces, and advocate for change in policies, institutions and processes.

Case 19: Creating commodity associations in Zimbabwe

Small-scale agricultural activities have reached greater heights in Nyanga District in the Manicaland Province of Zimbabwe. With the commissioning of the Nyamarimbira Integrated Water Project in June 2002, 83 farmers are now able to carry out horticultural activities all year round.

The big question however is, "How many farmers establish a market before putting their seed and fertiliser into the ground?" A number of farmers have confessed that they lack vital information because service delivery institutions that are expected to keep them posted on new developments are not active.

This lack of knowledge about markets has worked to the middle-person's advantage. He offers ready cash at half the market price to the desperate and unsuspecting farmer - only to sell the commodity at double the price.

In response to this exploitation, ITDG Practical Action Southern Africa has facilitated the formation of seven commodity associations in 27 Wards of Nyanga District namely:

Honey Production	Cotton	Grains	Oil seed
Horticulture	Livestock	Tobacco	

Commodity associations are platforms where farmers share knowledge on the use of appropriate and affordable technologies aimed at increasing their agricultural produce. They help establish strong working relationships between farmers and service delivery institutions and also create strong linkages to agribusinesses and lending institutions. Instead of adopting a "gate-keeping" role, commodity associations provide extension services that enable farmers to produce quality products which are competitive on the market.

ITDG Practical Action Southern Africa has also built the capacity of small-scale producer communities to use commodity associations when lobbying/demanding for increase of support from service delivery institutions such as the Zimbabwe Farmers' Union (ZFU). The ZFU has a mandate to strengthen farmer institutions in terms of information provision about inputs and commodity markets.

By strengthening ZFU's capacity to meet service delivery demand, it is the small producer

who benefits in the end. It is the same producer who is able to add value to certain commodities in order to yield maximum gains.

Source: Practical Action Appropriate Initiatives, Retrieved from http://practicalaction.org/southern-africa/appint_1_commodity

Lesson 1: Developing the organizational and institutional capacity of individuals sharing similar livelihoods can create a community of practice in which each member enhances their own knowledge and capabilities through the shared experience of others.

Lesson 2: Strengthening relationships with others along the supply chain can lead to improved products and increased demand.

Lesson 3: By working as a collective, individuals increase their political capital, enabling them to better advocate for changes that make their livelihoods more sustainable

One of the most powerful tools for improving livelihoods and markets is awareness-raising. Learning how local, national, and international politics affect the market; how the greater economy influences opportunities; and how social norms and practices constrain or enhance market growth can enable people to identify and advocate for changes that improve their economic standing.

Improve access to markets for low-income and marginalized groups.

Engaging the ultra poor and other marginalized groups in greater market activity is one means of decreasing their economic and social vulnerability. Market-based interventions can strengthen the livelihood strategies of highly vulnerable groups by empowering them to take advantage of a broader range of economic opportunities (See Case 21). Evaluations of past programs from South Asia (Yonder et al., 2005), Latin America (Delaney & Schrader, 2001), and Africa (Wamatsi, 2008) indicate that improved economic performance can lead to improved social status as well.

Case 20: Government and trade union collaborate in Gujarat

The roles of women are changing from subordinate household workers to income earners. Most rural women spend their day involved in several activities, including weeding and harvesting, collecting animal fodder, water and fuel wood, food processing and marketing agricultural produce. These activities contribute directly to both household income and the local agrarian economy. Women are kept out of skilled labour categories, and even if their work is skilled, it remains classified as unskilled.

In India, through the Livelihood Security Project for Earthquake-affected Rural Households in Gujarat, the Government of Gujarat worked with the Self-Employed Women's Association (SEWA) which played a significant role in assisting informal

workers with livelihood needs. In Gujarat, SEWA has 468,445 members out of which 87,514 are within the IFAD project. The project helped to establish SEWA Mahila Gram Haat and the SEWA Trade Facilitation Centre. Both work towards empowering local communities, in particular women, by:

- helping them identify alternative livelihood opportunities for productive work
- training them to be able to access information about sales and marketing
- helping them to establish strong linkages with markets at the local, regional and global levels

The SEWA Trade Facilitation Centre focuses on converting the traditional skills of hand embroidery and crafts into a commercially viable, self-sustainable model. It provides comprehensive market intelligence, including market research for specific product categories, access to buyers' databases, information on tariff structures and non-tariff barriers, identification of possible distribution channels and the development of an effective sales strategy. The SEWA Mahila Gram Haat concentrates on providing technical training and marketing services to rural producers, including training in basic computer skills using software in the Gujarati language. The project has developed an innovative strategy not only to increase women's access to productive work and income, but also to create opportunities for personal development.

As a result of these activities, women's social status and security has increased within their families and communities as they have become more independent and successful income earners. Through the project, women and men artisans and craft workers have been mobilized and organized into collective enterprises, thereby strengthening their bargaining power, achieving economies of scale and acquiring competitiveness for their enterprises. Project support has enabled 15,000 women to access decent work and earn an average monthly wage of 1,500 rupees (US\$30).

Source: <http://www.ifad.org/newsletter/pi/6.htm#8>

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Lesson 1: By collaborating with SEWA and its network of member-based community organizations, the government of India was able to use pre-existing and well recognized livelihood improvement mechanisms to provide inclusive and relevant livelihood assistance on a large scale.

Lesson 2: In addition to providing assistance to the thousands of SEWA's members, SEWA engaged its members to serve as leaders by providing livelihood assistance to other men and women within the affected communities. The SEWA members helped others to establish collective enterprises similar to their own, making them eligible for loans and other financial assistance.

Lesson 3: By channeling assistance through successful pre-existing mechanisms, SEWA, the government and IFAD were able to focus on developing value added services such as skills training, technical support, and market research and analysis. This allowed beneficiaries of their assistance to not just restore prior livelihoods, but to rebuild more profitable and sustainable livelihoods.

For further information on market-based interventions please see:

Market Development During and Post-Conflict: Emerging Lessons for Pro-Poor Economic Reconstruction. Gerstle, Tracy and Nourse, Timothy
http://www.usaid.gov/iraq/contracts/pdf/Market_development_post-conflict.pdf

From BDS to Making Markets Work For The Poor. Miehbradt, Alexandra O. and McVay, Mary
http://www.bdsknowledge.org/dyn/bds/docs/452/Reader_2005_final_LOW_RES.pdf

Sub Issue 4: Ensuring sustainability of natural resources

Livelihoods depend, both directly and indirectly on natural resources. Therefore, the development of sustainable livelihoods necessitates balancing human needs for natural resources and the capacity of the environment to provide those resources consistently over time. Although extremely resilient, the natural environment begins to degrade when human demands outweigh its capacity to replenish itself. Once the environment begins to degrade, its productive services continually diminish in response to the same demand. Humans often exacerbate the problem further, by placing even greater pressure on limited natural resources (e.g. increasing the use of chemical fertilizers that strip soil of their nutrients, expanding fishing ranges, draining greater expanses of wetlands for agricultural use). When no effort is made to rehabilitate the environment, it soon becomes incapable of providing for human needs (e.g. desertification). Sustainable livelihood recovery is not possible without active measures to conserve the natural resources on which livelihoods rely.

Case 21: Rehabilitating grazing lands in Sudan

Rangelands cover over 60 per cent of Sudan's land area, supporting one of the largest populations of livestock in Africa. Though more than half the country's population depends on livestock for their subsistence, cyclical droughts and continuous cultivation have degraded the rangelands, leading to a downward spiral of decreasing crop and livestock production, greater pressures on the soil and declining livelihoods. These problems are compounded by depletion of the existing vegetation cover due to over-harvesting of timber, fuel wood and other forest products. The Community-based Rangeland Rehabilitation initiative supported by UNDP-GEF and implemented by the Animal Resources, and the Ministry of Agriculture, Nature and Land, had two overall objectives:

1. to create a locally sustainable natural resource management system that would both prevent overexploitation of marginal lands and rehabilitate rangelands for the purpose of carbon sequestration, preservation of biodiversity and reduction of atmospheric dust; and
2. to reduce the risk of production failure by increasing the number of alternatives for sustainable production strategies, leading to greater stability for the local population.

Developed through the support of local NGOs, the project invested in the talents of communities themselves, focusing especially on the participation of women and the poor. The project involved a package of mutually supportive sustainable livelihood activities designed and undertaken by participating villages, including:

- **Institution Building:** mobilizing 17 community groups for planning and implementation of project activities as well as establishing community land management systems that included individual grazing allotments.
- **Training:** in areas such as community development (e.g. soap production and handicrafts), natural resource management (e.g., range management, fodder production, small gardening and livestock rearing), credit systems, and drought mitigation)
- **Rangeland Rehabilitation:** through activities such as sand dune re-vegetation with native perennial grasses and windbreak development through tree planting
- **Community Development:** through small irrigated vegetable gardens, water well construction, energy efficient fuel stoves, and the use of mud brick versus timber construction of houses.

The project has already shown economic gains for households by reducing land degradation and increasing land productivity. For example, over 700 hectares of rangeland was improved and properly managed through the project, far exceeding the original goal of 100. But perhaps the best measure of success comes from the fact that neighbouring communities have adopted many of the project's successes, particularly those related to rangeland rehabilitation, boreholes and revolving funds. Word of these

successes travelled north and south, carried along by pastoralists travelling their traditional routes.

Source: UNDP – Reclaiming the Lands, Sustaining Livelihoods, Retrieved from http://www.undp.org/gef/documents/publications/landdeg_brochure2004.pdf

Lesson 1: The diversification of agricultural and other livelihood strategies, through community development activities, eases the pressures on weakened environmental resources, making livelihoods more economically and environmentally sustainable.

Lesson 2: Community mobilization and training can contribute to improved land management and a more secure environmental and social asset base. This, in turn, increases the community's resilience to climate-related shocks, such as drought.

Lesson 3: The long-term improvement in natural resource management and land rehabilitation can only be accomplished by meeting the short-term survival and production needs of villagers.

For further information on Livelihoods and environmental sustainability, please see the companion booklet, Guidance Notes on Recovery: Environment. Additional resources include:

Livelihood Recovery and Environmental Rehabilitation Joint Tsunami Assessment Mission Report. UNDP/World Bank/FAO
http://www.undp.org/cpr/disred/documents/tsunami/thailand/reports/ja_liverecoenvireha0105.pdf

Ecosystems, Livelihoods and Disasters. An integrated approach to disaster risk management
<http://data.iucn.org/dbtw-wpd/edocs/CEM-004.pdf>

Coping with disaster: Rehabilitating coastal livelihoods and communities
<http://www.worldfishcenter.org/v2/files/Pomeroy%20framework.pdf>

Livelihood diversification and natural resource access
<http://www.fao.org/docrep/006/ad689e/ad689e00.HTM>

Recovery and sustainable development of aquaculture industry in tsunami affected Aceh and Nias provinces in Indonesia
<ftp://ftp.fao.org/docrep/fao/009/a0974e/a0974e08.pdf>

Annex 1: Livelihood Assessment Tools and Standards

1. The Livelihood Assessment Tool-kit (LAT)

FAO and ILO developed the LAT to help recovery actors assess the impacts of disasters on people's livelihoods, and the capacities and opportunities for recovery. The toolkit is composed of three technical components:

1. Livelihood Baseline (LB) is undertaken pre-disaster to provide background information for a range of response instruments, and lasting 2-6 weeks;
2. Initial Livelihood Impact Appraisal (ILIA) is to be completed within the first 10 days after a disaster to support Flash Appeals; lasting 1-7 days; and
3. Detailed Livelihood Assessment (DLA), usually conducted within 90 days after a disaster to support revised Flash Appeals, Post Disaster Needs Assessments, and donor recovery conferences DLA; lasting 30 days.

Components of an early draft of the LAT were applied and adapted in 2007-2008 following natural disasters in the Philippines, Indonesia, Bangladesh and Bolivia and as input to disaster preparedness efforts in Pakistan. Key Indicators include: % of households losing employment due to disaster; % of households undertaking various coping strategies (including looking for work) after disaster; and Assets lost at household and community levels (physical, human, financial, social and natural) after disaster. The toolkit can be accessed at:

http://www.fao.org/fileadmin/templates/tc/tce/pdf/LAT_Brochure_LoRes.pdf

2. Household Economy Approach (HEA)

The Household Economy Approach is a livelihoods-based framework for analysing the way people obtain food, non-food goods and services, and how they might respond to changes in their external environment, shock or hazard. It aims to capture the situation of different wealth groups in different livelihoods zones. This analytical framework has recently been used in the 2004 East IndianTsunami and 2005 Kashmir earthquake in Pakistan recovery efforts. In a classic HEA assessment, the procedure is to build the baseline first, then conduct the outcome analysis to plan the response as a separate exercise. A practitioner's guide to HEA can be found at:

<http://www.feg-consulting.com/resource/practitioners-guide-to-hea/The%20Practitioners%20Guide%20to%20HEA.pdf>

3. Household Livelihood Security Assessment (HLSA)

The HLSA, developed Tango International for CARE, is a holistic and multi-disciplinary analysis which recognizes that poor families commonly suffer more than one problem at a time and often have to make significant sacrifices to meet their basic needs. HLS uses

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an integrated or systems approach to analysis, with recognition that poor people and poor households live and interact within broader socioeconomic and sociopolitical systems that influence resource production and allocation decisions. The HLS assessment process aims to enhance understanding about local livelihood systems – livelihoods, economic, socio-cultural and political systems and the constraints, vulnerabilities, marginalization, and risks of poor families living within this context – and important differences among types of households and among members within the household. The HLSA manual and further information can be accessed at:

<http://www.proventionconsortium.org/themes/default/pdfs/CRA/HLSA2002.pdf>

4. Emergency Market Mapping and Analysis (EMMA) Toolkit

The emergency market mapping and analysis (EMMA) toolkit is a set of tools and guidance notes, designed to encourage and assist relief and recovery actors to better understand and make use of market-systems. The ultimate purpose of EMMA is to improve the efficiency and effectiveness of the early humanitarian actions taken to ensure people's survival, protect their food-security and their livelihoods. The EMMA toolkit is intended to complement established humanitarian practices in diverse contexts and integrate flexibly into different approaches to relief and recovery planning. Further information and case studies can be found at:

<http://www.oxfam.org.uk/resources/downloads/emergency-market-analysis-toolkit.pdf>

<http://www.sheltercentre.org/library/Emergency+Market+Mapping+and+Analysis+EMMA+Pilot+Test+2+Myanmar>

An online discussion group exists at:

<http://dgroups.org/CommunityInfo.aspx?c=7370e2ed-d4b2-44af-8da5-6a688565e34f&o=c70cd12e-a0a4-4388-a93c-5e5ba9495bfb>

5. Minimum Standards for Economic Recovery after Crisis (ERS)

The Minimum Standards for Economic Recovery after Crisis address strategies and interventions designed to promote enterprises, employment, and cash flow and asset management among affected enterprises and livelihoods in environments affected by conflict or disaster. The Standards include two overall sections on Common Standards and Assessments & Analysis, plus four distinct technical areas: financial services, assets interventions, employment creation, and enterprise development. The ERS compliment the Sphere Standards. For a copy of the ERS, plus additional information and training opportunities, please see: <http://communities.seepnetwork.org/econrecovery/node/821>

6. Livestock Emergency Guidelines and Standards (LEGS)

The Livestock Emergency Guidelines and Standards (LEGS) are a set of international guidelines and standards for the design, implementation and assessment of livestock interventions to assist people affected by humanitarian crises. They are based on

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livelihoods objectives that aim to provide rapid assistance to protect and rebuild the livestock assets of crisis-affected communities. The LEGS focuses on two key strategies:

1. Assisting in the identification of the most appropriate livestock interventions in emergencies, and
2. Providing standards, indicators and guidance notes for these interventions based on good practice.

The guidelines and standards as well as further resources including trainings can be retrieved from: <http://www.livestock-emergency.net/>

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