

## REFERENCES (ESSENTIAL INFORMATION)

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*This Appendix has 17 annexes that contain essential information related to self-reliance. All annexes are referenced in Book 2: Making self-reliance work. This Appendix is divided into five sections so that the reading material is clustered according to topics. If you wish to browse this material without working from the references in Book 2, the table on the next page will help you to identify what you want.*

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Annex 1.3	Self-reliance in different phases of an operation	This explains what self-reliance can mean in different phases of a refugee operation	What self-reliance can mean in an emergency phase What self-reliance can mean in care and maintenance What self-reliance can mean in local integration What self-reliance can mean in repatriation and reintegration
Annex 1.4	Self-reliance in different phases of an operation	This looks at what can hinder or constrain the promotion or adoption of self-reliance. There are circumstances in which advocating self-reliance may at times begin to seem challenging if not futile. These are some of those factors	Political considerations Legal and institutional considerations Physical and natural resource considerations Socio-economic considerations Issues for urban refugees Issues relating to gender Issues for separated or unaccompanied children Issues relating to adolescents Issues for people living with HIV/AIDS Issues relating to war and insecurity
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## Annex 1.1

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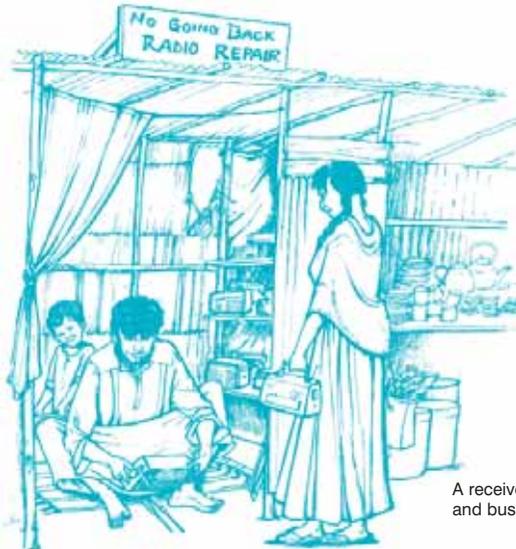
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**B. Useful links**

Topic	Website
The Microfinance Gateway	<a href="http://www.microfinancegateway.org/">www.microfinancegateway.org/</a>
Millennium Development Goals	<a href="http://www.un.org/millenniumgoals">www.un.org/millenniumgoals</a>
Post-conflict Microfinance Project	<a href="http://www.postconflictmicrofinance.org">www.postconflictmicrofinance.org</a>
Refugees International	<a href="http://www.refugeesinternational.org">www.refugeesinternational.org</a>
Refugee Livelihoods Network	<p>The UNHCR Evaluation and Policy Analysis Unit (EPAU) has initiated an e-mail list-serve on livelihoods, which includes a network of practitioners and researchers with a common interest in refugee livelihoods and self-reliance issues. The purpose of the network will be to exchange ideas and lessons learned, to keep members abreast of current initiatives and to provide an opportunity for learning and inter-agency co-operation.</p> <p>You can join the list by sending a message to Ms. Cindy Horst (REF.NET@inter.NL.net) briefly describing your interest and experience in livelihood issues and what you would hope to get out of this list-serve.</p>
ReliefWeb	<a href="http://www.reliefweb.int/w/rwb.nsf">www.reliefweb.int/w/rwb.nsf</a>
Small Enterprise Education and Promotion Network	<a href="http://www.seepnetwork.org">www.seepnetwork.org</a>
UNDP Sustainable Livelihoods Documents	<a href="http://www.undp.org/sl/Documents/documents.htm">www.undp.org/sl/Documents/documents.htm</a>
World Refugee Website	<a href="http://www.worldrefugee.com">www.worldrefugee.com</a>



A receiver - of training and business support.

## Annex 1.2

# UNDERSTANDING THE CONTEXT (WHERE SELF-RELIANCE FITS)

*This annex explains why UNHCR is increasingly active in self-reliance, and how self-reliance is central to the successful implementation of pending and durable solutions.*

### A. Introduction

UNHCR is viewing protracted refugee situations, refugee livelihoods and self-reliance with a new commitment. This reflects several factors:

- With fewer large-scale emergency operations and repatriation programmes to implement, UNHCR is able to give greater attention to other aspects of its work including the need to address and resolve protracted refugee situations.
- Given the increasing budgetary shortfalls and declining levels of relief available to refugees in many parts of the world, minimum humanitarian standards are difficult to maintain through assistance programmes. Simultaneously donors and other actors are increasingly interested in identifying strategies for reducing levels of relief expenditure.
- An increasing number of host states and societies are expressing concern over the presence and negative impacts of refugees on their territory - issues that may be addressed in part by emphasising the positive and productive potential of refugees.
- When refugees are restricted to camps, with few or no productive activities and little hope for the future, there are likely to be negative consequences including frustration, anti-social behaviour and insecurity. These do not contribute to the search for durable solutions.

### B. The issues

In many situations refugees are reduced to mere recipients of humanitarian assistance. Countries hosting large refugee populations are usually poor; refugee hosting areas are often remote, are neglected by development actors, and are not regional priorities for the host government;

hosting refugees for protracted periods has long-term social and economic impacts (that can lead to conflict and insecurity if not properly addressed in a timely manner); and refugees frequently face restrictive (asylum) regulations that limit their freedom of movement, access to education and other needs, rights and opportunities. As a result refugees, and their hosting populations, remain excluded and marginalised.

In post-conflict situations the sustainable reintegration of returnees is a major challenge. After initial assistance from humanitarian agencies, returnees may be left in deprived conditions for extended periods with few opportunities, often in a politically fragile environment. This has considerable implications for refugees/returnees and local communities, their political, economic and social stability, and their environment.

### **C. Self-reliance and the Framework for Durable Solutions**

This publication is written within a broader framework that recognises refugee protection is best achieved by finding durable solutions to displacement - through repatriation, local integration or resettlement. Self-reliance underpins these strategies.

In protracted refugee situations there is clear justification for building similar processes. Care and maintenance alone, with refugees remaining dependent on humanitarian assistance, are not acceptable options. An essential key to solving this is political; but a key element with more immediate benefits is development. Refugees must be able to pursue productive livelihoods and increasingly support themselves with food, water, shelter, personal safety, health and education - both sustainably and with dignity. They require the kind of support that development, rather than humanitarian, agencies generally provide. UNHCR has developed an approach for providing this support - the Framework for Durable Solutions.

The Framework for Durable Solutions seeks to increase opportunities for refugees and returnees as well as local populations to pursue productive livelihoods and positively contribute to society and the economy. It builds cooperation and commitment to burden-sharing with the focus on refugee-hosting areas or returnee areas, rather than the refugees or returnees alone. It seeks: to include refugees and returnees in development processes, transition plans and recovery plans; and to strengthen refugee productive capacity. It also advocates for an integrated approach between UN agencies, NGOs, international financial institutions, donors and government.

There are three approaches:

1. Pending the implementation of durable solutions (i.e. through repatriation, local integration or resettlement) UNHCR adopts a strategy to promote additional development assistance for refugees and hosting populations in the country of asylum. This is termed **Development Assistance for Refugees (DAR)**. The underlying principle for a good programme is self-reliance.
2. When implementing a durable solution that involves the return of refugees to their country of origin, UNHCR promotes a strategy that brings humanitarian and development actors (and funds) together to create a conducive environment inside that country. This is termed **Repatriation, Reintegration, Rehabilitation and Reconstruction (4Rs)**. The underlying principle for a good programme is also self-reliance
3. When refugees are integrated in the country of asylum, or resettled to a third country, UNHCR solicits additional development assistance in that country and builds partnerships between government, humanitarian agencies and development organisations for the benefit of refugees and local communities. This is known as **Development through Local Integration (DLI)**, and again self-reliance underpins its approach.



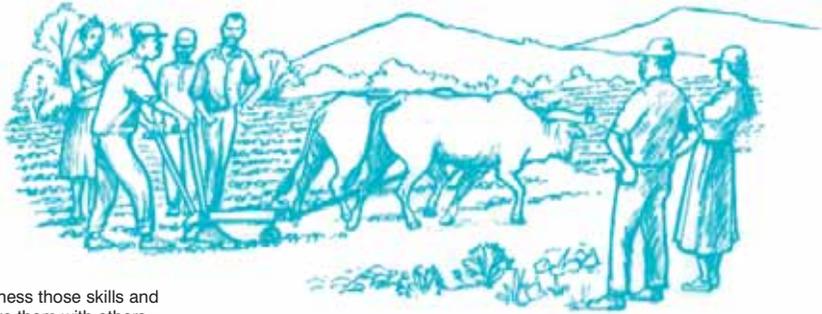
Refer to the UNHCR publication **Framework for Durable Solutions for Refugees and Persons of Concern**<sup>1</sup>, and **Annex 1.3: Self-reliance in different phases of an operation.**

<sup>1</sup> See Annex 1.1: References

### D. Self-reliance and sustainable livelihoods

As well as securing autonomous access to water, health, education and shelter, self-reliance will impart food and income security. This requires the development of sustainable livelihoods - the means by which individuals and households acquire food and incomes e.g. fishing, farming, employment and trading. Livelihood support is an essential way of promoting self-reliance.

Interventions are to preserve and strengthen livelihoods and households' capacities to protect productive assets and positive coping strategies. Livelihoods are sustainable, therefore, when individuals, households and communities can cope with or recover from stress and shocks, maintain capabilities and assets, and provide sustainable opportunities for the next generation.



Harness those skills and share them with others.

## Annex 1.3

# SELF-RELIANCE IN DIFFERENT PHASES OF AN OPERATION

*This annex explains what self-reliance can mean in different phases of a refugee operation.*

### **A. Introduction**

In the same way that operations move from an emergency phase to Durable Solutions, there is a gradual transition from dependency to self-reliance that should also be facilitated and nurtured. (We should, as much as possible, avoid creating dependency - right from the outset of an operation). While the tasks for establishing effective self-reliance activities remain essentially the same, the environments, needs and issues certainly do not. Self-reliance is a process to be taken as far as possible - depending on the legal, social, political, natural and economic environment.

### **B. What self-reliance can mean in an emergency phase**

It may not seem appropriate at the time, but while refugees need emergency assistance it is essential to strengthen their self-reliance - to reinforce their coping strategies, protect whatever productive assets they remain with, and rebuild their social capacity to address essential needs. We aren't just looking at food production and jobs, but are trying to prevent people resorting to distress strategies that make them even more vulnerable in the long term. We are looking at building self-esteem and social self-reliance as well. For example:

- Use a community development approach at the earliest - strengthening community institutions and capacity; and mobilising both refugee and host communities for self help, community-based care and community-based decision-making.
- Incorporate refugee (and host community) representatives in sectoral committees.
- Mainstream age and gender considerations from the first stages of an operation.

- Identify and train community workers from within the refugee (and hosting) communities.
- Utilise ILO's labour-, rather than mechanised-, approach for emergency works programmes.
- Encourage the first steps towards food production (with simple kitchen gardens and small livestock).

Find specific ways to enhance hosting community self-reliance/livelihoods. For example:

- Invite tenders for camp construction from local businesses - to support economic growth, provide employment and generate new businesses locally.
- Encourage host populations to establish supply services where refugees are restricted to camps e.g. firewood, and access to raw materials for business purposes.
- Utilise voucher systems to enhance host community and refugee incomes. They inject cash into the local economy.

### C. What self-reliance can mean in care and maintenance

It is particularly important to build self-reliance at this stage of an operation. While refugees continue to require humanitarian support they must further strengthen their positive coping strategies, build their productive assets, and use their social capacity to address needs. They require the means to develop their own livelihoods - to produce food, generate income, rebuild self esteem and strengthen social cohesion. This will lead to decreasing reliance upon relief and the lesser need for refugee-specific services. To achieve this:

- Know the social and economic environment (for example through market and labour patterns, and analysis of gender and cultural dimensions to livelihood).

**A** > See **Annex 1.13.6: Labour-based infrastructure projects.**

**B** > See **1.14: Voucher system for payment of labour** for more information.

## REFERENCES (ESSENTIAL INFORMATION)

- Liaise with communities, and local and national governments to access resources for livelihood activities (including land for agriculture and livestock production).
- Build partnerships and collaboration between refugee and hosting populations to bring complementary skills and resources together for mutual benefit (and to strengthen coexistence).
- Build capacity and increase accessibility of local institutions (i.e. extension services, training facilities, service providers, input suppliers and credit facilities) for the benefit of both refugee and hosting populations.
- Develop the local infrastructure to improve market access, reduce transport costs and improve incomes.
- Support business development by providing access to microfinance institutions and business development, linking refugee producers with host traders and markets.
- Strengthen linkages with hosting community opportunities for employment - find ways for refugees to earn wages.

### Field experience: Urban refugees and unemployment in Mexico City

Research on Central American refugees in Mexico City in the late 1980s found a correlation between unemployment and humanitarian grant assistance. Refugees who received financial assistance (grants) sooner, and for longer periods, tended to remain unemployed while those who did not receive assistance initially, or who received it for a short period of time, tended to find employment more readily.

*SOURCE: O'Dougherty, Laura.*

*Uprooted and silent: Central Americans in Mexico City.*

*(Mexico: Mexican Academy for Human Rights, 1989).*

- Provide training to develop skills for viable enterprises and real employment opportunities - particularly important when the productive environment and income generating opportunities in a host country are different from those in the country of origin.  A
- Develop relief substitution - the production and sale of goods and items to agencies for their subsequent distribution to refugees (from soap, mosquito nets, mats and utensils, to blankets, school uniforms, knitted jumpers and bags. And from building bricks to mud stoves, wheel barrows to school desks).  B

A

See **Annex 1.13.1: Vocational and skills-training.**

B

See **Annex 1.16: Relief substitution.**

- Support the development of representative, effective and accountable committees, involving both refugees and hosting community representatives, as a way to strengthen social capacity, collaboration and responsibility as well as to address sectoral needs such as education, health, water and sanitation, as well as security and development.



Over the hills, not far away, in the place we used to live.

### D. What self-reliance can mean in local integration

Self-reliance is central to any durable solution. For local integration, this means an end to reliance upon relief (at par with local communities) and the need for refugee-specific services. Coping strategies, productive assets and social capacity are integrated with those of the hosting community. Livelihoods of returnees and receiving communities are linked and legal status allows full integration in the social, political and economic life (at par with local populations). In an urban setting this means unrestricted access to training, employment opportunities, microfinance, legal documentation, health-care and education services. In a rural environment this is likely to also mean: access to land, livestock, water resources, services, production inputs and markets; participation in local groups and cooperatives; and cash-for-work and other employment opportunities.

### E. What self-reliance can mean in repatriation and reintegration<sup>2</sup>

Preparations for self-reliance in repatriation begin while refugees are in asylum. This may even facilitate voluntary repatriation as refugees feel more confident in their capacity to reintegrate and earn a living back at home. Self-reliant refugees are better equipped to take advantage of new opportunities - increasing livelihood options, enhancing their sustained reintegration and strengthening their commitment to returning to their places of origin. Unskilled refugees are less able to integrate, and young adults coming from a protracted situation may know nothing other than life as refugees. The needs are, therefore the same - positive coping strategies, productive assets and social capital must be strengthened for local human and economic development.

Before repatriation:

- Together with humanitarian and development actors from both the country of asylum and the country of return, promote a cross border planning process.
- Encourage the development of a 4Rs/transition strategy and an integrated planning process in the country of return that will include returnees, local communities and other populations of concern (IDPs, ex-combatants, etc). Define roles and responsibilities as well as phase-in/phase-out strategies for various agencies.



<sup>2</sup> See the UNHCR publication *Handbook for Repatriation and Reintegration Activities* (2004). (Annex 1.1: References).

- Ensure access to comprehensive information on areas of return to provide a basis for designing sound strategies, and update this information regularly.
- Provide information on refugee profiles (social and economic) and tentative areas of return to the team (Government, UN agencies, donors, NGOs and receiving communities) in the country of origin.
- Identify the livelihood needs and economic opportunities in the areas of return to guide self-reliance preparations, and provide training to refugees and receiving communities as appropriate. Training should also address: water, sanitation and community infrastructure; organisational skills; and even language skills for those born in asylum and have adopted a different language.
- Ensure recognition of certificates delivered in asylum, and explore possibilities for qualified refugees to be absorbed in national and local services and structures in the country of return (e.g. teachers, health staff, community development workers and extensionists).
- Target skills training on households that are able and most likely to repatriate. Vulnerable households are likely to be dependent on able households after repatriation (when assistance is no longer available).
- As part of a 4Rs/transition strategy in the country of return, address the recovery of (or access to) land and other productive assets (as well as property) for returnees - obtaining commitments from the country of origin to participate in planning and identifying reintegration areas. Inheritance and women's rights should also be addressed, and the needs and rights of youth.
- Facilitate links between refugee representatives, the agencies and the communities in areas of return, to build trust and cooperation, and provide opportunities for potential returnees to visit their 'home' areas to build on this. Ensure the visiting groups provide feedback and discuss the situation on the ground with other refugees, and contribute to visioning and planning.
- Prepare receiving communities for absorbing and reintegrating returnees - developing the notion that returnees will contribute to, rather deduct from, their livelihoods.

## REFERENCES (ESSENTIAL INFORMATION)

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- In cooperation with development actors (e.g. UNDP for governance) enhance the capacity of local authorities and service providers with skills and resources to support returning and receiving communities in their social and economic development and in the promotion of peaceful coexistence.

And during repatriation:

- Consider the relevance of the season during which repatriation will take place - particularly for cultivation and the growing season, as well as the construction of homes.
- Monitor absorption capacity of returning areas and communities and, when possible, adjust the pace of repatriation.
- Develop partnerships with development actors. They are familiar with the participatory processes that will build commitment, develop realistic plans, and prepare strategies that will ensure sustainability - ensuring refugees and receiving communities are involved, and strategies are integrated in development plans in the country of origin.
- Recognise the potential for conflict between receiving communities and returnees, and involve them in developing plans for coping with the upheaval, hostilities, ownership disputes and use rights.
- Enable refugees to transfer productive/economic assets (e.g. transport, machinery, equipment and livestock) from their country of asylum to strengthen their move towards self-reliance - easing reintegration and promoting reconstruction.
- Facilitate the transfer of skills from asylum to return areas.

### **Field experience: Taking good experience home**

As returnees, some Afghan communities recognised the benefits they had gained from community mobilisation and girls' education when in asylum. They stimulated the processes of change for wider development benefits. And in some parts of Eritrea, returnees set up effective women groups for savings and credit and small business. The leaders or catalysers of these groups were people who had worked as community health workers when in asylum in Sudan. Now they were applying their skills in mobilising communities in new ways - making substantial differences to the communities in which they lived.

If you are working on self-reliance in a reintegration operation, and want to support community empowerment activities, then find those who have had relevant training in the refugee camps. Who are the community development and sanitation workers etc.? Recognise them as a resource. Are there other human resources available that you don't know about? Use the Project Profile or the new registration data-base to find what human resources there might be.

*Myriam Houtart,*

*Former Senior Self-reliance Officer, RLSS/DOS, UNHCR, Geneva.*

- Consider (with development actors) the impact of your interventions on long-term development - the achievement of rehabilitation, reconstruction, local economic recovery and growth. Recognise that sustainable repatriation is determined in part by the absorption capacity of the areas of return/country of origin.
- Contribute to rebuilding any traditional social mechanisms that provide for the most vulnerable. These may have broken down in asylum, but links with receiving community structures, with external support, may nurture their revival.
-  • Promote access to microfinance services in returning areas (and cash grants in certain cases) to enable start-up of small businesses.
- Provide information on good microfinance clients in asylum and link them with microfinance service providers in return areas.

After repatriation and as part of an interagency and government team strategy:

- Recognise that community cohesion can contribute to livelihood development and self-reliance and vice versa. Identify opportunities for returnees to network, share information and develop social as well as economic ties with the receiving population - for example through farmer associations, teacher and other vocational organisations, day centres and women's groups or youth clubs.
- Ensure receiving communities benefit from development interventions.
- Promote an area development approach and see how various initiatives (such as return of refugees and IDPs, DDR and others) can be linked.
- Recognise that the absorption capacities in areas of return reflect the levels of achievement in rehabilitation, reconstruction, local economic recovery and development. Limited absorption can lead to backflows - and backflow refugees are typically more destitute than when they were repatriated. Their limited coping strategies, productive assets and social capital may have been lost.
- Harness refugee capacity to advance the recovery process - building from their productive capacities.

 See **Annex 1.13.8: Micro and small enterprise promotion** and **Annex 1.13.9: Microfinance**.

## REFERENCES (ESSENTIAL INFORMATION)

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- Ensure access to training to develop technical capacity and build confidence, using skills of former refugees and the receiving population.
- Enhance the potential of overseas remittances through the establishment of banking systems for handling international private resource transfers.
- Advance the processes of mine clearance, reconstruction activities and restitution of property rights to ensure access to productive resources from which self-reliance activities will build.
- Strengthen economic development potential by promoting market areas and supporting the construction of access roads (through Quick Impact Projects).
- Harness the resources and expertise of development actors to strengthen community-based structures for economic development, capacity building and skills development.
- Harness the private sector as well.

## Annex 1.4

# WHAT AFFECTS SELF-RELIANCE (SOME OF THE CONSIDERATIONS)<sup>3</sup>

*This annex looks at what can hinder or constrain the promotion or adoption of self-reliance. There are circumstances in which advocating self-reliance may at times begin to seem challenging if not futile. These are some of those factors.*

### A. Introduction

Many factors influence the promotion and achievement of self-reliance. There are political implications, legal issues, institutional considerations, environmental factors and socio-economic considerations. We need to pay particular attention to gender and age risks and constraints, the specific circumstances and needs of urban refugees, the vulnerabilities of separated or unaccompanied children, adolescents and people living with HIV/AIDS, as well as single heads of households. Additionally there may be the added dynamics of war and insecurity, psycho-social issues, and the influence of culture and religion.

### B. Political considerations

Political factors such as: host government policy; a particular UN Country Team approach; the commitment, guidance and management of agencies; and donor policies, can stimulate or deter self-reliance.

National policies (and public attitudes) towards refugees and returnees may limit self-reliance options - resulting perhaps in national and local government regulations that: prevent refugees from accessing land (for productive purposes); limit employment options, access to markets and access to financial services; forbid freedom of movement, access to and use of natural resources, and social services; and deter the promotion of self-reliance activities by aid organisations. These regulations may be enforced to varying degrees.

The UN Country Team (including the World Bank) have a major role to play in emphasising self-reliance - promoting and supporting its integration in the CCA/UNDAF planning process and the overall government poverty

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<sup>3</sup> This annex draws fully on the in-depth assessment for food security and self-reliance in the *UNHCR/WFP Joint Assessment Guidelines* (2004).

reduction strategies. Their commitment is central to self-reliance being mainstreamed in development programmes. Donors must also be committed to self-reliance based approaches. And development-oriented agencies (as well as government and the NGO practitioners at field level) must build their involvement in refugee and (re)integration programmes around development approaches.

### **C. Legal and institutional considerations**

Experience shows that self-reliance works best where legal and institutional frameworks strengthen relevant civil, social and economic rights (e.g. over land, employment, education, freedom of movement, identity documents and access to courts). Where these cannot be negotiated satisfactorily the promotion of self-reliance among refugees will be constrained. Consider the following points:

- Lack of secure residence rights, identity documents, work permits, documentary proof of professional qualifications etc. will limit employment opportunities, and render refugees vulnerable to extortion and abuse.
- Lack of freedom of movement curtails market access and limits other income generating opportunities. Extortion at checkpoints outside of camps impacts on profit margins. Closed camps encourage absolute dependency and illegal activities.
- Lack of legal rights over land and water constrain long-term planning, and commitment to sound management. Vulnerability to eviction leads to unsustainable natural resource utilisation e.g. exploitative farming practices or unsustainable harvesting of woodland.
- Lack of valid documentation (e.g. birth and registration certificates) may lead to problems in accessing basic services and human rights, including resources with which to build self-reliance.
- Lack of rights and access to banks may limit access to remittances and credit, impacting on potential for livelihood development.
- Poor security and the threat of SGBV among those who leave camps to collect firewood, water or food, and pursue productive other activities, may curtail self-reliance.
- Residual camp caseloads can be more difficult to support, in terms of developing their self-reliance, especially if they consist of the more vulnerable households.

While for returnees:

- Non-issue of documentation to regularise personal status, and non-restitution of assets and resources, will limit livelihood opportunities and impact on their reintegration.

### **D. Physical and natural resource considerations**

In many operations, locally available natural resources are likely to provide the basis for livelihood development and self-reliance activities. The resources available, and their respective productivity, will influence the choice of activities and guide their use. There are resources over which households have direct control (household assets), and resources regulated through membership of a larger community (common property assets). Whichever are available, the need is to 'use them don't lose them' - ensure the sustainable use of local resources. To benefit from the local natural environment consider the following:

- Involve the specialists - work with organisations and individuals having skills in environmental assessments and natural resources management.
- Avoid conflict over natural resources between hosting and refugee populations, through stakeholder analysis and mapping (using participatory methods).
- Identify the widest range of resources available. Determine areas and resources that are sensitive environmentally, economically and culturally to host communities, local authorities and commercial interests. Identify suitable self-reliance activities with the respective communities.
- Identify potential environmental threats and risks from self-reliance activities, including damage to water catchments, soil erosion, water pollution and forest destruction.
- Select and formally allocate land for productive uses (e.g. cultivation and livestock production) and identify sustainable husbandry practices (bearing in mind refugees may not be familiar with the natural environment or the husbandry methods that are appropriate, and are likely to have only limited access to inputs).
- Ensure access to extension services, training and inputs - building local capacity as possible.

### E. Socio-economic considerations

Refugee and returnees can be agents of economic development locally, benefiting not only themselves but also strengthening the local economy. They may bring or develop skills that enhance local production and trade - stimulating development and building self-reliance. Consider the following:

- Refugee skills, in relation to host community skills, may help or hinder potential options - either complementing or competing with them.
- Newly arrived refugees will not have diversified their skills to suit their new environment.
- Former livelihoods determine the skills people have, but these may be inappropriate in the host environment. (Former pastoralists are particularly difficult to cater for in the confines of a camp, and camp life will not equip them for skills as returnees if they resume pastoralism based economies).
- Former class backgrounds may inhibit or encourage self-reliance. Refugees from middle and upper class backgrounds may find it difficult to take up menial work or adjust to life in rural areas.
- Single male-headed households may find it problematic to undertake work traditionally done by women such as collecting firewood and water, and cooking.
- Women-headed households may not have the time, relevant skills and social status (based on cultural values) to access the necessary resources and labour markets.
- An informal economy and labour market offers economic opportunity provided: labour laws permit; unemployment in the local population is not high; and that the labour market is not saturated with specific skills and services.
- Microfinance can play an important role but host country microfinance/financial institutions may consider loans to refugees too great a risk. Informal, traditional or community-based savings and credit mechanisms may hinder as well as help business start-up.



See **Annex 1.13.9:**  
**Microfinance.**

### F. Issues for urban refugees

Urban refugees are frequently dispersed or isolated among host populations - making little or no social, cultural or language ties. They may lack leadership and traditional community structures. They are vulnerable to a range of protection threats including: arbitrary arrest, detention and extortion by police; human trafficking (especially of women and girls); exploitation by employers (including child labour), traders and landlords; discrimination and physical abuse (including sexual violence) at the hands of the local population, the police and other authorities, or by refugees themselves. Self-reliance promotion can expose refugees to these risks. Also consider that:

- Urban self-reliance usefully focuses on social and economic integration to avoid social tension.
- Some groups will have little or no work experience, and may need more training support.
- Refugees from rural areas or different cultures, religions or class, may have few relevant skills, and may find it difficult to integrate and become self-reliant in their new environment.
- Urban labour markets may be saturated with individuals having similar skills - opportunities may be limited.
- Refugees may, in effect, be confined to a slum or shanty town when local authorities are hostile. This limits their employment options, and increases vulnerability to exploitation. Women and youth are groups that require particular consideration.
- Means testing, to determine assistance needs, often creates resentment, prompting refugees to hide their level of income and conceal their assets.
- Using ‘vulnerability’ as the main criterion for assistance may encourage refugees to act in desperate and humiliating ways in order to qualify for specific types of support.

### G. Issues relating to gender

Women may find it harder than men to set up in business - perhaps with:

- Fewer business networks.
- Less opportunity for accessing credit, cash, markets or traders - particularly in more conservative societies.
- Fewer assets and rights.
- Restricted access to education and skills training.
- Reduced options due to traditions, customs and cultures (including pressure to adopt only lower-income roles).
- Opposition to girl-child education and single women working away from their households.
- Risks to and social disapproval of women being away from home after dark.
- A tendency for women with dependents to adopt low-risk ventures with guaranteed incomes, rather than potentially more profitable ventures.

Furthermore, works initiatives, such as food-for-work to replace distributions, may add to women's workloads. Women are often overloaded with household chores that leave little opportunity for them to engage in substantial profit-making ventures, or benefit from skills training.

#### Field experience: Women's empowerment in Mexico

"In the process of integration, we have had the opportunity to reaffirm the skills we have acquired throughout the different stages of asylum. In the last few years, we have demonstrated that, as women, we can also organise and manage our own income generation projects, and not just take care of our homes and children. An example of this is the first community credit scheme established in Los Laureles refugee settlement. At the beginning, it was difficult to organise ourselves, since we had never had this opportunity, and our husbands discouraged us telling us and making us believe that we would never be able to manage any projects."

"Now we realize that we have learned many things, from operating a calculator, to writing cheques, depositing and withdrawing money from the bank, applying for loans and assessing whether a project will succeed or not. We can do the paperwork, voice our concerns and vote on issues not just in the meetings of our organization but also in large community gatherings. We now have the courage to participate, and our male colleagues have started to realise and to be conscious of the importance, for our families and for our communities, of our participation."

*Esperanza Vázquez,*

*Member of the Technical Committee of the Social Welfare Revolving Fund (FORBIS), Campeche, in The Integration of Former Guatemalan Refugees in Mexico: A Multi-Faceted Experience, edited by Edith F. Kauffer-Michel (San Cristóbal de Las Casas, Mexico: El Colegio de la Frontera Sur, 2002).*

### **H. Issues for separated or unaccompanied children**

Separated or unaccompanied children are extremely vulnerable, and most at risk from neglect, sexual assault and abuse - leading to dependency and undermining potential for pursuing meaningful livelihoods and becoming self-reliant. Further problems include dependency on social welfare, the difficulty in finding a role in the community, and discrimination when accessing services.

### **I. Issues relating to adolescents**

Adolescents often account for a large proportion of displaced or war-affected populations. While their needs are similar to those of adults, they also encounter distinct problems:

- Adolescence is a formative period that shapes adulthood. Unless adequately protected, sensitised and trained in skills for a productive independent life, and provided with a meaningful role in their community, adolescents tend to contribute to future combat situations.
- Adolescents may be treated as dependents even though they are at an age where they would normally be productive - they fall between adults and children and may be treated like neither e.g. in receiving vocational training or accessing credit.

### **J. Issues for people living with HIV/AIDS**

HIV/AIDS affects the productive age-groups, limiting individual, household and community self-reliance in many ways:

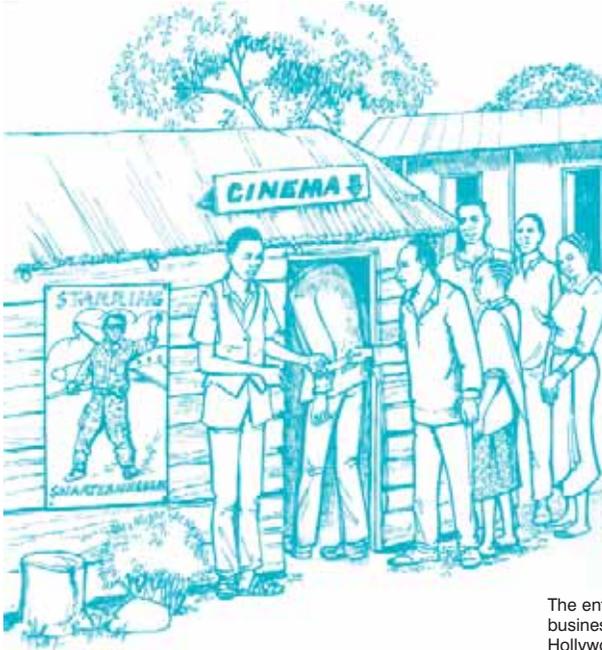
- Food availability is likely to decrease because of: falling farm production, loss of labour and loss of other productive assets; shifts to less labour-intensive production methods; and declining incomes.
- Households may be fragmented, with the elderly left to care for young dependents, or left without careers themselves.
- Because of conflict and/or HIV/AIDS children may lose role models and the opportunity to learn productive activities from their parents/relatives, with minor-headed households having inadequate livelihood skills and knowledge.
- Formal and informal institutions can be weakened, and cooperation may be diminished.

- Expenses and debts may be high, and crippling to an already weakened household, with costs for medical expenses and funerals leading to the sale of productive assets.
- Children's education may be interrupted as households are disrupted - with long-term implications e.g. for earning-potential and child labour.

### **K. Issues relating to war and insecurity**

War and insecurity threaten self-reliance both during and after (often long after) war or conflict ends - not least if families are displaced and/or separated, and the head of household disappears:

- Families may be short of labour, with cultural factors influencing the degree to which women can take on new roles e.g. cultivating the land and undertaking business activities.
- Trauma, psychological problems, anxiety, despair and depression etc. influence the effectiveness of livelihood activities.
- Destruction of infrastructure, insecurity and land mines may limit access to productive areas, assets and activities including land, livestock and grazing areas, markets, the transportation of goods or the provision of services. Those injured by land mines may be perceived as or be less productive or a liability to a household.
- Prolonged conflict may weaken welfare networks and weaken social institutions.
- Raids may deplete households of valuable and productive tools, while interventions that increase the accumulation of assets may 'invite' violence e.g. increasing numbers of livestock. Farmers in conflict affected areas may resort to subsistence farming rather than maximising production and profit, to reduce the incidence of raiding. Increases in traditional livelihoods may increase vulnerability.
- Displacement and the lack of perspective for the future will hinder individual, household and community abilities to plan ahead for socio-economic self-reliance.



The entertainment business - from Hollywood to Dadaab.

## Annex 1.5

# GUIDING PRINCIPLES FOR ASSESSMENTS

*This annex stresses the importance of making assessments, and the key principles for getting them right.*

### A. Introduction

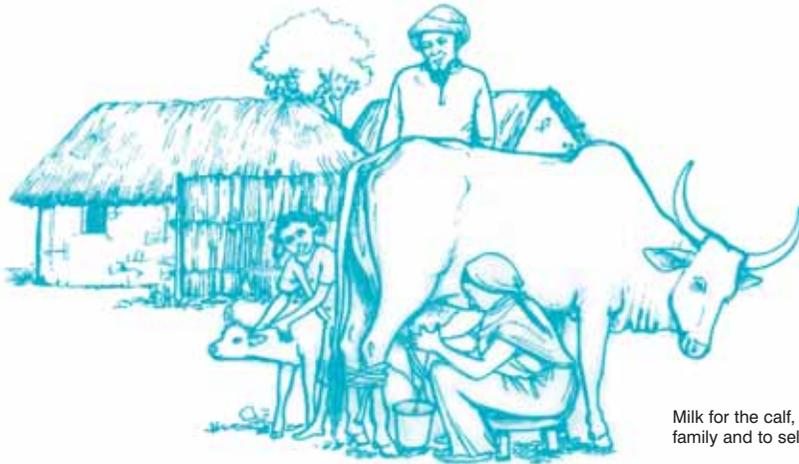
Assessments provide the basis for: deciding what can be done; developing a strategy; selecting activities; and designing interventions. They investigate community and sectoral needs, skills and resources as well as opportunities and constraints. They identify what existing physical resources (and what can and cannot be used). They discover what can be done, and by whom.

### B. The principles

For good practice:

- 1. Include all stakeholders in the assessment team.** Joint assessments that are planned, undertaken and analysed with the genuine participation of development and relief agencies (as well as refugees, returnees and host communities) will lead to the development of more pertinent and sustainable interventions.
- 2. Collect enough relevant information for making sound decisions.** What is 'enough' depends on the context and on the kind of decision to be taken. Avoid collecting too much. Collect only what is useful, and forget what is only interesting. Consider what the answers to each question will enable you to do.
- 3. Minimize the amount of time between assessment, analysis and design,** and maintain an interactive relationship with all stakeholders throughout.
- 4. Ensure the priorities and aspirations of refugees, returnees, host communities (and other people of concern) are central to analysis.** This will maximise the impact of subsequent interventions.
- 5. Keep the broadest view.** Be holistic and consider all cross-sectoral linkages and cross cutting issues.

- 6. Ensure assessment and design involves adequate technical people.**  
A cross-section of technical backgrounds e.g. in agriculture, food security, health, water, community development, education, local economic and livelihood development etc. will be very valuable. Specialist input needs specialists!
- 7. Agree terms of reference, expected results and outputs in advance.**  
For what reason is the information required? What information do you need for pertinent and appropriate programme design? Agree on how to maximise the use and impact of findings.
- 8. Target different livelihood groups.** i.e. conduct separate discussions with fishermen, farmers, widows and adolescents in refugee/returnee and local communities.
- 9. Use triangulation to cross-reference information collected.**
- 10. A paper trail of tools and processes is imperative.** Deviations from former assessment methodologies should be highlighted and explained.
- 11. Remember that baselines may be inaccurate and become obsolete rapidly.** Combine assessment findings with surveillance to monitor changes and trends.
- 12. Supplement assessments with smaller studies dealing with sectoral needs** e.g. nutrition, health, water, social counseling. These may be undertaken by specialist agencies.



Milk for the calf, the family and to sell.

## Annex 1.6

# TARGETING ASSESSMENTS

*This annex describes the ways in which different groups can be targeted for assessment - how to talk with who for what.*

### A. Introduction

Assessments have to be done properly. There are no short-cuts. One of the critical issues is deciding who will participate in the assessments, and why. There is more detailed useful information in the UNHCR/WFP Joint Assessment Guidelines<sup>4</sup>.

### B. Key informants

Information may be sought from individuals with particular knowledge on specific subjects. These include: UNHCR office, camp management and administration staff; refugee leaders; religious leaders; government personnel; and staff of NGOs. They might also include health workers, teachers, traders, transporters and shopkeepers. They may be able to provide information about the refugee/returnee and host communities on:

- Numbers and demography.
- Health and nutrition status.
- Gender and age considerations.
- Legal status and accompanying rights and obligations.
- Social organisation and attitudes.
- The characteristics of the location.
- Food security.
- Refugee and returnee access to food, income and essential non-food supplies.
- The availability of and access to natural resources.
- The market situation (goods, employment and services).
- Food handling, targeting and distribution as well as supplementary and therapeutic feeding.

<sup>4</sup> See Annex 1.1: References for the *UNHCR/WFP Joint Assessment Guidelines* (2004).

- Household food utilisation.
- Public health conditions and health care (including HIV/AIDS).
- Education and community services.
- Prospect for durable solutions.



Everyone has an opinion. Listen and learn.

### C. Focus groups

Meetings with focus groups of refugees/returnees and host communities can yield valuable information, looking at:

- Health and nutrition problems.
- How households and communities organise themselves.
- The local environment and natural resources.
- Relationships between refugees/returnees and hosting/receiving populations.
- Gender roles.

- Food security, self-reliance and food aid.
- Protection concerns.
- Expectations and visioning for the future, and prospect for durable solutions.
- If voluntary repatriation is a likely durable solution, relevant information on the situation in the country of origin.
- How do households access, spend and save income.
- What is the pattern of crisis expenditure (e.g. burial, marriages, pre-harvest time) and what are the coping mechanisms.

### D. Household visits

Household visits provide verification of information drawn from other sources, and to identify aspects which require more detailed enquiry. Do not assume the information is representative of a whole population unless a very large number of households are sampled in an appropriate programme of sampling and analysis. Household visits can provide us with information on:

- The material condition and assets of the household.
- Availability of productive assets.
- Gender roles.
- Availability of savings and other assets (e.g. livestock).
- Its food storage facilities and their effectiveness.
- Food preparation facilities tools and practices.
- Cooking fuel type, quality and management practices.
- Infant and young child feeding and care practices.
- Water supply.
- Environmental sanitation.
- Health care.

### E. Market visits

A

Markets provide opportunities to gather information on current market conditions and expectations - looking at prices, supply and demand for different produce and products among refugees/returnees and local people. Information may be gathered by: walking through the market and observing what is being bought and sold, and what isn't there; and talking to buyers and sellers, traders and processors (e.g. grain millers).

### F. Vulnerability ranking

When physical status symbols are uncommon it is difficult to rank households by wealth. An alternative is identify those using distress strategies - income generating activities that deplete the household or community resource base, i.e. illegal or socially less acceptable activities such as theft or prostitution. Other income generating activities include those that are less favoured and with lowest incomes e.g. collecting and selling wild foods or water dug from dry river beds. It is often difficult to involve the most vulnerable in participatory approaches to assessment - feeling stigmatised by their status.

A > See pages 143 to 146 in the *UNHCR/WFP Joint Assessment Guidelines*<sup>5</sup>.

<sup>5</sup> See Annex 1.1: References for the *UNHCR/WFP Joint Assessment Guidelines* (2004).

## Annex 1.7

# TYPES OF ASSESSMENT

*This annex explains what is covered by different assessments, how the assessment should be carried, with whom and when.*

### A. Introduction

Self-reliance, food security, the environment, markets and nutrition issues are closely interlinked. A range of assessments can be used to determine the extent to which income generating activities will actually generate sustainable returns. These assessments are context specific - the setting in which they are used should guide what tools (or parts of them) should be used. The assessments described here are:

- Self-reliance assessments.
- Food security and livelihoods assessments.
- Nutrition surveys.
- Environmental assessments.
- Market demand assessments.
- Business development services assessments.
- Feasibility assessments.
- Labour skills market assessments.
- Protection assessments.
- Country of origin assessments.
- Reviewing the involvement of women.

## B. How to decide which assessments to do

A

A self-reliance assessment will be useful in almost all settings.

Once this is organised, the difficulty is deciding which other assessments will be useful as well. How do you decide what else to look at? One way is to review **Figure 7.1** to work out: what existing assessment reports should be able to provide you with additional useful data; which other full assessments might be undertaken; or which assessments tools will have components you may use if you design your own. So use **Figure 7.1** to see what key areas of data you are lacking, and what expertise you will need to generate it. (Unless you are an expert don't try to implement these assessments yourself).



Guarding the family bank account.

A

To undertake a more standardised in-depth food security and self-reliance assessment, use the procedure described in the *UNHCR/WFP Joint Assessment Guidelines*<sup>6</sup> (Chapter 4 and Chapter 7.2). This is summarised in the Toolkit - **Tool 4: Making a self-reliance assessment**.

<sup>6</sup> See Annex 1.1: References.

**Figure 7.1: Assessments used for developing self-reliance**

Study/ Assessment	Why to use it	What it does	What you want from it	When to use it	When not to use it
Self-reliance assessment	To provide a brief overview of the self-reliance situation in the community	<ul style="list-style-type: none"> <li>Identifies constraints to, capabilities of and options for strengthening livelihoods</li> <li>Identifies potential links with development programmes and partners</li> <li>Guides the selection of sectors on which to focus effort (but is not a basis for designing interventions)</li> <li>Guides the selection of further sector-based assessments</li> <li>Builds participation</li> </ul>	All of it	At any stage of an operation	
Food security and livelihood assessment	To identify the relative importance of different food sources and incomes for different socio-economic and livelihood groups	<ul style="list-style-type: none"> <li>Identifies the strengths, vulnerabilities, risks and opportunities for each group</li> <li>Identifies those at most risk</li> <li>Identifies the (likely) impact on food security resulting from changes in the natural, economic and social environment</li> <li>Guides decisions on increasing or reducing food rations (with nutritional surveys)</li> </ul>	Information on how food security and livelihood activities are impacting on self-reliance (for example to find which self-reliance activities work/don't work, what coping methods have been adopted and developed, which groups are particularly vulnerable, and the impact of the food basket on market prices of foodstuffs)	In post-emergency phases, and in protracted displacement. Also in pre- and post-repatriation	When there are delayed distributions or ration reductions in the food pipeline (reducing the relative importance of rations even though dependence is as high as ever)
Nutritional survey	To assess the nutritional situation and guide the development of suitable interventions	<ul style="list-style-type: none"> <li>Determines the level of any malnutrition, and its underlying causes</li> <li>Identifies the groups most at risk (and why they are at risk)</li> <li>Guides the development of self-reliance activities to address the specific needs of vulnerable groups</li> </ul>	To identify and address underlying risks of malnutrition among vulnerable groups	At any stage of an operation	





Figure 7.1: Assessments used for developing self-reliance

Study/ Assessment	Why to use it	What it does	What you want from it	When to use it	When not to use it
Environmental assessment	To provide a basis for maximising benefits from the environment sustainably	<ul style="list-style-type: none"><li>• Identifies the available natural resources</li><li>• Investigates opportunities for natural resources based self-reliance activities</li><li>• Guides the development of appropriate land husbandry and natural resources management</li><li>• Identifies environmental threats arising from Self-reliance activities and the operation as a whole</li><li>• Provides a basis for reducing conflict between refugees and hosting populations</li><li>• Demonstrates commitment to government that self-reliance activities will be environmentally sustainable</li></ul>	All of it	As soon as a site for a camp or settlement is proposed or identified	
Market demand assessment	To assess the viability of potential income generating activities	<ul style="list-style-type: none"><li>• Guides the selection and design of income generating activities</li><li>• Determines the market for a particular business, and the trends</li><li>• Identifies the skills training required</li></ul>	Information on the sustainability of potential income generating activities and businesses	Post-emergency, protracted displacement and post-repatriation phases	Pre-repatriation
Business services demand assessment	To assess potential for business services	<ul style="list-style-type: none"><li>• Identifies business opportunities and constraints</li><li>• Provides input to the design and set up of new businesses</li><li>• Provides input to addressing funding, marketing issues</li><li>• Identifies potential growth areas for new and emerging businesses</li></ul>	To clarify demand/potential demand for business services	Protracted displacement and post-repatriation phases	Pre-repatriation





Feasibility assessment	To assess the position in the market for particular products or services	<ul style="list-style-type: none"> <li>• Determines potential demand for a particular product/service</li> <li>• Guides decisions on quality and pricing of the product or service</li> <li>• Guides the rate of production - how quickly will the goods or services be sold</li> <li>• Reviews the availability of raw materials and other inputs</li> </ul>	Information on the production and marketing environment when considering investment in a new business venture	Protracted displacement and post-repatriation phases	Pre-repatriation
Labour skills market assessment	To assess what skills are in demand	<ul style="list-style-type: none"> <li>• Determines the main employment sectors and the labour they require</li> <li>• Identifies patterns in the demand for labour</li> <li>• Identifies the relationships between skills and income</li> <li>• Identifies relevant skills training programmes</li> <li>• Clarifies the legal and regulatory environment for businesses and employment</li> </ul>	Information that will help the placement of labour, with guidance to approaches to local authorities, estimating wages, providing training etc.	Post-emergency, protracted displacement and post-repatriation phases	Pre-repatriation in country of asylum
Protection assessment	To identify protection gaps and constraints	<ul style="list-style-type: none"> <li>• Determines the legal framework for refugees being granted protection in the host country, the scope of that legal status, and which civil, social, economic and cultural rights they have legal and practical access to. It also determines their obligations</li> <li>• Determines the government position on refugee rights, and clarifies relevant national and local regulations</li> <li>• Highlights problems with physical security of refugees, including the presence of armed elements, and the occurrence of SGBV</li> <li>• Determines refugee access to natural and other productive resources</li> <li>• Determines refugee access to social services, schools etc.</li> <li>• Investigates the degree to which refugees suffer harassment</li> </ul>	<p>Understanding of the legal constraints and deterrents in the realization of self-reliance</p> <p>Information on the priorities given to refugee/returnee and hosting/receiving areas at national government, UN and donor levels</p> <p>Understanding of protection issues for refugees/returnees when working towards self-reliance</p>	At any stage of an operation	





Figure 7.1: Assessments used for developing self-reliance

Study/ Assessment	Why to use it	What it does	What you want from it	When to use it	When not to use it
		<ul style="list-style-type: none"> <li>• Determines government policy to and support for aid agencies</li> <li>• Clarifies if the refugee operation on the agenda of the UNCT, UNDAF, CCA or the PRSP</li> </ul>			
Country of origin assessment	To provide a sound basis for repatriation and reintegration	<ul style="list-style-type: none"> <li>• Appraises the economic, livelihood and development situation in the area of return</li> <li>• Guides the development of self-reliance activities prior to repatriation</li> <li>• Identifies development actors in areas of return</li> <li>• Develops linkages and partnerships between refugee and receiving populations</li> <li>• Determines the degree of restoration of national protection</li> </ul>	<p>Information that will allow planning for repatriation (e.g. skills development, matching of skills, economic opportunities on return) and reintegration (building social and economic absorption capacity and local economic development)</p> <p>Building coexistence links between receiving communities and future returnees</p>	When return appears to be one of the durable solutions in the future (even if the situation is yet to be fully stabilised)	
Reviewing the involvement of women	To increase opportunities for women to develop Self-reliance	<ul style="list-style-type: none"> <li>• Clarifies the constraints faced by women, and identifies ways to address them</li> <li>• Determines possible occurrence of SGBV</li> <li>• Ensures the participation of women in project design</li> <li>• Identifies appropriate employment and income generating opportunities</li> <li>• Identifies opportunities for improving women's access to resources</li> <li>• Identifies means for ensuring women have access to the development services they require</li> </ul>	Information on the potential for women to play an increasing part in economic development, and understanding of the issues that constrain them	Post-emergency, protracted displacement and post-repatriation phases	

## Annex 1.8

### WHO TO TARGET

*This annex presents some of the ways in which refugee/returnee and hosting/receiving populations may be conveniently grouped when looking at self-reliance interventions.*

#### A. Introduction

Realistic and clear targeting of interventions is essential. The existence of social strata in a population is a reality that must be recognised and used to ensure effective development assistance - focusing strategies, building from internal social structures and strengthening suitable local institutions.

#### B. General points

- The type of self-reliance activities, the way the skills are developed and how resources are delivered will vary from target group to target group.
- Targeting should take into account intra-household relationships and responsibilities. Not everybody will be in a position to respond to opportunities.
- Projects can target vulnerable households with specific training and support to reduce dependency. Furthermore, non-food interventions may create less resentment among those who are not part of a project. For example, unaccompanied children may prefer to receive sheep or goats as a basis for building a livelihood, while the elderly may prefer to receive support for small kitchen gardens.
- Distinguish between old and new arrivals.
- Targeting must build from workers, committee and representation from the different socio-economic groups.

#### C. Potential benefits

- Support to more able households may generate small businesses that lead to employment opportunities for other households.
- Attention to the potential for and involvement of youth can provide adolescents with income and a sense of social value. Successful interventions will increase their self-esteem and enhance their standing in their community.

## D. Potential problems

- Impoverished host populations may resent exclusion, leading to conflict between refugees and hosting communities.
- Targeting can lead to the marginalization and social tensions, and can undermine community integration e.g. a programme focusing only on women might generate resentment from men and lead to domestic violence.
- The main criteria for selecting vulnerable households for self-reliance activities are their potential to become fully economically active if provided with the means to do so. Do not invest in self-reliance activities for individuals or households that are too vulnerable to carry out viable economic activities. Focus on able families that will be supporting such vulnerable people of households.



All charged up for business?

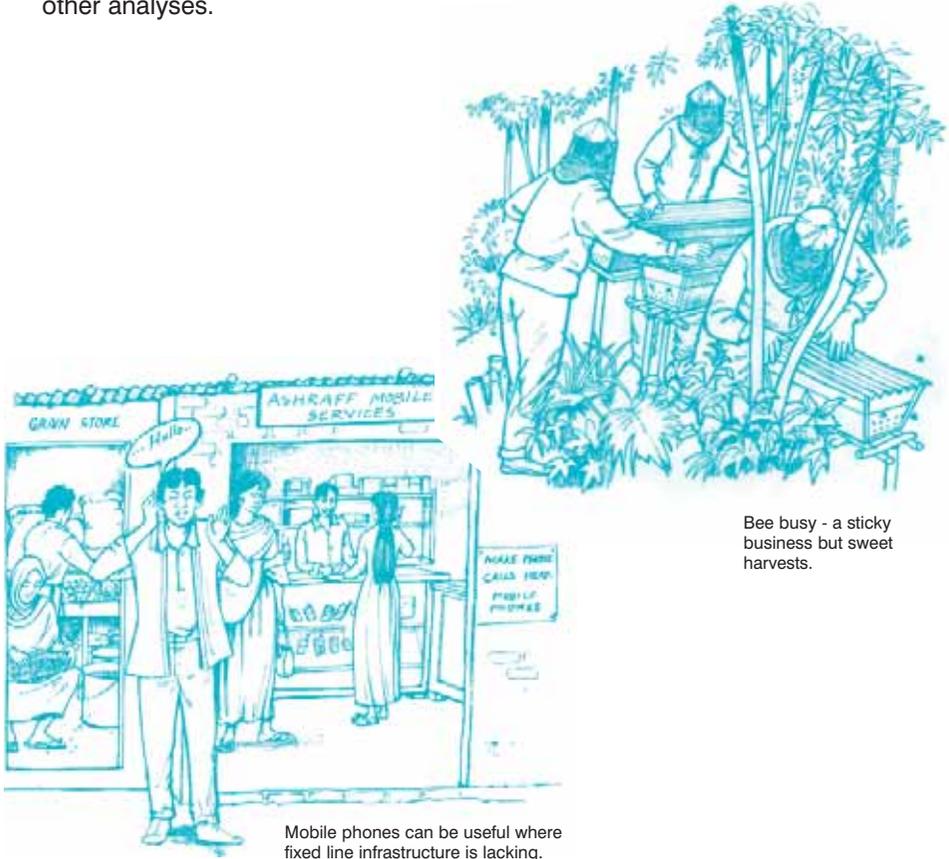
Rebuilding the future.

## Annex 1.9

# SOME LESS CONVENTIONAL IDEAS FOR PRODUCTION, MARKETING AND SERVICE PROVISION

*This annex lists some of the less conventional business opportunities that may be considered. Use this table to stimulate further possibilities as well as exploring any of those that may be appropriate.*

Get away from the conventional ideas of tailoring and woodworking. They may be relevant to the situation but are more likely to be developed by refugees/returnees and local people without interventions by agencies. **Figure 9.1:** may start a thinking process to complement assessments and other analyses.



Bee busy - a sticky business but sweet harvests.

## APPENDIX ONE

**Figure 9.1: Some less conventional ideas for business development**

<b>Activity:</b>	<b>Notes:</b>
Agricultural tools production	Useful relief substitution activity
Animal health workers	Sustainable support to livestock keepers through sale of services for livestock treatment and technical advice, and sale of veterinary drugs. (Explore the production of local medicines, and don't encourage or subsidise use of proprietary drugs if their use is not sustainable)
Battery-charging	For powering lighting systems, radios and TVs (considering solar recharging systems)
Beekeeping	Excellent income generating opportunities with minimum investment (utilising whatever is available and building from traditional/existing skills)
Brick-making	Excellent means for offsetting deforestation for construction materials in many areas if soils are suitable (but don't encourage brick burning methods unless firewood sources sustainable. Look at stabilised block or sun-dried brick technologies as possible)
Charcoal production	Approach with caution. (Only to be developed as part of a sustainable woodland/forest management package with excellent monitoring and control mechanisms - adopting efficient kiln for processing)
Dairy goats	Excellent alternative if dairy cows are too expensive or unsuitable to location. Valuable among communities to improve nutrition
Drying fruits and vegetables	Simple and excellent way to preserve seasonal abundance of fruit and vegetables Important in improving nutrition
Fish farming	Valuable source of protein
Goats	Good four-legged bank account. Very robust and tolerant to diseases. Perform in high temperature climates
Internet café	A service in increasing demand given interest in the web and the use of e-mail
Metal stoves	Useful relief substitution activity - fuel-saving stoves to reduce firewood demand
Mobile phone services	Providing a telephone service to refugees/returnees and local people using pay-as-you-go services. (Consider this as an option for vulnerable households, but don't pay recurrent costs like top-up cards)
Mud stoves	Making/installing fuel-saving mud stoves for households
Multi-storey gardens	Excellent low cost means for growing vegetables in confined areas - to improve nutrition
Pot-making	For sale for water storage, crop (grain) storage and cooking
Poultry production	For improving nutrition (and reducing insect pests etc)
Rabbit-keeping	Excellent source of protein
Soap making	Useful relief substitution activity Making soap to sell to relief agencies for distribution

**Figure 9.1: Some less conventional ideas for business development**

Activity:	Notes:
Tap-stand gardens	Good way to grow vegetables using waste water A good way to remunerate tap stand-managers (the opportunity to irrigate small plots of crops)
Traditional medicines	Increasingly acceptable and sought-after alternative to 'modern' medicine
Tree planting	Useful relief substitution activity Valuable for addressing aspects of land degradation, nutrition (if fruit trees) and welfare issues (e.g. shade in hot climates)
Tree nurseries	Useful relief substitution activity
Tailoring	As well as the usual range of clothes etc. look at specialist items using locally available materials (e.g. beesuits made from food sacks, mosquito nets, school bags)
Video cinemas	Very popular among rural communities in many developing countries
Woodlots	Excellent for a wide variety of purposes (with short-term as well as medium and long-term value)

Some general points to bear in mind:

### For most activities

- Get technical expertise involved at set-up.
- Build from traditional skills, knowledge and practices.
- Don't adopt high input systems.
- Maximise locally available resources wherever possible and encourage innovation.
- Ensure sustainable access to resources.
- Link with local ministry personnel (e.g. from the departments of agriculture or livestock development).

### For enterprises based upon providing services

- Ensure there is a market for the proposed service.
- Ensure training and accountability systems to ensure quality service.

### For enterprises based upon manufacturing

- Ensure quality control on product.
- Look at what the market wants, or might usefully have available, before setting up projects.
- Ensure there is a market for the proposed product.

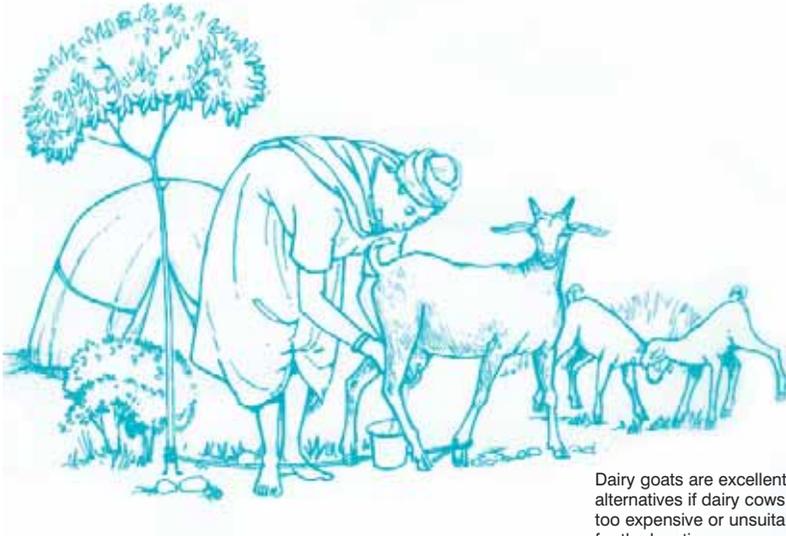
## Annex 1.10

# MONITORING AND EVALUATION

*This annex looks at the difference between monitoring and evaluation - what monitoring is, and what evaluation is.*

### A. Introduction

Monitoring and evaluation are different processes that provide information on different aspects of project implementation. First the differences will be clarified. Second the elements of each will be described.



Dairy goats are excellent alternatives if dairy cows are too expensive or unsuitable for the location.

**B. The differences**

Figure 10.1 presents the differences between monitoring and evaluation.

Figure 10.1: Monitoring and evaluation

	<b>Monitoring:</b>	<b>Evaluation:</b>
<b>What it is</b>	A process to continually review <b>how well a project is being implemented</b> - to make sure the inputs, work-schedules and activities are done according to plans and budgets	A time-bound assessment of a <b>project's achievements</b> - have the objectives been accomplished, has this been done efficiently, have the partnerships worked etc.
<b>What its based on</b>	It is largely based on <b>facts</b> using indicators identified during project design and establishment, e.g. have activities listed in project documents or agreements have been carried out?	Largely based on <b>informed analysis</b> i.e. were the objectives focused on real needs, were costs appropriate for the outputs delivered, did the outputs produce the desired results etc.
<b>Why do it</b>	<ul style="list-style-type: none"> <li>• Inform managers and staff when taking timely and well-informed operational decisions</li> <li>• Identify and correct operational problems</li> <li>• Ensure implementation plans are followed, and benefits are equitable</li> <li>• Identify protection problems in a timely manner</li> <li>• Contribute to reporting for HQ, ExCom, donors, governments etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine whether expected results are achieved - improve accountability</li> <li>• Identify good practices and learn from them</li> <li>• Close the gap between the organisation's views and those of the beneficiaries</li> <li>• Build institutional memory to ensure valuable institutional knowledge is not lost when there is a high turnover of staff</li> </ul>
<b>How to do it</b>	<ul style="list-style-type: none"> <li>• Collect data</li> <li>• Analyse it</li> <li>• Use the results to improve <b>current or future projects</b></li> </ul>	<ul style="list-style-type: none"> <li>• Collect data</li> <li>• Analyse it</li> <li>• Use the findings to improve the organisation's <b>policies, decision-making and strategies</b></li> </ul>

### C. Monitoring activities

A

Monitoring builds from the selection and use of clear indicators. These may be specified in project development (often in a log frame) or identified later during project identification. Whenever they are selected, the process must involve representation by all stakeholders. Indicators must be tangible - their achievement must be easily confirmed or verified.

### D. Evaluation activities

Evaluations are best undertaken by specialists who have experience of suitable techniques, good analytical skills and excellent writing/communication skills.

A

Refer to **Annex 1.11: Indicators.**

# Annex 1.11

## INDICATORS

*This annex describes what indicators are, why they are used, and how to use them. It also provides guidelines on the identification of indicators, and the selection of indicators from UNHCR's Guide on the Systematic Use of Standards and Indicators in Operations.*

### A. Introduction

UNHCR uses a results-based management method which relies on the formulation and application of indicators. Indicators are the core of a monitoring system, signaling progress towards achieving project objectives. They allow staff to make objective and reliable qualitative and quantitative judgments about operations.

### B. UNHCR standards and indicators

UNHCR has developed a range of tools to enhance its programming and accountability, and as part of its Result-Based Management approach is now introducing a set of Standards and Indicators to reinforce this. Standardised indicators are expected to be used as a global yardstick to measure operational progress towards targets or standards of delivery of protection and assistance. Standards and indicators will provide quantifiable evidence of needs as a basis for accurate problem definition and analysis. Clarification of the problem will provide a basis for identifying the causes of the problem. Accurate problem definition is essential to avoid anecdotal evidence guiding the design of interventions and the management of programmes.

Standards and indicators should be used against baseline data as both are needed for measurement. Standardised indicators are provided in UNHCR's practical guide<sup>7</sup>, including a set of impact and performance indicators that should be used in operations management:

- In planning documents (the Country Operational Plan, Project Submission and Sub-Project Agreement) to describe the current position.
- In reporting documents (Country Reports, Sub-Project Monitoring Report, Situation Report and the Mid-Year Progress Report).

<sup>7</sup> See Annex 1.1: References which provides details on UNHCR's *Practical Guide to the Systematic Use of Standards and Indicators in UNHCR Operations* (2004) - Annex 4: Cross-cutting Policy Priority Indicators.

The use of standards and indicators (in the UNHCR practical guide) is, at present (2005) mandatory in planning and reporting for camps with over 5,000 people, and in return- reintegration situations.

**C. How to use indicators**

Humanitarian agencies are increasingly aware of the importance of the link between quality control and maintaining standards of their activities. These standards are a basis for accountability and the need to maintain delivery under varying and often unstable conditions. Standards are, quite literally, standards - the provision of quality protection and assistance activities, attainment of rights and the optimal use of resources. Minimum standards are set; indicators are identified; baselines are prepared; and the gap between the baseline (i.e. the outset of the initiative or at a given time) and the standard is determined. Indicators provide evidence of the difference between the baseline and a standard. Planning then addresses the problem by addressing the cause. Objectives are set with a target - an impact indicator. Objectives are to be achieved by the attainment of Outputs. Outputs are measured by the attainment of performance indicators. A log frame is a valuable tool for thinking through and articulating this. See **Figure 11.1**

**Figure 11.1: Logical framework format**

FMIS sector code:	FMIS sector:	
Current situation	Sector objectives	Impact indicators
	Outputs	Performance indicators

**Figure 11.2** provides an example of a log frame for self-reliance activities.

Figure 11.2: Example of a log frame for a self-reliance activity

Income Generating Activities for Refugees in Uganda - 2001

Description of Objectives and Outputs (by Sector/and Sector-Activity)

FMIS sector code: N	FMIS sector Name: Income Generation Activity	
Current situation	Sector objectives	Impact indicators
<p>As of August 2000, a total refugee population of 211,242 refugees in Uganda, in 9 districts (103,866 females and 107,376 males) of which 91.5% are Sudanese, 4.17% are from DRC and 3.69% are from Rwanda. The rest are from Somalia, Ethiopia, Kenya, Burundi, Eritrea and Nigeria</p> <p>Although the main source of income is agriculture, it is not undertaken as a business. Sometimes, limited access to land makes it difficult to promote full self-reliance</p> <p>Levels of agricultural production are low hence not attractive to external buyers</p> <p>There is a lack of skills and IGA diversification therefore several persons are undertaking the same IGAs hence not making so much profit</p> <p>Refugee hosting districts are isolated and distant from the centre of commercial activity hence transportation costs for merchandise are high</p>	<p>Overall objective</p> <p>To promote self-reliance and socio-economic well being of refugee and refugee-hosting communities (including those with special needs such as women, youth, children and disabled) through a multi-sector approach and enhanced participation in profitable IGA and sustainable rural/microfinance system</p>	<p>Improved standards of living and increased income at household and community level</p> <p>Multi-sector mechanisms in place</p> <p>Involvement of refugees with special needs in IGA</p> <p>Surplus production</p> <p>Rural/microfinance systems in place</p>
<p>There is limited or lack of technology for diversification of marketable projects</p> <p>Post harvesting technologies and skills are poor</p> <p>Marketing of products still a problem due to inadequate market infrastructure, inadequate market outputs and information systems. Limited demand due to poverty</p> <p>IGA planning and management skills are limited</p> <p>Several groups and associations are developing but have inadequate association management skills</p>	<p><b>Specific objectives</b></p> <p>To increase by the end of 2002, the capacity of 5000 refugee and national households (including those with special needs such as women, children, youth and disabled) in refugee affected areas, to participate in IGAs resulting in fundamental changes in their living conditions</p>	<p><b>Impact indicators</b></p> <p>Number of households involved in IGA disaggregated by nationality and vulnerability.</p> <p>Number of direct and indirect beneficiaries by gender</p> <p>Number of Small-holder Associations formed</p> <p>The number of successful/profitable IGAs initiated or expanded</p>



Figure 11.2: Example of a log frame for a self-reliance activity

FMIS sector code: N			FMIS sector Name: Income Generation Activity		
Current situation		Specific objectives		Impact indicators	
<p>NGO and district technical staffs have been trained in Small-holder Association in Adjumani/Moyo and in financial landscape in Adjumani/Moyo and Mbarara</p> <p>Financial landscape and/or economic surveys were undertaken in Adjumani, Moyo and Mbarara</p> <p>Training in Apiary/Apiculture in Arua and Adjumani has resulted in birth of several Apiary associations</p>				<p>Number of refugees with special needs involved in IGA and small-holder associations by gender/nationality</p> <p>Business mortality rate</p> <p>Socio-economic status of small business/entrepreneur households in the community</p> <p>Ability for households to meet basic needs</p> <p>Stronger role and impact of Small-holder Associations on production and marketing</p>	
<p>The demand for products and the capacity for communities and households to maintain and access services have improved slightly</p> <p>However, refugees and hosting populations still live on subsistence farming rather than producing surplus</p> <p>Demand for products is low as the variety offered and the household income is low</p>		<p>To change responses of household and community as a result of improved access to and quality of resources, goods and services</p>		<p>Number of groups and associations better able to support EVIs (Extremely Vulnerable Individuals).</p> <p>Number of EVIs supported through groups and associations benefiting from the programme.</p> <p>Change in type, quality and volume of goods and services produced (more suitable facilities or equipment, diversification of products)</p> <p>Changes in number of business employees</p> <p>Changes in business profitability or income (perception/hard data)</p> <p>Changes in saving amount and type</p> <p>Number of new/additional business started</p> <p>Increased access of small-holder associations' members to goods and services, essential for their business</p> <p>Increased profitability of business</p> <p>Increased linkage and networking with formal business sector</p>	





<p>ROSCAs and ASCAs are prevalent in the communities but management and business skills need to be strengthened. They are not linked to formal sector</p> <p>Formal credit sources are limited; loan repayment rates less than acceptable standard of 95% (AAH has 44% and ACORD 90%)</p> <p>The IGA programme lacks systematic impact assessment and indicators to evaluate progress.</p> <p>Skills in development and rural finance in particular need to be enhanced among UNHCR, District and NGO partners</p>	<p>Increase access of individuals engaged in IGA, including those with special needs such as women, youth, disabled, to appropriate and sustainable community-based and other financial system for initiating and expanding IGA</p>	<p>Increased number of individuals accessing and utilising rural financial schemes (ROSCAs, ASCAs, etc.) for savings &amp; credit services-disaggregated by type of disaggregated service provider, gender, vulnerability and nationality</p> <p>Amount of community-based credit accessed - disaggregated by type of service provider, gender, vulnerability and nationality</p> <p>Number of persons involved in community-based financial systems - disaggregated by type of financial system, gender, vulnerability, nationality, service provider</p>
<p>Co-ordination between the various sectors and partners in the refugee hosting areas and the District has improved but need further attention</p>	<p>To ensure close cross sector co-operation especially with skills training and non-formal education, agriculture and the private sector</p>	<p>Cross sector co-ordination mechanisms</p> <p>Involvement of the private sector</p> <p>Number of associations with direct links with private sector or skills development/skills training programmes</p>

#### Intended Impact on Protection Issues and Policy Priorities:

What impact will the activities planned under this sector have on:

The protection of the beneficiary population?

Increase social and economic security of the person and family. Increase ability of households to access basic social services including education and health

The environment (is environmental damage being prevented, mitigated, or repaired)?

Increase the capacity of individuals to purchase energy saving materials, e.g. energy saving stoves.

Knowledge acquired through skills training leads to more sustainable use of environmental resources

### D. How to select further indicators

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Further indicators should also be used for monitoring and evaluating Self-reliance projects. These are often selected during project design, especially if a log frame is the basis for project development. Stakeholders, including the beneficiaries of the project, should be fully involved in choosing them and agreeing on the methods for collecting information.

Indicators should be selected on the basis of the following criteria<sup>8</sup>:

- Relevance
- Measurability
- Clarity
- Practicability
- Reliability

There is no need to accumulate huge volumes of data. Keep it simple. A smaller amount of high quality, usable information is far better than large amounts of ‘anything that might seem interesting’; and avoid anything that requires major collection effort, or needs expert analysis.

The following self-reliance indicators can be monitored easily at household or community level. These may provide a basis for identifying other indicators relevant to the project, community interests and the prevailing conditions. See **Figure 11.3**.

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See **Tool 8: Writing up plans** for an example of a log frame.

<sup>8</sup> Practical Guide to the Systematic Use of the Standards & Indicators in UNHCR Operations. Geneva: UNHCR, January 2004.

## REFERENCES (ESSENTIAL INFORMATION)

**Figure 11.3: Self-reliance indicators that can be monitored regularly<sup>9</sup>**

	<b>Household level:</b>	<b>Community level:</b>	<b>Means of verification:</b>
<b>Expenditure</b>	Share of household budget devoted to food as a proportion of total expenditure		Household survey questionnaire/interview
<b>Assets</b>	Number of assets (non-food items, livestock, tinned roofs etc.)		Context specific studies
<b>Health</b>	Nutrition data - stunting, wasting (in children), anaemia (in women), under 5 mortality rate		Records and interviews with clinics and nutrition centres; nutrition surveys
<b>School attendance</b>	Percentage of school-age children from a household attending full-time education	Number of children attending, compared to enrollment (and number of registered school age children in the community)	School attendance records
<b>Employment</b>	Number of days worked per month; and wages received	Number of days worked per month and the type of work available	Household surveys (questionnaire interview); key informants; observation, focus group discussion
<b>Market</b>	Access to and use of markets	Costs of staple foods Costs of normal fuels Number of different goods available	Key informants; observation, focus group discussion
<b>Services</b>	Use of services	Number and type of services available (e.g. bicycle repairs, tool-making and repairs)	Key informants; observation, focus group discussion
<b>Participation</b>	Rate of participation in cooperatives, production groups and community-based organisations	Number of cooperatives, production groups and community-based organisations	Household surveys Key informants; observation, focus group discussion
<b>Inclusion in development</b>		Percentage of refugees included in local development plans (by sector)	Local and national development plans and programmes, national strategies, CCA/UNDAF, PRSP and donor strategies

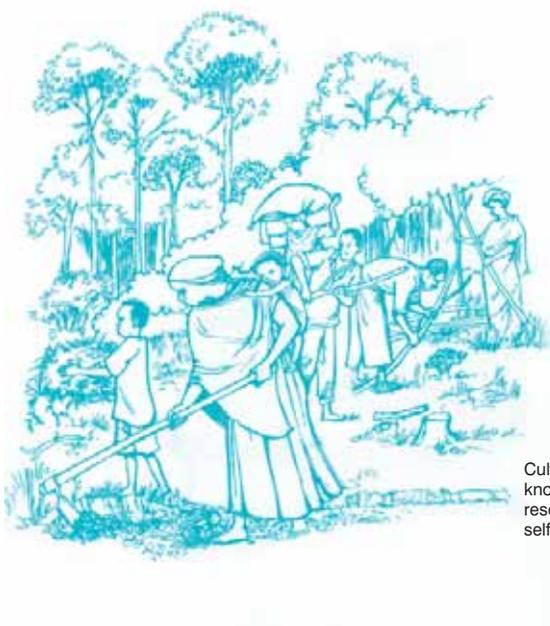
Notes: 1. No indicator should be considered in isolation. 2. Correlate household indicators with community indicators. 3. Make a triangulation between household and community indicators and the baseline (if available) or use the data obtained as baseline for future monitoring. 3. Compare the same indicators for refugees/returnees and hosting/receiving communities.

<sup>9</sup> From the WFP-UNHCR Self-reliance Workshop in September 2003.

### E. Verification of indicators

The means of verifying indicators generally include:

- Regular meetings at the project sites and agency offices.
- Field visits to observe implementation and check activities in situ.
- Conversations with refugees and returnees, hosting populations and receiving communities, local authorities, local technical advisors, religious leaders etc.
- Surveys.
- Review and analysis of reports and records.



Cultivate skills, knowledge and resourcefulness, and self-reliance will grow.

## Annex 1.12

# STRENGTHENING SOCIAL SELF-RELIANCE

*This annex explains the meaning of social self-reliance, what it consists of and the ways in which it is important in the earlier stages of an operation, and how it provides a firm basis for economic self-reliance.*

### A. Introduction

Social self-reliance refers to the existence of social cohesion and coexistence within and between refugee/returnee and host populations - the capacity of individuals, households and groups within and between communities for collaborating and addressing their own visions, needs and opportunities.

### B. What social self-reliance consists of

Displaced people have various coping mechanisms and resources - many that build from traditional structures and mechanisms. Among them they are likely to have:

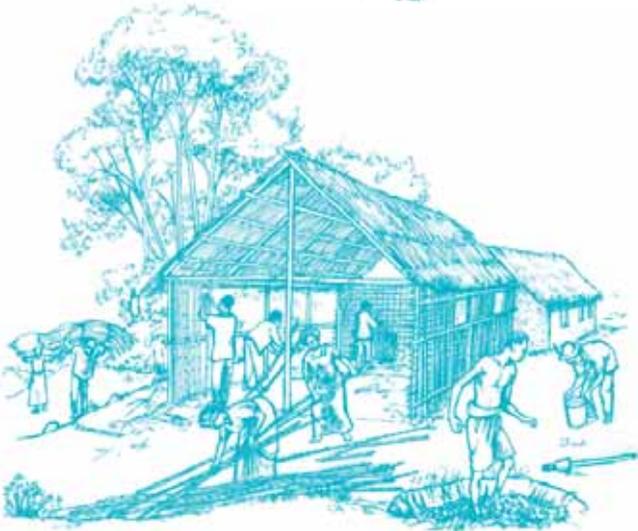
- Traditional leaders.
- Individuals with specific skills, interests and capacities.
- Knowledge and beliefs systems that help them adjust and accommodate trauma and change.
- Relationships (among themselves) that help to maintain momentum and confidence for dealing with problems - some perhaps based upon extended family structures, former neighbours or age groups.
- Informal leadership structures (comprising perhaps elders or those who are more educated).
- Formal leadership structures based upon former political representation at local or regional level, or social interest/activity focused committees.
- Members of former self-help groups, farmer associations and management committees of various producer organisations.
- Members of youth or women's groups.

## APPENDIX ONE

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- Child care, recreation and education leaders and groups.
- Leaders of sporting, cultural and social activities.

They represent social capital and provide the basis for social self-reliance. They contribute to a community's cohesion and capacity to cope with trauma and upheaval. They strengthen a community's resourcefulness, and provide structures, mechanisms and individual skills for maintaining and then rebuilding self-esteem, addressing livelihoods and increasing self-reliance.



### C. Why social self-reliance is important

By working with the various coping mechanisms and resources, humanitarian agencies will not only improve the delivery of relief inputs and the establishment of services, but also reinforce these mechanisms and resources. Their survival and reinforcement will provide communities with the opportunity to:

- Prevent or redress the development of a dependency mentality.
- Capture initiative and resourcefulness while these qualities are still strongest.
- Utilise existing skills and knowledge, building from this and strengthening their value.
- Strengthen initial positive relationships between refugees/returnees and the local population (to avert resentment, suspicion and conflict).
- Improve the delivery of social welfare activities through increased project ownership and commitment.

The existence and effectiveness of these various coping mechanisms and resources are essential in developing economic activities. The same skills will be harnessed - but harnessed for different purposes.

#### **Field experience: Taking the initiative in Thailand**

Khao I Dang, a 1,000 acre refugee camp for some 130,000 people designed and built by Khmer refugees together with UNHCR, was a symbol of independence on the Khmer border in Thailand.

The bamboo and thatch huts of the original camp were built in a fairly disorganised manner. The camp was hard to manage and security was difficult to control. The next generation of huts and infrastructure was part of a major reconstruction that addressed flooding and other improvements. Everything was rebuilt. In addition to putting in 42 KM of drainage channels and a proper road network, new huts were built in squares around yards. There were many among the refugees who helped UNHCR make (and implement) appropriate decisions - providing a basis for rebuilding the social capacity that had been suppressed or eliminated under the Khmer Rouge. As participation increased and the physical environment of the camp was improved, the social structures of the refugees redeveloped. The process was, in part, catalysed by the new layout of shelters. Each house-block (one on each side of a square yard) had two or three families. This helped the refugees to look after themselves. Each square chose one representative. Twenty representatives established a committee; and committees began to address an increasing and widening range of tasks - from security and the tracing of lost relatives, to vector control, sanitation and garbage management, the allocation of newcomers to houses, and mailing. The strength and competence of these committees developed quickly - the population was empowered.

Released from 'control by fear' under the free environment of the camp, people rebuilt their social self-reliance. Crime in the camps was almost unheard of, accountability was high, some semblance of a normal life returned; and the humanitarian agencies benefited from the process of recognising and working with community structures. It helped UNHCR to help refugees organise themselves and to assist them to manage their own lives in the camp. Refugees were prompted to take greater initiative. "Participation and the promotion of self-reliance helped the people we were working with, and helped us to do our work more easily and effectively."

*Surasak Satawiriya,*

*Senior Resource Manager, Regional Bureau for Asia and the Pacific, Resource Management Unit, and Bernard Kerblat, Chief, Emergency Preparedness and Response Section, UNHCR, Geneva.*

## Annex 1.13

# EMPLOYMENT AND BUSINESS-RELATED INTERVENTIONS

*This annex describes a number of activities (based upon labour, enterprise and business development, training and local economic development) that will contribute both to social and economic self-reliance. Each activity is explained, and ‘why’, ‘how’, and ‘when’ (or when not) to implement them is outlined in a brief guide. (These guides have been derived from ILO publications).*

### A. Why these guides

These guides provide a practical introduction to employment and business-related interventions. They are written for humanitarian and development field practitioners working on the promotion of self-reliance and livelihoods of displaced populations and other conflict-affected communities. They highlight opportunities and limitations of different relevant ILO approaches and methodologies for socio-economic empowerment through employment-oriented strategies. They should help field staff decide the suitability and feasibility of adopting these approaches in their particular operations; and will also help identify any need for specific ILO expertise to support relevant UNHCR operations.

These guides will not substitute for technical expertise in the field; rather they are programming and decision-making guidelines that will help programme and technical staff oversee the design and implementation of relevant activities. Further technical training or partnerships should be developed as appropriate.

The subjects can be divided into three major categories:

- ‘Cash-for-work’, ‘Food-for-work’, ‘Labour-based infrastructure reconstruction’ and ‘Community contracting’ belong to the first. These four areas concentrate on the creation of temporary jobs that can inject cash into a community rapidly. These jobs are not meant to provide sustainable livelihoods, but are designed to revive the local economy, provide a boost to household economies, either in refugee hosting areas or in the reconstruction phase of a post-conflict situation, in order to create the means for further development.

- The second category includes micro and small enterprise development and its subsections: 'Microfinance', 'Business development services', 'Start and improve your business' and 'Women entrepreneurship development'. This group concentrates on building sustainable self-employment, and on micro and small enterprise support and development.
- The last group contains general strategies that can be used in combination with strategies above in order to promote individual and communal economic development. These include 'Emergency public employment services', 'Skills-training', and 'Local economic development'.

### **B. Who should use them**

These guides are written for middle managers, national and international field experts and associated partners.

### **C. How should they be used**

The guides comprise of a combination of briefings and a compilation of major relevant ILO tools on each subject.

The guides provide decision-oriented information on each area, and expansive methodological guidelines as well as a reference to an additional online bibliography and contact information for further resources and technical help.

The guides are divided into the following sections:

- A brief summary of each strategy ('what is').
- Its main advantages ('why implement').
- Information on when to implement each strategy ('when to').
- Warnings ('when not to implement').
- Problems and challenges to consider before and during implementation ('problems/challenges').
- Basic steps or different forms of each particular strategy, and some recommendations to consider during the implementation of each strategy ('how to').

## D. Contents

There are twelve guides:

Building a basis for employment and enterprise development

1. Vocational and skills-training
2. Local economic development
3. Public employment services

Short-term employment options

4. Cash-for-work
5. Food-for-work
6. Labour-based infrastructure projects
7. Community contracting

Business development options

8. Micro and small enterprise promotion
9. Microfinance
10. Business development services
11. Start and improve your own business
12. Women entrepreneurship development

## Annex 1.13.1

# VOCATIONAL AND SKILLS-TRAINING

### A. What is skills-training

Vocational and skills-training involves helping individuals develop technical and entrepreneurial skills in order to increase their employability. Skills-training does not create employment but assists individuals to develop skills necessary to earn a livelihood, enhance and sustain their productivity, and improve their flexibility in the labour-market. Skills-training will also develop social skills.

### B. Why implement skills-training

There are a number of reasons:

- Crises can have a destructive effect on a national socio-economic framework, dramatically reducing job opportunities and damaging the institutions usually involved in providing the necessary skills for generating a livelihood. Skills-training is therefore crucial in reconstruction and economic rehabilitation.
- Displacement involves adjusting to new socio-economic environments. It can provide an opportunity for learning new skills and contributing to the economic development of the hosting districts.
- If skills-training is carefully targeted to address market opportunities, potential entrepreneurs and other individuals entering the job market have increased chances of success.
- Youth affected by conflict have often had an interrupted education. Skills-training allows them to learn skills that, if adjusted (or responding) to market demand, can help youth to: generate income; avoid idleness and frustration; and avoid the risk of their enrolment in military or criminal activities.
- Women's roles are also affected by conflict. Conflict often produces a large number of women heads of household. Such women may engage in paid or self-employment for the first time, but lack the relevant skills.

- Skills-training also has clear development benefits if adapted to current market needs - broadening the range of skills available and increasing job possibilities. It is also likely to make these services and skills available to the most vulnerable and poorest groups.

### C. When to implement skills-training

These are the key opportunities:

- When there is interest in raising employability and generating job opportunities (in order to diversify the applicant pool with a variety of targeted skills).
- When the market requires upgraded or new skills, or where existing skills-training mechanisms are no longer working e.g. after a crisis involving loss of human resources and a loss of entrepreneurial and related skills.
- Training should start as early as possible after an emergency, whether it is a displacement or (re)integration situation. The skills learnt should be applicable both in asylum and return situations.
- When it can be combined with Income Generating Activities (IGAs), as it will substantially increase the success and impact of both skills-training and IGAs.
- When it can be linked with other projects to support employment and labour absorption capacity (e.g. microfinance, business development services, labour-based works).



### D. When not to implement skills-training

Best not undertaken:

- When skills-training activities are not adapted to the local cultural context. If activities such as self-employment, micro-enterprise or cooperatives are encouraged in an area where there is no previous tradition and/or similar organisations or groups, the initiative may not be successful.
- When the number of people trained in certain skills exceeds the existing or likely market opportunity/capacity. Avoid saturating the market with a large number of individuals trained in any one specific craft.

### E. Problems/Challenges

In the context of crisis:

- Training may create high expectations, disillusionment and aggravate relations between trainees/communities and trainers/agencies if finding a job, after completion of training, remains difficult. This is particularly important in crisis-affected areas where jobs are scarce.
- Limited demand, due to poverty, conflict and low purchasing power, may force trainees to seek other sources of income. Correlating training to market demand is crucial.
- Important labour market processes and institutions (including information and services, as well as business support and coordination) are often ineffective or damaged in conflict-affected environments.
- Poor diversification of skills will saturate the market and will have a damaging effect on craftsmen already making a living from those skills. Mobile and creative training are some possible solutions (e.g. introducing new skills, self-employment options, cooperatives, etc).
- In the case of refugees there might be legal difficulties including the need for work permits, payment of taxes, and restrictions on freedom of movement to access markets and employment.
- Skills need to be put into practice immediately. The longer the time-lapse between gaining skills and putting them into practice, the greater the risk they will be lost or become obsolete (ideally skills acquired through vocational training should be put into practice within 3 to 6 months).

- Deep-seated ideas on ‘traditional roles’ can limit women’s access to a variety of skills. Training women in only ‘traditional tasks’ (e.g. knitting) will further reinforce these beliefs.
- Rapid implementation may not be possible. Training can be expensive. In rural areas it may be difficult to access raw materials and resources, and the number of people requiring training might be too large - posing problems if resources are limited and few can benefit from training. This can lead to resentment and exclusion at a time when cooperation and social cohesion are most needed in an unstable environment.
- The target beneficiaries may vary. Some may have only recently left school (or have only school experience), others may have previous work experience. Some may have other responsibilities, or suffer from trauma, mobility problems, etc., and the training may have to be adapted for content and delivery (see different delivery strategies in ‘how to’).
- Access to training, particularly for the most vulnerable, might be difficult - especially reflecting any minimum education requirement. Other problems may include: the timing of the training (it may take place during normal working hours), the location of facilities (they might be too far away), or the duration of the training (it may last too long and take up too much time). Flexibility is essential when designing a training strategy.
- The capacity and/or expertise of NGOs, local institutions and partners in the field are not always adequate. Trainers can be hard to find, be unmotivated or unsuitable, and may not possess adequate expertise and/or capacity to assist trainees.
- Training can be agency- rather than community-driven. Communities might have a limited capacity to manage the entire process and final result of the programme.

### F. Partners/Targets

#### Targets

A wide range of individuals may require skills-training - from the unemployed to those seeking a change or improvement to their livelihood. Pay particular attention to women, youth, ex-combatants and other groups with special needs.

#### Partners

ILO, UN agencies, NGOs, donors, public and private national training institutions, traditional and community structures and authorities, employers and worker's organisations, and the private sector (e.g. for apprenticeship).

### G. How to implement skills-training



#### Informal training

The most common and practical form of training, linked directly to daily life needs (e.g. adult literacy, food preparation, agriculture techniques, basic health, peace education, on the job training, workshops, sensitisation, mobilisation). Care must be taken to adapt audio visual and communication aids for illiterate audiences.

### **Skills development in school**

Delivery of practical and life-skills-training to children in school, through intra/extra curricular activities.

### **Vocational training**

Training, usually at training centres, in activities with recognised national standards (e.g. in teaching, agriculture, nursing, electricians and mechanics).

### **Formal training centre**

This strategy offers formal education but it has often proved inefficient and expensive. It can create dependency on the project agency. Should be done only if the alternative is constructing parallel training centres.

### **Apprenticeships**

Appropriate in communities where there are skilled people producing goods and services. Craftsmen are then given benefits in cash or kind in return for training apprentices. Apprenticeships maximise work experience and take training to the people.

### **Combination of apprenticeships and training centres**

Trainees benefit from work experience during or at the end of their training.

### **Mobile training centres**

Instructors move to teach trainees in their own communities. These are easier for trainees to access, particularly marginalised or disadvantaged people. The centres rely on facilities such as participant's homes, classroom blocks, and places of worship.

### **Scholarships**

Scholarships can be used for vocational training colleges or universities (long-term). The skills offered should be selected according to community needs. The programme should be small as it is often expensive and its impact is not immediate.

### **Institutional capacity building**

Provide capacity building (e.g. infrastructure and equipment) to national vocational training institutions or secondary schools, also offering practical skills in exchange for admitting refugees and other groups with special needs.

### H. Considerations

Identify skills to be imparted according to local needs (e.g. agriculture in rural areas), existing community resources and capacities (of locals and displaced populations) and market demand. Introduce new skills but ensure that these can be marketed successfully (e.g. shoe-shining in urban areas). In the case of refugees consider reinforcing or rehabilitating former skills (i.e. the occupation of individuals prior to becoming refugees). Multiple skills can improve employability (e.g. literacy, management, computer skills, accounting). Give communities a voice in the decision. Community management will enhance sustainability.

Training should also be a means for developing social integration and social cohesion -through the promotion of skills on reconciliation, peace, crisis prevention and health issues.

Training should have a gender 'lens'. This is particularly important after a crisis in order to recognize how gender roles have changed (e.g. with more female heads of households) and strategically target and include women. For instance, develop training packages that allow for other household responsibilities (i.e. preparing food, fetching water in the morning, caring for children) with flexible timetables, etc. Youth and other groups with special needs should be considered in a similar way.

However, it is necessary to establish a balance between inclusiveness and targeting of special groups in order to ensure social harmony. Inclusiveness is particularly important in areas where the population at large is extremely poor, and when the target group is perceived negatively (e.g. ex-combatants). Mixed groups can promote social integration, though a degree of targeting can be necessary to ensure that groups with special needs benefit from these opportunities.

Partnerships and coordination helps avoid duplication, while permitting programmes to complement each other - maximising efficiency, sharing of responsibilities, increasing cost-effectiveness, and paving the way for sustainability and local ownership.

Finally, link trainees to the market to help them on their path to self-reliance (e.g. by introducing them to microfinance schemes/services).

Monitoring and evaluation will help you profit from lessons learnt.



**For a community-based training approach see:**

- *Skills development, skills-training, vocational training for self-reliance*, Houtart, M. UNHCR BO Kampala.
- *Community-based training for employment and income generation: a guide for decision-makers*, Haan HC. International Labour Office. Training Department (now please refer to IFP/SKILLS). Geneva: ILO, 1994.

Links:

[www.ilo.org](http://www.ilo.org)

[www.ilo.org/skills](http://www.ilo.org/skills)

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## Annex 1.13.2

# LOCAL ECONOMIC DEVELOPMENT

### A. What is Local Economic Development (LED)

Local Economic Development (LED) is a participatory development process that encourages partnership arrangements among the main private and public stakeholders in a locality. The objective is to enable the joint design and implementation of a common development strategy, using local resources and competitive advantages in a global context. The ultimate goal of LED's is to create decent jobs and stimulate economic activity.

In crisis contexts LED is to bridge-the-gap between relief and development through reintegration, rehabilitation and reconstruction investment efforts. Its aim is to re-build the local economy and society by supporting business capacity, generating jobs and maximizing local resources.

In refugee contexts, LED would contribute to peaceful coexistence between refugees and hosts in asylum conditions, and among returnees, IDPs and locals in return and reintegration situations. LED would constitute the basis for self-reliance and would therefore contribute to the search for durable solutions for refugees, whether in asylum or in return situations<sup>10</sup>.

These objectives are accomplished through consensus and partnership between public and private agents working together, with a common design, towards a shared development strategy - contributing to reconciliation by raising common goals and visions in fragmented societies, and promoting economic inclusiveness for the disadvantaged.

The LED approach integrates locally the economic, social, political and institutional aspects of development. It provides context-specific solutions based on place, culture, economic potential and political circumstances, as well as in the social and institutional environment.

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<sup>10</sup> UNHCR's *Framework for Durable Solutions for Refugees and Persons of Concern* (2003) promotes self-reliance of refugees, and development of refugee-hosting areas in preparation for local integration or repatriation/reintegration of refugees.

### B. The principles of LED

#### Participation and social dialogue

Participatory mechanisms to promote social cohesion through local awareness, consensus building, institutional partnerships and networking of capacities, ensure sustainable growth. LED seeks to provide a voice to all local actors, including those with special needs (women, refugees, IDPs, youth, etc.).

#### Private/public partnership

Cooperation and coordination among all agents, both public and private, establish the legitimacy and sustainability of the development process and contribute to restoring institutional confidence.

#### Territory

A LED programme should profit from local experience and knowledge of available resources and assets, and on communal needs, by drawing on mutual interests and priorities, traditional forms of cooperation and cultural understanding. Greater social, economic and political interaction resulting from proximity can be directed to facilitate dialogue among local actors and various community groups, and promote social cohesion and trust. A decentralized strategy relies less on central authorities and institutions (which are often weak, affected by the crisis or removed from local interests), but helps create a strong representative local voice.

LED promotes the following elements:

- Social and political development - building from existing institutions, stimulating representative political participation in decision-making, promoting social dialogue and cooperation, developing the process of institutionalization, and encouraging private/public partnerships.
- Economic development - promoting social inclusion, poverty alleviation, greater social and political stability and innovation.
- Local development - building common interests, self-regulation and knowledge, strengthening the intensity and frequency of interactions, and enhancing the likelihood of tapping into national and global decision-making structures.

LED strategies are adapted to frail post-conflict contexts, and can work predominantly with the informal sector.

### C. Why promote LED?

Post-crisis contexts produce both threats and opportunities for social reform. Issues such as social inclusion and environmental conservation should form an integral part of humanitarian and development assistance from the emergency stage.

LED seeks to enable the local economic environment in order to establish a base for the sustainable socio-economic (re)integration of groups affected by crises. Conflicts can lead to considerable damage to the physical, natural and 'human' resources of an area - affecting property, machinery, and financial and marketing services that will slow down or stop production. Communication centres may also be damaged, isolating an area from suppliers and customer networks. Interrupted media, telephone and other national and international communication systems disconnect a locality from the outside world at a stage when external input is most important. Banks may refuse to provide credit for lack of communication, and competition and cooperation among enterprises will also suffer. Moreover, a loss of human resources means, among others, a loss of technical knowledge, marketing and entrepreneurial expertise, and of links with supplier and customer networks. Furthermore, in an environment of crisis, disappointment, divisions, mistrust and animosity are rampant, making the task of reconstruction even more difficult.

A system based on transparency and accountability will rebuild trust and confidence - strengthening local institutions and local frameworks, and encouraging participatory decision-making processes where all local stakeholders (including the most vulnerable) have a voice. Working and participating together around the common goal of local development and/or reconstruction will bring hope, self-respect and collaboration. This will also build a lasting peace.

### D. When to promote LED

LED is most likely to succeed: in post-crisis contexts, once planning begins on reintegration, rehabilitation and reconstruction activities; in areas with a fragile economy and a divided environment, where there is a need for social dialogue; and in refugee hosting areas of developing countries.

### E. When not to promote LED

It is important to ensure that before the LED forum starts it relies on a fair balance of representative actors and there is no dominance of one group over another. If this is not the case then it is necessary to concentrate on activities aimed at addressing these differences before the LED forum takes place, otherwise the process can end in failure.

### F. Problems/Challenges

Trust, coordination and collaboration are crucial for the success of LED, yet these might be difficult to attain in a post-conflict scenario. In these circumstances LED can introduce small specific 'entry' activities to facilitate the formation of links between institutions and organisations. These will also promote LED principles, strategy and organisation.

In order to ensure the financial sustainability of the LED process it is important to rely on local stakeholders. Only establish new and larger technical units if necessary to ensure unity, coordination and effectiveness of partners.

### G. Partners/Targets

#### Targets

In Local Economic Development the 'local' is determined as an area small enough to: be able to achieve coordination and consensus among local actors; pursue a joint strategy; and decide implementing measures with relative ease: But big enough to: have an economic, political and institutional potential sufficient to carry out a successful LED; to lobby at government level; and compete internationally.

#### Partners

ILO, UN agencies, NGOs, donors, relief and development agencies.

#### Forum (see forum step in next section - H):

Members should include: the local government; international and national development agencies; NGOs; private foundations; community-based organisations; local economic and trade bodies; village elders; and group representatives. A LED expert for consultation should also be present.

Once consensus is reached, the next steps should be followed jointly with the forum as an implementing agency, or where this is not possible with the appropriate government department or agency.

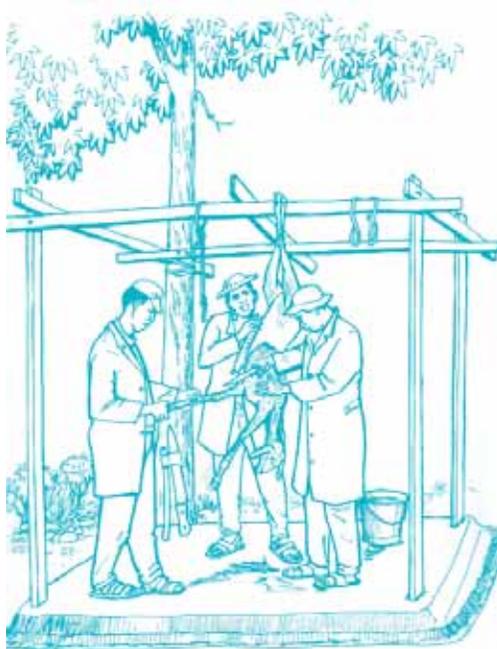
### H. How to promote LED

#### Steps

**Territorial diagnosis.** Rapid needs-assessment of pressing issues and potential actions; institutional mapping, and research and analysis of the socio-economic situation.

**Sensitizing.** Encouraging awareness of socio-economic problems and issues in the locality, and establishing a sense of ownership for the LED process.

**Promoting a forum.** Initiate a forum (that includes all public and private actors, and a LED expert) to answer questions, provide information and provide recommendations. This will provide a basis for: sharing views and opinions on LED to increase understanding of policies and technical areas; assessing the potential of the approach; identifying practical solutions, resources and possible synergies; formulating a LED strategy and building consensus around it; and ensuring its effective coordination, monitoring and implementation.



**Designing a LED strategy.** Prepare a reference document for interventions.

**Establishing coordination/implementation structures.** Coordinate reconstruction and implementation within the framework of LED by establishing institutional mechanisms such as Local Economic Development Agencies (LEDA) where necessary.

**Actions.** Implement LED strategic priorities in the areas of business services, microfinance, skills-training, planning, groups with special needs, investment promotion, and environmental consciousness.

In order to guarantee the success and sustainability of LED it must rely on representative actors (local and national authorities, grass-root organisations, producers, workers, etc.) and a fair partnership between them. Social legitimacy depends on broad support for economic activities that reach different actors - including the most vulnerable.

The institutionalization of the LED process can guarantee its sustainability, and this should be decided during the forum stage. At this stage it should also be determined whether a LEDA is necessary. (LEDAs are professional institutions that identify and support income-generating projects and organize the technical and financial resources necessary for these activities).

A LEDA is not necessary if there is another institution that local actors recognize as a possible legitimate leader for LED, or when there is a balanced network of the different local actors that could self-coordinate and allocate the tasks fairly.



**For more information on LED and how to implement it see the LED operational guide:**

- *Local economic development in post-crisis situations: operational guide.* Gasser, Martin, Salzano Carmela, Di Meglio Roberto, Lazarte-Hoyle Alfredo. ILO, InFocus Programme on Crisis Response and Reconstruction. International Labour Organisation, Recovery and Reconstruction Department. Geneva: ILO, 2003.
- *Applying the comprehensive LED approach - The case of Mozambique.* Boekel van, Geert; Logtestijn van, Marjon; ILO Local Economic Development Programme2002, International Labour Office, Cooperatives Branch. Geneva: ILO, 2002.

**For more information on the LED approach see:**

- *The role of the ILO in implementing Local Economic Development strategies in a globalised world.* Rodríguez-Pose, Andrés. ILO Local Economic Development Programme; International Labour Office, Cooperatives Branch Geneva: ILO, 2002.
- 'Local Economic Development in Post-Conflict situations' by Lazarte, A. in *Jobs after war, a critical challenge in the peace and reconstruction puzzle.* Ed. Date-Bah, E. ILO, InFocus Programme on Crisis Response and Reconstruction. International Labour Office, Recovery and Reconstruction Department. Geneva: ILO, 2003.

Links:

[www.ilo.org/led](http://www.ilo.org/led)

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## Annex 1.13.3

# EMERGENCY PUBLIC EMPLOYMENT SERVICES

### A. What are Emergency Public Employment Services (EPES)

EPES are crucial in building links between job seekers and employment opportunities in areas where crises have had a severe impact on the economy, and employment promotion is essential for recovery.

The roles of EPES are: to register job seekers and vacancies; offer information and counseling on job searching and self-employment; match job seekers to vacancies; address the needs of particular groups such as refugees, women, youth, ethnic and minority groups (ensuring equal access to employment opportunities); refer interested persons to training programmes, social services and other relevant employment support initiatives and institutions; and conduct rapid assessments of local labour markets. The role of EPES can range from acting as a support for specific initiatives targeting particular groups, to providing general employment aid to all affected parties in a crisis.

Initially, EPES should focus on pursuing short- and medium- term interventions, prioritising specific target groups with the aid and support of international organisations, NGOs and other national and international actors involved in the humanitarian and reconstruction processes. EPES can start immediately after a crisis, with relatively simple service centres (perhaps consisting of a tent and a small number of staff) matching job seekers to vacancies such as identifying individuals to help set up refugee camps or other related jobs. This can evolve over time, expanding the variety of services offered (e.g. skills-training). Some could eventually become permanent.

### B. Why establish EPES

In crisis contexts employment problems arise when large numbers lose their jobs and means of livelihood. In particular, groups with special needs (including refugees, demobilized soldiers and widows) might need to find a job for the first time. In addition, following a crisis, work opportunities are usually drastically reduced, especially within the formal sector.

Post-crisis interventions can produce temporary employment through infrastructure reconstruction, relief-aid distribution, establishment of temporary shelters, socio-economic reintegration and self-employment possibilities.

### C. When to establish EPES

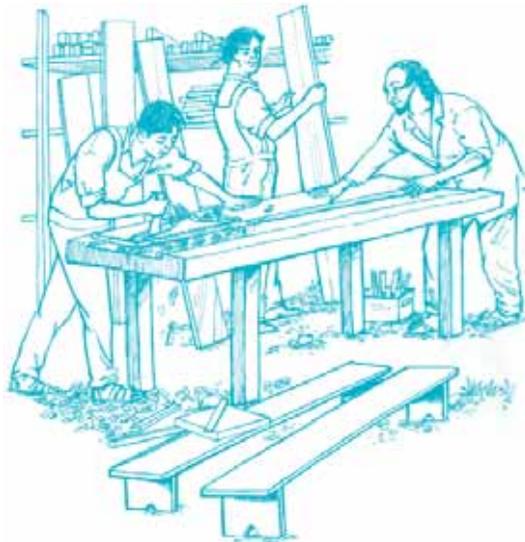
EPES should be established in the aftermath of armed conflicts, displacement and other crises (including natural disasters, difficult political and social transitions, etc.). They should be set up in areas where alterations in the supply and demand of labour are substantial, frequent and take unpredictable directions, and where employment requirements are consequently urgent.

### D. When not to establish EPES

They should not be attempted if there are other EPES offices in the area. They should not be duplicated, but adapted to the needs of the emergency context.

### E. Problems/challenges

Coordination between employment agencies is crucial to avoid duplication and address targets efficiently. It is also important to coordinate between different employment promotion programs to increase their efficacy (by linking skills-training, micro and small enterprise promotion, labour-based works and other employment related programmes).



Flexibility is vital in emergency contexts, to ensure that EPES can be adapted easily to emerging needs (e.g. bringing EPES to groups with special needs in remote areas).

### **F. Partners/Targets**

#### **Targets**

EPES are focused on unemployed individuals in conflict-affected areas or in displacement situations. In this context they can also be used to facilitate access to employment to groups with special needs (women, youth, refugees, ex-combatants, etc.).

#### **Partners**

ILO and other relevant UN agencies, national authorities, NGOs, crisis-response government agencies, private employment service agencies, employers' and workers' organisations, local authorities and donors.

### **G. How to establish EPES (Steps/Stages)**

EPES should form part of the wider emergency response programme in the area. In order to determine what type of EPES to establish it is necessary to have a good understanding of the context. In particular, it is important that EPES address the specific needs of a displacement or post-crisis situation, focusing on vulnerable target groups and affected areas and services. It is therefore necessary to assess the facilities already in existence and their adequacy for crisis response and reconstruction. In this way it will be possible to target action successfully, and coordinate to avoid duplication and address the most salient gaps. Although EPES can collaborate with private employment service agencies for this purpose, they cannot be substituted by them as long as the emergency situation and/or emergency reconstruction process lasts.

EPES should be directly relevant to the displacement and post-crisis context. They should be viable, visible, and enjoy the support of other key actors in the area, including the UN and other international agencies. EPES should be regarded as the focal point for recruitment, orientation, and other related activities including skills-training, decent work conditions and wage setting.

Setting up a pilot EPES with limited scope and services can prove extremely useful to produce rapid results and therefore gain trust and

experience. However, it is important that these pilot EPES have reasonable goals and adequate financial resources to ensure that they do not lose credibility by creating unrealistic expectations.

It is important therefore, through careful planning and realistic expectations, to ensure that the objectives of EPES are attainable, that sufficient resources are available to guarantee their sustainability, and that donors and national authorities remain committed to the project. A “memorandum of understanding” can set up arrangements for the actors involved, including actions to be taken, distribution of responsibilities, time frame, projected results and long-term sustainability.

To establish a successful EPES it is also vital to begin by sensitizing the authorities and national and international crisis response actors to the role and importance of EPES in their work. In this way it will be possible to obtain their support and participation in EPES activities, as well as their commitment to the longer term continuity and development of EPES. EPES should be owned by a national counterpart (usually the ministry of labour). Therefore, it is important that they be regarded as credible, reliable, result-producing services that provide valuable support to job seekers and employers.

EPES should be flexible to address rapidly emerging necessities. These might take the form of informal services, such as creating temporary mobile registration centres, visiting job seekers in camp settlements or return areas and other removed locations or employers in large project sites, and offering special information sessions for vulnerable groups. Staff should be trained to regard job-seekers and employers as clients, and treat them with respect.

Finally, EPES should market their services in pragmatic and creative ways, through the media, special events, publicity materials, agencies and other mediums (such as local churches or mosques) appropriate to the specific context.

### Steps

- 1. Needs assessment.** Conduct a needs-assessment with other national and international actors involved in responding to the crisis. Determine whether public employment services already exist, and if they can be adapted to fit the needs of the emergency context.
- 2. Collaboration.** Coordinate with other relevant agencies and local community networks. Establish consultation and cooperation with local workers' and employers' organisations.

- 3. Targeting.** Ensure that assistance can be targeted to groups with special needs, such as women, youth and persons with disabilities, and for all community groups (refugees, returnees, IDPs, locals).
- 4. National authorities.** Ascertain the commitment of the relevant national authorities.
- 5. Location.** Identify the location of the EPES premises and prepare them.
- 6. Staffing.** Recruit EPES officials and train them.
- 7. Setting up the systems.** Concentrate on job-making at the outset. Set up job seeker registration arrangements. Contact employers and contractors engaged in major projects, to assist them with programme design (to promote labour-intensive methods) and recruitment requirements. Collect basic labour market information concerning the area including all community groups, to identify skills shortages, areas of growth, training requirements, etc.
- 8. Providing training.** Develop links with training institutions to make these services available to job seekers, including on-the-job options.
- 9. Provide the services.** Establish advice and information services to assist job seekers and employers on employment alternatives, small-business development and sustainable livelihood options.



**For practical information on how to set up an EPES see:**

- *Guidelines for Establishing Emergency Public Employment Services.* InFocus Programme on Crisis Response and Reconstruction. International Labour Office, Recovery and Reconstruction Department. Geneva: ILO, 2003.

Links:

[www.ilo.org](http://www.ilo.org)  
[www.ilo.org/crisis](http://www.ilo.org/crisis)  
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## Annex 1.13.4

### CASH-FOR-WORK

#### A. What is cash-for-work

Cash-for-work (CFW) refers to short-term temporary employment (usually lasting no more than six months) where workers receive their remuneration in cash. CFW is often employed in infrastructure reconstruction or other similar temporary jobs such as harvesting, where labourers are paid in short-term intervals. The overall goal is to generate provisional employment rapidly and inject cash into the community.

#### B. Why implement cash-for-work

- To generate provisional employment rapidly for as many individuals as possible.
- To inject cash into the community. A cash injection can start a chain reaction in various sectors of the market. In particular, the purchasing power of the community will be increased. The use of local resources will provide an added bonus, particularly if these come from the target locality (e.g. by producing bricks locally rather than bringing them from the capital or abroad).
- To stimulate the economy through the strategic provision of services, production of materials and machinery, and the development of infrastructure (e.g. by building roads that grant access to market places).
- Cash is cost-effective and has lower transaction and logistical costs than food-for-work (which has high transport costs, easily disrupts the food market where it exists, and can become a source of exploitation and dependence when there is no food emergency).

#### C. When to implement cash-for-work

- When there is an urgent need to inject cash into a community and provide a source of rapid income in emergency situations.
- When undertaking public and community works, infrastructure reconstruction and other recovery interventions.

### D. When not to implement cash-for-work

- Do not use CFW to pay salaries of civil servants.
- Do not use CFW for long-term ongoing activities such as teacher's salaries or road maintenance.

### E. Problems

CFW provides an unstable short-term income which might prove problematic for labourers seeking long-term job security.

#### On wage setting

Wages higher than the average local wage can disrupt markets. Other local businesses, in particular poorer ones, might suffer if labourers are drawn away by the prospect of higher wages. Moreover, fixing the wage too high will exclude vulnerable target groups that are rarely incorporated into the average market. Setting a wage lower than the regular labour market will attract more disadvantaged groups. However, it is important that this does not lead to exploitation, particularly in areas where wage labour is not generally available.

In remote (isolated) markets restricted to their respective communities, cash injections can produce local inflation. The rise in prices will benefit local producers selling their produce in the market. However, it will be problematic for poor consumers buying food and goods in the market, unless they can profit in one form or another from CFW activities.

CFW activities might empower men over women, particularly in areas where women have little control over cash, but several measures can be taken to prevent gender discrimination such as:

- Avoid setting distinct remunerations for different jobs (i.e. pay women and men equally for work of equivalent value).
- Establish single-day task rates.
- Allow for half-tasks and flexible schedules so women and other disadvantaged groups can accommodate other responsibilities.
- Pay women directly for their labour (not to their husbands or other relatives).

### On wage payment

Workers must be paid on time. Lack of timely wage payment can lead to exploitation, discontent, and a failure of labourers to return to the work place.

Payment problems can range from delays in getting access to the funds for wages, delays in establishing the wages owed to the labourers (administrative procedures that are especially cumbersome with 'piece work'), insufficient funds of contractors, delays in transferring cash to the worksite or in informing the total amount to the funds provider.

A revolving fund or soft loans endorsed by the client, and a timely coordination of monthly advances to cover salaries, can address administrative bottlenecks. During a pilot phase trials can help determine the time period necessary to process payments. (Short-payment intervals can be more problematic than longer intervals due to administrative, organisational and cash-flow difficulties).

Paying workers in advance is risky. It can lead to forced labour if a worker spends his/her wage too fast, and is subsequently unable to change employment because of his/her debt. Some workers might also leave the work unfinished.

## F. Partners/Targets

### Targets

Targets include potential labourers in the locality - with particular focus on groups with special needs. In order to avoid social tension it is important to make recruitment as open as possible, using quotas (careful that they do not become maximums) and wage setting to attract more workers from groups with special needs.

### Partners

UN agencies (FAO, ILO, UNDP) and other international organisations, NGOs, and local and national authorities.

## G. How to implement cash-for-work

The wage should be fixed, based on the legally established **minimum wage** (which can be adjusted through formal exemptions in consultation with social partners if deemed necessary).

Apply collectively bargained wages, which include the labour-based sector, wherever they exist.

When there are no minimum wages or collectively bargained wages the following can be used as reference:

- The current wage for unskilled agricultural labour in the area.
- The regulated wage (public or private, and collectively bargained or legislated) for other similar types of work.
- The 'cost of living' index, though it might be misleading in a rural environment.
- The incidence of other paid labour in the area.

There are two fundamental systems of remuneration: timed based; and productivity based.

**Figure 13.1: Two Fundamental Systems of Remuneration**

	<b>Time based</b> (daily paid)	<b>Productivity based</b>	
		(piece work)	(task work)
<i>Typical methods of application</i>	Fixed wage for a fixed number of hours (establish breaks, start time, etc.)	Wage fixed according to small quantities of output. No reference to amount of time	Fixed wage for a fixed quantity of work /task. Usually set to accomplish in 6 hours (can vary)
<i>Means of assuring production</i>	Production assured by supervision, and disciplinary measures for lack of production	Assured because payment is only made upon production	Assured because payment is only made upon production*
<i>Units of work per day</i>	One day's worth; no assurance of quantity	Many pieces, usually unlimited	Usually one task. Can set 2 or 3 small ones, or a fraction of a large one per day**
<i>Major advantages</i>	Easy book-keeping, simple to organize	Pay relates to output, and output can be maximized each day. Preferred in highly monetized economies	Where set properly, allows typical worker to finish task and go home (particularly useful in rural areas)
<i>Major disadvantages</i>	High amount of supervision required. Rate of progress can be extremely variable	Tendency to self-exploitation. Difficult to control by government administration. Complex to administer, organize, monitor and pay	Requires close supervision and monitoring in the daily laying out of work and overall setting of task size. Deviations in usual amounts of task can lead to exploitation

\* adaptations are common

\*\* establish a rule to limit the number of tasks per day

(adapted from: *employment intensive infrastructure programmes, labour policies and practices*, ILO 1998. p. 67)

### H. Payment systems and management

#### Productivity based remuneration

This is particularly appropriate in employment-intensive works - requiring less supervision whilst maximising productivity, increasing income potential and flexibility for workers.

#### Bonus systems

These can augment income and boost productivity e.g. for extra productivity, attendance, exceptionally rapid achievement of tasks, etc.

Ensure that the workers understand the system of remuneration. Make work norms (expected productivity and outputs) and wage rates known to workers in a simple form and in the local language. Consider establishing work norms with their participation to gain their confidence.

#### Records

Records, showing workers' time inputs and outputs (production), are necessary to calculate wages, productivity and production. Keep:

- Daily muster rolls - showing for each day who worked and for how long.
- Monthly pay sheets - monthly records also including information on absences.
- Weekly records - describing the daily progress made on different activities by gangs or individual workers.

#### Disciplinary systems

The disciplinary system should be transparent, fair and take into account national legislation and collective agreements. Termination of employment should only occur when the project is completed and the period of employment is over, or where there has been an infringement of work rules leading to dismissal.

Workers must be informed of the expected period of employment. For example, 'daily' labour refers to hiring workers on a day-by-day, rather than on a more sustained, basis. Unskilled labour-based workers should only be considered as 'daily', if they are not expected to return to the workplace the next day.



**For more detailed and practical info on remuneration see:**

- *Good labour policies and practices in employment intensive programmes - Quick overviews from the guide* (section on wage setting, basis of remuneration, protection of wage payment, duration and termination of employment). ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO.

Links:

[www.ilo.org](http://www.ilo.org)

[www.ilo.org/public/english/employment/recon/eiip/](http://www.ilo.org/public/english/employment/recon/eiip/)

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## Annex 1.13.5

### FOOD-FOR-WORK

#### A. What is food-for-work

- Food-for-work (FFW) refers to short temporary employment, where workers receive up to 50% of their remuneration in kind.
- FFW can also be provided in the form of self help activities, where workers are offered an incentive that can be entirely in kind.

#### B. Why implement food-for-work

In some situations workers might prefer to receive part of their remuneration in kind, for example, in circumstances where food is scarce and wages low or market mechanisms are not operating. Payment in kind however will only motivate labourers for as long as these circumstances persist.

Food-for-work can be introduced as an incentive for self-help community activities that directly benefit labourers (e.g. irrigation works undertaken by the farmers who will later utilize them).

#### C. When to implement food-for-work

- Administrative obstacles impede or delay cash payments.
- Food is scarce and wages low, or market mechanisms are inappropriate.
- Emergency drought or famine situations exist.
- The emergency state is not completely critical and there is a lack of self-sufficiency in food production. (In such situations FFW can be used as the delivery mechanism of food aid - particularly for infrastructure rehabilitation, or support linked to food production and market access).

When there is no interest in receiving food as payment, food resources can be used as an incentive to encourage workers to undertake self-help projects.

### D. Problems

- The value of food can vary significantly and therefore constitutes an unstable form of payment.
- Payment in kind might result in lower productivity and quality, especially if there is no desire for this form of payment.
- There can be logistical and storage difficulties and high delivery costs.
- Food quality might vary.
- Payment in kind can have a negative effect on local food production and markets.

### E. When not to implement food-for-work

- When prices are stable and workers can buy their food.
- Once emergency situations requiring FFW cease or food is no longer scarce. (Workers are likely to be unhappy to receive their remuneration in-kind).
- If the project cannot sustain the logistical and administrative capabilities required for FFW.
- When the project requires continuous community involvement e.g. use FFW for road-building (short-term activity) but for not road-maintenance (long-term commitment).
- Food as an incentive might be unsuccessful in areas with a highly developed labour culture.

### F. Partners & Targets

#### Targets

Target interventions where food is scarce and market mechanisms are not working.

Members of a community engaged in self-help activities.

#### Partners

WFP, NGOs, ILO, UNDP, local and national authorities.

**G. How to implement food-for-work**

**Public benefit activities**

Carry out an impact assessment on the introduction of the target food (current market supply, local production etc.) prior to using it as payment, in order to examine how this form of remuneration will influence local markets.

Select the programme’s size according to available resources, likely maintenance, strategic importance (e.g. how it contributes to improving access to markets, etc.), community needs and capacities, and other similar considerations.

Remuneration should always include a cash component which must constitute at least 50% of the minimum wage or where there is none, of the market wage for similar types of work. See **Figure 13.2**.

**Total Remuneration (minimum daily wage)**

Cash (required)	Food/Cash (optional)
50%	50%

**Figure 13.2: Calculating payments for food-for-work**

In order to calculate the maximum amount of food that can be provided:

1. Determine the current wage or market wage for related types of activity, and calculate the daily rate
2. Pay half the daily rate in cash
3. Establish the value of the food that will be used as partial payment. Ensure that this food is given an adequate and fair value
4. Using this information calculate the amount of food that will cover the remaining half of the daily wage. When the value of food fluctuates the amount of cash remuneration can be adjusted accordingly, as long as it remains at least 50% of the total wage

If a set ration is to be used it must not surpass the ILO/WFP guideline:

1. Determine the amount of the food ration and calculate its cash value
2. Using the methods outlined above, calculate the amount to be paid in cash (50% of the daily minimum daily wage) and the in-kind (the remaining 50%)
3. If the value of the food ration is lower than the amount in-kind calculated in step 2, pay the difference in cash
4. If the value of the food ration is higher than the amount in-kind calculated in step 2, the ration could be reduced, but the amount to be paid in cash must remain the same

In situations where food is scarce and wages low, and where many but not all labourers would prefer to have part of their wages given in kind, workers can be motivated and attracted with a system that entitles them to buy food at government-fixed prices with up to 50% of their wages (given fully in cash). The profits of such a system can be used to purchase tools and other materials to continue the programme (as with Mozambique's Feeder Roads Programme).

### Field experience: Food-for-work for feeder roads

In Mozambique, workers could use up to 50% of their wages to buy food at government-fixed prices (lower than market value). The maximum entitlement was a five-person family ration defined by WFP. This attracted and retained the workforce in a food scarce area. The local funds generated were placed in a revolving fund enabling the National Directorate of Roads and Bridges to purchase tools for the Feeder Roads Programme<sup>11</sup>.

### Self-help activities

Food can be given as an incentive, and not as a wage, to encourage workers to engage in self-help activities - food is only a bonus. The actual work is voluntary and therefore the limitations concerning food as payment do not apply.

A self-help activity must be of direct interest to the worker and be regarded as such e.g. building a school that his/her children can attend. It must be seen as a community benefit (and therefore agreed with community participation) and not a general benefit e.g. small sections of road that improve access to the area, but not larger stretches of roads, or highways that may be considered of wider interest.

If self-help policies are not applied correctly they can result in low quality infrastructure.

### For more information on FFW regulations and guidelines see:

- *Good labour policies and practices in employment intensive programmes - Quick overviews from the guide* (section on Remuneration in Kind). ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO.
- *A guide on: Food as an incentive to support vulnerable households and communities in securing and improving their assets*, International Labour Office-World Food Programme, 2002.

<sup>11</sup> *Employment-Intensive Infrastructure Programmes: Labour policies and practices* (1998). ILO/EMP/INVEST, page 81.

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## Annex 1.13.6

# LABOUR-BASED INFRASTRUCTURE PROJECTS

### A. What are labour-based infrastructure projects

Labour-based infrastructure projects (LBIP) are short and medium term infrastructure works that generate employment and income by maximizing the use of available unskilled labour.

LBIPs are particularly useful in rehabilitation and reconstruction of areas devastated by conflict, where the rapid injection of cash into a community is necessary. The focus is on the rehabilitation of essential infrastructure for addressing immediate needs.

LBIPs contribute to longer-term development through improvements to the physical and social infrastructure (e.g. roads and irrigation systems; and drinking water, schools, health clinics and housing respectively).

### B. Why carry out labour-based infrastructure projects

#### Job creation

Labour-based reconstruction rapidly generates jobs and income. LBIPs contribute to poverty alleviation by acting as a bridge between immediate needs and long-term development.

In displacement situations where there is a need for additional infrastructure, LBIPs allow displaced populations and locals to access immediate income, and contribute to peace-building.

In crisis situations, thousands of jobs can be created. LBIPs enable local and displaced (IDPs, refugees, returnees) populations to become less dependent on humanitarian aid, and reduce the impact of food distribution on local markets. In disaster zones LBIPs can prevent mass migration in search of employment, and introduce the resources necessary for initiating self-recovery. Moreover, maintenance needs will create further jobs once the project is finished.

### Labour-based vs. equipment-based technology

If implemented successfully, labour-based methods will produce standards similar or more advantageous than equipment based techniques which favour technology over labour power.

Labour-based projects can be up to 50% cheaper than equipment based projects (if wage levels are set below \$4), and generate up to 20 times more jobs - with 50-60 percent of costs going to wages. (In equipment-based projects wages are typically 5-10% of costs<sup>12</sup>). In this way labour-based technology (LBT) can inject more cash into a community than equipment-based methods. Moreover, its benefits are multiplied as workers spend their wages and fuel other businesses (other concerns: duration and quality- refer to section E).

### Use of local resources

LBT limits the import of machinery and encourages the use of local human and physical resources (local contractors and materials). LBIP therefore maximises the injection of cash into the community, and the project's impact on rehabilitating the local economy.



On the road to self-reliance.

<sup>12</sup> Fact sheet folder: Decent work matters in crisis; ILO response to crisis challenges, ILO, IFP Crisis.

### Skills development/empowerment

Labour-based methods strengthen the socio-economic capacity of populations living in the area. They build-up the vocational skills of workers (when preparing them to undertake technical tasks e.g. training on road building) increasing the value of labour and rate of salaries. LBT develops planning, negotiation and decision-making skills, and promotes capacity-building towards the maintenance and repair of infrastructure. In particular, it can empower groups with special needs, who are often its main target.

### Social cohesion

In LBIPs communities will work together towards goals that will be beneficial to all its members (e.g. schools, roads). In this way, LBIP contributes to social stability and cohesion, and the promotion of peace.

## C. When to implement labour-based infrastructure projects

Labour-based infrastructure projects should be implemented in areas where:

- There is an abundant supply of unskilled labour;
- Building, repair and rehabilitation of infrastructure are pressing needs.

This approach is particularly useful in emergency situations where infrastructure is lacking or has been severely damaged, or poor infrastructure was a factor leading to the emergency.

Labour-based methods can also be adopted in areas with low populations or labour surpluses as long as a sufficient number of workers are prepared to move to the site e.g. in areas where employment is scarce (see migration in section E).

Labour-based projects are particularly useful in developing countries and areas heavily affected by crisis, where heavy equipment and advanced engineering are not readily available. Labour-based technology is especially suitable in situations where there is an urgent need to stimulate the economy, and provide a rapid source of income to as many people as possible.

LBIPs are suitable for emergency, rehabilitation and development phases of a crisis. An employment programme should combine LBIPs, skills and vocational training, and micro and small enterprise development.

### D. When not to implement LBT works

LBT is not likely to be feasible when:

- The cost and availability of labour compares poorly to alternative technologies.
- The technical capacity and quality standards of a project are high.
- Small equipment and local material resources are available.
- It is not possible to reach an effective compromise between cost, labour intensity and the envisioned duration of works.

A needs-assessment must be completed before starting the project. It should address technical, financial and social issues (such as the need for mine clearance, security and accessibility of an area, number of conflict-affected people, condition of infrastructure, labour supply, and institutional capacity).

It is important, when undertaking short-term projects, to avoid dependency through involvement in ongoing maintenance activities. Ongoing maintenance should be the responsibility of the community or government (see **Annex 1.13.4 Cash-for-work**).

### E. Problems/challenges

#### Common concerns

- **Duration.** Rapidity will be proportional to the number of workers involved. (There are productivity/costs saturation indexes that inform you when hiring more workers will not increase productivity or cost-effectiveness significantly). It is possible therefore to achieve a desired time-frame using an adequate balance of costs and number of employees (in some cases with a substantive advantage over equipment-based methods e.g. in mountainous or elevated terrains).
- **Quality.** Technical quality ultimately depends on the standards enforced. LBIP can produce quality equal to equipment-based works. In some cases, some minor equipment might be necessary for this purpose. Quality also depends on achieving the right balance between the amount of labour to be used and the technical capacity for its management (see **Figure 13.3**).

**Figure 13.3: Technical persons per unskilled labour**

Position	Ratio tech pers. / unskilled labour
Engineers	1:500
Technicians	1:100
Supervisors	1:100
Sub-contractors	1:50
Foreman	1:20

Source: *Reconstruction in El Salvador and the use of Employment Intensive Labour Technologies*, ILO, IFP Crisis.

- **Costs.** Depending on the set wage, costs can be equal or even lower than equipment-based works (average \$4 or less / day).

In LBIPs compromises must be achieved between the expected time frame, costs, quality and level of employment generation.

### Implementation challenges

It is important that the government and private sector are positively disposed towards and well informed of LBT works, to ensure successful impact.

Prevent forced labour i.e. persons compelled to work under fear of punishment. In particular, avoid recruitment through intermediaries, which can lead to exploitation.

Attaining a diversified workforce might be difficult. However, several steps can be taken to include groups with special needs (ex-combatants, returnees and displaced populations) and minorities, and to address gender concerns. Measures include:

- Changing the remuneration. Lower wages attract more vulnerable groups.
- Setting quotas (e.g. heads of household), but these should not be maximums.
- Reorganising the content of the work.
- Communicating the existence of job opportunities widely in the community.
- Advertising job opportunities in areas accessible to women and minorities, using audio and visual means.
- Encouraging female gang leaders/forewomen to persuade other women to join.

**Migration** might be viewed negatively by the local population. Contractors can mix locals and migrants at appropriate ratios to reduce tensions. Recruiting local workers can prevent unexpected social implications and contribute to developing a local sense of ownership.

**Rationing** can be applied in areas where there is an over-abundance of labour, but this must be transparent. Rationing methods include: lowering remuneration (to attract groups with special needs<sup>13</sup>); reducing individual task size (creates more jobs by lowering the daily request of productivity); lotteries; job rotation; and staggered recruitment.

Regular **attendance** might be difficult to achieve if there are other conflicting activities (e.g. domestic or seasonal agricultural labour demands), the wages are too low, or outward migration takes place. The standard rule is “no work - no pay” rather than having high expectations on regular attendance. Bonus systems can encourage attendance. Adequate record-keeping is necessary to track and monitor attendance. Workers should be aware of and understand the regulations and expectations concerning attendance.

## F. Partners & Targets

### Targets

Targets include male and female labourers in the locality from all community groups, with particular attention to groups with special needs. In order to avoid social tension it is important to make recruitment as open as possible, using quotas (careful that they do not become maximums) and wage setting to attract more workers from groups with special needs.

### Partners

UN agencies and other relevant national or international organisation involved in the emergency, rehabilitation and/or development phase (ILO, UNICEF, ICRC, WFP, UNDP), national and local authorities, bilateral programs, NGOs.

<sup>13</sup> Only at exceptionally low wages does labour supply decline. This can simply reinforce poverty

## G. How to carry out labour-based infrastructure projects

### Steps

1. **Planning.** Identify problems and needs. Draw terms of reference detailing scope and content, interventions and budgets of a LBIP (e.g. calculate the appropriate combination of labour-based and equipment-based works).

In order to determine the level of labour-intensity consider the Time Quality Cost (TQC) approach: calculate the maximum duration of works, the number of labourers to be employed and any small machinery necessary to guarantee quality. Ensure that a cost-effective compromise is reached between these elements. Maximise local use of resources.

Infrastructure works can be of medium- or high-intensity:

- **Medium-intensity** works (15-50% investment on labour) may include irrigation structures and canals, paths, primary and secondary bridges, public offices, parks, playgrounds, parking and cemeteries.
- **High-intensity** works (more than 50% investment on labour) include irrigation maintenance and operation, general maintenance of primary and secondary paths, street cleaning, waste management, trash disposal and transport.

Planning and implementation of LBIPs should be done in consultation with target groups.

2. Conducting **damage and gap assessments.** Gather information on the pre-emergency condition of infrastructure, local planning needs, extent of infrastructure damage, design and location, features that contributed to the degree of destruction, ways in which the damage impedes recovery, ways in which the destruction hinders reconstruction, and other concerns such as level of security, number of people affected, and so on. If there has been a sudden population increase in a locality, as a result of displacement or return to country of origin, identify existing infrastructure gaps, and the extent of damage or limitations of these structures.

Priorities should be established with community participation, and should aim to restore a degree of self-sufficiency while re-establishing basic needs such as water supply and sanitation, health and education services and facilities, roads and housing.

3. Establishing mechanisms for **coordination, planning and prioritising** infrastructure works together with other UN and international agencies, national authorities (e.g. within UN programme priorities if existing) and communities.
4. Addressing **training** needs and programmes. Local technical and supervisory personnel must be trained in the basic skills necessary for the implementation of labour-based programme implementation.
5. Establishing LBIPs as a long-term **policy of government**.

Community ownership of the projects should be encouraged to ensure sustainability (community-based works over public-works).

On wage and payment see: **Annex 1.13.4 Cash-for-work**.

### Some practical considerations

A task-based remuneration method is better adapted to LBIPs than a time-based approach. In task-based systems, the disciplinary system is self-regulating (workers are interested in finishing fast to leave early) and require less supervision.

Never employ a child under the age of 14 and a person under the legal minimum age, or allow them to assist in the workplace.

A clear, simply written description of the recruitment process, and the terms of employment, should be made available generally prior to recruitment. Ensure information is distributed through a variety of channels, and in different forms, at several locations.

#### For more information on LBIP see:

- *Employment intensive reconstruction works in countries emerging from armed conflicts*. InFocus Programme on Crisis Response and Reconstruction. International Labour Office, Recovery and Reconstruction Department. Geneva: ILO, 1998.
- *Good labour policies and practices in employment intensive programmes - Quick overviews from the guide*. ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO.
- *Capacity-building for contracting in employment intensive infrastructure programmes*. ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO.
- *Re-opening Mozambique - Lessons learned from the Feeder Road Programme*. ILO Employment-Intensive Investment Branch - SIDA - United Nation Development Programme - Administração Nacional de Estradas. Maputo: UNDP, 2002.
- *Of nets and assets: effects and impacts of employment-intensive programmes - a review of ILO experience*. Keddeman, Willem. ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO, 1998.



Links:

[www.ilo.org](http://www.ilo.org)

[www.ilo.org/public/english/employment/recon/LBIP/](http://www.ilo.org/public/english/employment/recon/LBIP/)

[www.ilo.org/crisis](http://www.ilo.org/crisis)

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## Annex 1.13.7

# COMMUNITY CONTRACTING

### A. What is community contracting

Community contracting is an agreement between a community-based organisation and an external funding or support agency to implement a development project for the benefit of the community (e.g. minor construction works).

In community contracting, the community, along with the government and other supporting external agencies, has a significant role in the decision-making process. For instance the community can decide on the type of infrastructure improvements to be adopted, according to its perceived needs (with the assistance of a technical support team that define options and provides technical advice).

### B. Why carry out community contracting

- Private contractors are not accountable to the community, but to the government or donor agency. Consequently community concerns are not always taken into account, leading to conflict between the residents and the contractor.
- Community contracting encourages beneficiaries in the community to participate and assume responsibility for the project, allowing them to actively contribute to their own development.
- The community will develop a stronger sense of ownership and increase their involvement and interest in its subsequent maintenance.
- Community contracting offers an opportunity for disadvantaged communities to participate in negotiations with public authorities and external institutions. It is important therefore to include groups with special needs (e.g. women) in the negotiation, operation and maintenance processes. Consultation with target beneficiaries is an essential component of community contracting.
- Community contracting builds up the operational, decision-making and management capacity of community organisations. It makes use of local

skills and initiatives, involving and employing local residents, and therefore strengthening their technical, administrative and managerial skills. It increases their employability, and hence promotes self-reliance.

- Community contracting encourages ‘partnerships’ between local communities and local governments. It therefore contributes to the social and political recognition of community-based organisations. With community contracting, refugee communities can forge partnerships with local communities.

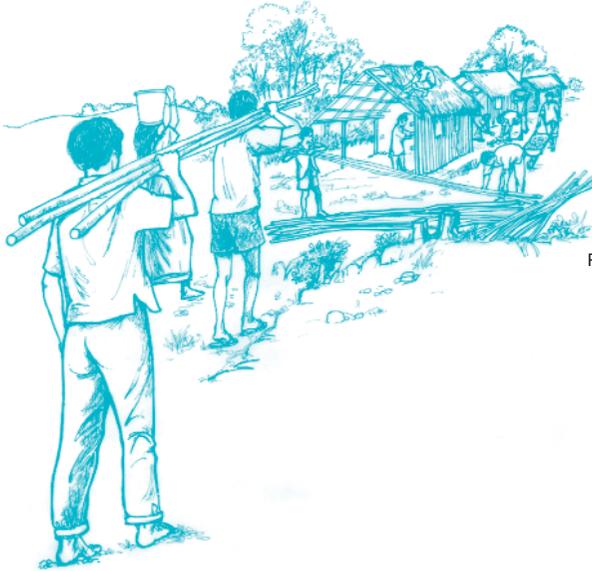
### **C. When to implement community contracting**

Community contracting is suitable for urban unplanned settlements and for rural areas. Necessary preconditions include:

- An organised target group.
- Local or national government policies that support community development.
- A minimum level of capacity and efficiency among members of the community-based organisation.
- Legal recognition (if possible) of the representative community organisation.
- An enabling environment for the implementation of development projects at community level.
- A degree of decentralization, and the ability of local authorities to enter into community contracts.

### **D. When not to implement community contracting**

- If the community does not have the necessary capacity to implement the works. It is important to assess the community’s capability - including the strength and potential of the community-based organisation (CBO) itself, before entering into a contract. Since it might be difficult to find community organisations, in urban and rural areas, with the experience or skills necessary to enter into a contractual arrangement of this nature, it becomes crucial in this context to promote community capacity building as a preparatory step for this strategy.
- If the community is not providing a fair and balanced representation of interests.



Rebuilding a life.

### E. Problems/challenges

Community contracts will be influenced by political, cultural and economic factors. Contractual procedures may be subject to cultural-specific interpretations and practices. They will also be affected by power relations in the community/municipality. Established groups, moreover, might regard community contracting with distrust.

The concept of written contracts and negotiations might be unfamiliar in the local cultural context if the tradition is for verbal agreements.

Contracts will differ in nature, purpose and content. It is important to ensure that: issues on sharing of responsibilities; establishing contributions and inputs; clarifying rights and legal duties; understanding the nature of work; and clarifying financial arrangements are all included. Communities, however, may be inexperienced in drafting and implementing contracts for infrastructure works, accessing financial resources and in accessing administrative or managerial services.

Communities, in particular poorer ones, may not fully understand the implications of contractual arrangements - which can be fairly complex. Communities might be attracted by the benefits of contractual approaches without really comprehending the consequences of their involvement.

Communities might also be ill-equipped for dealing with the bureaucracy of contracts - lacking experience, skills and the organisational capacity necessary to advance their interests. It is necessary therefore to have an efficient monitoring system to track contracts and prevent this type of difficulty, as well as support organisations that provide training and support capacity-building on community-engagement in contracting.

Development agencies may have difficulties engaging with locals as equal negotiating partners, particularly if they are used to more authoritarian approaches or dependent on humanitarian assistance.

Contractual approaches can also be frustrated by: excessive bureaucracy; awarding of contracts and establishment of conditions according to the political influence; lack of control over wages paid by contractors; and difficulties of quality control.

### **F. Partners/targets**

#### **Targets**

Communities.

#### **Partners**

Contracting parties: national and local authorities, community-based organisations (CBOs), NGOs, donors, international organisations.

Facilitators/technical advisors/co-financing partners/supervisors: ILO and other UN agencies, NGOs, national and international agencies, government departments, private sector consultants.

### **G. How to implement community contracting**

A community contract can be developed by a technical team in close consultation with the community. The type of contract depends on the capacity of the community and its control over the work (e.g. while one community might only be able to take responsibility for labour, other communities might also have the capacity to be in charge of materials, and so on). Types of contract therefore include: community providing labour only (which is relatively simple for the community); community providing labour and materials (with the community more involved and using local resources whilst benefiting the local economy); full contract (where all responsibility lies with the community).

The contract should specify the release of capital from the funders (e.g. UNHCR or city council) to the Community Development Committee. Technical standards must be realistic, tailored to the needs of the community and affordable. The process must be simple and flexible to be accessible to the wider community.

The works can be major or minor (according to scale), and the contracts and roles will differ accordingly. In the former, communities will execute subcontracts locally. In the latter, communities will be involved in forming Community Development Committees, deciding priorities, collecting local contributions, executing contracts etc. Community contracting usually uses a 'task based' type of remuneration where rates and size are established in consultation with the community.

It is important to train community members in contract formulation, so that this can continue to benefit them in the future. This is particularly valuable for the maintenance of infrastructure works (through community maintenance contracts).

Community organisations are responsible for executing the tasks specified in the contract including: establishing a legal association (perhaps difficult in the context of refugees); acquiring any supplementary resources; ensuring the use of local materials; implementing the works; and guaranteeing maintenance. Technical teams can offer support for the implementation of the contract. The role of authorities is facilitating programme implementation in the area.

The strength and potential of the community organisation is key. It is important to: support the shared interest of its members; strengthen the organisation's ability to build links with similar organisations; and enter into partnerships and alliances. It is essential to assess the capacity of the organisation for promoting the development of the community.

Community Development Committees (CDC) are elected democratically, and should be legally registered as community-based organisations representing the interests of the communities during the negotiation process and contract agreements. CDCs act as a link between the communities they represent, the municipalities and the funding agencies. CDCs should work with the participation and approval of their communities. The members of the committee should therefore be representative of all members of their target group including women, youth, and the elderly. They are the decision-makers that will identify priority needs, be involved in the planning, designing and implementation of projects, and support their subsequent maintenance.



**For more information see: Section on Community contracting in:**

- *Capacity-building for contracting in employment intensive infrastructure programmes* (section on Community contracting). ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO.
- *Organisation and Contracting in Development Programmes and Projects: a study of current practice at the community level*. Overview report. Peter Oakley, ILO Employment-Intensive Investment Branch, International Labour Office, Recovery and Reconstruction Department. Geneva: ILO, 1999.
- *Community contracts in urban infrastructure works: practical lessons from experience*. Tournée, Jane; Esch, Wilma van. International Labour Office. Advisory Support, Information Services, and Training for Employment-intensive Development. Geneva: ILO, 2001.

**Links:**

[www.ilo.org/public/english/employment/recon/eiip/](http://www.ilo.org/public/english/employment/recon/eiip/)

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## Annex 1.13.8

# MICRO AND SMALL ENTERPRISE PROMOTION

### A. What is micro and small enterprise promotion

Micro and small enterprises (MSEs) promotion is the provision of support to existing and potential enterprises and entrepreneurs. In crisis situations MSEs promotion can be used to generate self-employment and encourage socio-economic recovery.

MSE promotion involves supporting:

- Existing and potential micro and small entrepreneurs. In this case it includes facilitating business development services, business training and consultancy on the development and provision of technical and management skills (such as the ILO's Start and Improve Your Business training package), information on business opportunities and technology, and microfinance.
- Entrepreneurial organisations.
- Business support organisations, to create an enabling MSE environment (including through policy advocacy).

### B. Why implement MSE promotion

MSE promotion can help to generate self-employment and jobs, and can be used to address those groups most excluded from the labour market. Through employment and dignity, disadvantaged target groups like refugees can be (re)integrated in society.

MSEs have several advantages. They:

- Function with simple, low-cost equipment, local resources and limited space.
- Work with basic technical and management skills.
- Can adapt easily to new market conditions.
- Contribute to restoring or substituting infrastructure and equipment; fabricating tools for agriculture and construction (among others); and producing vital goods and services crucial for recovery in crisis situations.

### C. When to implement MSE promotion

In conflict-affected contexts special care must be taken when promoting MSEs. Business failure rates can be high in unstable environments. It is important to coordinate MSE promotion with other supporting strategies in order to enhance their impact and success, for example with skills training, institutional support, capacity building, labour-based infrastructure reconstruction, and local economic development.

MSEs need a degree of market development in order to be successful<sup>14</sup>.



Making beesuits from food bags - a new protection role for WFP

### D. When not to implement MSE promotion

Interventions will be difficult in areas where the market is non-existent - where there is no supply and demand.

<sup>14</sup> A market is a place or mechanism where sellers and buyers can communicate and complete an exchange for goods and services if they agree on the price, and terms and conditions of the sale.

### E. Problems / Challenges

In conflict-affected contexts there may be several constraints including:

- Low availability of skilled labour.
- Limited market demand and investment capacity due to a reduced capability to pay for services and products.
- Uncertainty and lack of security.
- Damaged infrastructure and equipment, and disruption of public services (e.g. water, electricity) and of financial, marketing and business support services.
- Communication and transportation difficulties (because of political/administrative constraints and destroyed infrastructure).
- Social division, distrust and conflict.

The challenge is to promote and support MSEs to become viable under these circumstances.

### F. Target groups and partners

#### Target groups

Potential or existing entrepreneurs (female and male) and enterprises.

#### Partners

Always aim to build on existing structures including local ministries and financial institutions, local support agencies (e.g. accounting, management and marketing support enterprises, NGOs and public services) and market structures. Various agencies might be involved depending on the complexity of tasks. This includes ILO and other relevant UN agencies, NGOs, national and international organisations, complementary labour market institutions (employment services, training institutions), the private sector and existing associations of entrepreneurs.

The main stakeholders include existing entrepreneurs, training institutions, government agencies, service/support institutions, community and target/group leaders and international actors. All these should be involved at all stages of MSE programmes in order to allow swift reactions, develop partnerships, acquire information rapidly, ensure good communication, overcome distrust and reach the informal economy.

### G. How to implement MSE promotion

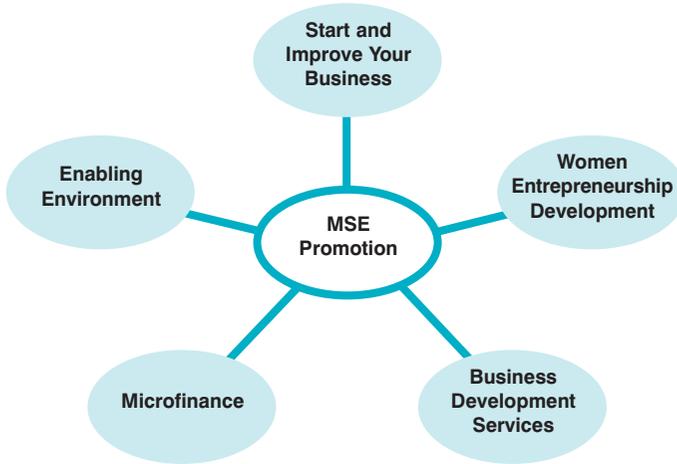
Start with a thorough assessment of the context, to appraise the feasibility and scale of business opportunities for local, displaced and returnee populations including the legal, institutional and financial environment (e.g. security, available resources, policies, number of interested parties i.e. displaced or local people, level of destruction, etc.). Training, for example, should be adapted to local needs, potential and capacity. (Consider local regulations, information on local resources and successful MSE examples in the locality). Services should include access to credit where, as a result of crises, individuals have lost their savings, the banking systems are destroyed, and it is especially difficult for groups with special needs to access formal bank credits. (Options such as village banks should also be considered).

Evaluate the skills, education, experience, motivation and interest of potential beneficiaries in order to ensure that they are prepared to become entrepreneurs, and to identify the most suitable form of approach and assistance.

In crisis situations it is necessary to act quickly. Therefore favour a phase-by-phase approach that can start immediately, rather than trying to formulate a more comprehensive approach that will take longer to develop.

Timing therefore should be realistic and interventions should be organised rationally. For example combine business skills training with support and finance mechanisms to help trainees start their business.

Long-term support is important to improve survival rates of MSEs, especially in crisis contexts and with target groups with special needs. Time is also necessary for various features of MSE promotion to become effective, e.g. business associations, Business Development Services (to create demand for their services and acquire a credible reputation), to develop entrepreneurs and client networks, and so on.



MSE promotion includes:

- Microfinance: the provision of financial services on a very small scale to micro entrepreneurs. A
- Business development services: formal and informal non-financial services provided to businesses. B
- Start and improve your business: training programme for women and men interested in starting or improving a business (ILO - Employment - Job Creation and Enterprise Development).
- Women's entrepreneurship development: women face greater barriers in starting or developing their businesses because of constraints in accessing credit, training, information on business opportunities, support programmes, business, supply and market networks. They might also face difficulties in mobility due to socio-cultural obstacles. Entrepreneurship development activities therefore need to be designed in a flexible and creative manner to address and include women. C

A

See the ILO/UNHCR Microfinance short guide in **Annex 1.13.9**.

B

See the ILO/UNHCR Business development services short guide in **Annex 1.13.10**.

C

See Women's Entrepreneurship Development in **Annex 1.13.12**.



### **For more information on Micro and Small Enterprise Promotion**

#### **For Enabling Environments for SMEs see:**

- *Small Enterprise Development - An Introduction to the Policy Challenge*. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office, Job Creation and Enterprise Development Department. Geneva: ILO, 2003.

#### **For BDS provision see:**

- *Reference Guide on Business Development Services*. Gerrit Ribbink, SNV/Netherlands Development Organisation, 2003. <http://www.snvworld.org/cds/rgBDS/table-of-contents.htm>

#### **For Women's Entrepreneurship Development:**

- *Gender-oriented Entrepreneurship Promotion Strategies and tools along the project cycle (A manual for practitioners)*. Claudia Ulrike Gminder. Swiss Agency for Development and Cooperation (SDC), Employment and Income Division. Bern: SDC, 2003. [www.sdc.admin.ch/themes](http://www.sdc.admin.ch/themes)
- *GET Ahead for Women in Enterprise Training Package and Resource Kit*, Susanne Bauer, Gerry Finnegan and Nelien Haspels. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Bangkok: ILO, 2004.

#### **Links:**

[www.ilo.org](http://www.ilo.org)

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## Annex 1.13.9 MICROFINANCE

### A. What is microfinance

Microfinance is the provision of financial services in a sustainable way to micro-entrepreneurs and other individuals with low incomes, who do not have access to commercial financial services. Microfinance is banking with the poor.

Microcredit is limited to the provision of credit. Microfinance includes a broader array of financial products and services, such as savings, micro-insurance, micro leasing and remittances (micro-money transfers).

Microfinance is not a grant, lending in kind, business development services or charity. It is a tool that, in the context of conflict-affected communities, uniquely blends the strengths of international relief and development work with the advantage of business and banking.

Microfinance development is an umbrella for various services.

**business grants**

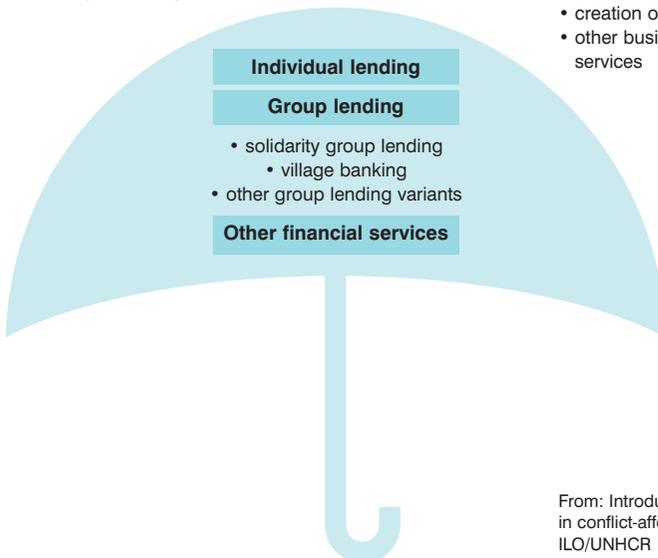
**welfare grants**

**in-kind lending**

**income-generating activities**

**business development services**

- training
- marketing assistance
- association building
- creation of market chains
- other business development services



From: Introduction to microfinance in conflict-affected communities, ILO/UNHCR

### B. Why provide microfinance

Microfinance can positively affect the social and economic welfare of client households, reinforcing their social and physical protection. By contributing to business development it enhances the capacity of poor women and men to generate income. Microfinance augments its clients' ability to satisfy their basic needs (food, health, education and water), increases their control on resources and enhances self-esteem.

In short, microfinance helps poor women and men access the capital necessary to engage in self-employment and contribute to their own development, in circumstances where no other access to this capital is possible. Microfinance is also one way of supporting new and existing businesses.

A sustainable microfinance programme will ensure low-income target groups continued access to financial services even after UNHCR's departure.

### C. When to provide microfinance

Microfinance should be provided when a demand for financial services exists. It needs relative security and accessibility as prerequisites.

Self-employment should only be explored when other wage employment options have been fully investigated. Not everybody is suited to running a business successfully, and failure rates can be high even in non-conflict situations.

### D. When not to provide microfinance

Microfinance is not always suitable or sufficient for self-employment programmes. Other obstacles to self-employment must be assessed to determine whether microfinance programmes should be coordinated and combined with other projects. The pre-requisites include:

- A degree of political stability.
- A degree of demographic stability. Populations have to be settled, or at least relatively settled given the conditions of refugees and conflict-affected communities.
- The client community must show sufficient economic activity and entrepreneurial spirit (or there will not be an effective demand for microfinance services).
- A functioning cash economy.

Preferred conditions (for increased probability of success) include: the existence of commercial banks; social capital or trust; and macro-economic stability

These requirements may be difficult to meet in certain conflict-affected communities e.g. in refugee operations where economic activity is distorted by relief substitution, or in returnee areas with a small population density and/or little economic activity. Accordingly, UNHCR and its partners must survey the economic and financial activities prior to initiating microfinance support. Refer to existing data and collect additional information as necessary. UNHCR and its partners must also devise innovative approaches to boost the local cash economy, until it reaches a level adequate for initiating microfinance (e.g. CFW, LBIP).

### E. Problems/challenges

These are some of the issues:

- Providing microfinance has a cost. Because it is necessary to guarantee sustainability, interest rates on microfinance may be more expensive than that of other loans.
- Lending always involves risk. Microcredit programmes should be designed to reduce this risk by screening borrowers and ensuring that repayment can be enforced.
- Beneficiaries have to be sensitized to the fact that microfinance is not a grant, and that they are expected to repay. Otherwise a microfinance programme cannot be sustainable.
- Few micro-entrepreneurs are able to break out of the cycle of poverty with a one-time loan. People are best helped out of long-term poverty with a series of steadily increasing loans and mechanisms for savings. Sustainability is an important aspect of a successful microfinance programme, guaranteeing its impact and reach.

It is important therefore to build a solid foundation. Relief agencies usually cannot stay in a country long enough after a conflict to build permanent, sustainable microfinance institutions. Further issues include:

- Adopt a long-term approach. This is particularly important in areas where human resources are extremely limited as it will take longer for microfinance to become sustainable.

- Establishing effective microfinance is a greater challenge in conflict-affected areas because of constraints (like damaged infrastructure, disruption of public services, social division, limited market demand and availability of skilled labour). Remember that conflict does not end after the fighting stops.
- More creativity and adaptability is needed when developing microfinance in conflict-affected areas - including knowledge of project design, project management, accounting and finance.
- Women and other groups with special needs can have particular difficulty accessing microfinance - perhaps unable to provide the required collateral or guarantee. Flexibility and innovation in program design can help these groups to access microfinance (e.g. through group lending schemes).

**In many places and cultures women are not allowed to own property and do not have a savings history.**

**Allowing women to use their jewellery as a guarantee opened the doors to microfinance to several women in Senegal and India.**

**Future orders can also serve as a guarantee. For example, if a woman that wants to open a bakery, receives in advance large orders of bread.**



Helping refugees to help themselves.

Remember that microcredit on its own cannot create a business. This will depend on the beneficiaries' skills and business acumen, a market for the output, the availability of supplies and other inputs, and enabling regulations and macro-economic environment.

### F. Partners/targets

#### Targets

Low-income micro enterprises, groups, and other women and men usually excluded from services offered by formal traditional financial sector institutions.

#### Suppliers

Formal: banks, government and donor programmes, non-bank financial intermediaries, credit unions, international and national NGOs, microfinance institutions and formal transfer systems.

Informal: RoSCAs (Rotating Savings and Credit Associations), traders, moneylenders and money-keepers, pawn brokers, credit and savings associations, informal borrowing and informal transfer systems.

### G. How to provide microfinance

#### Programming cycle

- 1. Assess and analyse.** Gather information for supply and demand analysis.
- 2. Design.** Set objectives, identify partners, define methodology and determine inputs and outputs. Think of innovative and flexible ways to allow groups with special needs to access microfinance. Prepare a financial plan for sustainable services.
- 3. Implement.** Deliver products and services, provide technical assistance and manage the activities.
- 4. Monitor.** Track programme and clients using key indicators.
- 5. Evaluate and follow-up.** Evaluate programme and clients for programme impact and revisions.

### Specific points

Set out clear general and specific objectives at the outset. Select clients according to their entrepreneurial spirit, business viability and the capacity to repay. Clients must be economically active. Extremely vulnerable individuals who are dependent on others for their daily living are not suitable candidates for microfinance.

In conflict-affected communities start the programme slowly but steadily to set the foundation for growth. A rapidly changing environment calls for sound objectives and continued adjustment of operations.

The provision of social/welfare services should not be combined with financial services, as there is a conflict between the provision of free services, and a loan repayment scheme that charges interest on its clients (who might not want to pay for these services if they can receive them for free) leading to misunderstanding and jeopardizing its sustainability.

Additionally:

- Human resource development is crucial. External technical assistance and intensive staff development is absolutely necessary.
- Credit should be combined with the clients' assets (financial and physical) in order to ensure that the individual has a stronger interest in success.
- A government regulatory framework may not be needed at the outset, but will be required later. A balance between control and laissez faire is desirable.
- The provision of microfinance should be clearly separated from other relief activities.

Microfinance programs should not be implemented by UNHCR offices themselves, but entrusted to operational partners with a successful record of accomplishment to plan and implement such schemes (UNHCR should only be actively involved in planning and monitoring microfinance, lobbying for inclusion of selected targets, and funding). UNHCR must ensure that microfinance programmes be implemented according to proven sound practices as defined by microfinance experts, and should collaborate with development agencies to ensure availability of adequate funding until sustainability is achieved.



### Manual on microfinance:

- *Introduction to microfinance in conflict-affected communities*. International Labour Office, Social Finance Programme/Office of the United Nations High Commissioner for Refugees, Reintegration and Local Settlement Section. Geneva: ILO, 2003.

### Links:

[www.ilo.org/socialfinance](http://www.ilo.org/socialfinance)  
[www.postconflictmicrofinance.org](http://www.postconflictmicrofinance.org)  
[www.mip.org](http://www.mip.org)  
[www.cgap.org](http://www.cgap.org)  
[www.grameen-info.org](http://www.grameen-info.org)

### ILO contacts:

#### **Social Finance Programme**

International Labour Office  
4, route des Morillons  
CH-1211 Geneva 22  
Switzerland  
Tel: +41 22 799 6249  
E-mail: [SFP@ilo.org](mailto:SFP@ilo.org)

## Annex 1.13.10

# BUSINESS DEVELOPMENT SERVICES

### A. What is Business Development Services (BDS)

Business development services (BDS) are formal and informal non-financial services that offer entrepreneurs:

- **Training**
- **consulting**
- **marketing support**
- **business information**
- **access to technology**
- **advocacy**
- **business linkages**
- **infrastructure development**
- **other non-financial services**

BDS help businesses become more profitable by assisting them in:

- Developing and producing quality products effectively.
- Accessing higher value markets.
- Managing their business efficiently.
- Generally improving and developing their business.

BDS can be directed at micro and small enterprises (MSEs) facing a variety of constraints due to poor levels of education, weak management, competitive markets, low quality products and/or services, lack of marketing skills, inefficient infrastructure and lack of familiarity with the local economic environment (e.g. refugees, returnees). Businesses in this category often find it difficult to develop to their full potential and often risk failure.

### B. Why implement BDS

BDS is crucial in areas affected by conflict (e.g. displacement, refugee influx), and in post-conflict reconstruction situations where there has been damage both to human and physical infrastructures. The human infrastructure i.e. the labour force, can suffer a loss of entrepreneurial expertise, networks, and customers. Damage to the physical infrastructure includes destroyed communication and transport networks, and production facilities and machinery. This damage makes it even more difficult for local enterprises to operate in an already weak economic environment.

Entrepreneurs will therefore need support to maintain stable networks with customers and suppliers, obtain finance in an unstable environment, promote cooperative arrangements, and in the overall management of their businesses.

By helping businesses increase sales and reduce costs, BDS contributes to promoting economic development and social goals:



Improved MSE performance resulting from BDS is therefore key to community and national development.

### C. When to apply BDS

BDS can be applied whenever there is an interest in improving business performance. In particular, BDS is employed in areas where MSEs can be facilitated to reach their full potential, especially after a crisis, if they are suffering from factors such as:

- poor education
- competitive markets
- insufficient technology
- insecurity
- inefficient infrastructure
- inadequate marketing skills and technical expertise
- lack of information
- weak management
- low quality products and services
- harassment of business owners
- poor services (telephone, electricity, water)
- poor understanding among refugees and returnees of the local economic environment

The provision of BDS should only be facilitated in areas where there is either weak demand and/or supply of BDS, and interventions can build on existing activity.

When there is no supply but there is demand, facilitators can intervene initially to provide BDS services directly and stimulate market demand. However, once private sector BDS providers are able to take over, BDS facilitators should step back (Current thinking in BDS provision - see sections E and H).

### D. When not to implement BDS

BDS interventions will be extremely difficult in areas where the market is non-existent and there is no supply and demand. There is also limited potential for BDS in areas where the market is already operating efficiently, with effective patterns of supply and demand.

(Market assessment is crucial to determine the state of the current market, and consequently the feasibility of BDS in an area - see section I).



Getting connected to the world.

### **E. Problems/challenges in providing BDS**

Existing and potential providers might have inadequate capacity for implementing BDS. This can be the case especially after conflicts where business and client networks have been interrupted, infrastructure and communications damaged, and there is a pervasive lack of trust. In particular, these factors can make it difficult for private BDS providers to deliver BDS in a sustainable way e.g. recovering costs.

A market assessment might be difficult to implement in areas where security is poor, and unstable environments mean that information is soon outdated.

Current thinking in BDS provision encourages the promotion of a sustainable and vibrant BDS market, and therefore discourages the subsidizing of services. This poses a challenge when populations have low purchasing capacity, and providers lack capital. This might also be problematic in areas where markets are weak and the operating environment unpredictable. Finally, the short-term perspective of some donors, practitioners, and implementing agencies might not be conducive to sustainability.

In-conflict affected communities and post-crisis areas, dependence on relief and grants might dissuade the development of contractual business relations with providers. Competition and efficiency might be difficult in BDS markets suffering from a shortage of providers and weak demand.

**Market distortion** might be impossible to avoid in conflict-affected communities and post-crisis areas where relief, outside forces, and security constraints among others are inevitably going to have an impact.

Market distortion: when any one factor interferes with market competition, leading to fewer choices and higher prices.

It is important that programs be flexible to adapt to rapidly changing environments, and to ensure coordination with other humanitarian and development agencies in the area.

### F. Partners/Targets in BDS provision

#### Targets/clients/beneficiaries

All micro and small enterprises.

#### Partners

BDS facilitators are development-oriented institutions that deal directly with BDS providers to:

- Provide training and capacity building.
- Evaluate BDS providers' performance.
- Ensure quality.
- Promote and analyse market development.

BDS facilitators also work with governments for BDS and MSEs policy advocacy. Facilitators might encourage MSEs (e.g. training institutions) to embark on BDS, but are not involved directly in its implementation (except in situations where there are no viable alternative providers). BDS facilitators include: NGOs, chambers of commerce, UN agencies and other development-based organisations.

BDS providers work directly with MSEs to provide BDS for a fee or as part of embedded services. Providers could include: private sector (for profit) BDS providers, MSEs through embedded business services, associations/cooperatives, individuals, government agencies, NGOs. Providers will differ according to context.

### G. How to implement BDS

There are different types of business development services. Operational services address everyday operations (e.g. account management and communications). Strategic services focus on medium and long term goals (e.g. enhancing performance and competition).

### H. Different types of service/support

#### Market access services

Identify and establish new markets for products and services delivered by MSEs, and/or develop existing markets.

#### Input supply services

Improve MSEs access to production inputs and raw materials. This includes promoting sustainable training and technical assistance products.

#### Technology and product development

Research and identify new technologies. Assess the capacity for sustainable local production, marketing and service of these technologies. Develop novel and enhanced products specifically targeted to market demand.

#### Training and technical assistance

Improve the capacity of MSEs to plan and manage their operations, and to develop their technical expertise (see **Annex 1.13.11 Start and Improve Your Business**).

#### Infrastructure support

Set up adequate sustainable infrastructure that improve MSEs ability to operate.

#### Policy/advocacy

Produce sub-sector research and analysis on policy opportunities and constraints for MSEs, and assist the formation of organisations and coalitions that advance the interests of MSEs.

#### Financial support

Help MSEs seek funds through formal and alternative channels, and assist them in establishing connections with banks and microfinance institutions for credit and other financial services.

BDS services can be delivered alone, as a package with other services, or as part of business relations.

Current thinking in BDS provision advocates that BDS should be market driven and sustainable. In order to make BDS sustainable it is necessary to promote an active market of services that MSEs will have both the capacity and the interest to enter. For this reason, BDS services should be demand driven to address both the needs and wants of MSEs. Although BDS implementing and financing strategies will vary in different contexts, BDS are usually provided in exchange of a fee that participating MSEs can afford, as an element in a package deal with vested commercial interests, or based on commission.

However within this approach it is necessary to assume appropriate strategies to ensure access to services for groups that cannot or are less able to pay and/or participate (e.g. women entrepreneurs, female heads of household, disabled, refugees, displaced and ethnic minorities). BDS programmes should be flexible and adapt their content to specific target groups. Some strategies include:

- Treating specific underserved groups as market niches. Address the specific needs of disadvantaged groups as a market opportunity.
- Promoting services appropriate for sectors in which underserved MSEs operate. For example; focusing on a sector where women entrepreneurs dominate the market.
- Paying particular attention to payment mechanisms. Consider special payment options, such as embedded services, third party financing, or payment in installments, for groups that find it difficult to pay for services (e.g. poor MSEs).
- Working with low-cost suppliers. Low cost suppliers might be better adapted to providing services to MSEs, who in turn might also prefer these arrangements.

### **I. Market Assessment**

Before selecting which form of intervention to adopt, it is necessary to engage in a market and needs assessment in order to identify opportunities and constraints in any given area. Market assessments should focus on a particular product or service, its potential clients and competitors, and the geographic areas considered. This will provide valuable information (e.g.

reasons for the absence of demand or supply of a service) and will prove crucial in selecting adequate BDS activities. For example, product development and capacity building are particularly adequate in markets where supply is weak, while promotions and financing techniques are suitable when demand is weak.

Possible methodologies and tools for assessing MSEs' constraints and opportunities:

- Sub-sector analysis involves researching all enterprise actors concerned with a particular product or service, and identifying BDS provision opportunities connected with this product or service (e.g. producers, retailers, distributors).
- Participatory rapid appraisal is based on a set of tools to aid development agents to recognize problems and solutions by making the most of local knowledge (includes: resource mapping, seasonal mapping, network maps and ranking exercises).
- General small enterprise surveys address a number of areas including the number of MSEs, their geographic and gender distribution and growth trends etc.
- BDS market assessment tools identify BDS markets, services and providers (for some examples see 'further reading' in last page of this annex).
- Needs assessment through clusters and networks bring together MSEs working in similar areas of activity, and/or sharing other common factors. The idea is for these enterprises or networks to discuss their development together.
- Action research/incremental approaches develop close relationships with enterprises - to learn from them.

### **Field experience: Farmers and markets in Mexico**

Conservation International effectively links farmers with markets, and encourages them to use sustainable farming techniques that generate income and protect the forests of Chiapas, Mexico. (<http://www.seepnetwork.org/bdsguide.html>)



### For more information on BDS see:

- *Seminar Reader, Developing Commercial Markets for Business Development Services*, BDS PRIMER, Annual BDS Seminar, Turin, Italy. Sept. 2003. By: Alexandra O. Miehlebradt and Mary McVay for the Small Enterprise Development Programme of the International Labour Office. Turin: ILO, 2004.
- *Reference Guide on Business Development Services*. Gerrit Ribbink, SNV/Netherlands Development Organisation, 2003. <http://www.snvworld.org/cds/rgBDS/table-of-contents.htm>

### For BDS Provision to Women Entrepreneurs see:

- *Are W.E. Being Served? The Work of the International Labour Organisation (ILO) in Promoting More and Better BDS for Women Entrepreneurs*. Gerry Finnegan, ILO InFocus Programme on Boosting Employment through Small Enterprise Development - Women's Entrepreneurship Development. Geneva: ILO, 2003.  
<http://www.ilo.org/dyn/empent/docs/F1780218991/Are%20WE%20being%20served-150903.pdf>

### For BDS market assessment tools see:

- *Rapid market appraisal: a manual for entrepreneurs / Rapid market appraisal: a manual for trainers*. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office, FIT Programme. Geneva: ILO, 2000.

### Links:

[www.seepnetwork.org/bdsguide.html](http://www.seepnetwork.org/bdsguide.html)

[www.ilo.org/dyn/bds/bdssearch.home](http://www.ilo.org/dyn/bds/bdssearch.home)

[www.sedonors.org/](http://www.sedonors.org/)

On market assessment: <http://www.seepnetwork.org/PLPinBDSMAR1-final.pdf>

### ILO contacts:

#### **InFocus Programme on Boosting Employment Through Small Enterprise Development**

International Labour Office

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CH-1211 Geneva 22

Switzerland

Tel: +4122/7996862

Fax: +4122/7997978

E-mail: [IFP-SED@ilo.org](mailto:IFP-SED@ilo.org)

## Annex 1.13.11

## START AND IMPROVE YOUR BUSINESS

## A. What is Start and Improve Your Business (SIYB)

Start and Improve Your Business (SIYB) is a training programme developed by ILO for women and men desiring to start or improve their business. SIYB includes self-help/training manuals to be used by potential or current micro and small entrepreneurs with some formal education (reading and writing) to guide them through the process of starting or improving a business. SIYB can be implemented as weekly training courses or as self-help tool.

**SIYB Manuals include:**

- *ILO GYBI Generate Your Business Idea, a workbook for potential entrepreneurs.* SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO.
- *Start Your Own Business Manual.* SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO.
- *SIYB Business Plan.* SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO.
- *Improve Your Business Basic Kit: Manual on Marketing,* ILO/SEED. SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO. This is a series of manuals covering subjects such as buying, marketing and costing to help existing entrepreneurs develop their businesses.

## B. Why promote SIYB

SIYB is a viable self-help strategy to generate self-employment rapidly, and can be used to address those groups most excluded from the labour market provided they fulfill the necessary criteria (basic education and interest). Vulnerable targets such as refugees and IDPs will attain the dignity of employment and self-reliance, and this will contribute to the social and economic development of the area and to their (re)integration in society.

Successful SIYB cases will contribute to local economic development while restoring infrastructure or producing basic goods and services that are

crucial for reconstruction. The ILO SIYB guides are simple to use both as part of a training programme or as a self-help tool. However starting a business might not always be the right solution if the environment is not conducive, or the individual does not have an adequate profile (basic education, numeracy and motivation). Careful market assessment is necessary to identify opportunities available in the area.

### C. When to promote SIYB

Assess possibilities and the scale of market opportunities (e.g. security, available resources, policies, number of interested parties) and evaluate the skills, education, experience, motivation and interest of potential entrepreneurs (both female and male) in all community groups (e.g. refugees, returnees, IDPs, locals) in order to ensure that they are prepared to engage in this venture. On that basis identify the best approach and form of assistance.

Complete a list of selected candidates with basic education and an interest in starting a business that have a viable business idea. GYBI can be used to help interested women and men generate a business idea.



The taste of success -  
our food canteen is  
making profit!

### D. When not to promote SIYB

- When market assessment shows that there are no market opportunities in the area.
- When there is insufficient infrastructure or inadequate facilities (e.g. electricity, water) necessary for the successful development of a business.

SIYB has a long-term outlook for economic growth and stability. For immediate and rapid impact consider other options such as labour-based infrastructure reconstruction and/or other cash-for-work activities, etc.

The failure rates of new businesses can be particularly high in unstable environments (which is often the case in post-conflict situations). Careful market assessment is crucial, as well as the simultaneous application of other strategies such as skills training, capacity building and microfinance, in order to enhance impact and probability of success.

### E. Problems/Challenges

In the volatile market environment of post-conflict situations (suffering from lack of trust and poor security, destroyed infrastructure and inadequate communications) market demand and investment opportunities might be limited, with a reduced capacity in communities to pay for services and products.

The basic criteria used for selection of candidates might actually exclude the most vulnerable (e.g. due to lack of education or guarantors). Think of flexible ways to address these groups. For example: conduct basic literacy and numeracy training for women and men interested in starting a business; and outreach programmes to women, advertising through women groups and areas frequented by women (e.g. local clinics).

Trainers might be hard to find. They might not be motivated or suitable, may possess inadequate expertise or have little capacity to assist trainees. Finding adequate quality trainers is essential.

Loans might be difficult to obtain in an environment of distrust, or as a result of interrupted communication. Cooperation and competition among enterprises might be affected by a damaged physical/human environment. Reconstruction, and a degree of market stability, is therefore essential.

SIYB training is considered a business development service, and is therefore subject to the issues concerning cost-recovery in current thinking of BDS provision (see the ILO/UNHCR Short Guide on Business Development Services - see **Annex 1.13.10**).



### For Training Materials for Women's Entrepreneurship:

- *GET Ahead for Women in Enterprise Training Package and Resource Kit*, Susanne Bauer, Gerry Finnegan and Nellen Haspels. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Bangkok: ILO, 2004.

## F. Partners & Targets

### Targets

These include: Potential entrepreneurs (both female and male) with basic education (including reading and writing) who are interested and have the capacity to start a business.

### Partners

ILO and other relevant UN organisations, private sector training providers, NGOs and other international and national organisations.

## G. How to promote SIYB: The steps

SIYB is a service provided by specialized SIYB master trainers (see ILO contacts). SIYB should normally be provided by these trainers. Master trainers can also contribute to capacity building of BDS organisations by training SIYB trainers (for ILO contacts, and forms to request trainers, please refer to the last page of this Annex). Below you will find a description of the different stages covered by the SIYB training.

### Developing a business Plan

Every business needs to follow a business plan to guide the potential entrepreneur through every step of starting a business. A completed business plan has to be presented to donor agencies or banks to obtain loans and/or grants.

A business plan helps a person decide, organize and present business ideas. It contains the sections shown in **Figure 13.4**:

Figure 13.4: Components of a business plan

**Step in business start-up**

**Sections of a business plan:**

1. Executive summary

**Step 1. Generate your business idea**

2. Business idea

**Step 2. Marketing**

3. Market research
4. Marketing plan

**Step 3. Form of business**

5. Form of business

**Step 4. Staff**

6. Staff

**Step 5: Legal responsibilities and insurance**

7. Legal responsibilities and insurance

**Step 6: Costing**

8. Costs forms

**Step 7: Financial planning**

9. Sales and costs plan
10. Cash flow plan

**Step 8: Required start-up capital**

11. Required start-up capital

**Step 9: Sources of start-up capital**

12. Sources of start-up capital
13. Action plan



**For an example of a business plan see:**

- *SIYB Business Plan*. SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO. It contains a useful compilation of all the forms necessary on each section of the business plan.

**See also:**

- *Start Your Own Business Manual*. SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO, for a comprehensive and straightforward explanation of all steps and requirements for starting a business illustrated with clear examples.

### Step 1: Generate Your Business Idea

Create a short-list of potential business ideas to be refined, tested and developed further through market research. There are four different types of business:

- **Retailing.** Purchasing goods from wholesalers or suppliers and reselling them for a profit e.g. grocery store.
- **Wholesaling.** Purchasing goods in large amounts directly from producers, to package and resell to retailers.
- **Manufacturing.** Making new products using raw materials, e.g. shoe maker.
- **Service providing.** Offering a service, e.g. painter.

A SWOT Analysis (looking at Strengths, Weaknesses, Opportunities and Threats) is an assessment technique usually used to evaluate business ideas.

**For a guide to generating a business idea, see:**

- *ILO GYBI Generate Your Business Idea, a workbook for potential entrepreneurs.* SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO.



### Step 2: Marketing

Think about the business and how it should be promoted. Identify potential customers and find out their needs and wants. Undertake market research in order to understand the business environment and its potential customers and competitors. This information will be used to formulate a marketing plan.

- **Marketing** helps you offer the right product or service, set an affordable price and ensure adequate delivery and promotion of the product or service.
- **Market research** involves talking and questioning customers, suppliers and friends running businesses; studying competitors; and reading relevant newspapers and other sources to get ideas and information about the business. Market research should be done in all community groups (refugees, returnees, IDPs and locals).
- A **marketing plan** considers the 4Ps: Product (kind, quality, colour, size, range, packaging, etc.); Price; Place (location, distribution); and Promotion (advertising, sales promotion).



### A guide to marketing:

- *Improve Your Business Basic Kit: Manual on Marketing*, ILO/SEED. SIYB Regional Project Office in Harare Zimbabwe, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Harare: ILO.



### On market research see:

- *Rapid market appraisal: a manual for entrepreneurs / Rapid market appraisal: a manual for trainers*. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Organisation, FIT Programme. Geneva: ILO, 2000.

### Step 3: Form of business

Decide what form of business to adopt. Each form has different advantages and weaknesses:

- **Sole proprietorship** - self ownership of business.
- **Partnership** - a business run by two or more partners.
- **Limited company** - a business owned by one or more shareholders that work with or have invested capital in the business.
- **Cooperative** - a number of individuals working together for a common goal.

### Step 4: Staff

Consider whether the business will need any staff and what qualifications and skills would be required to undertake the tasks foreseen/planned.

### Step 5: Legal responsibilities and insurance

Find out what are the legal requirements of the business (taxes, license, staff benefits etc.) and consider acquiring insurance. (Insurance can protect against the losses incurred through accidents and theft, and contribute towards health and life costs incurred from business related accidents).

### Step 6: Costing

Calculate the total costs of manufacturing and/or selling a product, or offering a service. This allows you to set prices, minimise and manage costs, improve decisions and plan ahead.

### Step 7: Financial planning

Ensure that the business will have enough cash to operate by preparing a sales and costs plan, and a cash flow plan. This is particularly important at the start when the business is most vulnerable.

### Step 8: Required start-up capital

Calculate how much capital will be needed to start the business. This includes capital for high value investment on business premises or equipment, and working capital to run the business before the business can sustain itself.

### Step 9: Sources of start-up capital

Find out how to obtain the start-up capital. Start-up capital can take the following forms:

- **Owner's equity:** personal capital invested in the business. Advantages: less pressure; demonstrates commitment to an idea, and therefore gives a favourable impression on lending institutions.
- **Loans:** Disadvantages: more pressure (repayments, interests, etc.). Main requirements: a clear and detailed business plan and collateral of some form.

**Collateral** is a guarantee that can be appropriated and sold by the lending institution in case of failure to repay the loan (e.g. the business premises, the home or some equipment owned by the borrower).

In conflict-affected communities there may be few tangible assets, no methods to assess asset values, no legal frameworks to help with confiscation, and no markets to sell assets. For these reasons programmes working in conflict-affected communities usually use the collateral substitute guarantees (for groups) as well as the individual guarantors, i.e. they take on the risk. This requires intimate knowledge of the social and emotional value of the client community.

Types of lending institutions:

- **Banks.** It might be hard for refugees/returnees to obtain loans from a bank due to their strict requirements (including business plans, collateral and ID cards which are particularly problematic for refugees) and unlikely access in areas affected by conflict and other crises.
- **Government credit schemes.** These are typically loans provided by the government and run by government organisations for small entrepreneurs. They may have fewer requirements, and might not ask for collateral. They can often give further assistance, e.g. for training.

- **Non-governmental credit schemes.** These are similar to government schemes but run by non-governmental organisations and microfinance institutions. They may concentrate on particular groups like women, disabled people, refugees etc.
- **Other sources.** These may include family or friends, village banks and traditional lending systems.

Links:

[www.ilosiyb.co.zw](http://www.ilosiyb.co.zw)

[www.ilo.org/seed](http://www.ilo.org/seed)

[www.ilo.org/dyn/empent/empent.portal?p\\_docid=SIYBHEAD&p\\_prog=S  
&p\\_subprog=BD](http://www.ilo.org/dyn/empent/empent.portal?p_docid=SIYBHEAD&p_prog=S&p_subprog=BD)

Forms to request trainers: [www.ilosiyb.co.zw/siyb\\_forms.html](http://www.ilosiyb.co.zw/siyb_forms.html)

ILO contacts:

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## Annex 1.13.12

# WOMEN'S ENTREPRENEURSHIP DEVELOPMENT IN REFUGEE CONTEXTS

### A. What is women's entrepreneurship development

Women's entrepreneurship development involves supporting women to overcome barriers, which can be a result of their social and economic standing relative to men, in starting and running a business. In a refugee situation these differences in social and economic standing may be greater than in more stable situations. For example: when resources are scarce it is not unusual for the most powerful in a community have access to or own those resources. In many refugee communities the most powerful individuals are men. Therefore support for women entrepreneurs can:

- Ensure they can participate in and benefit from micro and small enterprise development activities: e.g. by ensuring women's participation in businesses networks within and/or outside refugee camps.
- Focus specific activities on women, e.g. business skills training courses for women only.

Many activities promoting women's entrepreneurship are to **reduce risk**. For example:

- Reducing the risks involved in starting a business, through business training and access to credit on reasonable terms. (See the ILO/UNHCR Short Guide on SIYB - see **Annex 1.13.11**).
- Reducing the risk of friction within the family or community by promoting a positive attitude to entrepreneurship for women through awareness-raising.
- Reducing the risks associated with accessing markets through market appraisals and using business development services to improve marketing skills. (See the ILO/UNHCR Short Guide on Business Development Services - see **Annex 1.13.10**).
- Reducing the risks of operating alone in a business by promoting membership of small business associations.

## B. Why focus on women entrepreneurs

Micro and small businesses are increasingly seen as a means of generating meaningful and sustainable employment opportunities, particularly for those at the margins of the economy - frequently women, the poor and people with disabilities. UNHCR and ILO realize that the economic empowerment of women refugees and internally displaced women also goes hand-in-hand with strategies for enhancing the protection of refugee women and girls.

By providing a source of income and increasing access to, and control over, resources such as land, women can obtain more control of their own lives. Economic empowerment has been shown to impact positively on the involvement of women in decision-making processes and to improve their negotiating position.

### Field experience: Women's empowerment in Mexico

"In the process of integration, we have had the opportunity to reaffirm the skills we have acquired throughout the different stages of asylum. In the last few years, we have demonstrated that, as women, we can also organise and manage our own income generation projects, and not just take care of our homes and children. An example of this is the first community credit scheme established in Los Laureles refugee settlement. At the beginning it was difficult to organise ourselves since we had never had this opportunity, and our husbands discouraged us telling us, and making us believe, that we would never be able to manage any projects."

"Now we realize that we have learned many things, from operating a calculator, to writing cheques, depositing and withdrawing money from the bank, applying for loans and assessing whether a project will succeed or not. We can do the paperwork, voice our concerns and vote on issues not just in the meetings of our organization but also in large community gatherings. We now have the courage to participate, and our male colleagues have started to realise and to be conscious of the importance, for our families and for our communities, of our participation."

*Esperanza Vázquez,*

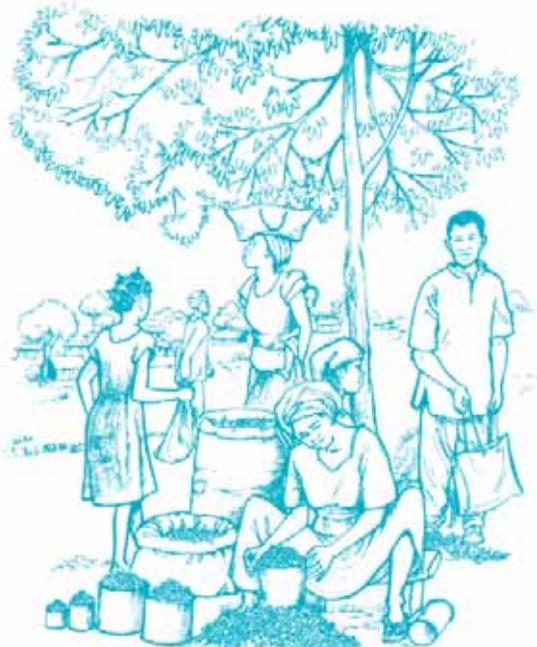
Member of the Technical Committee of the Social Welfare Revolving Fund (FORBIS), Campeche, in *The Integration of Former Guatemalan Refugees in Mexico: A Multi-Faceted Experience*, edited by Edith F. Kauffer-Michel (San Cristóbal de Las Casas, Mexico: El Colegio de la Frontera Sur, 2002).

In refugee situations families need income. Income generating activities by women and men can be the source of this income. In particular women's traditional skills could be considered a business asset in refugee situations. Using women's traditional skills as a basis for establishing businesses, the right interventions can help women to become valuable providers for their families. Some grow to provide jobs for family members and others.

### C. Ways to promote women's entrepreneurship

The following are ways in which ILO and UNHCR have promoted the economic empowerment of women in refugee and returnee camps in Mozambique and Angola. (See reading list).

- 1. Economic mapping exercises:** examining what businesses women are engaged in, what skills they have, what obstacles exist for them and what market opportunities exist for business start-ups and growth. (See the UNHCR/ILO Short Guide on Micro and Small Enterprise Promotion - see **Annex 1.13.8**).
- 2. Analysis of gender relations:** examining the roles and level of empowerment of women in order to establish the level of intervention. For example if women have limited mobility within the camp the interventions will have to take this into account.
- 3. Collaboration with partner organisations:** working with and building the capacity of existing organisations that represent women and women entrepreneurs. These organisations are vital for decision making processes, setting objectives and creating impact indicators.



Self-reliance  
brings dignity and  
empowerment.

- 4. Developing entrepreneurship skills:** training women to become entrepreneurs to reduce the risk of business failure due to poor business skills is vital; however training trainers to be able to offer follow-up to trainees is as important. The ILO's business training materials could be used for giving women entrepreneurs the skills needed. (See the ILO/UNHCR Short Guide on SIYB - see **Annex 1.13.11**).
- 5. Building up associations of entrepreneurs:** establishing or supporting member based organisations to be able to support women entrepreneurs. These organisations often provide support networks for women entrepreneurs, and can be capacitated to provide business development services to other women entrepreneurs.
- 6. Encouraging the provision of business services to women:** facilitating the exchange of business and technical production skills often can improve the chances of survival of an income generating activity. Using business associations as providers of these services can be the most effective way of delivery. (See the ILO/UNHCR Short Guide on Business Development Services - see **Annex 1.13.10**).
- 7. Establishing linkages with microfinance providers:** linking to existing microfinance lenders is often the most effective way of making sure women have access to business capital. Starting a microfinance or group lending scheme can be complex. Having access to existing, or attracting in, microfinance providers to a camp can often be the most effective option.
- 8. Developing positive attitudes towards entrepreneurial women within the camp:** promoting entrepreneurship as an acceptable role for women can be done by standard marketing techniques. Promotional materials, participatory workshops and using role models could be ways of reaching out to the camps' communities.
- 9. Sustainability** of all the above activities should be a major concern of any intervention in a refugee situation. Building the capacity of in-camp organisations to carry out entrepreneurship activities after the withdrawal of external support is a priority. This capacity will also be transferred if and when refugees become returnees.

### D. Challenges in promoting women's entrepreneurship

In addition to the constraints to starting and running a business in conflict-affected contexts (see the UNHCR/ILO Short Guide on Micro and Small Enterprise Promotion - see **Annex 1.13.8**.) there might be additional cultural challenges in promoting women entrepreneurs' activities:

- Women entrepreneurs are part of a community of men and women. Making sure male members of a refugee community understand the benefits and are supportive of the women's entrepreneurship development activities is vital. This can be done through participatory workshops and working with partner organisations to inform and consult with male members of the community.
- Group businesses and lending are often seen as sustainable ways of setting up businesses at an income generation level. However, experiences in Angola and Mozambique have shown that group-based works are seen as unacceptable for people whose trust levels may be very low after previous life experiences.
- In many countries the standard of numeracy and literacy among women can be lower than that of men. Refugee situations can mean schooling is very limited for women. These levels of numeracy and literacy can mean some interventions such as training have to be done along-side basic schooling or tailored to a less literate target group.
- Women's positions within refugee camps can be lowered due to in-camp decision-making processes, male domination over resources and the threat of violence. It is important to take into account these types of gender relations when planning and implementing activities.
- Women often have multiple roles which means their workloads are already heavy. Take care not to overburden them with the responsibility of time consuming or costly business ideas.



**For more information on Women's Entrepreneurship Development in Refugee Contexts see:**

- *Jobs, Gender and Small Enterprises in Africa and Asia: Lessons drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe*, Pamela Nichols Marcucci, ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Geneva: ILO, 2001.
- *Economic Mapping and Capacity Building for Female Refugees: Lumbala N'Guimbo Administrative Centre - Moxico Province, Angola*, Rotafina José Sande, Geneva: ILO, 2004.
- *Report on Training and Capacity Building of Female Refugees (Mozambique)*, Namsifu Nyagabona, Geneva: ILO, 2004.
- *Gender-oriented Entrepreneurship Promotion. Strategies and tools along the project cycle (A manual for practitioners)*. Claudia Ulrike Gminder. Swiss Agency for Development and Cooperation (SDC), Employment and Income Division. Bern: SDC, 2003. [www.sdc.admin.ch/themes](http://www.sdc.admin.ch/themes)
- *GET Ahead for Women in Enterprise Training Package and Resource Kit*, Susanne Bauer, Gerry Finnegan and Nelien Haspels. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Bangkok: ILO, 2004.
- *Course Materials: Capacity Building Workshop on Women's Entrepreneurship Development*. ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Department. Turin: ILO International Training Centre, 2004.
- *Promoting Women's Entrepreneurship Development based on Good Practice Programmes: Some Experiences from the North to the South*; Kantor, Paula; ILO InFocus Programme on Boosting Employment through Small Enterprise Development. International Labour Office. Job Creation and Enterprise Dept. Geneva: ILO-SEED, 2000.

**Links:**

[www.ilo.org/seed](http://www.ilo.org/seed)  
[www.ilo.org/crisis](http://www.ilo.org/crisis)  
[www.unhcr.ch](http://www.unhcr.ch)

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## Annex 1.14

# VOUCHER SYSTEMS FOR PAYMENT OF LABOUR

*This annex describes the way in which food-for-work or cash-for-work systems can be replaced by vouchers systems, and why this may be appropriate in some situations.*

### A. Introduction

If adequate supplies of food are available in local markets, general food distributions are inappropriate. Programmes should seek to address access constraints<sup>15</sup>. In the short term, market interventions to improve purchasing power are more appropriate - such as the provision of cash or vouchers via employment programmes (including cash-for-work or vouchers-for-work). Cash is cost-effective as it has low transaction and logistical costs compared to transporting food. Cash injections into a local economy may set in motion chain reactions leading to income generation - thereby stimulating local markets.

Where markets are fragmented (i.e. they are remote from each other) cash injections may contribute to local inflation. This would be particularly problematic for host households that have to purchase their foods from the market. If the local poor are net producers, i.e. small farmers who grow more than they consume and sell their produce on the market, their households would benefit from such inflation. Cash may however pose security risks and may be biased - empowering men over women if men traditionally control household finances. Vouchers on the other hand are more easily dealt with. Where people have purchasing power but supplies are lacking, sales of subsidised foods may be appropriate.

### B. What they are

Vouchers can be denominated in money terms or in physical quantities of specific commodities. Vouchers need to state clearly their value i.e. in local currency, quantity of food, or number of chickens etc. They must to be made in a way that limits their susceptibility to duplication. Use a UNHCR stamp, colour printer or have them printed in larger cities where more sophisticated technologies enable the production of vouchers that could not be made locally.

<sup>15</sup> The Sphere Project 2004. Humanitarian Charter and Minimum Standards in Disaster Response [www.sphereproject.org](http://www.sphereproject.org)

### C. How to use them

Distribute vouchers to registered target households. Alternatively, community committees can distribute the vouchers under agreed criteria of vulnerability. The team must agree in advance the value of the vouchers to be distributed. This is essentially determined by the programme budget.

Arrange a market day when vulnerable households will exchange the vouchers with surplus households for food etc. Both vulnerable and surplus producers must be informed in advance of the date and location of the pre-arranged market day. On an agreed date the surplus households will take their vouchers to the agency's office and exchange the voucher for cash.

### D. The advantages

Vouchers reduce agency logistics in purchasing and distributing food etc.; reduce waste and spoilage of foods, incorporate a cash boost into the local economy and transfer food, seed or other supplies from surplus food producing households or traders to pre-registered deficit households. They promote social and economic integration. Vouchers are appropriate in both urban and rural contexts but, as with cash, the impact on local prices needs to be monitored. Where markets are fragmented and a sudden increase in demand will not be met with a sudden increase in supply (e.g. due to poor road infrastructure) such systems can have a dramatic impact on the purchasing capacity of the host population. If the host poor are net producers, vouchers provide a win-win solution. If the host poor are landless labourers, or net consumers, the use of vouchers can promote food insecurity among host communities, as price rises will hit them directly. (UNHCR has used vouchers in urban settings but not camps or rural settings).

Vouchers can be utilised for seed, livestock, poultry, food, vegetables, tools, veterinary assistance, labour and other services such as ploughing or clearing farm land for new arrivals. Vouchers can also be exchanged to purchase commodities from certified traders either at distribution outlets, markets or special relief shops. The traders then reclaim the vouchers at a bank or directly from the implementing agency in order to obtain the equivalent cash value.

### Field experience: Using vouchers in Eritrea

In Eritrea, UNHCR is intending to facilitate land clearance and ploughing for labour-deficit returnee households using host community camel ploughs - working with the Ministry of Agriculture, the local administration and village administration committees. The steps include:

1. Distribution of vouchers to returnee households.
2. Collaboration with village administration committees to mobilise ploughing and labour (labour from both host and returnee households).
3. Transfer of vouchers from returnees to whoever ploughs their land once the work is completed
4. Reimbursement of the agreed amount to the labourer or plough-person at the ministry of agriculture or local administration office. (If the returnee clears the land herself she can claim the 2000 shillings).

The advantages: the village administration committees know the location of the returnees; the ministry team knows which land has been allocated (and where it is); and the local administration will liaise with all three institutions. The institutional relations are already in place as they have previously conducted similar activities though they paid cash rather than coupons. Monitoring will be conducted by village administrations and the ministry.



Thinking ahead.

## Annex 1.15

# REMITTANCES AND IN-KIND LOANS

*This annex describes alternatives to providing cash grants and credit, and why these systems are beneficial in many situations. It also looks at how remittances, non-cash grants and savings-in-kind schemes compliment business development.*

### A. Non-cash grants for initial start-up business

Grants are only recommended in situations where the refugee/returnee target group is very small or spread out such that the implementation of a credit programme and, particularly, the management of the programme become too costly. They may also be more appropriate in the setting up of new businesses rather than providing to support existing businesses. This might help to kick start a business and allow the owner to access microfinance in the future.

Granting in-kind typically includes production items to enable refugees/returnees set up their business - providing tools, vegetable seeds, livestock, fruit tree seedlings, trade tools and agricultural tools. It may also provide support services (transportation, marketing, maintenance) not yet available locally, as a new refugee business community is being set up. In time the new business community will be able to take over with its own arrangements and businesses to secure supplies and services needed to function effectively.

A

Grants in-kind can be used in conjunction with credit programmes or as a first step, and evolve, as soon as possible, to a credit programme. Grant programmes can be developed relatively easily and implemented on a wide scale, particularly when focusing on agricultural inputs.

A

See Module 8, part 2.1 (pages 109 to 111) of the *Introduction to microfinance in conflict-affected communities* (2003).<sup>16</sup>

<sup>16</sup> See Annex 1.1: References.

### B. Savings in-kind

Livestock can represent a growing asset, particularly those that require minimal inputs and management e.g. sheep and goats, free-range poultry and simple fish farms, but reproduce regularly. A small flock of animals can represent a significant value - a ready source of income to be cashed-in in small numbers as needed. They are particularly valuable among groups where members receiving an animal can repay with offspring which others in-turn will acquire.

### C. In-kind loans

This is a similar pattern to grants in-kind, but with a repayment mechanism. Typically this will be used in the provision of tools e.g. in construction work. Tools are used for a specified number of days on a loan basis - returning them daily until they are paid off. Only then are they able to retain them as possessions and take them home. The client repays the loan in advance through the provision of labour. This is useful for businesses that will generate immediate profits.

### D. Remittances<sup>17</sup>

Remittances are a key source of global development finance. Global remittance flows were estimated to be \$90 billion in 2003. Remittances enable the start-up of businesses - leading to different outcomes between population groups who can access remittances and those who cannot.

#### Field experience: Remittances in Somalia

In 2003, the estimated value of remittances to Somalia was US\$ 700 million. For many it was a survival mechanism, and for some it was an investment tool as well. By comparison, the 2003 CAP for the UNCT was about US\$ 70 million - and only US\$ 35 million was actually funded.

Remittances are an important factor in development growth and constitute the largest source of financial flows in developing countries after Foreign Direct Investment (FDI). Remittances actually exceed FDI flows in many countries. Unlike other capital flows to developing countries, remittances show remarkable stability over time. They do not create liabilities and, by their very nature, are typically targeted to the poorest section of the

<sup>17</sup> See *International Conferences on Migrant Remittances: Development Impact, Opportunities for the Financial Sector and Future Prospects* (2003) in Annex 1.1: References.

society. Remittances flow most strongly in times of crisis. Recognizing the strong positive correlation between remittances and poverty reduction, many governments have encouraged this trend through pro-active legislative and regulatory policies.

### **Field experiences: Sewing the seeds of success in The Gambia**

Fleeing Sierra Leone during the war in 1999, a 29-year-old refugee arrived in The Gambia with his wife and six year old son. Eager to become self-sufficient, he acquired a small amount of capital in the form of remittances from relatives living in the United States. Previously skilled as a tailor in Sierra Leone, he established a small tailoring business that would take advantage of these skills. In the beginning he rented only one sewing machine, which cost 600 dalasi (about US\$20) per month. Within three years his business had prospered - employing five people and owning six machines. He was not only meeting the basic needs of his family, but was also able to send small remittances to close family members still in Sierra Leone.

*Carrie Conway,*

Evaluation and Policy Analysis Unit, UNHCR (Geneva) taken from *Refugee livelihoods: a case study of The Gambia (Nov 2004)*.

Remittances impact on social and economic development in a number of ways. They can increase household incomes and help reduce poverty - improving consumption patterns, food security, education and housing, and enable increased investment. At the national level, remittances assist governments with balance-of-payments, improve national credit ratings and reduce the cost of external borrowing.

In order to maximize the development impact of remittances, it is necessary to lobby for improved access to the formal financial sector through mechanisms such as improved information sharing, efforts to overcome barriers to formal institutions, and strengthening of financial infrastructures and outreach to refugee communities. Training in investment of remittances will enable more effective use of remittances and promote self-reliance in the long run. Utilise successful refugee entrepreneurs for training programmes.

Support initiatives to strengthen the impact/potential of remittances:

- Encourage governments to review existing policies affecting remittances with a view to adjusting them in line with prevailing best practice approaches.
- Disseminate information on remittances, assist refugees/returnees to open bank accounts in destination countries, and encourage the provision of low-cost remittance services as possible.
- Encourage governments to enable financial institutions to become more accessible to refugees/returnees. Encourage governments to enable financial institutions to become more cost effective and efficient in handling remittances.

## REFERENCES (ESSENTIAL INFORMATION)

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Informal transfer systems offer less expensive and reliable alternatives to formal transfers, although formalized transfers have greater development potential and macro-economic benefits. Remittances, beyond the transfer of funds, constitute a point of entry for refugees/returnees and poor local communities to a variety of banking services and products, including access to savings, credit and insurance options with significant long-term benefits to individuals/families. Regulation is needed in the interest of transparency, but regulatory and supervisory policies should not inhibit transfers by driving up costs and reducing access to financial services and products. Thus, the need to strike a balance between appropriate levels of regulation to minimise financial abuse, and to promote cost efficient and accessible services.



Families give birth to new businesses.

## Annex 1.16

# RELIEF SUBSTITUTION

*This annex describes what relief substitution activities are, and how local production of relief items for distribution to refugees or returnees (as a reintegration package) contributes to self-reliance.*

### **A. Introduction**

Relief substitution is the local production of relief items for distribution to refugees. Rather than agencies buying-in and distributing proprietary products, they work with refugees, returnees and local communities who produce and sell products to relief programmes. There are a wide range of possibilities such as soap, sleeping mats, clothes, school bags and uniforms, tents, utensils, mosquito nets, agricultural tools and building bricks. Production is often decentralised and external inputs should be minimised.

### **B. Relief substitution and self-reliance**

Relief substitution can be linked to credit for self-employment as the demand for relief goods and services is high and assured. During the early stages of displacement, production will supply relief agencies; but with increasing self-reliance, sales to agencies will reduce and producers will supply to individual refugees/returnees or local communities. It is vital therefore, that sales prices are competitive. Phasing-out agency purchases and distributions will need planning to avoid unnecessary and costly stockpiling of unwanted goods. The gradual decrease of agency purchases, and increasing sales on the local market, will help making business (and services provided) sustainable.

### **C. Managing relief substitution activities**

Where relief agencies purchase goods, contracts should specify quantity, time for delivery, quality and price. Emphasis should be on identifying and developing new contracts once the original contracts have been agreed in order to avoid delays in production between contracts. It is better to encourage decentralised and individual production to increase its compatibility with family responsibilities (but this increases management challenges, and must be balanced with quality control).

Select relief substitution producers carefully. Young people without dependents (from both refugees/returnees and host communities) may be more productive than those with dependents. Host communities may introduce other benefits to the relief substitution economy via business or marketing contacts which will strengthen market viability and sustainability.

Supplies and finished products must be properly stored, with a stock control system in place. Piece-rates should be adopted for all production work. Payments should be based on strict adherence to quality control. Salaried staff should receive set wages, and bonuses for increased production and sales. Distribution of supplies should be recorded and controlled. The provision of raw materials should be clearly delegated and organised to avoid delays.

### D. The down-side

A few things can go wrong - relief substitution may not always run smoothly. Typical difficulties include:

- Lack of materials or equipment locally.
- Coping with the need for speedy delivery of goods.
- Lack of skills to produce the right type and quality of products.
- The limited time-span over which relief goods are needed.
- Lack of a local/alternative market for products.
- Poor future employment prospects for the skills acquired by refugees/returnees and local people.
- The cessation of distributions impacts directly on producer incomes.
- Relief items may be produced and imported from elsewhere more cheaply than refugees can produce locally.
- The need to address quality control - relief programmes may be jeopardised and producers may lose opportunities. National quality control mechanisms need to be followed when existing.

Some of these issues will be addressed by undertaking assessments of locally available resources, the prices of materials and production. Do not accept/pay for poor quality products; this won't do anybody any favours.

## Annex 1.17

### QUICK IMPACT PROJECTS<sup>18</sup>

*This annex describes what QIPs are, why they were developed and what they are usually designed to do. Criteria are provided, and the typical QIP project cycle is described.*

#### A. Introduction

Quick Impact Projects (QIPs) were developed for implementation over three to six months. Their purpose is to facilitate the rapid integration of refugees and returnees - small projects to meet priority local needs identified by communities. They are mostly used in their country of origin, but they can also be used in asylum to promote area development - serving refugees and host communities.

#### B. What they are

QIPs are mostly, though not uniquely, physical infrastructure projects. They may also provide small injections of material, financial or technical assistance (such as support for the functioning of a local authority, or projects with quick cash disbursements through local employment). Secondary benefits may include the creation of employment and commercial opportunities. QIPs should be environmentally sound and sustainable. Environmental considerations should therefore be included in the project design.

QIPs are characterised by:

- Simple, small-scale, low-cost and rapid implementation.
- Implementation in areas of high concentration of people of concern to UNHCR.
- Targeting communities rather than individuals.
- Requiring community participation in identification, design and implementation, and responding to basic priorities identified by the community.
- Belonging to, and benefiting the whole community (including local people, displaced people and refugees/returnees).

<sup>18</sup> Refer to *Quick Impact Projects: A Provisional Guide*. See Annex 1.1: References.

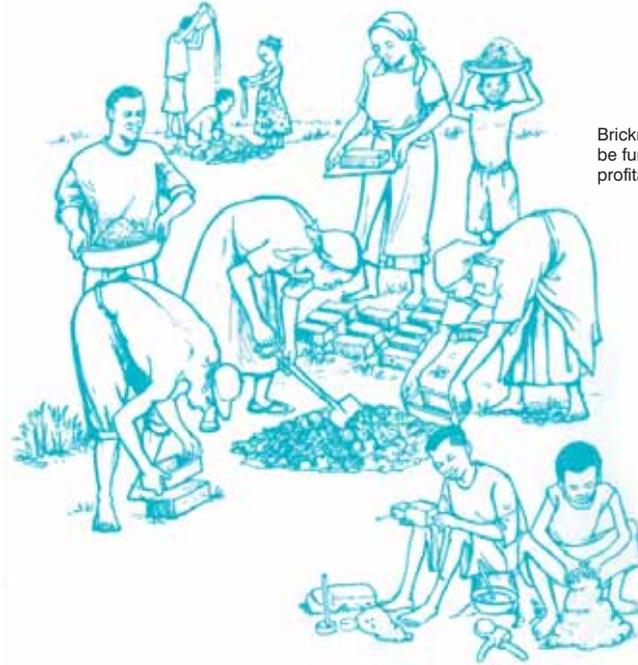
- Encouraging a gender-focused approach.
- Having short-term impact, but also long term benefits (in contributing to local development plans and services).
- Being sustainable, replicable and environmentally sound.
- Promoting area development.
- Contributing to peace building.

They are not necessarily easy to implement, being complicated by pressure to act quickly and in a visible way.

QIPs are intended to bring about rapid changes that enable communities to take advantage of new development opportunities. By benefiting all communities, they can provide a significant contribution to reconciliation and promote the inclusion of groups with special needs in development plans.

Some examples of QIPs include:

- Construction or repair of essential services or infrastructure, which are, were, or will be used by refugees or returnees (such as water and sanitation works, hospitals, clinics and schools). Rehabilitation projects would include the provision of furniture, heating and electricity if this is the local standard and if it can be operated and maintained by the local community.
- Rehabilitation of infrastructure that is essential for repatriation purposes (e.g. rehabilitation of roads or border crossing facilities).
- Rehabilitation of community infrastructure such as sports halls, cultural centres, parks, places of worship or community halls. (Community reconciliation may be benefited by the construction of shared community facilities for social, educational and recreational activities).
- Cash and material support to provide labour-intensive services (rubble removal and street cleaning, for instance).
- Material, financial or technical support and capacity building for authorities (e.g. municipal authorities), local NGOs and associations involved in refugee or returnee welfare. These include strengthening of judicial and legal institutions and frameworks.
- Environmental protection initiatives such as the establishment of tree nurseries for production of cash crop trees intended for homestead and agro-forestry planting, domestic waste management schemes and environmental awareness raising campaigns.



Brickmaking may be fun for some and profitable for others.

### C. Criteria for QIPs

Implementation should:

- Address communities where people of concern to UNHCR constitute at least 20% of the total population.
- Have a timeframe of six months or less.
- Require funding not exceeding US\$ 50,000.
- Use the UNHCR standard short-agreement format.
- Be entrusted to qualified partners (rather than direct UNHCR implementation).
- Be managed as a “programme” under specialised implementing partners (provided each QIP is properly designed, implemented, monitored and reported).

While QIPs may prove successful in meeting their immediate objectives, they have generally been less effective in attaining their long-term goals - often as a result of poor planning, inadequate technical specifications and poor budgeting. Issues such as the recurrent cost of running and maintaining a QIP as well as the need for communities to assume ownership of projects are easily overlooked.

### **D. The QIP project cycle**

Use a participatory approach in defining community priority needs. The steps required for effective community participation are:

- Identify main priorities of communities; identify key informants; study the locality and facilities, with reference to expressed priorities.
- Check the technical feasibility of proposals, and the way they will contribute to local development.
- Obtain written agreement on beneficiary participation and contributions in implementation
- Explain the constraints of QIPs assistance to communities and their leaders.
- Promote labor-based approaches for infrastructure development QIPs.

The general areas to be addressed by the community in assessments include:

- The key problems and constraints confronting the community.
- The main reasons for these problems/constraints, and understanding of how to overcome them.
- Details of any community attempt to overcome these problems (and why has there been no result).
- Analysis of how a QIP might address these problems.
- Identification of which other organisations may provide any additional support.
- The skills available and organisations working in the community.
- Assessment of the contribution the community may be able to make towards the project (cash, kind or labour).
- The community's previous involvement in community-based projects.

- Mechanisms by which project outputs will be maintained and operated after completion.
- Capacity within the community.

Project design will build from technical information, and there may be need for further specialist assistance (e.g. for a hydro-geological survey to locate groundwater for boreholes). Consider the following technical aspects:

- Include in the survey team technicians with relevant skills, for analysing constraints and justification of technical interventions.
- Encourage community commitment and develop long-term sustainability.
- Prepare specifications, bills of quantities and costs for proposed systems or structures.
- Assess rehabilitation and construction capacities area-by-area (e.g. contracting companies, local building expertise, availability of materials).
- Standardise designs and specifications with Government and other agencies (as far as possible).
- Ensure compatibility and transfer of responsibility to other agencies.