



MODULE 5: LIVELIHOOD RESTORATION

Summary

Objectives

Following completion of this module, participants should understand:

- what livelihood activities are
- how to assess local needs and design appropriate livelihood promotion activities
- appropriate client selection
- 'for' and 'against' arguments of livelihood promotion programs for microfinance providers, and
- issues related to monitoring and evaluation of livelihood promotion programs.

Topics

1. Introduction
2. Should a MFI Implement Livelihood Promotion Activities after a Disaster?
3. Context Assessment
4. Client Selection
5. Program Selection and Design
6. Monitoring and Evaluation
7. Summary



Module 5: Livelihood Restoration

N.B.

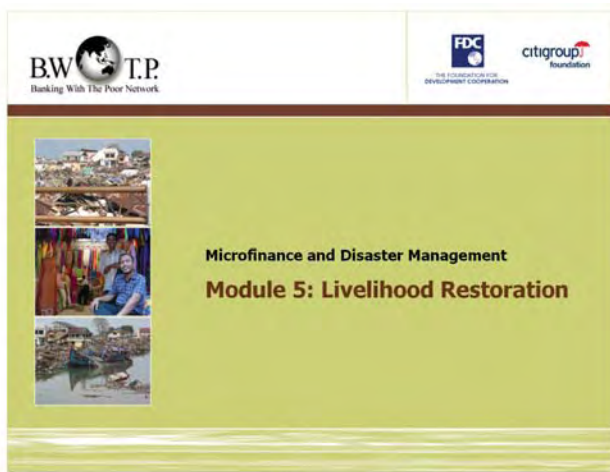
This module is intended for relief and development organisations that provide microfinance services, within a broader vision to provide livelihood support after a disaster. It is not intended for institutions that engage in microfinance only.

Estimated duration

3 hours total

Resources needed

- Flipchart paper and markers
- Digital projector
- Module 5 - Presentation
- Module 5 - Handouts (one copy for each participant)



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Livelihood Promotion Activities - Examples

Table 5.1 Basic descriptions of livelihood programs

▶ Cash-for-work	These programs are often focused on clean up, repair or reconstruction activities after a disaster. The program hires short-term daily labourers for a specific period of time and for a specified daily wage. Often the project is a community-identified activity.
▶ Cash grants	These are grants issued in cash to target clients. Grants may require meeting some specific criteria and sometimes involve some community pay back. For example, some programs require that clients repay the community by hiring a specific number of workers or providing some goods without cost to vulnerable individuals in the community.
▶ In-kind grants	These are items such as equipment, animals, materials, tools, etc. given to individuals as a grant. The organisation handles all procurement and distribution of these items. Some programs require that clients repay the community by hiring a specific number of workers or providing some goods without cost to vulnerable individuals in the community.
▶ Skills training	These programs train clients on specific vocational skills that would ease their ability to find employment and/or start a business. Common skills training programs include: carpentry, sewing/tailoring, mechanics, hairdressing, baking/cooking, etc.
▶ Employment services	These programs aim to place unemployed workers into various positions. The service involves building relations with employers in the region and identifying appropriate candidates with skills to fill these positions. Employment services frequently provide counselling to job seekers to help them develop a CV, learn interviewing techniques, etc.
▶ Marketing services	These programs support the marketing of products produced by program clients. This may entail identifying domestic and international markets; assisting in advertising, product placement, packaging or other marketing related function; or direct marketing and sale of products developed by clients through existing retail outlets.
▶ Business development services (BDS)	These programs support the various business consulting needs of clients. This may include providing direct technical assistance in market research, product development, production/process enhancement, pricing, packaging, financial management, accounting and/or other business functions.

Livelihood Promotion Activities - Examples

Financial	Non-financial
<ul style="list-style-type: none"> • Credit, savings • Cash-for-work • Cash grants 	<ul style="list-style-type: none"> • Skills training • Employment services • Marketing services • Business development services • In-kind grants

STOP
Class exercise:
 Sort these examples into 'short-term' and 'long-term' activities

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Slide 7 - Livelihood Promotion Activities - Examples

Class exercise

Ask participants to consider each of the examples in turn, and indicate whether they think they are short- or long-term activities, and which of them might or might not lead to economic self-reliance.

Finally, display the next slide, and confirm the participants' reflections.

Glossary item

- Cash-for-work

TOPIC 1 Introduction

Short and Long-term Livelihood Promotion Activities

Livelihood activities can rarely be expected to create self-reliance on their own. Rather, they are part of a set of activities that can support economic self-reliance. For instance, business training can be the starting point to developing certain sets of skills in the community, but they will need to be complemented by capital injection and/or identification of markets to sell the finished products.



Slide 8 - Short and Long-term Livelihood Promotion Activities

Cash-for-work is considered a short-term employment activity to support individuals immediately after a crisis. It is often used as a quick method to inject cash into an economy. Cash-for-work is not long-term employment however, and does not intrinsically create self-reliance. It is more of an emergency response tool.

The main difference between all of these livelihood promotion activities is the timeframe: some have a short-term perspective (cash-for-work, cash grants, in-kind grants) while others are part of long-term planning (microfinance, skills training, employment services, marketing services, business development services (BDSs)).

Some programs focus on strengthening local organisations (such as agricultural cooperatives, farmers' clubs, producers' groups) because they believe that these organisations will remain active in the long run and can therefore identify projects for their constituencies while effectively delivering these services. This strengthening may therefore focus on other self-reliance components, such as skills training, BDSs, etc.



TOPIC 2

Should an MFI Implement Livelihood Promotion Activities After a Disaster?

This module is being taught from the perspective of multi-sectoral organisations that offer microfinance services. Before these types of organisations think about offering livelihood activities (other than microfinance) directly, they must clearly consider how these other activities will impact their core business.

Estimated duration

30 minutes

Technique

Lecture, brainstorm

Slides

9-10

We have now seen through our other modules that after a disaster both the client and the institutions are impacted. We know that there are options available to an MFI, within its core line of business, to adjust and respond with financial products and services to meet some of the needs of clients after a crisis. We are not going to revisit these now, but we know about emergency loans and other types of products available that do not impact the institution's core business in any way.

After a crisis, we may find that the needs of the communities we serve are greater than can be alleviated by financial services alone. So we must ask ourselves the following question: *Should an MFI implement other livelihood promotion activities?*

2. Should an MFI Implement Livelihood Promotion Activities after a Disaster?

The question refers to activities beyond traditional 'core' microfinance.

1. Long-term activities
Do you normally offer 'microfinance-plus'? If 'no':

- Is there demand for the 'plus' services? (see Topic 3 - Assessment)
- Do other organisations provide these services already?
- Does your organisation have the skill / knowledge / capacity to deliver?

2. Short-term activities

- There are challenging design issues relating to cash-for-work, cash grants and in-kind grants (see Topic 5 - Program selection and design)
- There are a few success stories, but many more failures!

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Slide 9 - Should an MFI Implement Livelihood Promotion Activities After a Disaster?

Glossary item

- Microfinance-plus