

Strategic Livelihoods Programming – Guidance notes



THE
LUTHERAN
WORLD
FEDERATION

World Service

actalliance

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LIST OF ACRONYMS

BDS	Business Development Services
CaLP	Cash Learning Partnership
CBI	Cash-Based Intervention
CGAP	Consultative Group to Assist the Poor
CLWR	Canadian Lutheran World Relief
CHS	Core Humanitarian Standard
DRC	Democratic Republic of Congo
EMMA	Emergency Market Mapping and Analysis
FAO	Food and Agriculture Organization (UN)
FSIN	Food Security Information Network
FVS	Food Variety Score
GBV	Gender-Based Violence
HEA	The Household Economy Approach
HDDS	Household Dietary Diversity Score
HLSA	Household Livelihood Security Analysis
IASC GAM	Inter-Agency Standing Committee; Gender with Age Marker
IDP	Internally Displaced Person
IFC	International Finance Corporation (World Bank Group)
IHM	Individual Household Model

List of acronyms (continued)

IFRC	International Federation of Red Cross and Red Crescent Societies
ILO	International Labour Organization
ICRC	International Red Cross and Red Crescent Movement
IRC	International Rescue Committee
LEGS	Livestock Emergency Guidelines and Standards
L2G	Local to Global (approach)
LWF	Lutheran World Federation
LWR	Lutheran World Relief (now Chorus)
MAG	Market Assessment Guidance
MERS	Minimum Economic Recovery Standards
MiSMA	Minimum Standards for Market Analysis
MSMA	Multi Sector Market Analysis Guidance
NCA	Norwegian Church Aid
NGO	Non-Governmental Organization
PCMA	Pre-Crisis Market Analysis
PV	Photovoltaics (solar electricity)
PVCA / PVA	Participatory Capacity and Vulnerability Analysis / Participatory Vulnerability Analysis
RBA	Rights-based Approach
REA	Rapid Environmental Assessment
RMA	Rapid Market Assessment

List of acronyms (continued)

SDGs	Sustainable Development Goals
SEEP	Small Enterprise Evaluation Project
SME	Small, Micro and Medium-Sized Enterprise
SWOT	Strengths, Weaknesses, Opportunities and Threats
TVET	Technical and Vocational Education and Training
UNCCS	UN Common Cash Statement
UNHCR	Office of the United Nations High Commissioner for Refugees
VCA	Value Chain Analysis
VLSA	Village Savings and Loan Association
WDDS	Women's Dietary Diversity Score
WFP	World Food Programme

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**EXECUTIVE
SUMMARY**

Executive Summary

The Lutheran World Federation World Service Global Strategy (2019-2024) charts the direction of LWF's work in sustainable livelihoods support across the emergency, recovery and development continuum. The goal is to enable target groups to generate income, achieve economic empowerment, and build the resilience necessary to absorb any future shocks.

The LWF approach to livelihoods delivers benefits (i) for individuals and households; (ii) for the community; as well as (iii) at the institutional level.

To maximize those benefits, LWF focuses on seven outcomes as it tracks the implementation of the LWF World Service Global Strategy. They relate to enhanced assets, technology, climate change mitigation, food, skills, income and employment, together with access to markets and services.

A multidisciplinary approach to address multidimensional problems

Livelihoods work does not take place in a vacuum. Instead it advances in tandem with LWF's two other programmatic axes, namely Quality Services, together with Protection and Social Cohesion. As such, this work links local level interventions with national and global advocacy ("Local to Global approach"), hence multiplying its overall reach.

Livelihoods development is an inherently complex endeavor. Sustainability presupposes long-term viability of intricate financial, ecological, social and institutional mechanisms. This work takes place against the backdrop of a number of ongoing trends, such as increased connectivity, growing digitization, accelerating innovation, automation of work, urbanization, climate change and longer average period of forced displacement (protracted crisis lasting longer). Given the lack of safety buffers of those involved, LWF takes project design, risk analysis and exit strategies seriously.

State-of-the art approaches to stack the odds in favor of empowerment

In carrying out livelihoods work, LWF's adheres to the Minimum Economic Recovery Standards (MERS) which cover critical aspects such as market orientation, program design, and asset distribution. The focus is on

empowering at-risk persons to fend for themselves, and achieve the basic human aspiration of making a living in dignity.

LWF's livelihoods support projects start by examining the vulnerabilities of the target population, their assets, and how they can connect to the market. Value chain analysis and the "graduation approach" are useful in this regard.

LWF examines these issues *inter alia* applying a specific gender lens, termed gender-responsive programming. The goal is to ensure that LWF's interventions are designed in a way that fosters an enabling environment for women to develop their productive potential fully, including enhancing their decision-making power. In addition, LWF pays due consideration to climate change and environmental issues as they are closely interlinked with the long-term viability of all livelihoods mechanisms.

Building on LWF's longstanding experience for dignity and self-reliance

As with gender and the environment, other aspects of livelihoods programming are both multidisciplinary and highly interdependent. For this reason, LWF strives to apply a holistic analysis, which duly takes into account the complex, interrelated links among the many relevant variables. Because of this complexity, LWF follows a precautionary approach in line with the principle of "do no harm".

Over the years, LWF has amassed a significant amount of experience and knowhow on livelihoods support across the world, in situations spanning all the phases of humanitarian intervention cycle.

These Guidance Notes summarize some of the most salient insights gained along the way while also providing resources for further technical support. They serve to guide LWF country programs in setting up their own livelihoods strategies and provide tips and information for practitioners in the field. As such, this document should ideally be considered as a whole. At the same time, specific chapters (including Chapter V which focuses on Cash-Based Interventions) may also prove useful as stand-alone references.

No one size fits all; each project must be tailored to specific local contexts and fully owned by its stakeholders. The challenges are many; nonetheless LWF remains committed to build on its achievements and thus contribute to help build sustainable livelihoods, for people to live with a sense of dignity.

I. THE LWF APPROACH TO LIVELIHOODS



The LWF approach to livelihoods

The LWF World Service Global Strategy¹ charts the direction of LWF’s support to individuals, households, and communities. For livelihoods, the goal is enabling them to generate income, achieve economic empowerment and build the resilience necessary to withstand whatever shocks are in store.

Definition ¹

LWF understands livelihoods as dignity and empowerment to attain “the capabilities, assets and activities required for generating income and securing a means of living sustainably”. Livelihoods is not therapy or charity.

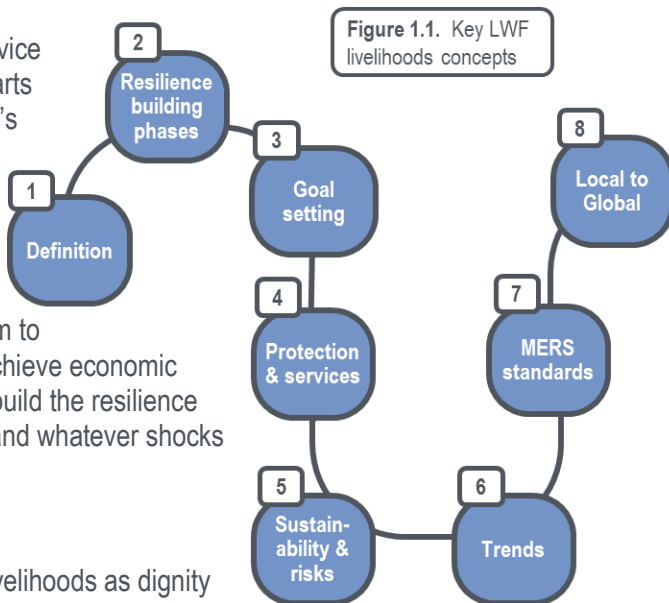
Resilience building phases ² linking local to global responses ⁸

LWF mobilizes adapted livelihoods support along the emergency, recovery and development continuum. §1.2 examines how different approaches may evolve over time, starting with asset protection during emergencies, and concluding with livelihoods diversification. All throughout, local level action, links to national and global issue-specific advocacy, as set forth in §1.8.

Setting the direction ³

Benefits accrue (i) for individuals/households, (ii) for the community and (iii) at the institutional level. §1.3 identifies the outcomes LWF is tracking as it zooms in on key impact drivers related to strategy implementation. Indicators relate to assets, technology, climate, food, skills, income and access.

Figure 1.1. Key LWF livelihoods concepts



¹ Though these guidance notes refer to LWF World Service, “LWF” is used as shorthand.

Protection and quality services ⁴

§1.4 explores the interrelations between livelihoods and the two other programmatic axes identified in the LWF World Service Global Strategy, namely quality services, together with protection and social cohesion.

Protection issues explored include cash/voucher distribution, decent work and child labor. Services identified include education, electricity and infrastructure.

Sustainability and risks ⁵

Livelihoods development is an inherently risky endeavor. Truly sustainable results should last beyond LWF's presence. Interventions should therefore put in place the necessary long term financial, ecological, and institutional viability of the livelihoods mechanisms. Furthermore, LWF takes risk and sustainability very seriously, during the project design phase and its implementation. For this reason, clear exit strategies, such as those laid out in the "graduation approach" are key.

Trends ⁶

The LWF World Service Global Strategy identifies a number of relevant long-term trends. §1.6 explores these strategic drivers and examines how they relate to livelihoods programming.

Key trends relate to issues such as technological progress, increased connectivity, growing digitization, accelerating innovation, and the patterns of work automation. In addition, §1.6 explores the impact of climate change, as well as evolving global displacement patterns, such as the trend of displaced people increasingly finding refuge in urban and "out of camp" settings.

Minimum Economic Recovery Standards ⁷

LWF's adheres to the Minimum Economic Recovery Standards (MERS). They help improve the quality and accountability of livelihoods assistance. As set out in §1.7, the MERS consist of six groups of self-contained, non-prescriptive and inter-related standards. They cover issues such as market orientation, program design, and asset distribution. The MERS feature key action indicators and guidance notes, together with tools and practical approaches. They also compile examples of good (and less successful) practices, to assist the humanitarian and development communities in learning from the past.

1.1. Livelihoods: a definition

For LWF, livelihoods comprise the capabilities, assets and activities required for generating income and securing a means of living.

LWF aims at supporting resilient livelihoods by enabling people and their communities to cope with, adapt to and recover from shocks and stresses (such as natural disasters, economic, social and political upheavals). This process thus seeks to maintain, rebuild or enhance their assets and productive capabilities. The approach is also sustainability-driven. It seeks to maintain the resource base over time, in order to ensure decent livelihoods in the present, but also for future generations.

LWF's way: rights based, in partnership, with full participation and accountability

The LWF approach is rights-based, with the people that we LWF serve at its very core. Some of its main characteristics are:

- Three-way linkages of local, to national to global
- Local partnerships for sustainable continuity, with graduation linked to progress in self-reliance
- Participation by target groups and other stakeholders
- Work with duty bearers, with emphasis on accountability; and
- knowledge management, learning and advocacy.

Vulnerability based, market-driven, climate friendly + child and gender sensitive

LWF takes a holistic approach to livelihoods, adapted to each specific environment. Below are some of the salient elements of this methodology:

- Asset building starts as early as possible, in order to boost resilience building and recovery
- Environmentally sustainable, and focused on climate change adaptation whenever possible
- Based on context-specific vulnerability and capacity analyses, paying particular respect to gender, age, and power relations; and
- Market orientation to achieve sustainability.

Individuals make a living in various ways

Based on their possibilities, individuals cater to their personal and family needs through the following, non-mutually exclusive responses:

- Growing produce or rearing livestock, starting with self-consumption, and selling/bartering any surplus
- Self-employment or employment, either as fixed-term, wage/day labor, “incentive worker” etc.
- Migration, in order to find opportunities elsewhere
- Informal sector work
- Short-term borrowing (sometimes for users)
- Illegal activities such as arms trafficking or theft, or
- A combination of the above.

Livelihoods is about self-reliance and dignity

LWF’s approach to livelihoods is not occupational therapy (i.e. to “keep busy”) or charity. It is about empowerment and self-reliance with specific outcomes in mind. Direct assistance can sometimes be part of the approach, as a short-term solution only.

Target groups are those who have the potential to stand on their own feet in order to ensure sustainable results². For those that cannot, assistance (not livelihoods) may be the only way forward.

Further info:

The definitions and principles used in this section have been directly taken from: Drinkwater M. (2017). Livelihoods Framework and Strategy for World Service. This is an unpublished paper written at the behest of the LWF.

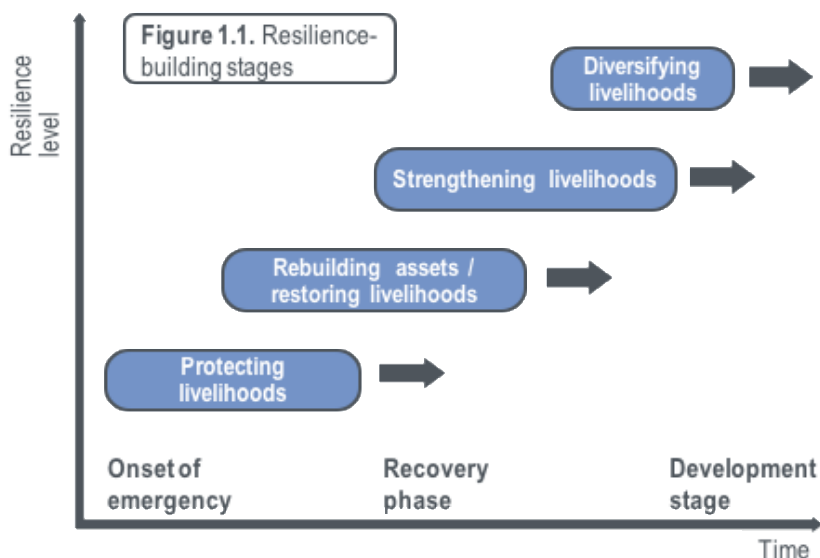
SEEP Network (2017). Minimum Economic Recovery Standards. Third edition. <https://www.unhcr.org/>

UNHCR (2018). Refugee Livelihoods and Economic Inclusion: 2019-2023 Global Strategy Concept Note. <https://www.unhcr.org/>

² LWF does not prioritize those that are likely to succeed because of an inherent privilege (social status, gender) or existing assets. In some cases, LWF focuses on removing barriers for target groups such as discrimination, prejudice or unfair treatment.

1.2. Resilience building phases

Livelihoods interventions are designed to build and strengthen resilience. Assistance modalities gradually change, as the emergency situations matures (or regress) over time. Though there are no one-size-fits-all recipes, Figure 1.1. shows the approaches that are typically best adapted to emergency, recovery and development phases.



Protecting means of livelihoods

Protecting livelihoods refers to reducing household asset loss in emergencies. Assistance may entail distribution to satisfy immediate needs, such as food distribution while farmers await harvest. The goal is helping households avoid being forced to liquidate whatever assets remain and engage in negative coping. Later, at the recovery phase, livelihood protection supports savings, micro insurance, and disaster warning systems.

Rebuilding assets / Restoring livelihoods

Focus is on replacing, rebuilding or rehabilitating lost assets, such as tools, livestock, farmland, roads, etc. Typically, cash-for-work approaches or vouchers are useful for asset restoration.

Life skills coaching to support asset rebuilding may be required. The idea is to set people and communities on the path either to recover their former livelihoods, or to establish new ones.

Assistance to reestablish incomes may include seed distribution or reinstating markets. Support to group formation, Village Saving Loan Associations (VSLAs) and linking up to credit providers may also be in order.

Strengthening livelihoods

Resilience-building takes a more prominent role at this stage. Assistance may focus on group/VSLA consolidation, confidence building, advocacy and negotiation skills. LWF also addresses equitable access to assets (e.g. removing barriers to women or young persons).

Diversifying livelihoods

Over time, diversifying income sources is key to ensuring resilience. Development projects at this stage may foster (self-) employment, market expansion (e.g. by reaching new buyers), tapping either new sectors or complementary income generation activities.

Participatory climate change adaptation, confidence building and advocacy may be required at this stage to ensure that the community builds long-term resilience.

Further info:

The definitions and principles used in this section have been directly taken from Drinkwater M. (2017). Livelihoods Framework and Strategy for World Service. This is an unpublished paper written at the behest of the LWF.

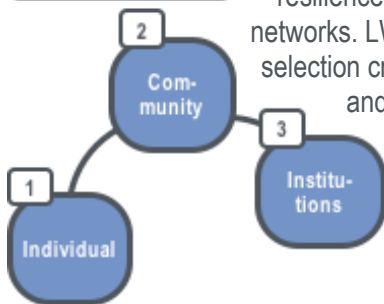
GLOPP (2008). DFID's Sustainable Livelihoods Approach and its Framework <http://www.glopp.ch/>

IFRC (2010). IFRC Guidelines for Livelihoods Programming. <https://www.livelihoodscentre.org/>

1.3. Setting the direction

Though holistic in nature, LWF delivers livelihoods-related support at three levels of intervention as set forth in Figure 1.3 below.

Figure 1.3. Levels of intervention



At the *individual / household level*, the focus is on food security, improved incomes, and enhanced resilience through increased assets, skills and networks. LWF sets out transparent participant selection criteria, together with the persons it serves, and with other stakeholders.

Priority is with people in vulnerable situations. Among them, LWF supports those with the potential to attain self-reliance as a result of the assistance. For sustainable impact, LWF often follows the “Graduation Approach” (see §4.1).

At the *community level*, the focus is on (i) supporting group formation: e.g. cooperatives, self-help, and VSLAs; (ii) fostering employment, including entrepreneurship; and (iii) facilitating access to markets and support services, such as micro-credit and market information. LWF builds capacity of local institutions to provide such services to its constituents over time. Refugees and host communities receive support jointly, to help diffuse tensions and promote peaceful coexistence.

Though LWF does not typically engage in sector-level (also known as value chain) development projects, it does apply value chain-based tools to foster the economic insertion of its target groups.

Finally, at the *institutional level*, LWF engages in right-based advocacy for issues critical to sustainable livelihoods and resilience building. Leveraging local to global approaches, LWF advocates for right-to-work, gender justice, women’s economic empowerment, freedom of movement, access to land, inclusion, non-discrimination, right to operate a business, as well as for other fair and enabling policies. In parallel, LWF also helps build the capacities of civil society actors to help uphold these rights in a sustainable manner.

Underlying all three levels are the trends explored in §1.6. On that basis, common threads of the LWF approach are climate change mitigation, promotion of renewable energies, digitization, and disaster risk reduction. LWF's livelihoods works adheres to the Minimum Economic Recovery Standards as described in §1.7.

To ensure maximum impact, LWF has set out to bring about (and closely track) seven key livelihoods outcomes globally. They provide a clear sense of direction and help prioritize efforts where they matter most. These outcomes and their corresponding indicators are listed below and explored throughout Chapter III.

Outcome 1	Increased access to productive assets and infrastructure
Outcome 2	Increased use of adapted technologies and innovations.
Outcome 3	Increased mitigation of and adaptation to climate change
Outcome 4	More sustainable access to food
Outcome 5	Enhanced vocational and life skills
Outcome 6	Increased income and employment
Outcome 7	Increased access to services and markets

Further info:

LWF (2018). For hope and a future: the LWF World Service Global Strategy 2019-2024. <https://lutheranworld.org/>

Drinkwater M. (2017). Livelihoods Framework and Strategy for World Service. Unpublished paper.

SEEP Network (2017). Minimum Economic Recovery Standards. Third edition. <https://www.unhcr.org/>

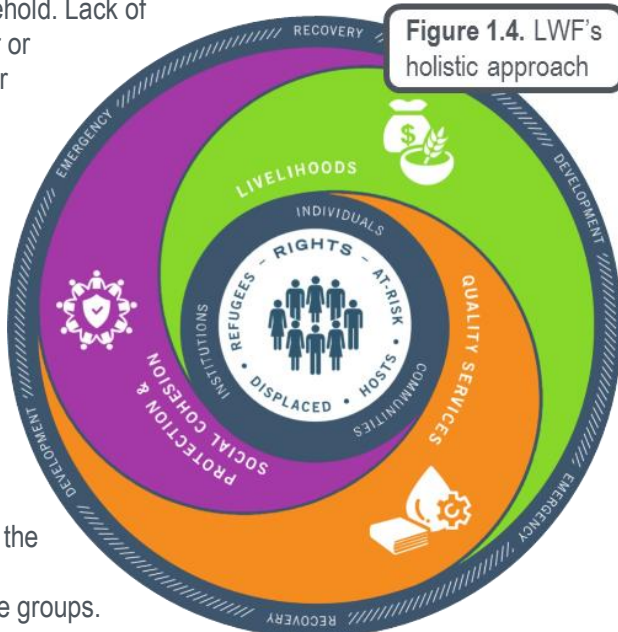
1.4. Quality services / protection and social cohesion

LWF’s goal is to enable individuals and communities to live safe, dignified and empowered lives with access to essential services, free from discrimination, abuse and exploitation. The intervention approach is holistic (see Figure 1.4).

All Individuals, households and communities need to feel a minimum level of security to engage in income-generating activities. This process requires the effective protection of their tangible and intangible sources of livelihoods from potential shocks, including violent conflict, climate change, injustice and marginalization. In parallel, social cohesion can play a crucial role in buttressing resilience both at the community and the individual levels.

Engaging in productive activity also requires local availability of key services at a minimum level of quality. Without education, for example, it is difficult to perform business functions such as accounting, or articulating needs in writing *vis-à-vis* government officials.

Time spent in fetching clean water from far away sources or convalescing from an illness cannot be allocated to a productive activity that will generate revenues for the household. Lack of services such as water or electricity further hinder productive potential. Understanding how productive, reproductive, household, care and community roles are typically distributed within households, and who makes decisions in each area, is key to assessing, and potentially addressing, the productive potential of various gender and age groups.



Livelihoods do not take place in isolation. Sustainable impact often requires support both in making services available and in fostering protection & social cohesion. Advocacy (often via the L2G approach) is key within this context.

Protection issues for consideration in livelihoods projects include:

- Right to work, freedom of movement, right to run a business free of harassment
- Human rights promotion and advocacy, e.g. on land rights; legal aid assistance
- Child and youth safeguarding and protection mainstreaming, i.e. risk-assessment
- Whether women face specific barriers to access education and work. Note in some cases typical female-dominated industries face specific institutional challenges (lack of legal recognition, lack of social protection systems)
- GBV-free communities, safe work spaces, sexual and reproductive health and psychosocial support
- Inclusive, peace-building programming; and
- Decent work and anti-child labor.

Possible services issues to be addressed

- Need for basic services to engage in productive activities, water, hygiene, sanitation, electricity
- Compliance with health and safety standards
- Energy, infrastructure and connectivity
- Education as a livelihoods enabler / TVET; and
- Accessibility for people living with disabilities.

Further info:

LWF (2018). For hope and a future: the Lutheran World Federation World Service Global Strategy 2019-2024. <https://lutheranworld.org/>

LWF (2014). Child Protection Policy. <https://lutheranworld.org/>

LWF (2023). LWF Staff Code of conduct <https://lutheranworld.org/>

1.5. Sustainability

Achieving sustainable impact in livelihoods is not always easy, particularly in the type of environments where LWF operates. Sustainability requires that impact goes beyond the duration of the assistance.

Resilience, in turn, refers to the capacity of individuals, households and communities to bounce back when hit by a shock or a stress factor such as forced displacement or climate change.

Attaining lasting resilience also requires institutional capacity building, as well as long term management of natural resources. Overgrazing or overfishing, for example can eventually jeopardize progress towards sustainability.

Productive activity must also comply with basic market requirements, while also achieving reasonable costs to survive the onslaught of competition.

Social sustainability relates to long-term gains in inclusion and equity (incl. control of resources). Maintaining them is only possible when institutions and service providers also improve their ability to perform satisfactorily over time.

Because of the inherent complexity, many livelihoods projects across the world have failed to deliver sustainable impact. At best, many of the gains are lost after project funding is depleted. For this reason, LWF livelihoods programming starts from the premise that any successful project will need to overcome a number of pitfalls if it is to deliver. LWF hence takes risk management seriously, both at the project design stage and during implementation.

LWF builds on its long-standing experience and continues managing risks as part of its monitoring, learning, and innovation. Some key lessons learned insight along those lines include the following:

Have a clear exit strategy

Thinking of exit early on allows to avoid the pitfalls of ingraining systemic dependency. Participatory exit strategies, when properly planned, help diffuse tension, clarify roles, and bolster project outcomes. A key aspect is to ensure linkages with governmental and market institutions to guarantee long-term sustainability “Graduation approaches” as described in §4.1 have produced good results, in specific project contexts.

Tip!

Some risks may go unnoticed

A myriad of hazards might affect livelihoods projects. Below are sometimes overlooked risk drivers:

- Faulty inputs, late delivery or input price hikes
- High inflation, margin erosion, stock replenishment
- Enterprise development leading to community breakdown (e.g. Cambodia community banking)
- Climate change: the impact of climate change is not well known and may catch producers unaware
- Power dynamics / gender-related roles (especially at household level)
- Focus on complementary, rather than substitute production and markets as a precaution
- Focus on production but sometimes forget costs. Sales are not possible if the price is wrong; and
- Costs of maintaining, repairing, and eventually replacement of capital goods.

No simple solutions /

There are is no “silver bullet” to building resilient livelihoods. LWF stacks the odds in favor of success through holistic, adaptive approaches (see Chapter II).

Focus on long-term outcomes

LWF strives to avoid the pitfall of over-focusing on project delivery in the short term, while losing sight of the long-term effects. A participatory approach is key to ensure buy-in.

Further info:

Gardner A. et al. / C- SAFE Regional Learning Spaces Initiative (2005). What We Know About Exit Strategies. Practical Guidance for Developing Exit Strategies in the Field. <https://reliefweb.int/>

LWF (2016). Safety and Security Policy. <https://www.lutheranworld.org/>

Wei B. / OCHA (2014) Enhancing Entrepreneurship through Livelihood Risk Reduction: Community-Based Micro-Projects for Decentralized, Localized Economic Development. Unpublished

1.6. Trends

LWF does not operate in a vacuum. A number of strategic drivers are constantly at play, which either propel or hinder LWF's ability to carry out meaningful livelihoods work. As these trends unfold, new opportunities emerge, while former possibilities nudge to a close. Riding the right bandwagon has the potential to leverage LWF's impact while also reducing costs and frictions. The LWF World Service Global Strategy identifies a number of relevant long-term trends. The text below further elaborates on them and expands to other strategic drivers relating specifically to livelihoods programming.

Technological progress, connectivity, digitization, innovation

Technological progress has been one of the defining features in human history. Yet the speed of change has accelerated in recent years. Its impact is manifold:

- Leapfrogging capital intensive technologies gives the opportunity for lower income countries to catch up (e.g. fixed vs mobile telephony, telemedicine).
- Across the world, automation puts jobs at risk, disproportionately affecting low-skilled workers.
- Innovation boosts livelihoods indirectly (e.g. better malaria treatments get people back to work faster);
- Connectivity breaks isolation, e.g. via mobile payments, online retailing, real-time market information, crowdsourcing, diasporas, etc.; and
- The “sharing economy” decreases capital needs, (e.g. by pooling assets, such as packaging facilities, among producer groups).

Opportunities for women leverage benefits to the whole of society

Small increases in the economic opportunities available to women lead to social benefits. Fostering their health, rights and wellbeing generates a ripple effects where all win. Even where female graduates are more than male, there are fewer women in employment; reducing this gap could boost overall wealth. Finally, girls and women spend around 90% of their income on their families, while men spend about a third.

Climate change acts synergistically with other adverse drivers

The impact of climate change on livelihoods includes: growing desertification; loss of fisheries; higher occurrence of “freak” climatic events; biodiversity loss; lower agricultural yields and habitat deterioration.

These negative effects typically act synergistically with other preexisting drivers, such as deforestation, water over-harvesting; unsustainable extraction, pollution, monocultures, soil depletion, strife, etc. As a result, the pace of deterioration is picking up globally.

Tip! Climate change sometimes also brings opportunities, such as opening up cultivation at higher altitudes in the Himalayas or the Andean plateau.

Displacement patterns evolve along the geo-spatial and temporal axes

Displacement is seeing a trend towards urbanization, and out-of-camp solutions. Rural migration continues at a strong pace. These trends require a rethinking of LWF’s approaches for optimal results in urban settings.

Forced displacement has become longer (in average over 20 years by some accounts). Though protracted situations are more conducive to development work, the overriding aim is to address their root causes, while finding solutions for those already on the move.

Tip! Many developing countries are seeing clusters of prosperity grow (e.g. Angola, Colombia or Kenya). These better-off areas can act as market pull for livelihoods in more disadvantaged areas in-country.

Further info:

Mohieldin M. / World Bank (2018) Innovation for Development: Leveraging Technology to Achieve the Sustainable Development Goals. <https://medium.com/>

UNHCR (2011) Promoting Livelihoods and Self Reliance: Operational Guidance on Refugee Protection and Solutions in Urban Areas. www.unhcr.org/

World Bank (2019) World Development Report 2019: The Changing Nature of Work. <http://www.worldbank.org/>

1.7. Minimum Economic Recovery Standards

LWF follows the internationally recognized Minimum Economic Recovery Standards (MERS) as a way to enhance the quality and accountability of its livelihoods work. They articulate a broad consensus on best practices for strengthening economic resilience among those affected by crises.

The MERS consist of six groups of self-contained, non-prescriptive and inter-related standards, as highlighted below. They include key action indicators and guidance notes, together with tools and practical approaches. They also compile examples of good (and less successful) practices, to help practitioners learn from past experiences.

Core standards for market-orientation

The core standards provide approaches and activities, in line with the principles of the Core Humanitarian Standards (CHS).

The MERS core standards cover: (i) market awareness; (ii) coordination for effectiveness; (iii) skilled staff; (iv) do no harm; and (v) defined intervention strategies for target populations.

Assessment standards for better program design

The MERS standards underpin context-appropriate intervention design. They foster: (i) advance preparation; (ii) usage-determined scopes; (iii) ethical, inclusive and objective field-work processes; (iv) useful and relevant analysis; (v) intermediate use of results; and (vi) comprehensive Monitoring and Evaluation.

Enterprise and market systems for more sustainable recovery

MERS also include five market systems development standards. They seek to guide the (i) deployment of market systems specialist staff immediately after a crisis; (ii) implementation of market system analyses early and frequent adaptation; (iii) adaptation and risk awareness; (iv) work with existing market actors and use facilitation approaches (v) support of enterprises and market systems.

Asset distribution standards for market savvy, long-term recovery

The asset distribution standards provide practical guidance to humanitarian actors in organizing asset distribution activities.

They seek to foster more durable, market-fueled recovery and aim at: (i) needs-centered programming; (ii) market recovery without undermining local markets (iii) protection of productive assets; (iv) fair/transparent asset replacement; as well as (v) asset deployment to expand and diversify livelihoods.

Standards for financial inclusion

The MERS on financial services help sharpen both the strategic thinking and practical rollout of measures to combat financial exclusion.

These standards focus on (i) understanding the demand for financial services; (ii) supporting financial services supply at the local level; (iii) organizing cash transfers through formal financial service providers; (iv) understanding local rules, usages, norms, and support functions; and (v) adhering to consumer protection regulations.

Standards for sustainable job creation

The MERS Employment standards focus on jobs as an engine for livelihoods. They seek to (i) promote decent employment; (ii) support labor market-based interventions; and (iii) foster sustainability.

Further info:

SEEP Network (2017). Minimum Economic Recovery Standards. Third edition. <https://www.unhcr.org/>

UNHCR (2018). Refugee Livelihoods and Economic Inclusion: 2019-2023 Global Strategy Concept Note. <https://www.unhcr.org/>

1.8. “Local to Global” (L2G)

LWF has built a track-record over many decades of working with rights-based approaches. A commitment to upholding Human Rights is firmly engrained in LWF’s own identity.

Rather than just focusing on direct aid delivery, LWF supports communities in claiming their rights or addressing the gap between them and the duty bearers. Achieving this goal requires an intense engagement in creating the necessary enabling conditions.

L2G projects leverage impact by linking local level action for change to national and international advocacy. For the latter, location of the LWF Communion Office enables a particularly apt platform. In fact, collaboration with a broad array of partners, such related agencies, governments, United Nations bodies, and NGOs, is critical to the success of this L2G interventions.

This community approach has delivered substantial benefits when applied in humanitarian response contexts, as well as in more stable settings requiring a developmental intervention.

LWF’s core experience is in gender justice, livelihoods and land rights, the Universal Periodic Review and climate justice. Other areas of LWF focus on L2G are interfaith dialogue and general respect of human rights.

Integration with LWF country programs and beyond.

L2G initiatives are fully integrated into all of LWF’s departments and country programs, thus also encompassing livelihoods work.

As rights-based projects synergize with the ongoing LWF project portfolio, they gain visibility, partnerships and funding, thus amplifying their joint impact.

Advocacy work leverages the voice of the communities, growing out of development and emergency imperatives. As such, LWF’s focus is mostly on impact at the community and national levels. Member Churches can play a significant role in this regard.

Stopping land grabbing in Angola

LWF Angola leverages rights-based approaches for community empowerment since 2002. As a result, 32 vibrant “Village Development Committees” have emerged. They have steadily increased their capacity to help community members claim their rights.

In fact, as the Angolan economy has moved to diversify away from oil, large scale land grabbing for commercial agriculture has become a growing threat.

LWF has supported these committees in helping farmers (particularly female farmers) legally register their ownership rights as a way to protect them against blatantly illegal expropriation. The committees have also served to attract key government services in education, health and sanitation.

LWF’s location in Geneva has been leveraged for global advocacy actions, reaching out to UN, ecumenical and other international fora.

Success has only been possible due to the interplay with national and international level advocacy, which paved the way for change on the ground.

Tip! Use L2G in conjunction with value chain analysis

Value chain analysis is highly complementary with L2G approaches. The former allows to identify key bottlenecks, such as the absence of legal rights. The latter, in turn, provides a tried and tested methodology to address these issues in a sustainable manner.

Further info:

LWF (2018). For hope and a future: The Lutheran World Federation World Service Global Strategy 2019-2024. <https://lutheranworld.org/>

LWF (2022). Rights-Based Approach Local to Global Annual Report 2021 <https://lutheranworld.org/>

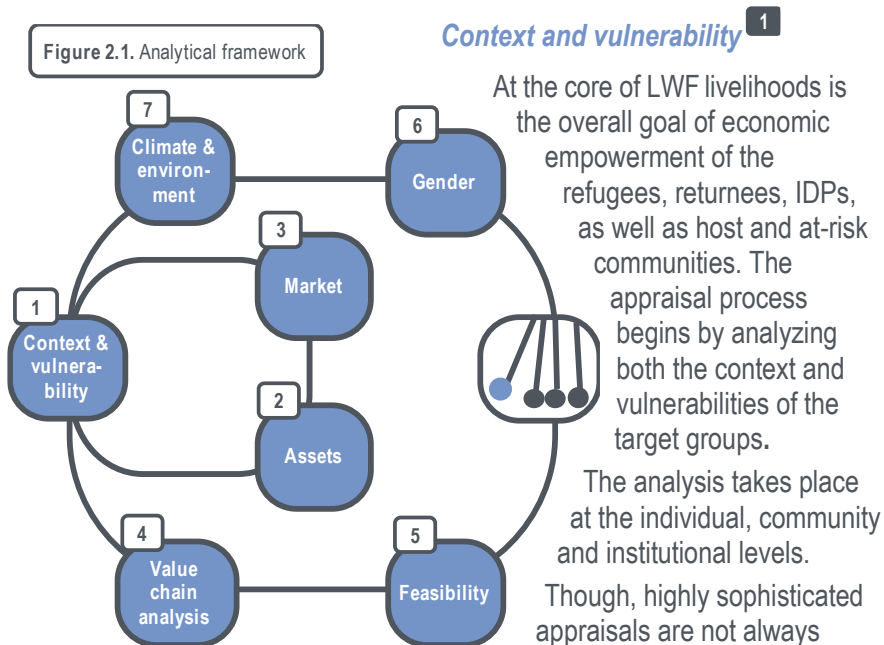
II. SITUATION ANALYSIS



Introducing a holistic analysis framework

Effective livelihoods programming starts by understanding the situation. This is not a linear process. Rather, an iterative analysis will yield more refined and holistic insights as suggested by the circular setup of Figure 2.1 below.

Figure 2.1. Analytical framework



Context and vulnerability ¹

At the core of LWF livelihoods is the overall goal of economic empowerment of the refugees, returnees, IDPs, as well as host and at-risk communities. The appraisal process begins by analyzing both the context and vulnerabilities of the target groups.

The analysis takes place at the individual, community and institutional levels.

Though, highly sophisticated appraisals are not always necessary, LWF assessments

should always use both qualitative and quantitative methods. Also, grouping individuals into categories (e.g. gender, age, disability status, or skills level) can prove useful for designing more tightly customized interventions.

Livelihoods potential begins by grasping assets ² and market demand ³

Sustainable livelihoods can take off only when production meets demand. The LWF approach builds on the strengths of target groups, such as specific skills, resource endowment, or other sources of competitive advantage. Preserving those assets, together with preventing negative coping mechanisms, underpins LWF's livelihoods approach in emergency/crisis situations.

LWF adheres to the Minimum Standards on Market Analysis to ensure that the production resulting from any capacity building activities finds a ready buyer (or is used for own consumption). Chapter VI provides further details, including resources for practical field tools, such as rapid market assessment.

Value chain analysis ⁴ *to help identify relevant and feasible projects* ⁵

Value chain analysis (VCA) maps the supply chains underpinning economic activity at a sector level. It also singles out its critical support functions and the underlying rules and regulations. Mapping out a value chain helps discern key issues hindering the effective participation of LWF target groups at various steps of the chain, such as production, transport or retail (§2.3).

LWF analyzes the vulnerabilities, productive potential, economic / regulatory environment, the market, and gaps in business support services. This work allows to examine the potential benefits, relevance and feasibility for target groups. Such analysis, laid out in §2.4, helps LWF zoom in on livelihoods development around agriculture, livestock, cottage industries or even services.

Applying a gender ⁶ *and environment* ⁷ **lens and considering the interconnectedness of livelihoods development work**

While the potential benefits of women's empowerment to all of society are well understood crises impact women and girls differently, partly because of social norms. For these reasons, every intervention must be considered through a multidisciplinary gender lens. The goal is to ensure that LWF's contribution are designed in a gender-responsive way to foster an enabling environment for all groups to fulfill their productive potential (see §2.5).

Climate and the environment directly affect livelihoods of people in vulnerable situations the most. For this reason, §2.6 provides a framework for mitigating impact, increasing adaptation to climate change, fostering desirable technologies such as photovoltaics and considering disaster risk reduction.

As with gender and the environment, other aspects relating to livelihoods programming are multidisciplinary and highly interdependent. For this reason, LWF strives to apply a holistic analysis, considering result chains, causality links together synergetic/scale and cascade effects. Despite this analysis, the precautionary principle must be applied as an added safeguarding measure.

2.1. Context and vulnerability analysis

LWF’s target groups must grapple with forces they cannot control, such as unpredictable rainfall, political strife, or economic instability. These factors affect their ability to maintain productive assets and to make a living. The concept of vulnerability conveys situations which erode people’s capacity to respond to such shocks and where inadequate coping behavior ensues. LWF livelihoods project design consistently begins with vulnerability assessment.

Vulnerability can take different forms across the environments where LWF operates. In urban settings, for example, street violence or absence of right-to-work may exert more stress on at-risk groups than, say, the climate. Age, gender and disability must be considered for all vulnerability assessments

No one-size-fits-all method assesses this multidimensional phenomenon.

Though highly complex methods are not necessary in all settings, vulnerability analysis should identify its extent, its causes, coping mechanisms, groups at risk, and safety nets. Some commonly used methods are highlighted below:

The household economy approach (HEA)

Developed by Save the Children, HEA supports food aid targeting at group level, while also showing how shocks affect livelihoods in general. Add-on modules cover power, conflict, and political analysis; and the effects of HIV/AIDS on households.

As HEA is resource-intensive, a “rapid” version may be more cost-effective for specific locations. Because households are not representatively selected for group interviews, HEA does not allow inferences at the population level or for targeting individual households.

The Individual household model (IHM)

IHM works follows the HEA framework but focuses on household vulnerability. IHM uses different field methods. It emphasizes semi-structured household interviews, selected through statistical sampling.

Results of IHM analysis are expressed as household disposable income as opposed to HEA’s baseline information on group access to food and resources.

Household livelihood security analysis (HLSA)

Widely used by CARE, HLSA is an asset-based, multidisciplinary framework providing a systemic view of livelihoods. HLSA relies on quantitative, qualitative, and opportunistic data. It covers economic, health, and educational security, as well as overall empowerment. HLSA uses varied data, with qualitative methods providing insight on community perceptions of vulnerability. However, this method is resource-intensive and may not always yield statistically accurate results.

Participatory capacity and vulnerability analysis (PVCA) + Participatory vulnerability analysis (PVA)

Though mainly meant for natural disasters, these methods also apply in other contexts. Action Aid set up PVA using a participatory rights-based approach. PVA gathers information on the root causes of community vulnerability and helps identify corrective action. Christian Aid added PVCA, emphasizing resilience. This method serves to map existing initiatives assess local NGO partners; and plan scale up. PVCA is not for use in conflict situations. As with other participatory approaches, these methods are costly and may inadvertently raise community expectations.

Tip! SWOT for rapid context analysis

When pressed for resources, strengths, weaknesses, opportunities and threats (SWOT) can serve as a convenient “quick and dirty” tool to study the socio-economic, political, and environmental contexts – while including gender and age markers such as IASC GAM.

Further info:

USAID *et al* (2008). The Coping Strategies Index. <https://documents.wfp.org/>

Moret, W. (2014). Vulnerability Assessment Methods. ASPIRES. <https://www.fhi360.org/>

Moret, W. (2017). ASPIRES Vulnerability Assessment Handbook for Economic Strengthening Projects. <https://www.fhi360.org/>

2.2. Assets and barriers to production

Without productive activity, there are no ways to make a living. Humans produce commodities or services for their own consumption, barter or sale. More generally, all forms of production require assets (production factors). Examples are land, water, farm inputs, labor, electricity, computers, and education.

LWF maps existing assets at both individual, community and macro levels. In emergency situations, LWF also identifies key assets that should be preserved in order to ensure quick future recovery of local livelihoods.

Look for assets well beyond the obvious

Working-age men and women have assets, whether tangible or not. Easily observable ones include access to land, water, potential for physical labor, education, financial capital, biodiversity, and infrastructure. They underpin most productive activity.

Individuals may also leverage less obvious resources, which may well give them an edge. These assets can range from traditional knowledge (e.g. healing, arts and crafts, food preparation, agricultural practices) to social cohesion and access to an overseas diaspora with capital and contacts. Self-esteem, ambition and a sense of dignity are just as important (see outcome 5).

Find the hindrances holding back production (see also §2.3)

Problem tree analysis helps understand the multi-dimensional obstacles hindering productive potential. Barriers may include, dearth of capital and other inputs, lack of access to support business services, a battered self-confidence, xenophobia, structural discrimination and inequalities gender stereotypes, absence of legal right-to-work, no freedom of movement, limited access to information, etc.

Project design must take in account all these obstacles in order to unleash the underlying productive potential. Usual good practices in project design apply as well.

Build on individual and community strengths

Truly sustainable success in livelihoods projects will come about more often when leveraging strengths rather than by dwelling on needs alone.

LWF focuses on enhancing existing assets and realizing previously dormant productive potential (in response to existing demand and other enabling conditions as per the next sections).

LWF Mauritania unlocks agricultural production around Mbera camp

Communities in southeast Mauritania, as well as incoming refugees from Mali traditionally engaged in pastoralism and knew little about agriculture. LWF however motivated them to diversify income and food sources by growing vegetables. Since water was a limiting factor. LWF made available a solar-powered borehole for irrigation.

LWF organized participants into groups to learn about agriculture, grow produce and get acquainted with cooking and preservation techniques. Nutrition levels improved, and some refugees are now earning a little income by selling their produce at a local market.

Further info:

DFAT Australia (2022). Aid Programming Guide <https://www.dfat.gov.au/>

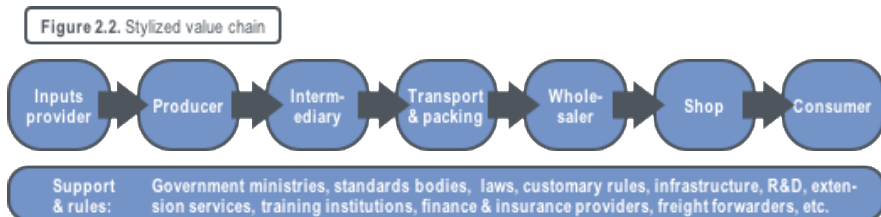
DFID (1999). Sustainable Livelihoods Guidance Sheets. <https://www.enonline.net/>

ODI (2009). Planning tools: Problem Tree Analysis (Toolkit). <https://www.odi.org/>

SEEP Network (2017). Minimum Economic Recovery Standards. Third edition. Assessment and Analysis standards (pages 38-63) <https://www.unhcr.org/>

2.3. Supply chains, support services and regulations

Value chain analysis (VCA) maps the supply chains underpinning economic activity, as presented in Figure 2.2 below.



The chain starts with inputs, moving to production, processing, packaging, transportation, intermediaries, sales channels, reaching the end-consumer, locally or abroad. Value increases as the product moves along the chain: a pineapple will command a higher price in a supermarket than at farm gate, or if processed into juice for example.

Value creation requires support services and takes place within the context of functioning market rules (which is often a challenge in LWF areas). Support functions include market information (e.g. prices, varieties), market systems (e.g. mobile payments), infrastructure (e.g. electricity), training (e.g. vocational schools) and financial services (e.g. micro credit). The context will be affected by enabling legislation (e.g. right-to-work), the rule of law (e.g. courts), as well as by customary norms, such as cultural attitudes towards LWF target groups.

Map out the value chain to identify where to intervene

Mapping out the value chain allows to discern the key functions that create value (e.g. branding). VCA is also useful to identify where the support system fails, hindering sustainable livelihoods development.

VCA allows to identify specific “links”, where target groups may suitably participate as per their specific assets, and needs within the local environment.

VCA can thus help design sector development interventions or find entry points for specific target groups to participate in productive activities.

Partnering with the private sector could be mutually beneficial.

VCA underscores the potential for partnering with the private sector, as an employer, service provider, or buyer. Companies may also share production techniques, pre-financing, market requirements, quality assurance, traineeships, etc. Models such as “fair trade” certification can help prevent exploitation due to power asymmetries and fetch premium market prices.

Tip! Holistic projects lead to more sustainable gains

Many livelihoods projects have failed by focusing on only one element chain (e.g. vocational training alone) or overlooking key inputs such as water. VCA helps grasp the whole system in its interconnectedness (e.g. vocational training building competences that are required in the labor market).

“Push pull” approach for sustainable results

CARE introduced a holistic “push-pull” approach. Push (or production) activities include group formation, training, and input provision. Synergies occur through parallel “pull” (or market) support, such as micro-finance and market prospection. This approach can be adapted to groups with specific needs and is compatible with LWF’s intervention levels, namely households, communities, and institutions.

Further info:

Fair Trade International (2018). <https://www.fairtrade.net>

Fowler, B. / ACDI/VOCA. (2012). Pathways out of Poverty: Tools for Value Chain Development Practitioners. <https://www.fao.org/>

Garloch, A. / ACDI/VOCA (2015). A framework for pull/push approach to inclusive market systems development. <http://www.acdivoca.org/>

ILO / Nutz, Nadja (2017). A guide to market-based livelihood interventions for refugees. <https://www.unhcr.org/>

Norell, D. (2017). Value chain development with the extremely poor: Evidence & lessons from CARE, Save the Children World Vision. <https://seepnetwork.org/>

2.4. Relevance, potential, feasibility and risk

Analyzing target group vulnerabilities (§2.1), productive potential (§2.2), as well as the regulatory environment, market and support services (§2.3 and §2.4) provides a basis to identify potential interventions to help LWF target groups engage more profitably in a specific sector.

Once possible interventions are singled out, three analytical drivers help underpin project choice, namely (i) the potential for livelihoods development; (ii) the pertinence to the target group; and (iii) the risk, feasibility & sustainability profile of the possible interventions. Further detail is below:

High potential for developing livelihoods required

The analysis seeks to determine whether the intervention has the potential to foster:

- Sustainable creation of decent employment at a relevant scale
- Opportunities for entrepreneurship development (of a relatively low risk profile)
- Food production which can help address nutrition needs (with surpluses for sale or barter)
- The preservation of assets and faster future recovery of livelihoods systems as emergency situations ease over time; as well as
- Innovation and productivity gains.

Tailoring projects of relevance to the target group

Key questions regarding the relevance of any project to a target group include:

- Relevance to the target group's assets & skillsets
- Cultural acceptability, i.e. coherence with social norms / space to challenge these norms (relevant for women and marginalized groups)
- Protection issues, risk of persecution, safety, occupational hazards, pollution, etc.
- Coherence with specific needs of the target group, such as wheelchair access; and
- Opportunities to scale up seamlessly.

Risk, feasibility and sustainability are key

Achieving sustainability in livelihoods projects is complex. When support withdraws, individuals often see their assets deplete (as they are forced to burn capital for consumption purposes). Because LWF works in fragile situations, managing risk, feasibility and sustainability is tantamount. Some questions include:

- Gaps in skills and systems, marketing and micro-business management and “barriers to entry”;
- Group dynamics, corruption, mismanagement, financial inclusion, maintenance, investment;
- Cost competitiveness, quality, market demand, competition, substitutes, logistics, packaging;
- Identification of critical risks: climate, economic instability, political strife, taxation, permits, access to land, right-to-work, disease; as well as
- Tension with host / other communities and risk of secondary displacement.

Tip! Invest wholeheartedly in risk mitigation

In livelihoods, risk management is much more than an afterthought. All possible mitigation strategies should be explored, including diversification, insurance / hedging, partnerships, and focus on complementary (rather than alternative) revenue streams.

FAO (2018) Increase the resilience of livelihoods to threats and crises. <http://www.fao.org/>

ILO / Nutz, Nadja (2017). A guide to market-based livelihood interventions for refugees. <https://www.unhcr.org/>

DFID (1999). Sustainable Livelihoods Guidance Sheets. <https://www.enonline.net/>

Feinstein International Center / Tufts (2013). Disaster Risk Reduction and Livelihoods. <http://fic.tufts.edu/>

SEEP Network (2017). Minimum Economic Recovery Standards. Third edition. <https://www.unhcr.org/>

2.5. Gender analysis

Understanding the specific challenges faced by women is essential for building self-reliance and productive capacity amongst both women and men. The World Bank has found that 90 countries have laws explicitly hampering women's economic empowerment.

A sound gender analysis is key to successful livelihoods projects. It must take place at the assessment phase and should continue through to the monitoring and evaluation phase with sex- and age-disaggregated information collected throughout the program cycle. The assessment should ask questions about needs, roles and dynamics of women, girls, men and boys in relation to the livelihoods sector and assess how the other dimensions of diversity (e.g., disability, ethnicity, religion) intersect with them. High standards on coordination, participation and GBV prevention and mitigation are necessary.

Gender analysis will provide information on (i) roles and responsibilities; (ii) gender relations / decision-making at all levels; (iii) social norms on gender; (iv) access / control over resources; (v) sector-specific needs and opportunities; and (vi), protection needs. Breaking down roles and responsibilities and discussing at household and community level how roles can be distributed more equally to facilitate women's access to income generation, is an integral part of designing a sustainable, gender-responsive livelihood projects.

Women's role in agriculture goes way beyond farming

Traditional agricultural projects have often reduced women's role to farming. This led to initiatives helping them increase yields. Though beneficial, this approach left out a number of promising options. Women's role is much larger, e.g. as wage workers, extension officers, wholesalers, retailers, etc. Projects must take this diversity of roles into account.

Proper analysis helps understand how policies impact women in areas such as labor, property, training, infrastructure, lending, etc. It thus helps re-think project design, for example to include stronger focus on lobbying and advocacy-related efforts.

Finance remains a key barrier for women

Women are more excluded from financial markets than men. To understand what holds them back, it is important to look into specific hindrances such as the legal framework, the lack of female points of contact at banks, the income gap, mobility constraints, inadequate numeracy, stress related to household chores, support to partners, and property ownership. Only by identifying these gender-specific barriers can LWF design holistic initiatives to empower women.

Unfair access to the labor market

Gender-based discrimination stacks the odds when it comes to finding employment. Also, women often engage in unpaid work (e.g. as caregivers). Unequal access to education and resources, together with discouraging messaging further dampen participation in the labor force. Those who do work typically earn less than men performing the same jobs.

Tip! Routinely consider which interventions can empower women

Avoiding gender typecasting is critical to keep an objective analytical lens. In addition, gender-responsive interventions (with sex-segregated indicators to stay on target) bring about clear benefits. Examples of targeted interventions include:

...and avoid gender typecasting!

- Suitable childcare solutions: e.g. LWF Kampala office allows staff children and their caregivers.
- Gender-sensitive cash distribution.
- All female self-help groups for entrepreneurship: LWF Jordan (catering, gardening and handicrafts).
- Women’s access to land and specialized training on financial literacy and numeracy: LWF Angola.

Further info:

IASC (2018). Gender with Age Marker (GAM). <https://interagencystandingcommittee.org/>

Pasteur K. (2002). Gender analysis for sustainable livelihoods frameworks, tools and links to other sources. <https://www.eldis.org/>

2.6. Environment and climate change

LWF takes into account a broad range of environmental factors, which may potentially influence the impact of its work. When possible, LWF also implements projects targeting environmental gains, such as controlled forestry or photovoltaics (PV). These projects often generate a demonstration effect on the technical feasibility of the new technology, along with its financial and environmental advantages.

LWF refrains from implementing projects with a negative environmental impact. However, in exceptional cases where overwhelmingly positive outcomes occur in relation to other important goals, mitigation measures may be adopted. This was the case of a UNHCR leather project in Burkina Faso, which introduced chrome-free, vegetable-based tanning.

At the same time, climate change is increasingly affecting production throughout the world. Weather conditions are changing (e.g. increased aridity in the Sahel). Also, the frequency of freak climatic events is growing. LWF engages in advocacy for climate justice and helps introduce adaptive measures.

Climate resilience underpins sustainable livelihoods

Ever more rural livelihoods are affected by climate change. At the micro-level, adaptation is critical. LWF implements resilience enhancing projects, such as a joint initiative with Christian Aid and NCA in southern Angola, introducing drought-resistant plant varieties, techniques for more efficient water usage, low-cost water storage, and other measures to support local livelihood mechanisms survive an intensifying cycle of droughts and floods.

Livelihoods projects can also relieve pressure on the environment

LWF Cameroon has introduced briquettes made of organic waste, which replace firewood for cooking and combat desertification. By producing these briquettes, a group of women has found a new source of income. Such projects need to be understood better and rolled out whenever possible.

Solar power has become cost-effective, particularly off grid

Photovoltaics were first developed to supply space objects with electricity. Since then, efficiency has increased and manufacturing costs sunk. PV has now become competitive relative to fossil fuels.

As many areas in the Global South are off-grid, PV have introduced power to many rural homes. This is a revolution for both quality of life and productive potential.

In Uganda, solar lanterns have brought light to isolated households. In addition to light, they allow new functions such as recharging phones. LWF Mauritania trained local women as “solar technicians” to handle connections and maintenance. LWF Central America aims at equipping a thousand rooftops with panels, while the office in Muconda, Angola has gone solar, thus demonstrating the potential of this technology.

Tip! Use rapid environmental assessment (REA)

Though not a substitute to a formal assessment, REAs help identify issues concerning natural resources and beyond. They propose actionable insight at a fraction of the cost, and require simpler skillsets.

Further info:

Franco A. *et al.* (2017). A review of sustainable energy access and technologies for healthcare facilities in the Global South. *Energy Technologies and Assessments*. Volume 22.

Guardian, the (2015): Clean energy in refugee camps could save millions of dollars. 17 Nov. <https://www.theguardian.com/>

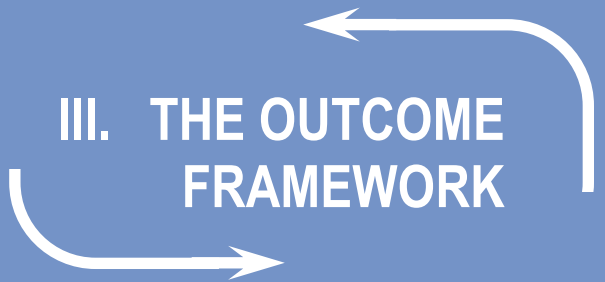
World Bank (2017). Environmental Assessment: <https://openknowledge.worldbank.org/>

International Association for Impact Assessment: <https://www.iaia.org/>

Oxfam (2018). Climate. <https://policy-practice.oxfam.org.uk/>

UNHCR / CARE (2018). Toolkit: Assessing, Monitoring and Evaluating the environment in refugee-related operations <https://www.unhcr.org/>

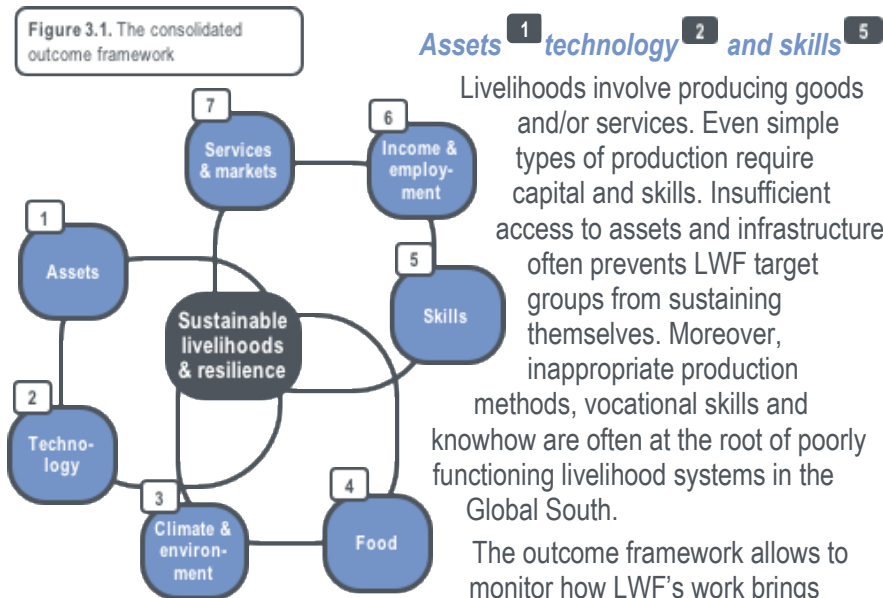
III. THE OUTCOME FRAMEWORK



Tracking outcomes to focus on what matters

The Global Strategy 2019-2024 has identified livelihoods as one of its three core programmatic thrusts. In order to maximize the benefits of this work, LWF has set seven expected outcomes and monitors progress in this area as depicted in Figure 3.1. LWF tracks these outcomes, simultaneously at the household, community and institutional levels, as follows.

Figure 3.1. The consolidated outcome framework



about two-pronged benefits, namely (i) asset preservation, accumulation and diversification (§3.2) and (ii) enhanced use of those assets through better technology, knowhow, practices and skills (§3.3 and §3.6).

Climate change and environment ³

Sustainable livelihoods also depend on a healthy environment, together with production systems that can withstand climatic shocks such as droughts, heavy winds and floods. Because climate change places increased strain on these systems, LWF also monitors improvements in climate adaptation,

reliance and risk mitigation, as well as the deployment of climate-friendly practices and technologies, such as renewable energies (§3.3).

Food ⁴ *income and employment* ⁶

Livelihoods development is about proper nutrition and accessing basic human needs (such as clothing, education, healthcare, and shelter). Generating a decent income enables households to pay for these goods and services. Facilitating access to food and better incomes are key aspirations of the LWF livelihoods approach.

The LWF outcome framework therefore places particular emphasis in tracking how its projects allow for access to better food and nutrition. Other key outcomes relate to income and employment.

Services and markets ⁷

Finally, production is useless on its own, if it cannot be consumed, bartered or sold. Across the world, one of the key barriers to livelihoods among LWF target groups is poor market linkages, together with insufficient access to services such as agricultural extension, micro-credit, insurance and others. For this reason, the consolidated outcome framework also looks closely at how the implementation of the Global Strategy helps disadvantaged producers access financial services and connect to buyers.

Tip! Disaggregate the information for better monitoring

Setting a clear direction and then tracking the seven expected outcomes allows a powerful insight on the progress being made. Each outcome has a number of associated indicators, which are described in the following sections. When possible, every indicator should be disaggregated as follows:

Indicators measuring individuals:

Gender: female | male
Age: under 5 | 5-18 | 18+35 | 35+

Indicators measuring households:

Gender: female | male-headed
Population: IDP | local | refugee

Indicators measuring groups/ communities:

Type: farmer | women | youth | VLSA | other groups
Population: IDP | local | refugee

3.1. Increased access to productive assets and infrastructure

Livelihoods begin with assets. For instance, without land, water and seeds there is no agricultural produce. Handicrafts, in turn require raw materials, tools, and the sheer skill of the artisan. Few productive activities can take place without electricity, roads, access to water, etc. (see §1.1 and §2.2).

By increasing access to productive assets and infrastructure, LWF supports individuals and their communities in acquiring the necessary means to sustain a livelihood sources. Conversely, preserving assets and infrastructure is key to facilitate speedy recovery after an emergency phase.

Sustainable use and management of natural assets is a matter of generational equity. LWF hence fosters rational, sustainable and renewable use of natural resources. Finally, access to productive assets and infrastructure also extends to fair, equitable and inclusive government policies.

LWF indicators for this outcome, along with further notes are provided below.

Indicator 1.1. Percentage of individuals using assets more productively

This indicator can be seen as a proportion of the number of individuals making good use of asset-related assistance. This support may seek to:

- (i) make new assets available, i.e. increase or diversify existing ones; or
- (ii) preserve existing assets in an emergency context.

Assets include: cash, food, water, cattle, land, labor potential, tools, and other forms of tangible or intangible capital.

Support will seek to facilitate access to grants, loans, voucher programs, rehabilitation, distribution of agricultural inputs (e.g. seedlings), irrigation schemes, legal advice to acquire titles, deeds, usage rights, etc.

This indicator refers to assets being used, only. In other words, assets being left fallow are not included in this analysis.

Indicator 1.2. Number of households gaining more secure and equal access to natural resources

The type of natural resources measured depends on the vulnerability analysis (§2.1). For instance, in a desert environment water for irrigation is critical, whereas it may not be at a lush river bank. Possible resources targeted include: water for irrigation, arable land, grazing grounds, timber, firewood, non-timber products (such as mushrooms, berries, roots, medicinal plants), hunting rights, fisheries etc.

Indicator 1.3. Number of groups / communities managing natural resources more sustainably

Natural resources are defined above. Sustainable use is context-specific and may refer to improved water storage, more rational harvesting in the wild; sustainable yield management; replenishment; compensation measures such as reforestation; bans on harvesting juveniles; protecting hatcheries; enforcing hunting seasons and quotas; using soil enriching techniques, such as planting legumes and observing fallow periods; prevention of soil erosion, etc.

Indicator 1.4. Number of policy changes improving equal access to natural resources and infrastructure

Natural resources are defined above. Policies may relate to the local, national, or international levels.

This indicator looks at the fairness in the policies affecting key access to resources and infrastructure, e.g. electricity, sewage networks; public transport, roads and road maintenance; telephone / internet coverage; right of movement; etc.

Sample outputs:

- Linkup to micro-credit scheme facilitated
- Shelter / water provided to livestock during the emergency phase
- Training on soil-preserving agricultural practices / composting; and
- Water management metering system introduced.

3.2. Increased use of adapted technologies and innovations

Once assets and resources are secured (see §2.2 and §3.1) production requires the application of the appropriate techniques and knowhow. In many cases, the prevalence of inadequate production methods hinders the sustainable development of livelihoods at the household, community and even at the national level. Within this context, innovation refers to the introduction of methods to increase productivity, quality or efficiency.

This outcome also seeks to captures diversity in agricultural varieties adapted to local conditions. Crop / food / gathering diversity is important ensuring access to nutritious food, and for the diversity of the local agro-ecosystems. In addition, increasing diversity is an effective strategy against various types of risk such as crop failure, abuse by intermediaries, stability of supply across seasons, food stocking, changes of consumer preferences, instability in the supply of inputs and possible risks associated with evolving government policies (such as withdrawal of production/marketing permits).

Indicators designed to capture LWF's contribution towards increased diversification of production, as well as towards LWF's impact on growth in usage of adapted technologies and of innovations are presented below:

Indicator 2.1. Percentage of individuals successfully increasing the yield and quality of their products

This indicator is best expressed a percentage of those having applied the technical skills and input support received from LWF.

Yield can be measured as productivity per unit input (land, work, capital). This concept is equally applicable to agriculture, livestock, cottage industries and services.

Quality can be measured in several ways, such as rejects per thousand units produced; acceptance of delivery by customers; proportion of products who pass random quality checks; subjective opinion of experts, customers, intermediaries, etc.

Indicator 2.2. Percentage of households diversifying their production

In the case of farming, this indicator can capture the introduction of new crops during the project period. Farm surveys can be enriched by calculating the Farm Diversity Score.

In addition, this indicator covers any additional new activities being undertaken (such as honey production, preservation of food and sale, agri-tourism, sale of seeds and seedlings, etc.).

This measurement also applies to non-farm activities, reflecting for example the introduction of new artisanal lines (e.g. jewelry, household items, clothing).

Services rendered can also be counted as diversified production (e.g. construction work, teaching, interpretation, security, etc.).

Finally, this indicator also covers the diversification in the types of employment in which the local population engages (e.g. teaching, public service, “incentive” work, trading, translation, remunerated child care, etc.).

Note: this indicator only measures diversification, and not the level of income per se.

Sample outputs:

- Individuals adopt new agricultural practices
- Development of a telephone messaging system to inform participants, on real time, of best times for harvesting
- Introduction of natural fertilizers and compost management techniques
- New seed varieties introduced
- Training on new income generating activities organized; and
- Creation of associations for exchange of experiences among peers.

3.3. Increased mitigation of and adaptation to climate change

As explored in §2.6, environmental issues, including climate change are increasingly affecting livelihoods worldwide.

For this reason, LWF will track how its work contributes to bring about increased mitigation and adaptation to climate change. In line with the strategic thrusts defined in the Global Strategy indicators cover the household, community, and general levels. The indications used are as follows.

Indicator 3.1. Number of communities with climate change adaptation plans

Preparedness and adaptation to climate change at the community level requires awareness of the key issues which may affect livelihoods locally. Based on sound information, communities can then develop a shared vision of how to respond.

In many cases, LWF will facilitate participatory vulnerability assessment of climate change risks (see §2.6). This indicator counts the number of communities actually adopting such plans

Indicator 3.2. Number of households with increased resources and capacity to respond to climate shocks

LWF will support the implementation of climate change action plans. Often this will follow the local-to-global approach (see §1.8).

Increased resources and capacity may include, but not be limited to:

- Providing agricultural extension support, training and materials;
- Introducing climate resilient plant varieties and livestock breeds;
- Installing photovoltaic generation capacity;
- Securing the access to safe and reliable water in drought-prone areas; and
- Diversifying mitigation responses (e.g. natural fertilizers, ecological stoves, agroforestry, etc.)

Indicator 3.3. No. of households benefiting from adapted management practices

Also as part of support to the implementation of the action plans, LWF will help both spread beneficial, climate savvy management practices and build local capacities.

Though specific practices depend on the country knowledge illustrative climate smart irrigation practices include: drip irrigation, mosaic agriculture, and other similar methods; water management techniques; vertical gardening; seed banks; composting and soil protection; and firewood replacement.

Indicator 3.4. Number of households insured against the climate-induced risks

A number of insurance instruments against climate-related risks are being developed and rolled out, including in the Global South partly as a response to climate change. When technically and financially feasible, LWF will help connect households and producer groups to providers of such services (e.g. micro-insurance)

Indicator 3.5. No. of policy changes to support adaptation or mitigation at all relevant levels

LWF focuses its national-level climate advocacy on actions seeking to obtain concrete gains for the communities with which it works. Such gains are often translated as policy changes (for example to allow for grid reuptake of solar electricity produced, building water storage facilities or developing drought related plant varieties at official agricultural research centers).

Sample outputs:

- Vulnerability assessment of climate change risks conducted
- PV demonstration plant installed
- Drought-resistant plant varieties introduced
- Water storage systems installed; and
- Rapid environmental impact assessment carried out.

3.4. More sustainable access to food

The World Bank reports that over 820 million people went to bed hungry in 2018. Furthermore, over two billion do not have appropriate access to micronutrients essential for healthy growth, balanced development and proper immunity. All countries where LWF operates have food security concerns, at least for a part of their population.

In fact, the Food Security Information Network (FSIN, 2018) informs that over a staggering five million people go hungry respectively in the DRC, South Sudan and Ethiopia. Between half a million and three million suffer from hunger in Somalia, Kenya, Uganda, Burundi, Haiti, Central African Republic, Iraq, Palestine, Cameroon, Bangladesh, Chad, and Mauritania. Finally, serious food insecurity also affects Guatemala, Djibouti, Honduras, Nicaragua, and El Salvador. Combatting hunger is at the top of LWF's agenda.

For this reason, and although access to food can be considered as a component of the outcome measuring “increased incomes and employment”, the consolidated framework singles out access to food as one of the key outcomes in livelihoods (even if in some cases, overlaps exist with the two other programmatic areas, namely protection and services).

Indicator 4.1. Percentage of households with sufficient food all year round

There are various ways of calculating whether households have enough food. However, none is fully accurate, and data collection can be tricky.

A pragmatic approach is to establish criteria on a local/country basis following the ongoing practices of established actors such as WFP or FAO. This will also facilitate data exchange and comparability.

Some possible indicators to consider are:

- Food consumption scores / household expenditure surveys based on diet quantity, quality, and overall economic vulnerability;
- Number of meals a day;
- Total calorie intake; and
- Other proxy indicators.

Indicator 4.2. Percentage of households with improved dietary diversity

As with indicator 4.1, the best measurements of dietary diversity vary locally. When possible it is best to follow standard methods by agencies such as FAO, WFP, or local governments for comparability and data exchange purposes.

Some of the most widely-used food diversity measures include:

- Number of foods items consumed during a period of time
- Household Dietary Diversity Score (HDDS)
- Women’s Dietary Diversity Score (WDDS); and
- Food variety score (FVS)

More information is available at the Food and Nutrition Technical Assistance Project (FANTA):

<https://www.fantaproject.org/monitoring-and-evaluation/household-dietary-diversity-score>

and at FAO: Guidelines for measuring household and individual dietary diversity.

<http://www.fao.org/3/a-i1983e.pdf>

Sample outputs:

- Emergency cash/food vouchers distributed
- Vertical gardens introduced at a particular location
- Food packages from LWR / CLWR distributed
- New food items (e.g. specific type of vegetables) introduced
- Fish farms in place
- Training on food conservation provided
- Livestock distributed
- Fruit tree planting scheme set up among host communities
- Training on more nutritious cooking practices; and
- Sensitization campaign on healthy and diversified eating conducted at schools, the media, and/or LWF Member Churches.

Note: many of these outputs can also relate to other outcomes as applicable. They should not be counted twice.

3.5. Increased vocational and life skills

Training on life skills (e.g. working etiquette, job interviewing, personal hygiene/presentation and similar measures) normally helps individuals develop the competencies necessary to become employed.

TVET, or “vocational training” can also play a decisive enabling role in allowing persons to build the necessary technical skills to find a job or start their own business. When designed and implemented correctly, vocational training and building of “life skills” can make a difference in breaking the cycle of dependence, including during displacement and when returning home.

Strictly speaking vocational/skills training is a tool, not a means in itself. At outcome level the focus is not the number of persons who received training, the focus is on developing skills which are valuable in a market setting (either for jobs or self-employment)

As such, these activities are not a goal on their own right. Rather, they constitute important milestones along the way to achieving the expected outcome, which is articulated as increased access to employment.

Indicator 5.1. No. of individuals with new / more relevant skills

This indicator tracks the number of persons with improved skillsets, increased knowledge, or who established their own businesses as supported from the projects.

LWF focuses on those skills which are relevant to the market (either for jobs or for self-employment). Skills could be related to farming, livestock, fishing, gathering, handicraft /cottage industry, or services.

Indicator 5.2. No. of displaced young people reporting an increased level of preparedness for their return

The indicator can be used as a complement or a substitute to indicator 5.1. for returnees.

It measures self-assessment of prospects for finding a job upon return to their home country.

Naturally, this indicator is relevant when return home (or resettlement to a third country) is imminent, as skills acquired go obsolete over time.

Indicator 5.3. No. of functional (coordination) structures for vocational education

This indicator complements indicator 5.1. in the sense that it measures capacity being created locally to continue training young persons over time.

Depending on the context, the unit could be single training centers or new trades/vocations added to existing ones as they expand their curricula.

Indicator 5.3. No. of successful partnerships with the private sector

Partnerships with the private sector can be very useful for training inter alia through:

- Donations of training material (first or second hand, machinery or simply training
- Ensuring that curricula are aligned to market needs
- Private sector employees volunteering to teach or develop curricula at LWF-sponsored training centers
- Internship opportunities
- Placement / employment opportunities for graduate;
- Financial donations; and
- Building the reputation of the training center.

Sample outputs:

- Training dispensed for electricians, secretaries, phone repair, etc.
- Study of specific skills required in the market (e.g. type of software used for clerical positions)
- Training on bookkeeping, cost control, marketing, stock management, and other business skills
- Job placement program as part of a voluntary return support initiative
- Exchange program established with another training center in the capital or with a private corporation; and
- Internship scheme put in place.

3.6. Increased income and employment

Catering for personal and family needs often requires a pecuniary income (or the ability to barter). In most parts of the Global South achieving resilient and sustainable livelihoods is all about attaining durable, decent incomes. Since improving incomes is central to the LWF livelihoods development approach, most projects in non-emergency settings will be expected to include a focus on revenue (or self-consumption) at the outcome level.

In emergency conditions, attention shifts away from the income generation itself if working is not possible. In these situations, the priority, from a livelihood point of view, is often to preserve the capacity to re-establish an income when the recovery phase begins (§1.1, §2.2, and §3.1).

Employment is one of the types of individual responses for making a living. Jobs can take many forms, such as agricultural or construction wage worker, “incentive” worker for an NGO at a refugee camp, civil service, recruitment by a multinational or an SME, as well as entrepreneurship.

Advocacy on behalf of groups in situations of vulnerability is extremely important when it comes to enabling access to the job market. For example, refugees without right-to-work or to move freely within a country can see their aspirations thwarted, no matter how strong their skillsets. Also, discriminatory practices deprive whole groups of persons any real access to a job or possibilities for job advancement beyond a particular level.

Below are the indicators which LWF measures in tracking its progress towards bringing about increased incomes and employment.

Indicator 6.1. Number of individuals with new income generating sources

Number of the people who found a formal or informal job with a private firm, an NGO, or government and this new work in the context LWF’s interventions. This indicator also tracks those individuals who became self-employed or produce new items for self-consumption as a result of LWF support on entrepreneurship (which may include other aspects such as child care or linkup to microcredit providers).

Indicator 6.2. Number of individuals reporting increased income

Sometimes individuals tend to underreport or simply eschew reporting on their income. The reasons are varied: culture, fear of losing project support, mistrust of public authorities (including tax administration); measurement difficulties etc.

Indicator 6.6. Percentage change in income disparities between men and women

Context-dependent proxies (such as no. of daily meals; school fees paid; quality of construction in household dwelling; livestock and vehicles) can help indicate variations in income/wealth.

Tip: When LWF operates in countries with high inflation, income values should be deflated to ensure comparability of time series.

Indicator 6.3. No. of individuals getting work permits

Indicators 6.3 to 6.5 track the results of LWF's livelihoods advocacy actions. It is critical to ensure that changes counted can be directly attributed to LWF's work

Indicator 6.4. No. of initiatives with govt. / private sector to increase equal access to employment

Examples are below:

- Number of official work/business ownership permits granted as result of LWF's actions;
- Results of collaboration with local employers (public, private or NGO) to open up new employment opportunities for target groups
- Policy changes resulting from initiatives seeking to stem racism in the workplace at different levels; and
- Number of permits obtained through direct assistance to refugee applicants

Indicator 6.5. No. and type of policy changes improving right to work for marginalized groups

Sample outputs:

- Internet based sales portal participation (cutting out intermediaries)
- Cash for work scheme implemented;
- Advocacy campaign among finance providers to create awareness of unconscious bias leading to discrimination in funding decisions; and
- Government sensitization campaign on right-to-work issues.

3.7. Increased access to services and markets

Achieving sustainable livelihoods through venture creation is about leveraging assets, engaging in productive activity and connecting with those willing to pay for the merchandise or services. §2.3 introduced the concept of value chain, which starts from the production, then moving into transportation, wholesale, points of sale, and eventually reaching the final consumer.

The latter could be local, national or foreign. “Demand” is the aggregation of individuals, households, businesses, governments, NGOs or other types of organizations who buy the product or service. In fact, demand acts as very the locomotive pulling the whole process.

These chains can be more or less complex, depending on the sector and the local context. Yet, they have one thing in common: actors need some level of support in order to produce. Key services include finance, market information, extension services, quality assurance, business development services, law enforcement, insurance, communications and others. Among them, micro-finance plays a decisively enabling role when implemented correctly.

Pursuant to the MERS standards, LWF focuses on markets and support services given their role in driving sustainable livelihoods. The outcome framework thus features these indicators as follows:

Indicator 7.1. Number of households, producer groups, micro-businesses and SMEs using support services (e.g. finance, BDS, agricultural extension)

This measurement should ideally be disaggregated per type of service, provider and user (e.g. farmer, artisan, transporter, wholesaler, retailer, etc.).

The level of the service user type (household, producer groups, micro-business, SMES, etc.) is determined at the project design phase, on the basis of the context and relevance analysis. Groups are not mutually exclusive.

Further insight can be gained by considering qualitative aspects such as: satisfaction with the services (e.g. through surveys or interviews), evidence of repeat customers, or willingness to pay.

Indicator 7.2. Percentage of buyers stating satisfaction with the goods / services supplied

The “4P” approach is a quick way of understanding the key attributes of any product or service in the eye of the buyer. They are:

- (i) “Product”: the attributes of the product itself
- (ii) “Price”: which drives the buying decision
- (iii) “Promotion”: which incites buyer to buy; and
- (iv) “Place”: the convenience of the point of sale

Market orientation is a key driver for sustainability. For this reason, this indicator tracks project participants’ alignment to market requirements. Surveys, focus groups or interviews can be used to collect the relevant data.

Indicator 7.3. No. of private sector partnerships created

Business partnerships can play a key role to link production with the customers and create opportunities for training and employment of LWF’s target groups.

This indicator can be disaggregated per type of business and/or type of partnership. Again, crossing quantitative and qualitative information allows for a more nuanced interpretation of the role of service providers.

Sample outputs:

- VLSA connected to an established micro-finance provider.
- SMS-based market information system established together with a national mobile phone company
- Quality assurance system set up for producers
- Support to set up a food-stall at the farm gate to cater to passers-by.
- Capacity of Ministry of Agriculture (extension services) built
- New packaging introduced; and
- Training to self-help group provided on how to write a business plan and access to credit.

IV. CALIBRATING THE TOOLBOX



Introducing the livelihoods toolbox

The analytical approaches described in Chapter II help determine the possible scope of LWF livelihood interventions in order to attain the outcomes set out in Chapter III. The present chapter explores tools, useful for designing and implementing the projects resulting from that analysis.

Understanding the graduation approach ¹

One effective methodology is the “graduation approach” (§4.1). This method can allow at-risk persons to move back into the economic and social mainstream. Graduation requires holistic support and gradual phasing out which can be both cost- and time-intensive.

Youth, disability ²

Working with youth, as well as with persons with disabilities (§4.2) requires finely tailored solutions. In particular, the value chain approach can be used to identify specific areas of economic activity where their economic participation may be well-adapted. This analysis also points out to specific livelihood support actions to help optimize the chances of LWF target groups. §4.2 also discusses the major advantages and the possible pitfalls relating to entrepreneurship development, particularly among LWF target groups.

Vocational training ³

Helping at-risk persons develop the skills useful to find employment through a specific trade or occupation is a particularly powerful way of supporting

Figure 4.1. The toolbox



livelihoods development. However, if not properly executed, vocational training may not lead to employment, and the persons trained may instead fall into a cycle of unemployment, exploitation and cynicism. §4.3 also shares the experience of LWF Myanmar in developing a successful toolkit specifically aimed at artisans.

Cash-based interventions⁴ **and livestock in emergencies**⁵

Supporting livelihoods in emergency settings requires a specialized approach. The main goal in emergency situations is to preserve existing capital and to help avoid negative coping strategies.

§4.4 discusses relevant lessons-learned around livestock in emergency situations, a particularly pertinent topic. In addition, §4.4 delves in more detail on LEGS, a set of international standards specific to livestock in emergencies.

Cash based intervention can also be powerful tools to relieve human suffering during emergencies. Chapter V explores cash transfers in details, and provides specific suggestions for designing, implementing and monitoring cash interventions.

Financial inclusion⁶

Access to both credit and savings solutions can be one of the most powerful “livelihoods support” functions for at-risk producers and households in the Global South. Despite the potential, achieving sustainable financial inclusion is a major challenge for LWF target groups. Specific tools and common risks are discussed in §4.5.

Targeting duration and costs⁷

Livelihoods projects often share common characteristics: the need for longer duration, substantial costs per participant, high risks, and uncertain sustainability. In addition, targeting criteria are particularly tricky in light of the trade-off between need and chances of success. Getting these parameters right is critical to the success of LWF livelihoods interventions as explored in §4.6.

4.1. The “Graduation Approach”

LWF utilizes a graduation approach, especially when responding beyond immediate humanitarian needs. This methodology enables communities to manage their own development process. Key aspects include conflict resolution; rights awareness/ advocacy; environmental sustainability; disaster risk management and mitigation; equality; women’s empowerment; etc.

For Livelihoods, this is a long-term intervention modality, which carefully sequences different types of support, and sets out ways to scale up and then gradually phase out assistance as the communities gain independence. This method has demonstrated, its effectiveness in helping lift LWF target populations move out of extreme poverty and social exclusion through sustainable income generation and asset accumulation, while also bringing about psycho-social gains. The main disadvantage is that the graduation approach requires multi-year planning and funding, which is rarely the case.

In short, the graduation approach is not a quick fix. Interventions are actually multi-dimensional and mobilize the whole of society. Projects typically include many types of support such as financial transfers, social assistance, training, and mentorship for initiatives such as micro-businesses. Reinforcing skills and developing self-confidence for those who have been operating at the fringe of mainstream society are integral parts to this approach.

Graduation approaches are time-bound (with the livelihood component taking 2 to 4 years), hence refraining from creating long-term dependence. This support is slowly and carefully phased out on the basis of clearly planned exit modalities. Activities seek to help participants engage in a trajectory of increased self-reliance while also contributing to their peers.

Holistic support to get back from the brink

The graduation support cuts across the three LWF programmatic areas, namely livelihoods, protection and social cohesion, as well as quality services. Some of the core elements of the approach are:

- Careful participant targeting
- Initial direct support to consumption
- Group creation, coaching and strengthening

- Reinforcement of self-esteem
- Skills training, coaching and mentorship
- Savings schemes, such as VSLAs
- Financial inclusion and capital support
- Clear, phased-out exit strategies.

Burundian returnees benefit from “graduation” support

LWF Burundi works with returnees, disenfranchised youth and other at-risk people. Selection criteria centers on those with the capacity and motivation to grow. LWF makes available agricultural inputs, training on agricultural practices, and linkup to micro-credit and to psycho-social support. This is biased towards women’s empowerment and self-esteem.

As households (located in hills or “*collines*”) enhance their food security, LWF’s support phases out over several months and new *collines* are reached. Participants from early phases eagerly demonstrate what they have learned, thus helping others along the way.

Tip! Design the exit modality from the beginning

Carefully plan the exit in a way to consolidate project achievements, and also to ensure that progress continues beyond the assistance. If this phase fails, the whole intervention will not be sustainable.

Successful projects often phase out of the assistance following pre-determined exit stages.

Further info:

Kuhle, H. et al (2017). Leaving no one behind: graduation for refugees. The International Policy Center for Inclusive Growth’s Policy in Focus: Debating Graduation. <https://www.unhcr.org/>

UNHCR (2018). The Graduation Approach. <https://www.unhcr.org/>

Victor, M. (2017) How to Make the Graduation Approach Work for Refugees <https://www.cgap.org/>

World Bank (2013). Graduation Program: Creating Pathways out of Extreme Poverty into Sustainable Livelihoods. <https://www.worldbank.org/>

4.2. Youth, older people and persons with disabilities

LWF ascribes to the Humanitarian Inclusion Standards for older people and people with disabilities, which are a part of the Humanitarian Standards Partnership. As seen in Chapter I of these notes, LWF adapts its livelihoods approach to the assets and vulnerability profiles of its target groups.

Working with youth, older people, persons with disabilities, or minorities of any kind is no different conceptually. They too have productive untapped potential to become self-reliant. They also deal with prejudice, barriers and limitations which are normally more daunting than for other individuals.

The key is to identify a way to harness this potential through adapted interventions, sometimes requiring specialist input. Working in groups is usually effective. Often this requires a holistic approach, also in line with other LWF programmatic priorities, namely quality services and protection.

Value chain analysis may unveil opportunities

Use value chain analysis to understand in what specific activities in the supply chain young, elderly, minority groups, or disabled persons can add value. This exercise can also help identify specific hindrances or barriers, and thus set the scene for designing specific interventions to remove them.

Humanitarian inclusion standards for older people and people with disabilities: food security and livelihoods inclusion standards.

Standard 1 - information: Older people and people with disabilities have their food security and livelihoods capacities and needs identified and monitored.

Standard 2 - addressing barriers: (i) design safe and accessible facilities/services for food security and livelihoods; (ii) sensitize the community, staff and partners on the applicable rights; and (iii) build staff capacity to make food security and livelihoods activities safe and accessible.

Standard 3: participation in food security and livelihoods activities and strengthened capacities.

The array of potential projects is wide

- In Dadaab, LWF supports persons with disabilities and the elderly following the participatory “Integrated Community Based Rehabilitation Guidelines”.
- In Irbid, LWF assessed youth labor potential as a basis to design effective livelihoods interventions.
- LWF Mauritania has helped people on wheelchairs move out from begging and become paid cobblers.
- Projects can also focus on less traditional services such as ICT (Vietnam) or tourism (India).

Tip! Focusing on families and support networks is effective

When designing projects to support individuals living with disabilities, the attention naturally flows towards those individuals. Thus, there is a risk of overlooking livelihoods projects for their family members / caregivers, which may have an even stronger impact.

Exercise care when working on self-employment

Self-employment is often prescribed for youth and other at-risk groups. Although there is both potential and successful examples, such projects are risky. Even in developed countries most new enterprises fail (Forbes 2018). In developing humanitarian contexts, the risk is probably higher. ILO provides a number of tools to foster youth employment: www.ilo.org/global/topics/youth-employment/key-resources/lang--en/index.htm

Further info:

Zhao, C. / CRS (2012)- Enhancing IT Vocational Training and Employment Opportunities for Young Vietnamese with Disabilities. <https://www.crs.org/>

Humanity & Inclusion / CBM / HelpAge Int’l (2018). Humanitarian inclusion standards for older people and people with disabilities. <https://seepnetwork.org/>

Catholic Relief Services (2018) State of Practice: Savings Groups and the Dynamics of Inclusion - Main Findings. <https://www.crs.org/>

UNHCR (2018). Policy Guide on Entrepreneurship for Migrants and refugees. <http://www.unhcr.org/>

4.3. Vocational training

Around the world, LWF’s engagement in Technical and Vocational Education and Training (TVET, or “vocational training”) has enabled numerous young women and men to find employment or start their own business. When designed and implemented correctly, vocational training and building of “life skills” can make a difference in breaking the cycle of dependence.

Vocational training is a tool, not a means in itself. The focus is not on the number of people trained. What counts is how TVET contributes to employment generation (as captured in Chapter III - Outcomes).

Vocational training must lead to incomes

Careful analysis and validation can indicate whether TVET may be the right approach (refer to §6.6). Vocational training interventions may be appropriate, when lack of skills is holding back employment among the target population. If, for example, the problem is legal right-to-work, vocational training without a policy change will have limited impact.

Success crucially depends on the actual demand for trained labor (also when refugees return home). There is no point on training people who will later be jobless. Finally, technical training on its own is unlikely to suffice. Mentorship, group support, and “life skills” are necessary, often also after the training is completed.

LWF Jerusalem has achieved employment results through vocational training

LWF trained Palestinian youth starting with the “Lutheran Trade School” in 1949. In Beit Hanina, LWF enrolls over 150 students in a two-year program with a focus on carpentry, metalwork, auto mechanics, electronics, telecommunications, and plumbing.

In Ramallah, LWF teaches telecommunications, auto-mechanics, carpentry and aluminum to circa 60 young men and women. Trainees take part in an apprenticeship program, with almost 70% of them becoming employed within two-months of graduation.

Integrating gender considerations to TVET in Jerusalem

Certain hands-on occupations such as carpentry, metal work, plumbing and mechanics are not currently deemed culturally acceptable for women in Palestine. However, electronics, communications, catering and craftwork are. LWF hence developed training curricula and succeeded at attracting female students in those areas. This education, together with other forms of support enabled them to find sustainable employment.

Tip! Extra caution required if working with minors

Protection issues are key in learning environment. when working with people below 18 years of age, there is an enhanced risk / need for safeguarding.

Empowering Artisans in Myanmar

LWF Myanmar has made available a practical toolkit to build and strengthen artisanal businesses. This resource applies to real business and work situations (product design, costs, quality, etc.) The toolkit comes with exercises, videos, and templates. Artisans also have access to a network of certified trainers/advisors. (see www.myanmarartisan toolkit.org).

Tip! Consider long-term costs and national certification

Vocational training is resource-intensive. It requires capital (facilities, machines) as well as competent trainers and up-to-date curricula. In most countries recognition is often partial. Sound exit strategies are key. Whenever possible LWF vocational training graduates should receive national qualifications. They usually help improve employability and have become a requirement for many donors.

Further info:

UNESCO-UNEVOC. (2007). 'Education for Livelihoods and Civic Participation in Post-Conflict Countries: Conceptualizing a Holistic Approach to TVET Planning and Programming in Sub-Saharan Africa'. <http://unesdoc.unesco.org/>

4.4. Livestock in emergencies

Livestock plays a crucial role for livelihoods of rural, and sometimes also urban, populations across the world. In addition to income and nutrition, livestock constitute the only way to accumulate capital for many across the Global South. Livestock often provides the main source of protein and, for many cultures, it is tied with customs, folklore and the traditional ways of life.

Livestock tends to suffer deeply when emergencies strike. Although the humanitarian response rightly focuses on saving human lives, it is important to keep livestock in mind, with an eye on the recovery phase since the very beginning. In addition, livestock can constitute a pragmatic avenue emergency relief to affected populations.

For this reason, LWF consistently takes livestock into account in its emergency responses. Guiding them, the Livestock Emergency Guidelines Standards (LEGS) provide a planning and decision-making tool, *inter alia*, to protect livestock and relief human suffering during and after emergencies.

LWF aligns to the LEGS standards.

LEGS uphold the *right to food* and the *right to a standard living*. The resulting interventions thus help preserve assets, reduce negative coping behavior and contribute to more a speedy recovery of livelihoods.

Eight core standards + crosscutting themes

The LEGS focus on livestock are consistent with the Sphere Handbook. The standards relate to (i) participation; (ii) preparedness; (iii) competencies; (iv) initial assessment and response identification; (v) technical analysis and intervention; (vi) monitoring and evaluation; (vii) policy and advocacy; and (viii) coordination. LEGS also cover relevant cross cutting themes such as gender, HIV/AIDS, climate, or protection, in the specific context of livestock (e.g. gender-based violence while fetching water/fodder in isolated areas). Cash and voucher approaches are also considered within the context of livestock in emergencies.

Concrete benefits through destocking and asset protection

The LEGS provide guidelines for dealing with livestock during and after an emergency situation strikes. During the acute emergency phase planned destocking can be an interesting option. On the one hand, this course of action taps on readily available sources of quality food for the local population when it needs it most. On the other, destocking reduces short-term pressures related to livestock upkeep. The LEGS also cover mechanisms for protecting and rebuilding assets. The focus is on veterinary health, feed and water supply as well as livestock shelter. The approach is participatory. Critical timing issues are also explored at length.

LWR helps recovery and resilience of livestock in Niger

In Chad, LWF applies the “Livestock bank approach” both for diversifying incomes and improving nutrition. A committee receives support learning to manage the “bank”. In parallel, LWF provides veterinary and extension services through local service providers to encourage integration into the formal value chain. In parallel, community early warning systems help prevent conflict through risk assessments, response and preparedness plans, and monitoring.

Further info:

LEGS (2014): Livestock Emergency Guidelines and Standards, second edition. <https://reliefweb.int/>

Aklilu Y. and Wekesa (2002). Drought, livestock and livelihoods: lessons from the 1999–2001 emergency response in the pastoral sector in Kenya. ODI: Working & discussion papers. <https://www.odi.org>

Burns, J. et al (2008). Impact Assessment of the Pastoralist Survival and Recovery Project Dakoro, Niger. <https://fic.tufts.edu/>

FAO (2015) Livestock-related interventions during emergencies. <http://www.fao.org/>

4.5. Financial inclusion

Financial services constitute a key enabling factor for livelihoods. First, micro-credit and other similar instruments can provide valuable access to capital, which is necessary to start any small business venture. Access to credit can also help even out seasonal cash flow and smoothen rough financial patches. Secondly, financial infrastructure, such as electronic payments, can simplify transactions and enable erstwhile unviable cross-border economic activities. Thirdly, financial inclusion fosters savings. Setting money aside can help families become more resilient. In this vein, micro-insurance can shield households from negative shocks, including those related to climate change. Finally, the formal financial industry generates an “identification” together with a credit record, useful to access sorts of services beyond banking services. For refugees, the benefits can also extend after repatriation or resettlement. The formal financial industry has traditionally neglected refugees, IDPs, and other at-risk groups. Nonetheless they are a sizeable population and can be catered for sustainably. Experience consistently shows that their repayment rates are just as healthy as those of other types of clients.

Financial inclusion on its own does not suffice to attain sustainable livelihoods. However, value chain analysis shows that lack of access to financial instruments continues to represent the most widespread barrier to economic activity, such as production, intermediation and trading.

For this reason, LWF tracks financial inclusion as part of its outcome framework. In fact, access to such support services are critical to sustainable livelihoods (as elaborated in §3.7) and are also covered by the MERS standards, on service demand, support to delivery, organization of transfers, etc. (§1.7).

Think beyond micro-credit.

Financial inclusion goes well beyond classic microfinance. The concept has broadened to include a wide array of financial services. The two main considerations are that these services should be adapted to the target community. And secondly, that they are sustainably provided by formal financial institutions. “No-frill” banking, is just one example.

LWF is an enabler rather than a provider of financial services

As LWF advocates financial inclusion, the following consensus considerations should be kept in mind:

- Digital solutions tend to be more efficient: electronic transfers speed delivery and have broader outreach
- VSLAs, cooperatives, Community-based Savings Groups, Savings and Internal Lending, Village Community Banks, or self-help groups are suitable conduits for inclusive financial services
- Long-term thinking: the recovery and development phases kept in mind since the beginning
- Financial integrated inclusion into LWF's overall preparedness and disaster response approach; and
- Advocacy for governments to enact inclusive and enabling regulations.

New instruments can provide new solutions

Crowdfunding has widened the sources of finance for many types of new ventures. At the same time, it has simplified contacts with private investors (who could also include members of the diaspora). Technology & financial inclusion innovation are progressing rapidly.

Further info:

Noppen, M. / FinDev Gateway (2018). What Is Crowdfunding and How Could It Help Financial Inclusion? www.findevgateway.org/

Burjorjee D. & B. Socla / CGAP (2015). Market Systems Approach to Financial Inclusion: Guidelines for Funders. <https://www.cgap.org/>

CGAP (2006). Good Practice Guideline for Funders of Microfinance: Consensus guidelines. 2nd Ed. <https://www.cgap.org/>

CRS / B. Allen (2018). State of Practice: Savings Groups and the Dynamics of Inclusion - Main Findings. <https://www.crs.org/>

Pistelli M. (2018). 5 Things You Should Know About Financial Services for Refugees: <https://www.findevgateway.org/>

4.6. Project design (duration, expectations and costs)

Setting project parameters is never easy. Funding facilities typically impose constraints such as maximum durations, budget composition, sectors, treatment of refugees versus host communities, geographical focus, etc. On the other hand, the needs in the ground may call for a different approach.

All parties may be anxious to see quick gains, and of course to deliver the assistance at a low cost. Though desirable, this is not always possible, particularly for gains in long-term livelihoods in recovery/development contexts.

When such tension arises, LWF will accommodate donor requirements to the maximum possible and technically reasonable extent. Beyond that, certain projects will simply not be feasible. For example, LWF cannot accept funding to support only one ethnic or religious group, to the detriment of others.

The priority will always to deploy relevant, efficient, effective and sustainable support to the target population. LWF projects must first and foremost be adapted to the local context and individual needs. The text below explores some common pitfalls to address in the programming stage.

Costs may appear high and sometimes that is unavoidable

Costs per participant is one of the measures sometimes used in project appraisal. Because developing livelihoods require multidisciplinary approaches, quick fixes are often not available.

In other words, costs per participant tend to be high, particularly for holistic interventions, such as for the “graduation approach.”

Livelihoods projects can leverage impact (and become more cost efficient) when they demonstrate new ways of doing things and rally others. Efficiency gains can also be realized by building national capacities for further, lower-cost support locally.

The “opportunity cost” (or the cost of not intervening) is critical and often overlooked.

Caution! Prices change

Prices can move quickly in volatile situations. Flexible budgeting / donor modification procedures are key.

Short durations are often inadequate

Many donors follow a one-year programming cycle. However, longer durations tend to work better. Doing “no harm” is incompatible with premature interruption. For example, unfinished buildings can become a safety hazard. Worse, a project might introduce a new crop, but withdraw before it can be sold, thus leaving farmers with no income. Seasonality is also key.

As a rule of thumb, the “graduation approach” requires a minimum of three years or more to allow for gradual exit. Stand-alone phases may sometimes make sense if well thought out in advance.

Avoid fueling high expectations at all costs

Unfulfilled promises may lead to disappointment, cynicism, as well as loss of humanitarian access. Particular attention must also be paid to non-verbal messaging. Expectations tend to appear, no matter the preventive measures. Effective stakeholder participation, appropriate indicators (see Chapter III) and clear messaging from LWF are key.

Do gender-responsive programming

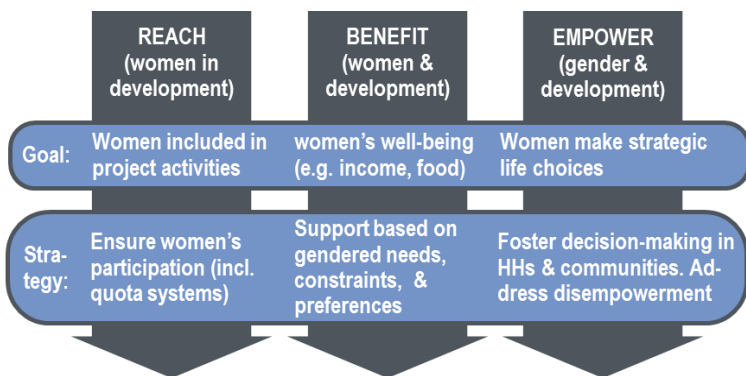


Figure 4.7.
Gender responsive programming

Adapted from CLWR

Further info:

- IFRC (2010). IFRC Guidelines for Livelihoods Programming. <https://www.livelihoodscentre.org/>

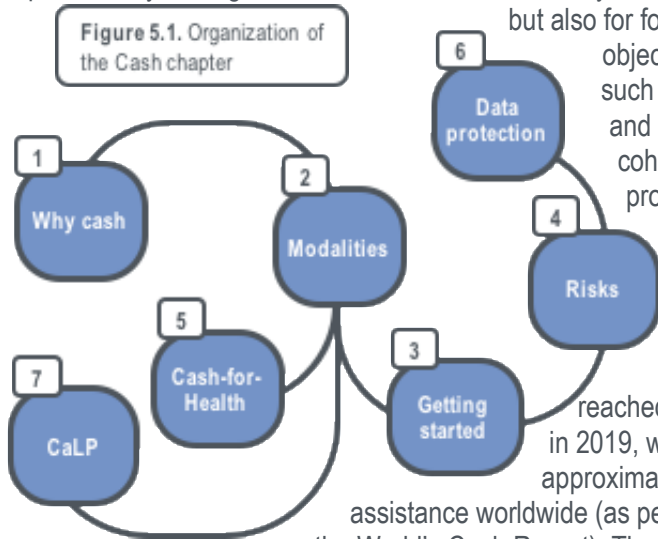
V. CASH-BASED INTERVENTIONS



Introduction

As pointed out in Chapter IV, cash-based interventions (CBIs) feature prominently among the most effective tools, not only for livelihoods support, but also for fostering other strategic objectives of the LWF, such as quality services and protection/social cohesion. Cash programming continues to grow in importance. From negligible amounts at the turn of the century, CBIs reached circa USD 5.6 billion in 2019, which represented approximately 18% of all assistance worldwide (as per the 2020 State of the World's Cash Report). The present chapter explores cash transfer modalities in further detail, while also providing practical guidance for programming, rolling out and monitoring targeted interventions.

Figure 5.1. Organization of the Cash chapter



explores cash transfer modalities in further detail, while also providing practical guidance for programming, rolling out and monitoring targeted interventions.

Why Cash? ¹

§5.1 reviews the usefulness of cash transfers, as cost-effective solutions in humanitarian settings. CBIs can prevent negative coping strategies and set the scene to jumpstart disrupted local economies. Cash can also play a key role in bringing about other desirable outcomes (e.g. psychosocial, WASH, shelter, protection, gender equality, health and others).

Modalities ²

Cash transfers can be unconditional, conditional (e.g. sending kids to school, or cash-for-work) or vouchers. They can also be implemented electronically. §5.2 discusses the particularities, advantages and disadvantages of each specific modality.

Getting started ³

In order to be effective, cash requires careful planning, ranging from market studies and vulnerability analysis to safety feasibility assessments and negotiations with financial service providers. Key aspects in project design include establishing fair targeting criteria, as well as setting the cash transfers at the right amount and frequency.

Risks ⁴

Cash transfers are not inherently riskier than other types of humanitarian interventions. In fact, they are known to be safer than in-kind distributions. Nevertheless, they are not without complications. §5.4 explores the most common pitfalls, while also offering pointers for implementing risk-mitigation strategies.

Cash-for-health ⁵

Cash-for-health interventions constitute one example of conditional transfer. This modality has become increasingly relevant as the Covid-19 pandemic advances and wreaks havoc to both value chains and overstretched sanitary systems. §5.5 provides practical insights on how cash transfers can be harnessed to contribute to critical health-related outcomes.

Data protection ⁶

Cash transfers require gathering and sometimes sharing sensitive personal information (including biometric data and household income levels). With mounting pressure to deliver in difficult field conditions, there is a real potential to “do harm”. §5.6 provides specific guidance on how to minimize these risks and handle personal data responsibly.

The Cash Learning Partnership (CaLP) ⁷

CaLP *inter alia* provides valuable resources to help realize the potential of CBIs, as recognized by the UNHCR Policy on Cash-Based Interventions. §5.7 maps out the available tools and services, such as studies, information on best practice and stakeholder coordination.

5.1. Why use cash?

CBIs are about providing money or vouchers to individuals, households and communities. A number of similar terms convey this type of intervention, such as Cash and Voucher Assistance or Cash Transfer Programming. However, cash and micro-finance are two different concepts (and hence are suitable for different situations).

Cash has proven its value in humanitarian situations as an effective way to alleviate suffering. They can empower affected households to take control of their own choices, which contributes to a sense of dignity.

Cash transfers help prevent negative coping strategies, by preserving assets from untimely liquidation (i.e. sold in a rush). CBIs can thus keep people from falling into the most extreme forms of vulnerability. When the capital base is preserved, the scene is set for a speedier recovery in the medium term.

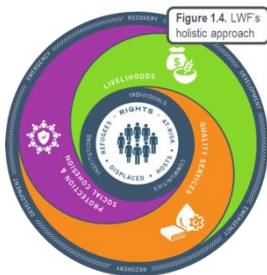
CBIs also promote local markets and national supply chains, bringing about additional economic benefits. Furthermore, technological developments (such as mobile money) have allowed CBIs to become highly cost effective. Outright distribution of merchandise, in turn, entails high logistical costs; creates inefficiencies, and often leads to setting up of secondary markets.

LWF follows the CaLP Global Framework on Cash Transfer Programming, a consolidation of the major commitments and recommendations. LWF is also watching the increasing harmonization in the sector, notably the recent signature of the UN Common Cash Statement by UNICEF, OCHA, UNHCR and WFP. They have set out to converge towards a common cash system when possible, and to harmonize practices overall.

Community participation in decision-making is key for success

For cash to work properly, assisted populations and communities must be engaged in the decision-making, including on the design of cash and voucher interventions.

Ultimately the choice of whether and how to use cash and vouchers should rest with the locals, together with the LWF country programs and other stakeholders.



When designed properly, cash can be a potent tool to attain livelihoods related outcomes.

Cash can also help bring about desired results in other LWF programmatic areas, notably protection / cohesion and quality services. In fact, cash transfers often impact at the intersection among the three areas (for example §5.5 discusses “cash-for-health” approaches).

CBIs should be designed to address specific needs identified and not the other way around (i.e. NGO- or donor-driven). Despite sometimes confusing calls for proposals, CBIs are not an end in themselves. They are often appropriate for short-term intervention only. Finally, active monitoring is key to ensuring that cash transfers stay on target.

Tip! *All things being equal, prefer cash*

Cash programming is the LWF default mode when the appropriate pre-conditions are satisfied, as seen later in this chapter. Distribution of commodities might sometimes be a useful complementary tool.

Further info:

CaLP (2017). Global Framework for Action: a Consolidated Summary of Commitments for Cash Transfer Programming <https://www.calpnetwork.org/>

CaLP (2020). State of the World's Cash Report. <https://www.calpnetwork.org/>

ICRC (2018). Cash Transfer Programming in Armed Conflict: The ICRC's Experience. <https://www.icrc.org>

LIFT (2022). Policy to Address Fiduciary Risk & Fraud. <https://www.lift-fund.org/>

LWF (2017). Cash-Based Interventions Policy. LWF Operations Manual

UN (2020). UN Common Cash Statement (UNCCS). Questions & Answers. <https://www.wfp.org/>

UNHCR (2016). Policy on Cash-Based Interventions. <https://www.unhcr.org/>

5.2. Modalities

LWF cash programming policies contemplate three types of transfer, namely (i) unconditional, with full recipient discretion and no payback; (ii) conditional cash transfers, with specified requirements; and (iii) vouchers.

Unconditional transfers allow recipients to spend on what is most important to them. Compared to other modalities, they are simpler and easier to roll out. In general, evidence does not support suspicions that significant portions of the cash go to frivolous consumption, such as alcohol. Large one-off payments are best suited for investments, such as re-building a home after an earthquake. Smaller, more frequent transfers favor household consumption, e.g. shelter, health and food. Unconditional transfers are the default modality in emergency situations where quick access to food and medical care is of the essence.

Conditional transfers are tied to specific tasks or conditions for obtaining or using the funds. They are often disbursed in tranches. Implementing these schemes can be burdensome. The main advantages reside in the expected behavior change (e.g. sending kids to school), in the psychosocial gains from going back to work, or in the physical results from Cash-for-work, e.g. roads.

Vouchers are paper, tokens, digital means or cards allowing access to merchandise up to a specific value/quantity. They make sense when there are risks associated with handling actual cash or with corporate donors (e.g. supermarkets, or “match donation” schemes). Vouchers can also help promote the local economy if used with local vendors and be directed towards specific inputs, such as house repair material. Voucher schemes may entail significant costs for printing, vendor management, and settling payments.

WARNING!

Cash-for-work can spark tensions

- Pay must not crowd out / distort the local labor market.
- Care must be given to those who are unable to work. If they get unconditional cash, tensions may arise with those that have to work to receive the transfer.
- Do not confuse cash with cheap labor.

Cash-for-work ≠ development

Cash-for-work interventions are mostly about relief and are short-term in nature. Livelihoods development, however, is a long-term endeavor, see §1.2.

Table 5.1: Relative merits of CBI modalities

Issue	Unconditional	Conditional (incl. cash for work)	Vouchers
Speed	Quickest	Takes time	Takes time
Cost	Lowest	Costlier	Costlier
LWF involvement	Lowest	More	More
Flexibility	Maximum	Medium	Minimum
Monitoring	More difficult	Easier	Good but slow
Recipient engagement	Lowest	Max, (but some unable to work)	Medium
Ease of selection	Medium	Clearer criteria	Medium
Setting the amount	Difficult	Easier	Medium
Risk of abuse	Medium	Depends on the conditionality	Forgery / Vendor monopoly
Market distortion	Minimum	Medium to low	Higher
Security risks	Higher	Lower	Lower
Cash goes to goal	Hard to control	High	High

Tip! e-transfers are usually best

Electronic transfers allow for lowest costs, together with maximum security and traceability. LWF has had excellent results in Uganda. Make sure to,

- check that recipient phone numbers are right.
- educate recipients on spams / mobile fraud.
- ensure cellular networks + phones are available.

Further info:

Mercy Corps (2015). Cash Transfer Programming: Toolkit. <https://www.calpnetwork.org/>

UNHCR (2020). Digital payments to refugees. <https://www.unhcr.org/>

UNHCR (2019). Cash for Shelter in Kenya. <https://www.unhcr.org/>

5.3. Getting started

Project development takes place following a needs assessment. As per §1.2 cash transfers are well suited for emergency and recovery situations; for example (i) to allow access to food and basic needs; (ii) to rebuild economic infrastructure or (iii) to reactivate the local economy. Cash can be used for road rehabilitation, WASH, shelter, agriculture, education, protection, or health (as per §5.5). Cash may exceptionally be used in development.

Understanding the markets is also a critical early step. There is no point in launching a CBI if recipients cannot use the money to meet their needs. Border closures related to Covid-19 prevention, for example, cut off supplies in isolated areas. Also, the injection of cash must not accelerate inflation locally. Refer to chapter VI for further resources on market assessment.

At this stage, it is also necessary to look at the context, vulnerabilities, assets, barriers to production, supply chains, gender dynamics, and environmental aspects as laid out in Chapter II. Designing a cash component is no different.

A candid self-assessment should also check that LWF has the wherewithal to implement cash locally: technical, logistic, and human resources.

Carry out security analysis and a full risk assessment

- Is the distribution modality envisaged feasible from a security point of view?
- Do the recipients run any risks as a result of the transfers?
- How would in-kind distribution play out instead?
- Is the intervention compliant with local laws?

Link the transfer amounts and frequency to the project objectives

In calculating amounts, coordination with a local Cash Cluster is crucial. To allow for food consumption without negative coping behavior, payments should equal the difference between costs (basket) and household income. Transfers should also be more frequent. In turn, less frequency is better for asset recovery and investment. They can evolve over time (inflation, seasonality). Finally, disparity in recipient treatment may create tension, which must be handled with utmost care.

Tip! Use a gender lens when designing CBIs

Targeting women makes sense as they tend to spend more on the household. Gendered cash can help empower women and even reduce GBV. Please note:

- In some cases, giving money directly to women may increase tension. Open discussions are essential.
- Ensure gender-sensitive distribution (e.g. at ATMs)
- Cash-for-work has to be adapted to women’s needs (e.g. female only crews, childcare, etc.)
- Establish clear criteria (for inclusion and exclusion) and cross-check against protection concerns.
- Criteria to determine household vulnerability varies (e.g. poverty, child-headed, disabilities, etc.)
- Community consultation is key.

Ensure transparent and fair selection criteria

Tip! Get to know your financial service provider

Negotiate the cash-transfer terms in advance and in sufficient detail. Compare different modalities (ATMs, e-transfer, etc.) and access to various group.

It is also important to monitor them closely, to ensure service quality and to prevent fraud. SoPs should also ensure division of responsibility within LWF.

Budget enough resources for monitoring (incl. post-distribution)

- Verify registration and cash delivery.
- Check that the amount planned was received by the intended person, on time and safely.
- Ensure regular market monitoring.
- Collaborate with other local coordination groups.
- Assess whether intended outcomes were attained.

Further info:

Mercy Corps (2015). Cash Transfer Programming: Toolkit. <https://www.calpnetwork.org/>

Care (2020). Gender Equality and Cash and Voucher Assistance: Tools and guidance. <https://www.care.org/>

5.4. Risks

Cash transfers are a reliable tool in both humanitarian and development setting. However, cash is not the solution to each problem.

Despite misconceptions, studies show that cash transfers are no riskier than other intervention modalities. Because fewer steps are involved, CBIs' risk of diversion may in fact be an order of magnitude less than in-kind assistance. Most cases of fraud relate to identification, registration and procurement. Each situation needs to be appraised individually. Below are some pointers:

CBIs may backfire if not rolled out appropriately

In order to safeguard the appropriateness of cash and to “do no harm,” the following pre-conditions apply:

- Cash/vouchers are acceptable to the population being assisted, based on explicit agreement
- Available goods in the market are of suitable quality
- Safety and security for staff and affected communities and populations
- The economic environment supports cash delivery, with functioning markets and managed inflation.
- LWF has sufficient capacity locally, including accountability systems, delivery mechanisms, and effective post-distribution monitoring systems.

Potential for abuse must be checked at all levels

A UNHCR/WFP mandated study in Congo found that:

- Low literacy constitutes the biggest risk for users, but there are ways around it.
- Recipients do not always know how much they should get. Informing them is key.
- As “captive clients” of providers/agents, recipients they can easily fall prey to abuse.

WARNING! *Comply with audit requirements*

LWF programs had to return big sums to donors due to inadequate evidence of distribution (e.g. fingerprints) Cash is not “procured.” Yet other processes (printing transfers, etc.) must follow LWF procurement rules.

Table 5.2: Selected cash-related risks

Risk	Possible mitigation
Market supply disruptions; inflation	Careful market study. Engage gradually, scaling up as per milestones. Anticipate inflation in program decisions
Extortion; scams; security -incl. recipients' other protection risks	Assess the risks in advance. Check phone numbers. Sensitize on scams (e.g. "lottery"). Follow security SOPs. Post distribution monitoring + follow protection indicators
Cash transfers not acceptable / feasible	Grassroots approach, consultation, proceed with caution. Carry out feasibility assessments.
Fraud (see LIFT, 2014)	Toll free complaint hotline. Enhance monitoring (incl. post-distribution). Split tasks & responsibilities.
Not reaching project objectives	Think through the theory of change in advance. Apply a gender lens when programming/implementing.
Abuse of power	Inform, printed sheets for the non-literate. Careful delegation to financial service providers.
Counter Terror legislation	Cash can get in the wrong hands. Recipient screening may be a solution, but is a sensitive line to cross.
Rising rollout costs	Reach out to private sector. Negotiate in advance. Look at mobile money / ATM cards.
Tension among recipients	Understand local costs. Clarify goals. Set fair criteria and amounts. Participate in cash clusters. Consult.

Risk reducing tips!

- ✓ Appoint a focal point within each country program.
- ✓ Always carry out a market study and do post-distribution monitoring.
- ✓ Participate in cash clusters (key for donor also)

Further info:

Ground Truth Solutions, UNHCR, WFP (2019). Mitigating the risks of abuse of power in cash assistance. <https://www.unhcr.org/>

LIFT (2022). Policy to Address Fiduciary Risk & Fraud. <https://www.lift-fund.org/>

5.5. Example: “Cash-for-health”

LWF works with the most vulnerable, who are exposed to a wide array of health hazards. They are heavily exposed to diseases, notably measles, tuberculosis, hemorrhagic fevers, AIDS and malaria. Other vulnerabilities such as poor reproductive health services, or exposure to traffic accidents further aggravate the situation. To make matters worse, the Covid-19 pandemic has now reached virtually every corner of the planet, enhancing pre-existing sanitary and economic vulnerabilities.

From a livelihoods perspective, value chains have been disrupted by Covid-19. In addition, insufficient access to healthcare means that sick people will not recover faster and contribute to household income.

The present section provides insight on how conditional cash transfers can be harnessed to contribute to address health issues.

Ask these questions before considering a “cash for health” intervention

UNHCR (2020) suggests to ask the following question before deploying CBIs with health goals in mind:

- Are health services available in the target area? And do they have the sufficient quality/capacity?
 - > If not, setting up and strengthening such services takes precedence over cash.
- Are patients required to pay for health services? If so, supply-side financial interventions may be warranted (please refer to the following page).
- Do people have to cover other types of indirect expenditure (e.g. transport, loss of revenue, or lodging)?
 - > If so, consider demand-side or related CBIs (please see the next page).
- Do other cultural, awareness, discriminatory, or social factors hinder utilization of health services?
 - > If so, focus on removing those factors, e.g. improved outreach (as opposed to cash).

UNHCR identifies three main supply side intervention options

1. Payments to health providers (which are preferred over cash when services are available). Advocacy at the national level to reduce or eliminate fees is key.
2. Health insurance, paid for the participants, through CBIs or by the UNHCR/partner.
3. Direct delivery when services are not available.

Demand-side interventions are often necessary

Multipurpose grants or sector specific unconditional / unrestricted assistance. The former requires lower costs, but may not guarantee health outcomes.

For the latter, targeting is necessary (for equity). CBIs cover non-acute/chronic (planned) needs better. The assistance risks diversion or excessive use.

Vouchers are typically costly to implement. They may cover commodities (e.g. mosquito nets), medical services (e.g. obstetrics) or indirect costs (e.g. transport). Referral systems may help to prevent overuse and allow to reach those in most need.

Medair's experience

Medair has contributed to successful cash-for-health efforts in Jordan.

- Supply monitoring: Medair requires justification for planned interventions (for example on cesarean sections) and elicits patient feedback on quality.
- Sustainability: exit strategies are required.
- Cash can induce a culture of payment for services.

Further info:

Medair (2020). Cash and Voucher Assistance for Health. <https://www.calpnetwork.org/>

UNHCR (2017). Cash for Health: Key learnings from a cash for health intervention in Jordan. <https://www.unhcr.org/>

UNHCR (2020). The Role of Cash Assistance in Financing Access to Health Care in Refugee Settings. <https://www.unhcr.org/>

5.6. Handling data responsibly

Rolling out CBIs typically requires gathering sensitive personal information, such as household income or biometric data. Online modalities are tricky as data can no longer be stored in locked cabinets. Also, executing e-transfers often implies sharing some of that data with third parties. Overall, there is an inherent tension between traceability and transparency on the one hand, and respect of personal data on the other.

Pressure to deliver in difficult field conditions makes data management more difficult. For the recipients, the challenges are staggering: they may not know what data is being collected; or be aware of the risks; or have any other option if they are to survive. There is real potential to “do harm” inadvertently.

The field of data management is undergoing rapid change. New regulations are being enacted, while organizations seek to harmonize. For example, UNHCR and WFP recently signed a global data sharing agreement.

For this reason, the present section provides no specific prescriptions. It flags the issue and suggests caution. Each donor agreement must be followed. At the time of writing this document UNHCR is finalizing a new “Annex F” on data protection for their project partnership agreements which can be considered “Good Practice.” (link below).

Comply with the eight principles of secure use of data in CBIs

The Cash Learning Partnership has identified: follow

1. Respect the privacy of beneficiaries.
2. Protect personal data “by design”
3. Analyze, document and understand the flow of data. Develop risk mitigation strategies.
4. Ensure data accuracy. Do not keep too much information (or for too long).
5. Obtain consent. Inform what is collected/shared + who is responsible. Allow recipients to withdraw.
6. Implement security standards for collection, transfer and use. Prevent unauthorized access or loss.
7. Disposal: Do not hold data for longer than required.
8. Accountability: Allow participants to request information about data held, and to raise complaints.

Follow the UNHCR Guide for Protection in Cash-Based Interventions

- Make a Privacy Impact Assessment (link below + questions under <https://ico.org.uk/media/for-organisations/documents/1042836/pia-code-of-practice-editable-annexes.docx>)
- Establish data protection measures and data sharing protocols.
- Include data protection, confidentiality, participation and confidentiality clauses.
- Add opt-out clauses in case of protection concerns.
- Exclude sensitive information from any project-specific ID cards/vouchers (such as ethnicity).

LWF is committed to protecting online privacy

The LWF Privacy Policy Guidelines govern all information obtained through the LWF Website. They specify that personal data will only be stored for a limited time and will not be transmitted to third parties, unless explicitly authorized or where required by law.

Further info:

UNHCR (2015). Privacy Impact Assessment of UNHCR CBIs. <https://www.globalprotectioncluster.org/>

LWF Privacy Policy (2020). <https://www.lutheranworld.org/privacy-policy>

OCHA, UNHCR, WFP, and UNICEF (2018). Statement from the Principals of on Cash Assistance. <https://reliefweb.int/>

CaLP (2013) Protecting Beneficiary Privacy: Principles and operational standards for the secure use of personal data in cash and e-transfer programmes. <https://www.calpnetwork.org/>

UNHCR (2020) Operational Guidance for Cash-Based Interventions in Displacement Settings. Second Edition. <https://gdc.unicef.org/>

UNHCR (2020). Annex F: Special Data Protection Conditions. <https://www.unhcr.org/>

UNHCR (2015) Data Protection Policy. <https://data.unhcr.org/>

5.7. The Cash Learning Partnership (CaLP)

CaLP has over 80 members, including UN agencies, the Red Cross, NGOs, bilateral donors and private firms. CaLP is committed to help realize the potential of CBIs for people and communities affected by crises. Their goal is “to radically increase the scale and quality of cash and voucher assistance as a tool for humanitarian assistance” as recognized by the UNHCR Policy on Cash-Based Interventions.

Through their capacity building activities, CaLP helps develop organizational skills. They train individuals, promote good practices and foster innovation. CaLP also supports coordination in CBI responses by: (i) sharing experience and best practice; (ii) supporting policy improvements; (iii) developing guidance and (iv) working with clusters. CaLP provides a forum to share knowledge and learning. Finally, this organization promotes policy changes to underpin effective, efficient and accountable CBIs.

CashCap is another resource recognized by the UNHCR Policy on CBIs. This initiative of the Norwegian Refugee Council makes available independent experts to support CBIs (e.g. technically, on coordination + capacity building). A global technical team backstops CashCap experts in the field.

CaLP Library as one-stop-shop for cash-related information.

The CaLP library provides a collection of tools, reports, and academic research related to CBIs. Contents are searchable by (i) sector: food, protection, education, GBV, health, etc.; (ii) themes: blockchain, Covid-19, data protection, monitoring, markets, and others; (iii) as well as regions and countries. Other search criteria include transfer types, payment methods, crisis type, and languages.

CaLP blogs help stay in tune with evolving thinking around CBIs

CaLP blogposts are a useful and light way to stay up to date on cash. At the time of writing this chapter, blogs covered issues such as (i) CBI scale-up; (ii) practical insights on linking cash assistance and social protection; (iii) cash and Covid-19; and many others.

Capacity-building is available

CaLP helps practitioners develop competences for designing and rolling-out sound CBIs in emergency settings. Options include e-learning (e.g. on market analysis or e-transfers); in-person training (both standard and specialized courses); resources for trainers; and a series of videos on cash during the Covid-19 pandemic.

Tip! Go to the CaLP Program Quality Toolbox for resources specific to each step of the program cycle.

This toolbox proposes specific actions, supported by guidelines, tools and templates on:

Situation analysis: Needs, market, financial service provider, risk, and opportunity assessments

Response analysis: Market, vulnerability, CBI appropriateness, and feasibility analyses.

Program design: targeting, delivery mechanisms, transfer value, frequency, duration, and indicators.

Implementation: registration, data protection, delivery, communication & accountability, and wrap-up.

Monitoring: process and output monitoring, market monitoring and outcome monitoring, and evaluation.

Further info:

NRC/NORCAP (2019). CashCap Strategic Plan 2019 – 2021
<https://www.nrc.no/>

UNHCR (2016). Policy on Cash-Based Interventions. <https://www.unhcr.org/>

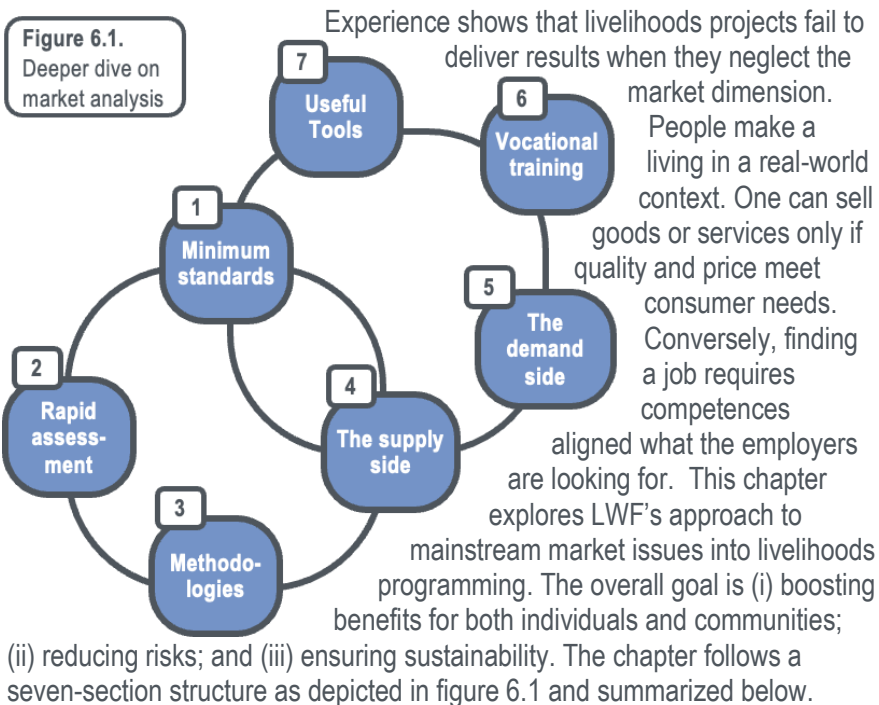
The Cash Learning Partnership (CaLP). <https://www.calpnetwork.org>

- Library: <https://www.calpnetwork.org/library/>
- Blogs: <https://www.calpnetwork.org/blog/>
- Capacity Building: <https://www.calpnetwork.org/learning-tools/>
- Program Quality Toolbox: <https://www.calpnetwork.org/>

VI. MARKET ANALYSIS



A deep dive into market analysis



Complying with minimum standards for market analysis 1

LWF, other major NGOs, and key UN organizations such as UNCHR follow the Minimum Standard for Market Analysis (MiSMA). §6.1 elaborates on the importance of market studies and reviews the standard in further detail.

Rapid assessment 2 and other market study methods in emergencies 3

This chapter introduces market analysis methods specifically designed to inform rapid responses to livelihoods-disrupting shocks. Rapid Assessments of Markets (RAM), explained in §6.2, is a resource-light, “quick and dirty” approach to understanding market dynamics in the aftermath of a crisis. RAM is best deployed in parallel with traditional need assessments at the household and community level.

Another market assessment method useful for first responders is Oxfam’s “48-hour” tool, explored in §6.3 below.

§6.3 also introduces the Emergency Mapping Market Analysis (EMMA) and the Market Analysis Guidance (MAG). They are more elaborate approaches for use in sudden and slow-onset shocks. Though these tools require more time and resources than RAM or the “48-hour tool”, their longer “shelf-life” allows to inform programming beyond the immediate response.

Market study questions to grasp both the supply⁴ and demand⁵ sides

As set out in §1.2, LWF programming hinges on whether the project is at the emergency, recovery or development phase. Market assessment is no exception. In all phases, answering supply and demand-side questions (§6.4 and §6.5) helps anticipate whether specific livelihoods sources are potentially viable. This is essential for sustainability.

In addition, this analysis helps determine whether a project can be adapted to benefit specific target groups such as forcibly displaced persons or people with disabilities. In line with §2.3, this chapter proposes the value-chain framework as a basis to structure the supply/demand analysis.

Market analysis for vocational training projects⁶

§4.3 goes over the potential benefits of vocational training but warns about the risks. Projects must avoid deploying costly training, when such activities, desirable as they may be, lead to no actual income for participants.

Labor market assessment plays a critical role in anticipating potential for both jobs and self-employment. §6.6 provides tools to boost project impact by adapting training the training provided to what markets actually need.

Useful concepts and practical tools to study markets⁷

Further tools are presented in §6.7, for example to monitor prices. This section also offers guidance on accessing secondary sources, organizing focus groups, running key informant interviews. etc. In short, §6.7 goes over the practical “nuts and bolts” involved in rolling out and implementing market studies.

Finally, *Annex 7.5. offers* a generic market study template and useful tips.

6.1. Minimum standard for market analysis

Production on its own will not suffice to ensure sustainable livelihoods. For every product made and every service made available, demand must match. In some cases, such as places with pervasive malnutrition, production directly serves to meet family needs. In other cases, products and services will be bartered or sold, which in turn allows to cover other household needs.

Many livelihoods projects around the world have consistently failed to deliver results when overlooking the demand side. They include cases of vocational training where no subsequent jobs are available, or numerous artisanal initiatives where the resulting handicrafts find no buyers.

In order to avoid these problems, LWF adheres to the principles of the Minimum Standard for Market Analysis (MiSMA) which are highlighted below.

Define the analytical and geographical scope

The scope of the study is determined on the basis of the target groups' and households' needs, strengths, which in turn determine market selection.

Market assessments inform project design or contingency planning. They help ask the right questions and set clear objectives. They also look into overall market functionality and potential.

Deploy competent and diverse teams

Market analysis team members should have the necessary mix of skills and local knowledge.

Teams are gender-balanced. Each member has clearly pre-defined roles and responsibilities.

Use quality methods and information sources

Use multiple sources of data, including information from different market stakeholders/interest groups. Collection should be participatory, taking into account possible biases of both informants and interest groups.

The security of those conducting or responding to the assessment exercise should never be jeopardized.

Use market analysis to adequately inform program design

Information needs and available resources both help define the level of analysis and representation. The appraisal explicitly considers the risks that the intended response will harm the markets. Data is drawn from various sources, triangulated and duly cross-checked.

Use market monitoring to enable program adaptations

Program monitoring is duly planned, executed and resourced, with indicators capturing price and volume of transactions. Market monitoring should review assessment findings and directly influence program follow up, including eventual modifications.

Tip! "quick and dirty" solutions provide insight when time and resources are scarce

Rapid Assessment of Markets (RAM), for example constitutes a quick, yet often effective, methodology for collecting and analyzing market information with a specific geographical focus. RAM allows to examine market potential *vis-à-vis* target groups, in the context of key existing constraints. See §6.2.

Tip! Look out for key MiSMA market indicators

- Understand household access to specific goods.
- Find out current prices, required quality level and local availability of goods and services.
- Are NFIs distributed by NGOs sold at local markets?
- Count the number of traders and estimate their respective market share. Enquire about power dynamics at the marketplace if possible.
- For voucher schemes: are there traders not participating in it? Why?

Further info:

CaLP (2016). Comparison of Humanitarian Market Analysis Tools.
<https://www.calpnetwork.org/>

Juillard H. / CaLP (2018). Minimum Standard for Market Analysis
<https://seepnetwork.org/>

6.2. A practical solution: Rapid Assessment of Markets (RAM)

Rapid Assessment for Markets (RAM) helps understand market dynamics in the early phases of an emergency. RAMs can hence play a useful role in informing LWF's response. The main use of this methodology is in assessing the suitability and viability of specific types of interventions such as cash assistance, in-kind distributions, vouchers, market support measures, etc.

RAMs do not however, shed light on the needs for relief within households or communities. Needs assessment should still be carried out in parallel.

The RAM methodology is appropriate for analyzing both goods and services. Nonetheless, the former tend to be the focus of attention during sudden-onset disaster responses.

The steps involved are: (i) defining the scope through data review and discussions with knowledgeable persons; (ii) visiting selected market places and interviewing key informants, such as traders; (iii) Assessing whether cash approaches are appropriate, or whether market support is required first; (iv) compiling findings; and (v) making direct market observations (noting them for comparison over time).

Focus on collecting key information

The main types of information required are:

- The extent of any physical damages to production systems and distribution channels
- Basic structure and functioning of the local markets
- A sense of traders' profiles
- Prices of key products per market location; and
- Availability of financial and other support services.

Best used in crisis situations

The methodology yields most insight when used in sudden onset shocks, but can also be modified for slow-onset situations.

The ideal time window for deployment is between two days and three weeks after the crisis erupts.

RAMs are normally completed within five days, but monitoring will continue over time.

Minimal resources are required

- If the geographical focus is narrow enough, RAMs have relatively modest resource requirements.
- Although a team is preferred, one person working alone may still be able to complete it within five days.
- Advanced grasp of how markets function.
- Other requirements include experience in field work, analytical skills, the ability to use participatory approaches, and context-appropriate language skills.

RAMs have a short “shelf life”

Emergency situations are highly fluid. The insights gained through Rapid Assessments of Markets are only valid for a short time. Longer-term recovery / development responses should rely on alternative needs assessment and market study methodologies.

Tip! Go for “good enough”

The main value of a RAM analysis is its speed and its low resource requirements. When deployed well, this methodology does provide the sound basis to structure an emergency response.

RAMs provide real market data why are useful to help design the relief interventions. Notwithstanding, data need not be perfect. After a shock, a rapid response is more important than producing a highly sophisticated report based on state-of-the-art data and analysis.

Further info:

ICRC (2014). Rapid Assessment for Markets: Guidelines for an initial emergency market assessment. <https://www.icrc.org/>

Juillard H. / CaLP (2018). Minimum Standard for Market Analysis <https://seepnetwork.org/>

The livelihoods Center: Market Assessments: Rapid Assessment for Markets (RAM) (IFRC) – Course Website in Spanish, English, French and Arabic - <https://www.livelihoodscentre.org/>

6.3. Market analysis in emergencies

This section introduces emergency market assessment methodologies which require more resources than Rapid Assessment of Markets (RAMs) but provide additional insight.

Although approaches differ, a number of common topics, such as (i) the extent of physical damages; (ii) the level of market disruption and the capacity of the traders; (iii) prices; (iv) external factors influencing the markets; and (v) a focus on understanding the most appropriate type of relief programming.

The choice of which modality to use will depend on the nature of the shock, as well as on the time and resources at hand.

This section highlights the “48-hour Assessment tool” because of its rapid turnaround time which allows for a quick response. Considering markets early in an emergency leads to gains later on, when focus moves to recovery.

Noteworthy are also two additional, well-recognized resources, namely the Emergency Mapping Market Analysis (EMMA) and the Market Analysis Guidance (MAG) suite. Both of them benefit from easy-to-understand, comprehensive support tools and guidance. They are both available in various languages and are accompanied by online training resources.

Below is a more detailed description:

Use the 48-Hour Assessment Tool for a quick snapshot of food needs

The 48-Hour Assessment tool provides relevant information to design a well-adapted relief response for preserving livelihoods going forward.

The methodology is based on questionnaires to:

- gather community and household data;
- understand the status of markets after the disaster;
- identify possibilities for cash delivery; and
- coordinate response plans among immediate responders.

Deploying the 48-hour tool does not require specialized expertise on the ground, for as long as technical backstopping can be made available remotely.

The Emergency Mapping Market Analysis (EMMA)

Tip! Most relevant tool when LWF is not a first responder

The EMMA toolkit provides a ten-step process for market study for both sudden and slow-onset shocks.

The package comes with a detailed toolkit featuring quality technical information in English, French and Spanish. Online training is also available.

The optimal timing for EMMA deployment runs within three to four weeks after the shock. Depending on the scope, team size ranges between two to ten people. They will require up to a month to complete this work.

Market Analysis Guidance tools (MAG)

Tip! Best when staff are not experienced in market study

The MAG tools inform the various stages of the project cycle. They help select response modalities such as cash versus in kind, or market support.

This toolkit comes with explanation of market-related concepts and reporting guidelines. They span all key stages, namely assessment, response analysis, price monitoring, evaluation, and contingency planning.

MAG tools are appropriate for both sudden and slow-onset situations. They can also be used “pre-shock” (e.g. when anticipating imminent armed conflict).

Further info:

CaLP (2016). Comparison of Humanitarian Market Analysis Tools.

<https://www.calpnetwork.org/>

Albu, Mike (2010). Emergency Mapping and Analysis: Toolkit. People, markets and emergency response. <https://www.emma-toolkit.org/>

ICRC (2014). Market Analysis Guidance. <https://www.icrc.org/>

Barret C. (2015). Market Information and Food Insecurity Response Analysis (MIFIRA). <http://barrett.dyson.cornell.edu/>

Oxfam et al (2012). 48 hour-assessment tool.

<https://www.calpnetwork.org/publication/emergency-food-security-and-livelihoods-efsl-48-hour-assessment-tool/>

IRC (2014). Pre-Crisis Market Mapping and Analysis (PCMMA).

<https://rescue.app.box.com/>

6.4. Understanding the supply side

Market analysis should not be seen as “a bureaucratic requirement”. It is a critical step to identify which sectors may hold potential for our target groups. Taking them lightly can jeopardize future project success.

A market study should first anticipate whether a livelihoods development project is potentially viable from the supply or production perspective. For example, it makes little sense to start a project for local women to make handbags, when imported ones are clearly cheaper and of better quality. Conversely, water-intensive crops will not be viable at scale in a desert with no access to irrigation.

Another key “supply-side” concern is to unlock suitable potential for offering employment to our target groups. For example, specific jobs may not be culturally acceptable to women, appropriate for people with disabilities, or may require highly specialized skills.

Below are some of the key supply-side questions assessed in a market study.

First, understand the supply side

Answer questions such as:

- What is the level of production? What is the forecast? How was it in the last five years? Are there trends?
- Is there production of similar / substitute goods in the area (e.g. wheat instead of rice)?
- How was production before the conflict/shock?
- Do seasons (rains, winter, etc.?) impact production?
- Production in neighboring regions / countries?
- Is this a relatively new crop, product or service?
- What are the risks of switching to this new sector?

Tip! Proxy analysis can help to get started when secondary sources are poor

For example, when local statistics are not available but national ones are reliable, one can estimate the target region's share based on expert opinions (while explicitly stating all assumptions).

Use graphs to illustrate trends. (Note: standard ones from MS excel are usually good enough).

Using value chain analysis (§2.2) brings insight

Consider the main steps in the productive chain (e.g. in agriculture: inputs, farming, wholesale, distribution). Identify the players involved and get insight of how they interact. Talk to farmers and traders associations. Examine the current (and potential) involvement of target groups. Go beyond production and look at other aspects of the value chain, as per the above steps. Understand the role of government in the value chain. Identify any subsidies or incentives. Single out any bottlenecks such lack of inputs or irrigation, poor knowhow, bad roads, power cuts, etc. Consider the overall environmental impact of the value chain (e.g. overuse of water, pollution, soils, etc.)

Get a sense of what will drive production in the medium-term

Look ahead and identify important drivers and trends why are either preventing production or which could enable it further. Useful questions to add include

- What is preventing us from producing more / better? What simple measures would help a lot?
- What holds women back from participating actively? What would it take to change that?
- Is critical infrastructure missing / destroyed?
- Is the sector still catching up / recovering?
- How is the technology evolving?
- What type of training will be needed?
- What is the impact of climate change?

Further info:

UNHCR & NRC (2020). Multi Sector Market Analysis Guidance and Toolkit www.nrc.no/globalassets/

Sequeira T. et al (2012). A Guide to Rapid Market Appraisal for Agricultural Products <https://www.crs.org/>

6.5. The demand side

LWF programming must ensure alignment with market realities. It can also help design market support interventions as part of a “pull approach” as described in §2.3. Looking at the demand side allows to adjust support to market requirements and hence increase the likelihood for long-term impact. Furthermore, understanding how markets are organized in a specific context can also help customize our approach to support otherwise disenfranchised sectors of the population.

The sentence below summarizes how leverage the demand-side to ensure long-term viability when programming a livelihoods intervention:

***“Produce what you can sell, and
don’t try to sell what you have produced”***

T. Sequeira Wandshneider *et al*, 2021

***Get a good sense
of the “demand”
side of the market
equation***

Key Issues to consider :

- How much is consumed locally? Are volumes growing? How is it in other relevant areas?
- Evolution of prices (in real terms, e.g. converted into dollars using exchange rate at the time)
- Is there a sense of how demand would react if prices increase or decrease?
- Are there similar products / substitutes?
- How demand was before the shock/conflict?
- Who are the bigger buyers? Where do they buy?
- What are the consumer preferences? Are brands important? How can the product be promoted?
- Are there regulatory issues / permits?
- Are markets operating “normally”? is there scarcity sometimes? Do prices fluctuate? Is there any force that does not allow for healthy competition?

Tip! Cost-effective research methods exist

Talk to consumers or run focus groups. (§6.7)
 Go around the marketplace and check out the prices.
 Ask vendors about their sector.
 Estimate total demand by making inferences on the local population and consumption per person.

Consider longer-term strategic drivers

Are there any discernible trends in consumption (e.g. consumer preferences)?
 Demographical trends (e.g. births, deaths, population ageing, urbanization) and their impact on demand.
 Political factors affecting demand. Also international: e.g. impact of covid-19, conflict in eastern Europe, etc.
 Food safety and other legal requirements.
 Overall performance of the economy (e.g. is it expected to grow) and how that will affect demand.
 Impact of evolving technologies (not just in IT).
 How competitive is the marketplace?

Tip! Make the report attractive and keep it simple

- Keep your analysis descriptive and judgement-free.
- Use figures as appropriate, they lend credibility.
- Use photos and graphs (e.g. with prices).
- Compare among locations.

Further info:

ILO / Nutz, Nadjia (2017). A guide to market-based livelihood interventions for refugees. <https://www.unhcr.org/>

IRC (2016). Working with Markets Across sectors and outcomes. <https://www.rescue.org/>

Sequeira T. et al (2012). A Guide to Rapid Market Appraisal for Agricultural Products <https://www.crs.org/>

6.6. Market analysis for vocational training

§4.3 sets out the LWF approach to vocational training programming, which can further employment, economic recovery and social cohesion.

Market information feeds into vocational training at all stages of the project cycle. Labor market intelligence steers decisions (e.g. what to courses to offer) that will ultimately lead trainees into either jobs or successful self-employment. Labor market information is also crucial to help participants transition out of training, for example via placements or mentoring.

The goal is understanding what skills local employers need. Though engaging with employers is key to any labor market assessment at the programming stage, dialogue should continue after the assessment is completed.

When working with forcibly displaced persons, we may need to expand the geographical scope of the study to include places of intended return.

Table 6.1. provides an overview of the market study scope, based on Bidwell *et al* (Columbia University, reference below). This table provides a crosscheck of over-arching market research questions versus key stakeholders:

Table 6.1: Crosscheck of research questions and stakeholders (based on Bidwell *et al*)

Issue	Market observation	Consumer	Government	Local businesses	Associations	Youth groups	Training providers	Financial services	Donor / NGO	Companies
What courses/vocations to offer?	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
What should we add on (e.g. placement)?	✓	✓		✓	✓	✓	✓			✓
What business should target?	✓		✓	✓				✓	✓	✓
What trade associations to link to?	✓			✓	✓					
How to engage with financial services	✓							✓	✓	

Set clear research questions

Distinguish between: (i) pre-crisis opportunities, i.e. what used to work well; (ii) potential growth sectors which do not result from the crisis; and (iii) work opportunities which stem directly from the crisis.

Refer to Truelove / Save the Children (2016) pp.11-12 for specific methodologies for each of the questions.

Tip! Useful tools

see Mercy Corps (2015) below and §6.7

- Business/employer surveys
- Focus group discussions
- Private sector mapping
- Value chain focus group discussion
- Key informant interviews; and
- Market observation tool.

Extract further qualitative information while debriefing, but avoid over-interpretation

Before drafting the final report, gather all assessors, enumerators, and facilitators and go over their own experience. Identify important themes, consider the perceived vibrancy of specific sectors /market discuss anecdotal data, “take the temperature” of the business owners consulted.

Further info:

Bidwell, K. et al. (2008). Market Assessment Toolkit for Vocational Training Providers and Youth Linking Vocational Training Programs to Market Opportunities. <https://www.womensrefugeecommission.org/>

Mercy Corps (2015). Labor and Market Assessment Guidance and Tip Sheets. <https://www.mercycorps.org/>

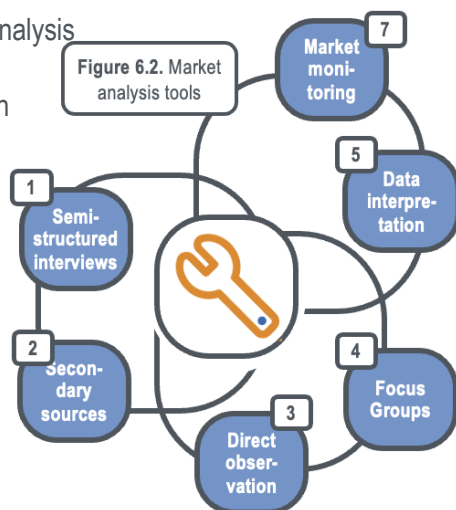
Truelove, Sharon (2016). Labour Market Analysis in Humanitarian Contexts: a Practitioners Guide. Published by Save the Children, together with Mercy Corps and IRC. <https://www.calpnetwork.org/>

6.7. Practical tools for market analysis

Figure 6.1 presents key tools for market analysis which need not be used sequentially.

When practicable, formulate draft research questions and validate them through preliminary interviews, quick review of secondary sources and/or market visits. This initial scoping allows to adjust the research questions.

Be aware of the uses and limitations of each tool in order to avoid of misinterpreting the data. Annex 7.5 provides a generic template and tips for sector-specific market studies.



Semi-structured, interviews are the main source of qualitative information

(and sometimes of “ballpark” figures)

Interviews include market participants (e.g. sellers), service providers (e.g. transport) and key observers (e.g. aid workers). Sample sizes hinge on the research questions. At least 3-5 are recommended.

Interviewers require strong interpersonal skills and attention to detail. They should come across as trustworthy and put people at ease. Discussions are best held face to face. Interviewers should take utmost care not to bias the responses.

Though the interviews often appear as fluid conversations, they go over previously prepared checklists (but not in a mechanical way). Questions should be simple. Sensitive issues (e.g. taxation) should be addressed with care or, in some cases, not at all.

Tip! sharing information can lower costs

The Joint Ukraine Market Monitoring initiative, for example allows nine NGOs to share intelligence and cut costs. Yet, it is important not follow the consensus views blindly (a phenomenon known as “groupthink”).

Direct observation to crosscheck info and gather data

If logistics allow, it takes relatively little resources to observe production, handling, storage, transport and actual trading. The research questions inform which information to look out for (e.g. prices, volumes, etc.) Keep records and check their evolution over time.

Use focus groups for open questions

Focus groups bring together six to twelve individuals in a cozy atmosphere for up to 1.5 hours. They are about free-think, and not for extracting figures.

Focus groups need advance planning and careful selection of participants. Taken together, groups should cover all demographics, genders, etc. They usually start with easy open-ended questions, Strong facilitation is needed to (i) elicit participation, (ii) stick to the plan, (iii) and avoid outspoken persons to monopolize the discussion. Female facilitators may be preferable for women. A note taker is also required.

Caution: Avoid quantitative or generalized inferences and be aware of own bias.

Monitoring should not be neglected

Monitoring tools such as MARKit (see below) set steps to monitor markets during the implementation and adjustment of food assistance programs.

Further info:

CaLP (2016). Comparison of Humanitarian Market Analysis Tools.

<https://www.calpnetwork.org/>

Sequeira T. et al (2012). A Guide to Rapid Market Appraisal for Agricultural Products <https://www.crs.org/>

CRS (2015). MARKit: Price monitoring, analysis and response kit.

<https://www.calpnetwork.org/>




VII. LWF RESOURCES

7.1. Non-comprehensive programming checklist

Note: the following checklist is in no way comprehensive and is only presented to provoke thought and further reflection

✓	Have you thought of...
I. Overall analysis	
	Checking existing sources of information?
	Deciding on the best way to go about with vulnerability analysis?
	CHS compatibility
	Undertaken well-designed gender analysis?
	Checking the MERS?
	Other applicable standards?
	Doing problem tree analysis
	Alleviating tensions between host communities and refugees?
	Adapting to specificities of the emergency/recovery/devp't phase
II. Production side	
	Considering intangible assets?
	Availability and cost of input?
	Which support functions are lacking and hinder production?
	Working in sectors other than agriculture?
	Using the LWF Myanmar kit for artisans?
	The cost of production and those of the competition?
	How the equipment will be maintained?
	What will happen when the tools are amortized?
	Proper quality assurance systems for productive activities?

 Have you thought of...	
III. Value chain and market	
	Cutting off useless intermediaries?
	Looking at the possible demand?
	Carrying out a market assessment (following the MISMA)?
	How vocational trainees will to find a job? And how to monitor this?
	More innovative/efficient/cheaper way of doing the same?
	How is the production going to be sold? What the price would be?
IV. Legal and advocacy	
	Right to work and other appropriate legislation?
	Applicable standards and sanitary regulations?
	Effective advocacy approaches for bottleneck issues?
	Linking local advocacy with global rights-based initiatives?
	Proper access to infrastructure?
	Relations with government and how they will impact the project?
V. Emergencies	
	How to make recovery faster?
	Tracking ongoing coping strategies?
	Of specific approaches to livestock (LEGS)?
	Whether cash distribution will ensure protection outcomes?
	Whether there is a more effective way of distributing cash?
VI. Social dynamics	
	How to ensure outcomes even if participants are displaced again?
	Decent work and absence of child labor?
	Are we ensuring that the community as a whole benefits?
	How to ensure legal remuneration of all involved?

✓	Have you thought of...
VII. Project design	
	A long enough duration?
	Targeting criteria to ensure success?
	Using the graduation approach?
	Organizing long-term mentorship in self-employment projects?
	Learning from other country programs?
	How to ensure that knowledge is transmitted onwards without LWF?
	How to make the project interesting to young people?
	Linking the outcome of the gender analysis into project design?
	How can women have the support of their partners to take part?
	Creating partnerships with established micro-finance institutions?
	Protection issues when working with underage children?
	Is the workspace is safe for women?
	Of tasks which can be carried out by persons with disabilities?
	If childcare needs are taken care of?
	Premises are wheelchair accessible?
VII. Partnerships	
	Partnerships with the private sector?
	Possible internship or employment opportunities?
	Using crowdfunding?
	other UN, Government, NGO agencies are active in the sector?
	Pulling in the diaspora for support (e.g. marketing, investment)?
	Right for of incorporation (cooperative, self-help group, LLC), etc.?

✓	Have you thought of...
IX. Risks, monitoring and exit	
	What to do if the crop fails?
	Cost reduction?
	Future upscaling?
	The project's exit strategy?
	Looking at every single possible risk and a way to mitigate them?
	Is your programming gender-sensitive
	Any reputational risk to LWF?
	Budget enough resources for monitoring and evaluation?
	How the project fits within the LWF consolidated outcome framework?
	How things will evolve after LWF will have phased out?
	How to monitor key aspects post project?
XI. Environment and climate change	
	Carrying out rapid environmental impact analysis
	The environmental sustainability of the resources used (soil, water, waste disposal)?
	The project's impact on the environment and how to mitigate it?
	Measures to reduce resource intensity in production?
	How the project will respond to climate change
	Using renewable energies?
	Implementing environment friendly techniques?
	Identifying any applicable subsidies for green initiatives?
	Measuring and reducing the project's climatic footprint?

7.2. Indicative questions for cash programming

✓	I. General Pertinence
	Does the transfer modality align with the project goals?
	Is the modality appropriate? (or better in-kind, vouchers, etc.)?
	Is cash being used for emergency or recovery only? Is it timely?
	Is it safe to roll out? for the recipients? for LWF staff?
	Is cash socially acceptable in the specific context?
	Are the necessary products available in the local market?
	Is the modality OK for people with disabilities, child headed HH?
	Will the money go to the intended goals? Will this be assessed?
	Are the indicators circular (e.g. success = people getting the cash)?
	Does the CP have experience in cash?
	Is the project compliant with local laws?
	How is the post distribution-monitoring?
✓	II. Amounts, Frequency & Targeting
	Are the transfer amounts frequency aligned with the goals
	Have the amounts been vetted by the local Cash Cluster?
	Do the amounts make sense?
	Has seasonality (winter, lean period, etc.) been taken into account?
	Does the frequency of the distribution align with project goals?
	Are the selection criteria clear (or a long list of vulnerable groups)?
	Are the criteria fair and communicated?
	Does the project have exclusion criteria?
	Is the recipient list vetted by a representative committee or publicly?
	Coordination with other cash and in-kind assistance?

✓	III. Practical Arrangements
	Are e-transfers possible?
	Is it difficult/risky/costly for the recipients to collect the money?
	Is LWF distributing the cash directly?
	Can social distancing be assured?
	Is the Finance Service Provider OK? agreement in place?
	Is the cash-for-work suitable for women (e.g. women only crews)?
	Do recipients bear any hidden costs (i.e. bank charges, transport)?
	Do bank charges seem reasonable?
	Is the money delivered >80% of the component/project budget?
✓	IV. Potential to do harm
	Risk of causing inflation locally? Market distortion? Monopolies?
	Tension between different type of recipients, or with non-recipients?
	Are communities properly consulted?
	Is the cash-for-work suitable for women (e.g. female-only crews)?
	If women receive the money directly, will they be put at risk?
	If e-transfer, are phone # double checked to ensure \$ are received?
	If e-transfer, are participants sensitized on scams, e.g. “lottery”?
	Is personal data management in place?
	What measures are there to ensure that participants are informed?
	Is there a toll-free line (particularly for mobile money)?

7.3. Relevant LWF policies and documents

The following non-exhaustive list LWF documents are useful in the context of livelihoods programming:

- A faith-sensitive approach in humanitarian response guidance on mental health and psychosocial programming. (2018). Together with Islamic Relief
- Affirming Women’s Human Rights: Resources for Faith-Based Organizations (2019).
- Child Protection Policy (2014).
- Country specific livelihoods strategies (e.g. Uganda) – Not yet published.
- For hope and a future: the Lutheran World Federation World Service Global Strategy 2019-2024.
- Gender Justice Policy (2013).
- LWF Advocacy Handbook: A guide for member churches and country programs (2018).
- LWF Privacy Policy (2020).
- LWF Staff Code of Conduct (2023).
- LWF strategy 2019-2024.
- Myanmar Artisan Toolkit. Entrepreneurs, artisans, makers, producers and future creative industry leaders in Myanmar.
<https://www.myanmarartisan toolkit.org>
- Open Information and Dissemination Policy (2014).
- Risk Management Policy (2017).
- Rights-Based Approach Local to Global Annual Report 20221.
- Safety and Security Policy (2016).

7.4. Selected applicable standards and framework

As cited in various parts of this document, below is a non-exhaustive list of applicable international standards and frameworks:

- CaLP (2017). Global Framework for Action: a Consolidated Summary of Commitments for Cash Transfer Programming <https://www.calpnetwork.org/>
- CaLP (2018). CBA Programme Quality Toolbox <https://www.calpnetwork.org/>
- ICRC (2014). Rapid Assessment for Markets: Guidelines for an initial emergency market assessment. <https://shop.icrc.org/>
- IFRC (2010). IFRC Guidelines for Livelihoods Programming. <https://www.livelihoodscentre.org/>
- Julliard H / CaLP (2018). Minimum Standard for Market Analysis (MISMA) <https://seepnetwork.org/>
- Moret, W. (2014). Vulnerability Assessment Methods. SPIRES. <https://www.fhi360.org/>
- SEEP Network (2017). Minimum Economic Recovery Standards. Third edition. <https://www.unhcr.org/>
- Sphere (2018). Sphere Handbook 2018. <https://spherestandards.org/>
- UNHCR & NRC (2020). Multi Sector Market Analysis Guidance and Toolkit <https://www.nrc.no/>
- Humanity & Inclusion / CBM / HelpAge Int'l (2018). Humanitarian inclusion standards for older people and people with disabilities. <https://seepnetwork.org/>
- LEGS (2014): Livestock Emergency Guidelines and Standards, second edition. <https://reliefweb.int/>

7.5. Market study template and tips (generic)

No one size fits all. Below is a generic template for sector-specific market studies. Not all points below must be covered. Focus on what is feasible.

Title: Insert title

Tips:

Please ensure that either the title or the subtitle show the sub-sector covered (e.g. fruits) and the geographical areas.

I. Introduction

- Introduce the area of study.
- Introduce the subsectors covered in the study. Explain why
- State when the study took place, who did it, and what is the purpose.

Tips:

Introduce your country and succinctly give a background. Do not dwell too much on things that are not direct. Make sure that it is clear that this is not an emergency situation (but a development one rather)

II. Supply-side and value chain

a) Production

- What is the level of production?
- Evolution in the last five years. Is It going up, down, or stable?
- Production of similar crops (if the comparison is interesting)
- How was it before the conflict?
- What is seasonality like? Is it relevant? Does it create opportunities?
- Production in neighboring regions / countries?
- Any available information on varieties. Is this a new crop?

b) Value chain

- What are the main steps in the productive chain (inputs, farming, wholesale, distribution).
- Who are the main players in each link of the chain?
- Are they small? are they big? Do they have a lot of power?
- Is there subsistence farming?

- Are women involved are IDPs involved? If so, in which steps? Or where could they be? Who can help?
- Role of government in the value chain (including any subsidies or incentives)
- How was production set before the conflict? How is it now?
- Production in neighboring regions / countries?
- Is there a producers' / farmers' association (at what scale, local, governorate, national)? Are they truly representative?
- What is the current participation of target groups (IDPs, women, etc.) in each link of the chain?
- Availability of inputs, of technical knowhow (e.g. are cultivation methods appropriate?)
- Overall environmental impact of this value chain (e.g. overuse of water, pollution). Are there any specific risks? Can they be mitigated? What would cost be?

c) Analysis / strategic drivers

- Are there any discernible trends in production?
- What is the likely Impact of climate change?
- What is Production in neighboring regions?
- Look at production of substitutes or complementary products, also at other varieties, different packing, or packaging.
- Gap analysis: what is missing to produce more and/or better? How can we improve productivity? what's preventing women for participating more actively in the sector? How are things evolving since peace? Are we still catching up? Are there missing / destroyed critical infrastructure.
- What are simple measures that will really help? Training needs? Are producers organized? Are there possibilities for further value addition?

Tips:

- Look at FAO / national / World bank or other reliable figures from the country. If no local info is available you can estimate the region's share of the national production based on experts' opinions (e.g. 20%) and then multiply.

- Production graphs can be useful, seeing how it goes up and down, or comparing different crops.
- You can triangulate with subjective assessments of production going up or down
- Try to use as many figures as you can. Too much narrative will have a “wishy washy feel”.
- You can use proxy information when you don’t have local one and triangulate.
- State your assumptions very clearly and be aware of your own bias. Keep in mind that past patters inform but do not predict future ones.

III. Demand-side and market

a) Consumption

- What is the level of consumption?
- Evolution in the last five years. Is It going up, down, or stable? Does this coincide with any specific events (e.g. climate-related, war, etc).
- Consumption of similar crops (if the comparison is interesting), including substitute and complementary ones.
- How was the market organized before the conflict?
- Consumption in neighboring regions / countries?
- Who are the bigger consumers? Where do they buy? Are there brands?
- Any information on market share by different suppliers?
- Are there any imports?
- Any regulatory issues to note?
- Current prices and recent evolution of market prices (in real terms, e.g. convert into dollars with exchange rate at the time)
- Any sense of how demand behaves when prices change? (i.e. elasticity)
- Are markets operating “normally”? is there scarcity? Do prices fluctuate? Are there blockages to healthy competition?

b) Analysis / strategic drivers

- Are there any discernible trends in consumption (e.g. preferences)?
- Demographical trends and their impact on consumption

- Any political or “macro” factors affecting demand?
- Impact of covid-19
- Overall performance of the economy (e.g. is it expected to grow) and how that will affect demand.

Tips:

- Talk to consumers or focus groups.
- Go around the marketplace and check out the prices. Try to ask to vendors how business is doing?
- You may estimate total demand by making inferences on local population size and how much is consumed per person.
- Make a chart with prices. Compare among locations.
- Make a chart of how consumption is behaving.

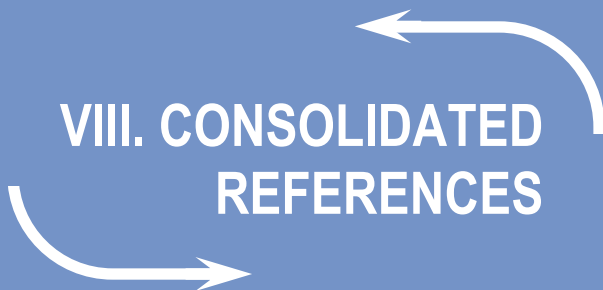
IV. Conclusions and remarks

- List any limitations on the analysis
- Thanks and acknowledgements
- Risks and opportunities. “low-hanging fruits”? competition?
- Gender considerations
- Is this a attractive market? Will there be long term demand?
- Potential: (i) what type of product and quality standards, (ii) pricing, (iii) distribution channels, (iv) promotion. Will project participants be competitive in terms of cost and quality?
- Plans/recommendations for ongoing market monitoring

Tips:

- Keep it descriptive: do not judge. Remain as unbiased as possible
- Use photos and graphs, make it attractive
- Use figures, whenever possible, they give credibility
- Keep it simple.

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