

Commissioned, edited and produced by the Emergency Nutrition Network

# From food crisis to fair trade

## Livelihoods analysis, protection and support in emergencies

By Susanne Jaspars

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# Contents

<b>1</b>	<b>Introduction and Scope.....</b>	<b>4</b>	<b>6.2</b>	<b>Analysing markets.....</b>	<b>36</b>
<b>2</b>	<b>What is livelihoods programming?.....</b>	<b>6</b>	<b>6.3</b>	<b>An overview of market interventions.....</b>	<b>38</b>
<b>2.1</b>	<b>Livelihoods principles and the livelihoods framework .....</b>	<b>6</b>	<b>6.4</b>	<b>Food vouchers in emergencies.....</b>	<b>39</b>
<b>2.2</b>	<b>Objectives of providing livelihood support .....</b>	<b>8</b>	<b>6.5</b>	<b>Case studies.....</b>	<b>41</b>
<b>2.3</b>	<b>An overview of livelihoods interventions in emergencies.....</b>	<b>10</b>	<b>6.5.1</b>	<b>A market analysis and subsequent interventions following floods in the south-east of Haiti (2004).....</b>	<b>41</b>
<b>3</b>	<b>Livelihoods analysis and identifying appropriate interventions.....</b>	<b>12</b>	<b>6.5.2</b>	<b>Food vouchers in Zimbabwe.....</b>	<b>42</b>
<b>3.1</b>	<b>Livelihoods assessment and analysis in emergencies.....</b>	<b>12</b>	<b>6.5.3</b>	<b>Campaigning with coffee farmers in Haiti .....</b>	<b>43</b>
<b>3.2</b>	<b>Criteria for identifying appropriate interventions.....</b>	<b>14</b>	<b>7</b>	<b>Support for primary production.....</b>	<b>45</b>
<b>3.3</b>	<b>An in-depth livelihoods analysis in Darfur.....</b>	<b>16</b>	<b>7.1</b>	<b>Introduction.....</b>	<b>45</b>
<b>4</b>	<b>Does food aid support or undermine livelihoods?.....</b>	<b>18</b>	<b>7.2</b>	<b>Assessing the need for seeds and tools.....</b>	<b>45</b>
<b>4.1</b>	<b>Introduction.....</b>	<b>18</b>	<b>7.3</b>	<b>Seed fairs.....</b>	<b>46</b>
<b>4.2</b>	<b>Food aid as livelihood support.....</b>	<b>19</b>	<b>7.4</b>	<b>Emergency livestock programmes.....</b>	<b>48</b>
<b>4.3</b>	<b>Food aid, markets and production.....</b>	<b>21</b>	<b>7.5</b>	<b>Case studies.....</b>	<b>51</b>
<b>4.4</b>	<b>Global food aid governance.....</b>	<b>22</b>	<b>7.5.1</b>	<b>Seed vouchers and fairs in Zimbabwe – CRS.....</b>	<b>51</b>
<b>5</b>	<b>Income and employment support .....</b>	<b>23</b>	<b>7.5.2</b>	<b>Donkey feeding in IDP camps in Darfur.....</b>	<b>52</b>
<b>5.1</b>	<b>Introduction.....</b>	<b>23</b>	<b>7.5.3</b>	<b>De-stocking in Kenya.....</b>	<b>52</b>
<b>5.2</b>	<b>The rationale for cash interventions.....</b>	<b>23</b>	<b>8</b>	<b>Issues and challenges for livelihoods programming in emergencies.....</b>	<b>54</b>
<b>5.3</b>	<b>Appropriateness of cash interventions.....</b>	<b>25</b>	<b>8.1</b>	<b>Introduction.....</b>	<b>54</b>
<b>5.4</b>	<b>Cash grants.....</b>	<b>26</b>	<b>8.2</b>	<b>Institutional constraints in moving away from food aid.....</b>	<b>54</b>
<b>5.5</b>	<b>Cash for work.....</b>	<b>27</b>	<b>8.3</b>	<b>Chronic livelihoods crises: Linking relief and development?.....</b>	<b>55</b>
<b>5.6</b>	<b>Cash transfers as part of social welfare and social protection.....</b>	<b>29</b>	<b>8.4</b>	<b>Linking livelihoods programming with legal protection and advocacy.....</b>	<b>56</b>
<b>5.7</b>	<b>Micro-finance.....</b>	<b>30</b>	<b>8.5</b>	<b>Operational challenges.....</b>	<b>58</b>
<b>5.8</b>	<b>Case studies.....</b>	<b>31</b>	<b>8.6</b>	<b>Case studies.....</b>	<b>59</b>
<b>5.8.1</b>	<b>Cash grants and cash for work in Sri Lanka.....</b>	<b>31</b>	<b>8.6.1</b>	<b>Linking relief and development programming in Wajir, Kenya.....</b>	<b>59</b>
<b>5.8.2</b>	<b>Income generation in Guinea Conakry.....</b>	<b>33</b>	<b>8.6.2</b>	<b>Ethiopia: Challenge and Change.....</b>	<b>60</b>
<b>5.8.3</b>	<b>Micro-finance as livelihood support in urban Argentina.....</b>	<b>34</b>	<b>8.6.3</b>	<b>Food security – protection links in Liberia.....</b>	<b>62</b>
<b>6</b>	<b>Access to markets and services.....</b>	<b>36</b>	<b>8.6.4</b>	<b>Challenges to Livelihood Support Programming in South Sudan .....</b>	<b>63</b>
<b>6.1</b>	<b>Introduction.....</b>	<b>36</b>	<b>9</b>	<b>Conclusions.....</b>	<b>64</b>
				<b>References.....</b>	<b>66</b>

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## Boxes

<b>Box 1:</b>	Supporting livelihoods while saving lives in Aceh.....	10	<b>Box 13:</b>	Challenges in establishing social safety nets in Kenya.....	30
<b>Box 2:</b>	Minimum standards for food security in emergencies.....	10	<b>Box 14:</b>	Best practice principles for micro-finance in protracted refugee contexts.....	31
<b>Box 3:</b>	Common elements and key differences between household economy assessments and livelihoods approaches to food security assessments.....	12	<b>Box 15:</b>	Market questions to determine the viability of local purchase.....	38
<b>Box 4:</b>	Examples of the use of the livelihoods framework in household economy or food security assessments.....	13	<b>Box 16:</b>	An actor oriented analysis of the persistence of seeds and tools as an emergency response.....	46
<b>Box 5:</b>	Use of the Household Economy Approach to identify livelihoods interventions.....	14	<b>Box 17:</b>	Livestock fairs in Zimbabwe.....	50
<b>Box 6:</b>	Types of food aid.....	18	<b>Box 18:</b>	Components of an effective drought cycle management system.....	55
<b>Box 7:</b>	Food aid as an economic transfer in Haiti.....	19	<b>Box 19:</b>	Influencing the national policy environment in Kenya.....	56
<b>Box 8:</b>	Lessons learnt from Food for Recovery in Red Sea State, Sudan.....	20	<b>Box 20:</b>	References to food aid and denial of food in International Humanitarian Law.....	57
<b>Box 9:</b>	Advantages of cash transfers.....	24	<b>Box 21:</b>	Example of use of food security assessment and programmes for Chechen IDPs to address protection risks.....	57
<b>Box 10:</b>	Examples of beneficiaries' use of cash.....	24	<b>Box 22:</b>	Fuel efficient stoves reduce risk of violence in Darfur.....	58
<b>Box 11:</b>	Cash grants in Somaliland.....	26			
<b>Box 12:</b>	Challenges faced by Oxfam, Norwegian People's Aid and Horne relief in the Somaliland CFW programme in 2004.....	28			

## Tables

Table 1:	Objectives of livelihoods programming.....	9
Table 2:	Description and objectives of different livelihood support interventions.....	11
Table 3:	Criteria for decision-making on interventions to address food crises.....	15
Table 4:	Key elements of an assessment of the appropriateness of cash intervention.....	25
Table 5:	Advantages and disadvantages of different types of cash intervention.....	26
Table 6:	Different types of cash grants.....	27
Table 7:	Principles of CFW programming.....	27
Table 8:	Example of IGAs, activities and grant size.....	33
Table 9:	Type of IGA supported in micro-credit scheme.....	35
Table 10:	The impact of seed vouchers and fairs on livelihood assets.....	47

## Figures

Figure 1:	The sustainable livelihoods framework.....	6
Figure 2:	Adapted livelihoods framework for humanitarian crises.....	7
Figure 3:	Key programme objectives for protecting/promoting livelihoods.....	9
Figure 4:	The Market Model.....	37
Figure 5:	Local Market Supply Chain.....	41
Figure 6:	Modified ICRC Crisis Scheme including livestock issues and interventions.....	49



Post tsunami CFW beneficiaries in Matara, Sri Lanka

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## Acronyms

AAH	Action Against Hunger	HEA	Household Economy Approach	OECD/DAC	Organisation for Economic Cooperation and Development/ Development Assistance Committee
ACF	Action Contre la Faim	HH	Household	Oxfam GB	Oxfam Great Britain
ACF-E	ACF-Spain	HIV/AIDS	Human Immuno-Deficiency Virus/Acquired Immuno-Deficiency Syndrome	PDM	Post distribution monitoring
ALDEF	Arid Lands Development Focus	HPG	Humanitarian Practice Group	PRA	Participatory Rural Appraisal
AREN	Association pour la Revitalisation de l'Élevage au Niger	ICRC	International Commission of the Red Cross	PSC	Pastoral Steering Committee
AREX	Agriculture Research and Extension, of the Zimbabwean Government's Ministry of Agriculture	ICRISAT	International Crops Research Institute for the Semi-Arid Tropics	PSNP	Productive Safety Net Programme
BPRM	Bureau of Populations, Refugees and Migration	IDEB	Instituto de Desarrollo Empresarial Bonaerense	RC	Red Cross
CAHW	Community Animal Health Worker	IDPs	Internally displaced people	RRA	Rapid Rural Appraisal
CFW	Cash for work	IDS	Institute of Development Studies	RSS	Red Sea State
Concern WW	Concern Worldwide	IFRC	International Federation of the Red Cross	SCUK	Save the Children-UK
CRS	Catholic Relief Services	IGAs	Income generating activities	SDC	Swiss Agency for Development and Cooperation
CTDT	Community Technology Development Trust	IHL	International Humanitarian Law	SLA/M	Sudan Liberation Movement
DfID	Department for International Development	ILO	International Labour Organisation	SPANA	Society for the Protection of Animals Abroad
DRC	Democratic Republic of Congo	IRC	International Relief Committee	UN	United Nations
DWLP	Damot Weyde Livelihoods Programme	ITDG	Intermediate Technology Development Group	UNDP	United Nations Development Programme
ENN	Emergency Nutrition Network	JEM	Justice and Equality Movement	UNHCR	United Nations High Commissioner for Refugees
EU	European Union	KFSSG	Kenya Food Security Steering Group	UNICEF	United Nations Children's Fund
FAC	Food Aid Convention	LDC	Least-developed countries	UNRWA	United Nations Relief and Works Agency
FAO	Food and Agricultural Organisation	LTTE	Liberation Tigers of Tamil Eelam	US	United States
FEWS	Famine Early Warning System	MCH	Mother and Child Health	USAID	US Agency for International Development
FFR	Food for recovery	MFI	Microfinance Institution	VAC	Vulnerability Assessment Committee
FFW	Food For work	MOH	Ministry of Health	VRC	Village Relief Committee
GFAC	Global Food Aid Compact	MT	Metric tonne	VRRC	Village Relief and Rehabilitation Committee
GoK	Government of Kenya	NEEP	National Emergency Employment Programme	WFP	World Food Programme
GoS	Government of Sudan	NFI	Non food item	WHO	World Health Organisation
GTZ	Gesellschaft für Technische Zusammenarbeit (German society for technical cooperation)	NGO	Non-governmental organisation	WPPD	Wajir Pastoral Development programme
HAI	Help Age International	NPA	Norwegian People's Aid	WTO	World Trade Organisation
HBC	Home based care	ODI	Overseas Development Institute	WVI	World Vision International



# 1

## Introduction and Scope



Palm oil for sale at an IDP market, Bunia, eastern Democratic Republic of Congo

Jane Beesley/Oxfam, DRC

This supplement aims to collate and analyse recent experiences of livelihoods programming in emergencies. The document provides guidance on livelihoods programming, includes practical examples from the field and summarises recent thinking. It provides an overview of what livelihoods programming is and examples of the range of interventions that are possible in emergencies. Different types of livelihoods programmes are then described in more detail with an analysis of when these programmes are appropriate. Information from existing guidelines as well as case studies provides guidance on how to carry out the different interventions.

Although the focus of the supplement is emergency livelihoods programming, the supplement also draws upon developmental approaches to livelihoods work.

Livelihoods can be defined as follows:

*“A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from shocks, maintain itself over time, and provide the same or better opportunities for all, now and in the future” (Oxfam GB).*

In emergencies, livelihoods programmes are generally aimed at livelihood protection, for example, assisting people in maintaining or recovering their assets and supporting their livelihoods strategies. Many emergency interventions can both save lives and support livelihoods at the same time, for example, emergency cash transfers provides support both to meet immediate needs (save lives) and help people maintain or recover their assets (support livelihoods).

The main focus of livelihood support programming in emergencies has been food security. Food security is one outcome of sustainable livelihoods. The interventions described in this supplement have been grouped around the Sphere minimum standards for disaster response in food security - income and employment support, market access, and production support. Food aid is covered in a separate chapter. Specific Sphere standards and indicators are referred to in the relevant sections.

In writing this supplement, it has not always been easy to maintain the distinctions between income, market and production support. All commodity distributions are, essentially, a form of income support, as they release income that would otherwise be spent on the distributed commodities. Income support, or cash transfers, can be used to purchase seeds or livestock and are therefore also production support. Cash transfers are also a form of market support as

they create demand and therefore stimulate markets. Vouchers can provide income, market and production support, as agreements are made with traders to bring in the required commodities and they are often used to provide seeds. All livelihoods interventions require a market analysis. Furthermore, a livelihoods response rarely consists of a single intervention but is often a combination of different forms of income, market and production support. Finally, many of the interventions have an impact (intended or unintended) beyond food security, for example, in meeting essential non-food needs and on broader aspects of livelihoods, such as education, health, etc.

This supplement originates in work carried out by Oxfam<sup>1</sup> on response to food crisis. In 2001-02, NutritionWorks<sup>2</sup> conducted a review on responses to food crises that considered both Oxfam's work and the external environment (Jaspars et al, 2002, August). This review has helped inform important elements of the supplement. The supplement also draws upon more recent work carried out by Oxfam and others. The text draws heavily on Oxfam's guidelines for cash transfer programming in emergencies (Creti and Jaspars, Eds, 2006), its draft guidelines for emergency livestock programming (Simpkin, 2004), and an internal review of Oxfam's seeds and tools programming (Creti, 2004, August). The supplement also incorporates experience from other agencies. Action Contre le Faim (ACF), Save the Children-UK (SC-UK), Concern Worldwide (Concern WW), Practical Action-Sudan<sup>3</sup>, Catholic Relief Services (CRS), CARE-US, the International Federation of the Red Cross (IFRC), World Vision International (WVI), Mercy Corps, the American Red Cross, and the International Rescue Committee (IRC) were all invited to contribute materials to the supplement.

It has been difficult to locate both published and unpublished materials that document the implementation of emergency livelihoods programmes and lessons learnt. Consequently, a lot of the case study material has been written especially for this supplement. Much use has also been made of the work of the Overseas Development Institute (ODI) in London, UK and Tufts University in Boston, USA.

The supplement mainly describes the experience of European agencies. This almost certainly reflects the author's contacts rather than a greater focus on livelihoods by European agencies. The ENN invites agencies that have not been able to contribute to this supplement, to contribute their experiences in future issues of Field Exchange.

The supplement begins with an overview of what livelihoods programming in emergencies is (Chapter 2). This includes a discussion of the sustainable livelihoods framework and livelihoods principles and an overview of types of interventions. This is followed by a chapter on livelihoods analysis and identifying appropriate interventions. Chapter 4 covers food aid and considers under what circumstances food aid supports or undermines livelihoods. Chapter 5 addresses income and employment support, which mainly deals with cash grants, cash for work (CFW) and micro-finance, as well as a discussion on social safety nets. Chapter 6 is on market access, and includes a discussion of market analysis, voucher programmes and a general overview of market interventions. This is followed by Chapter 7 on production support, which is limited to agriculture and livestock support and has a particular emphasis on seed fairs. Chapter 8 draws together and discusses the key issues and recurring themes in livelihoods programming in emergencies. In particular, the institutional constraints in moving away from food aid as the overwhelming emergency response and the challenges of working in chronic livelihoods crises are addressed. Chapter 9 attempts to draw together findings on progress made over the last five years or so, and highlight certain key issues and challenges for the next decade.

Case studies are used throughout the text. These provide details of programme implementation with a view to providing insights into the practicalities of these types of interventions for those agencies with limited livelihoods programming experience.

<sup>1</sup> Oxfam GB unless specified otherwise.

<sup>2</sup> NutritionWorks is a partnership of independent consultants.

<sup>3</sup> Formerly the Intermediate Technology Development Group (ITDG).



# 2

## What is Livelihoods Programming?

### 2.1 Livelihoods principles and the livelihoods framework

The livelihoods principles and framework form the basis of all livelihoods programming. The fundamental principles of livelihoods programming are that it is people-centred, multi-level, dynamic, and ultimately aims to achieve sustainable livelihoods<sup>4</sup>.

#### People-centred

Livelihoods programming fully involves the people whose livelihoods are affected. A livelihoods approach identifies programmes based on the priorities and goals defined by people themselves and supports their own livelihoods strategies. It builds on people's strengths, and in emergencies, people are assisted in becoming less vulnerable and more resilient to the impact of disasters.

#### Multi-level and holistic

Livelihoods programming recognises multiple influences on people at different levels, and seeks to understand the relationships between these influences and their joint impact upon livelihoods. This includes influences at the macro level (national and international) and at the micro-level (community and household). It also recognises the multiple actors (from the private sector to national level ministries) influencing livelihoods. It acknowledges the multiple livelihood strategies that people adopt to protect and secure their livelihoods and multiple livelihood outcomes.

#### Dynamic

Livelihoods change over time. A livelihoods approach aims to understand and learn from change so that it can support positive patterns of change and help mitigate negative patterns. It explicitly recognises the effects on livelihoods of external shocks and the longer-term processes that may erode livelihoods, such as climate change, HIV/AIDS and economic decline. It also recognises the potential for competing livelihood strategies. People compete for jobs, land, etc, and this makes it difficult for everyone to achieve simultaneous improvements in their livelihoods. This is particularly important in emergency situations where competition for access to resources may increase.

#### Sustainable

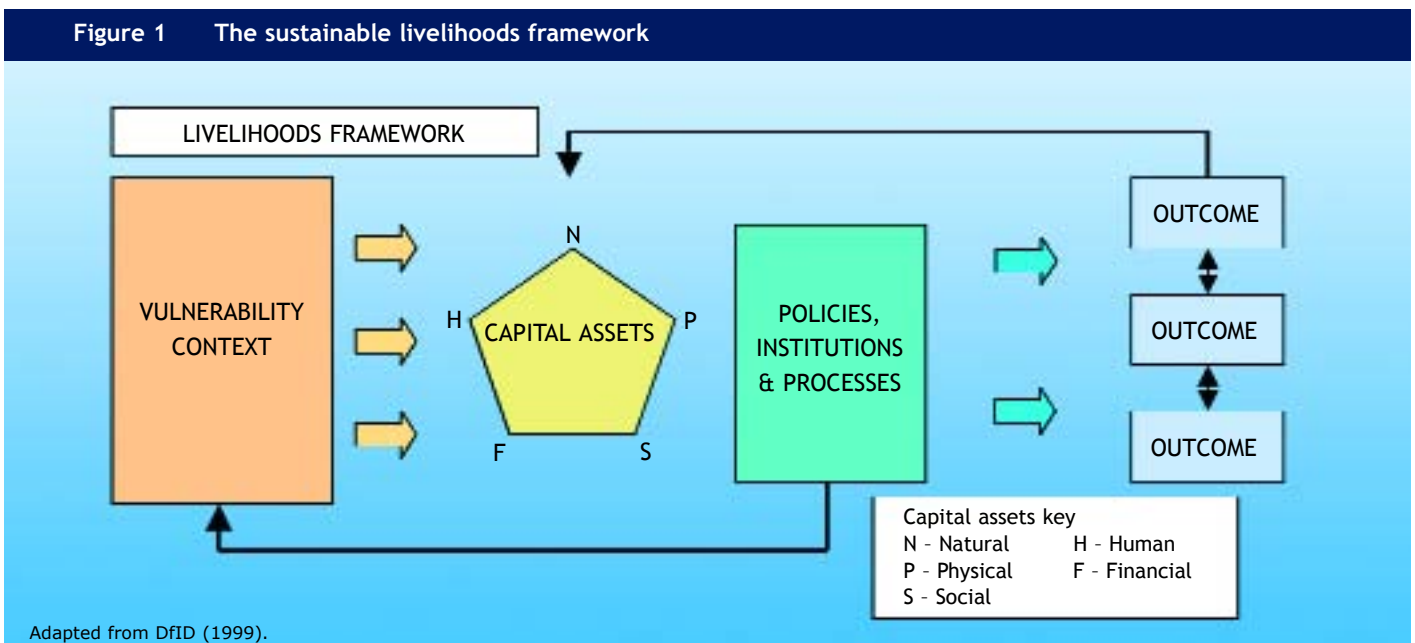
Livelihoods are sustainable when:

- they are resilient in the face of external shocks and stresses
- they are not dependent upon external support (or if they are, this support itself is economically and institutionally sustainable)
- they maintain the long-term productivity of natural resources, and
- they do not undermine the livelihoods of, or compromise the livelihood options open to, others.

In emergencies, the focus is more likely to be on reducing vulnerability and improving resilience, than promoting

<sup>4</sup> The text on livelihoods principles is an adaptation of that provided by DfID in their sustainable livelihoods guidance sheets (section 1). DfID (1999).

Figure 1 The sustainable livelihoods framework



Adapted from DfID (1999).



sustainability. The likelihood and appropriateness of achieving sustainability will depend on the conditions in which people live, including political stability and basic respect for human rights.

The sustainable livelihoods framework is shown in figure 1. This captures the main elements which comprise and influence people's livelihoods. This framework was devised for development programming, and a number of changes have been suggested for emergencies (see figure 2). The description of the different elements below includes an interpretation of the framework for emergencies.

### Vulnerability context

This refers to the structural and underlying causes of people's vulnerability to food and livelihood insecurity. According to DfID (1999) it frames the external environment in which people exist, and is the element of the framework that is most beyond people's control. It includes shocks (e.g. natural, economic, conflict), trends (e.g. population, economic, governance), and seasonality. Together with policies, institutions and processes, the vulnerability context determines the options that people have in achieving their livelihood goals. Adapted emergency frameworks either show the vulnerability context as having a direct relationship with each element of the livelihoods framework (Collinson, 2003, February) or eliminate the external box on the vulnerability context (Lautze and Raven-Roberts, 2003, September). Rather than being external, vulnerability needs to be considered as endogenous and inherent to livelihoods systems.

### Livelihood assets

This encompasses what people have, i.e. physical, financial, human, social and natural assets or capital<sup>5</sup>.

- Human assets represent the skills, knowledge, education, ability to labour and good health that enable people to pursue different livelihood strategies and achieve their livelihood objectives.
- Social assets refer to status in society, as well as access to an extended family and other social networks, such as membership of more formalised groups. It also includes relationships of trust and reciprocity that facilitate co-operation, reduce transaction costs and can provide the basis for informal safety nets amongst poor people.
- Natural assets comprise natural resource stocks, which people can access and use to build their livelihoods (such as agricultural land, forests, water resources etc.).
- Physical assets include livestock, land, shelter, tools and equipment, but may also be community owned, e.g. road infrastructure, communication networks, etc.
- Financial assets include income, but also access to credit and investments. It may include available stocks, which can be held in several forms, e.g. cash, bank deposits, livestock and jewellery. It may also comprise regular inflows of money, including earned income, pensions, other transfers from the state, and remittances.

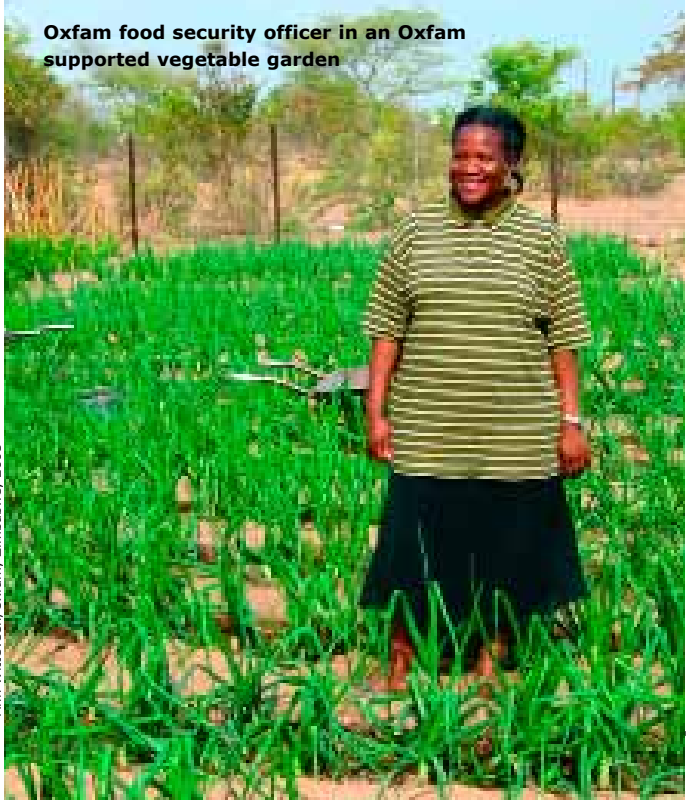
Emergency livelihood frameworks have added a sixth asset - political assets or capital. This can be most easily interpreted as proximity to power, which in many emergency and non-emergency contexts can be the main determinant of vulnerability to food and income insecurity. In many internal conflicts, people's vulnerability is linked to their political status, and traditional minority or marginalised groups (often particular ethnic groups) are exploited by state or non-state actors.

The resilience of people's livelihoods is largely determined by the resources or assets available to them and how these have been affected by disaster. In natural disasters, people with a greater asset base are often less vulnerable, and able to recover more quickly. Emergencies have varying impacts on assets, which may be lost, destroyed or sold.

Vulnerability is however, not necessarily associated with poverty, as assets can be transformed into life-threatening liabilities in complex emergencies (Lautze and Raven-Roberts, 2003, September). The emergency model shown in Figure 2 expands the asset pentagon to include liabilities as, in violent conflict, assets can expose households or population groups to greater risks. For example, for numerous populations who live in resource rich areas (e.g. oil and diamonds in Democratic Republic of Congo (DRC), Liberia, Angola), this asset has turned into a liability. Similarly, Dinka livestock wealth in South Sudan was turned into a liability in the context of violent raiding (Keen, 1988).

### Policies, institutions and processes

Policies can be taken to include any government, donor, United Nations (UN) and non-governmental organisations' (NGO) policies, and private sector policy and behaviour, which shape people's livelihoods, at local, national and international level. For example, a country's agricultural, land tenure or land use policies can be instrumental in increasing or reducing vulnerability to disasters. Land rights and access to land are often key issues in emergencies. Policies or strategies of warring parties are frequently deliberately aimed at undermining the livelihoods of some groups. At international level, structural adjustment programmes often hamper the ability of countries to



Ann Witteveen/Oxfam, Zimbabwe, 2005

<sup>5</sup> Much of the description of the different types of assets has been taken from the DfID sustainable livelihoods guidance sheets. Section 2. DfID (1999).



**A blacksmith in Sudan (left) and a potter in India (right), both examples of livelihood strategies**

deal with disasters by removing some of the state support mechanisms by, for example, removal of food and agricultural subsidies, and reducing the role of marketing boards (de Armas and Clay, 2002). The agricultural subsidies of western countries (such as the European Union (EU) and the United States (US) and international trade rules, undermine the production and export of agricultural products from developing countries.

Institutions include civic, political and economic institutions (formal and informal governance), or any other customs, rules or common law that is an important feature of society. Examples include judicial systems, public services, but also credit systems and markets. People's protection and welfare depends on accountable political systems, rule of law, functioning judicial systems, and the provision of public services (Cliffe and Luckam, 2000; Jaspars and Shoham, 2002, December). The vulnerability of some groups is frequently determined by the absence or failure of these institutions. The role of informal governance often becomes more important where formal governance is weak or collapsed. Local institutions can play a positive role in maintaining public order, for example, in Somalia through customary law and sharia courts (UNDP, 2001). In Darfur, a study found good examples of localised conflict resolution initiatives and good local governance (Young et al, 2005, June).

Processes determine the way institutions and people operate and interact. They can include changes in the economy (e.g. inflation, exchange rates), changes in employment patterns, markets, and long term processes of social, economic and political marginalisation. Access to, and participation in, markets is crucial for all livelihoods in cash economies. HIV/AIDS, urbanisation, and climate change and long term processes of social, economic and political marginalisation all have fundamental impacts on the viability of livelihoods.

### Livelihood strategies

Livelihood strategies are generally understood as the strategies that people normally use in stable and peaceful times to meet basic needs and to contribute to future well-being. Coping strategies, in contrast, are temporary responses to food insecurity, although in many protracted emergencies, the coping strategies that used to be adopted in periods of acute crisis, have now become the de facto livelihood strategies.

In emergencies, certain livelihood strategies may no longer be possible, whilst others will need to be increased to compensate. New strategies are adopted in response to food insecurity. The initial strategies adopted are generally those that are not damaging to livelihoods, such as migration for work, collection of wild foods, etc. As more people adopt the same strategies, however, or options become more limited (e.g. as a result of

war), strategies become more damaging to both livelihoods and dignity. In political or conflict related emergencies, options may include engaging in violent, illegal, unsafe or degrading activities (Jaspars and Shoham, 2002, December). In many internal conflicts, the conflict itself provides economic benefits for some groups or individuals. This has led to the most extreme forms of abuse and exploitation of historically marginalised groups (Keen, 1998). The longer a conflict continues, the more likely it is that people will find a way to profit from it which in turn perpetuates the conflict.

### Livelihood outcomes

Livelihood outcomes go beyond food and income security, to also include quality of life. The right to life with dignity is one of the fundamental principles in the Humanitarian Charter (Sphere, 2004), but in the rush to respond to emergencies, people's dignity is often forgotten. In fact, there is no commonly held definition of dignity, and as such it remains unidentifiable and unregulated in humanitarian response (Martone, forthcoming). Whilst there is no standard definition of dignity in most societies, it will include an element of choice, a sense of self-worth and control over one's future.

## 2.2 Objectives of providing livelihood support

The focus on livelihoods in emergency programming originates from the late 1980's, following the African famines in the middle of that decade. At that time, emergency response started when people were destitute, malnourished and had migrated to famine camps. The actors involved in the emergency response realised that if the response had started earlier, it would have been possible to prevent large-scale loss of livelihood assets and migration to camps. In other words, that lives could be saved in the longer term by saving livelihoods. The late 80's and early 90's was also associated with the development of famine early warning systems (FEWS), whose primary objective was to detect deterioration in food security early on and to trigger responses that would prevent destitution and famine associated with large scale loss of life. Studies on people's responses to food insecurity and famine, also contributed to a focus on livelihoods in emergency response (e.g. Corbett, 1988 and de Waal, 1989). These studies showed that a key priority for people threatened by famine was to preserve essential livelihood assets and to prevent destitution, rather than maintaining levels of food intake.

One of the main objectives of livelihood support in emergencies is, therefore, to protect the assets that are essential to people's livelihoods, and to support people's own priorities and strategies. The core principle of humanitarian action, that of



humanity, implies the need to protect livelihood. Humanity is generally defined as: “to prevent and alleviate human suffering wherever it might be found. To protect life and health and ensure respect for the human being”. Livelihood ‘protection’ can also be taken to have a broader meaning relating to upholding people’s rights. A protection activity, in this sense, is any activity which aims to prevent or put a stop to a specific pattern of abuse and/or alleviates its immediate effects; to restore people’s dignity and ensure adequate living conditions, and to foster an environment conducive to respect for the rights of individuals in accordance with the relevant bodies of law (Caverzasio, 2001).

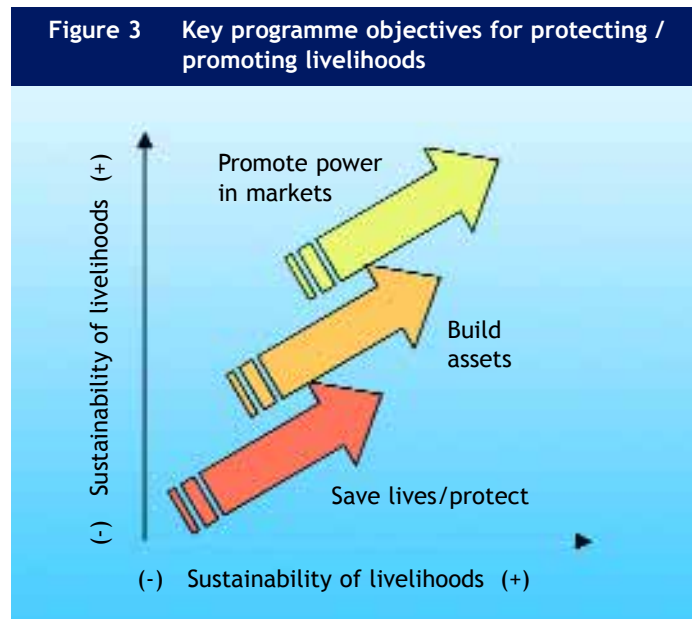
The objectives of livelihood support may vary according to the stage and severity of an emergency. This is illustrated in table 1 which demonstrates that different types of livelihood support can be implemented at different stages of an emergency, and can be carried out at the same time as life saving interventions.

In development contexts, capacity building and working in partnership are also key objectives of livelihood support, which can include building the capacity of local institutions such as local NGOs, other forms of civil society, or government institutions. The appropriateness of this in emergency contexts depends on the nature of the emergency, as such objectives may compromise humanitarian principles in situations of internal conflict. Livelihood support may also include interventions to address the policies, institutions and processes that are part of the livelihoods framework. For example, advocacy to change national and international policies of states, donors and UN organisations.

Figure 3 illustrates how programme objectives and the sustainability of livelihoods are linked to stability of the context. Stability essentially means situations in which there is peace, basic respect for human rights, and that food security, malnutrition and mortality are at acceptable levels. In the most unstable situations, the main aim of emergency interventions is to save lives and if possible, livelihood protection. As stability

Table 1 Objectives of livelihoods programming	
Stage of crisis	Objective of livelihoods programming
Early	Livelihood protection/mitigation (prevent erosion or destruction of assets).
Acute	Save lives and livelihood protection.
Post crisis	Livelihood recovery/rehabilitation (process of protecting and promoting livelihood of people recovering from emergencies, restoring productive assets).
Development	Livelihood promotion (improving resilience of household livelihoods, diversification of livelihood strategies, improving access to markets).

Source: Adapted from Maxwell (1999a).



increases, programmes may be able to build or recover assets as well as protect existing ones. Livelihoods will only become truly sustainable, however, if people have power in local, national and in international markets. An example where all objectives were combined simultaneously is Aceh (see Box 1).

## 2.3 An overview of livelihoods interventions in emergencies

Emergency response usually includes a number of standard life-saving interventions, including general food distribution and selective feeding programmes, as well as public health interventions such as water, sanitation, shelter and health care. The most common intervention to support livelihoods has been the distribution of seeds and tools, which has almost become a routine recovery intervention. However, using the livelihoods framework as the basis for interventions, and given the variety of livelihood systems that can be found in any context, there should be a far wider range of livelihood support interventions.

Table 2 provides a description and objectives that have been used in the past for different types of livelihood interventions. The interventions are grouped according to the Sphere minimum standards for food security: income and employment support, market support and production support. In reality, the grouping is not as clear cut as represented here and so multiple Sphere standards will apply to the same intervention (box 2). For example, the standard on access to markets will apply to most food security or livelihoods interventions.

The range of potential interventions in any particular emergency context is much wider than table 2 indicates, as each intervention must be designed to suit the local context, both in terms of the nature and severity of the emergency and the types of livelihoods affected. A range of programming options should be considered based on an analysis of expressed needs by the affected population. Interventions that do not take account of local priorities rarely work (Sphere, 2004).

Livelihood interventions to address the failings of policies, institutions and processes are not included in the table, as these will be particular to the emergency context. Support for assets and strategies is often more effective if combined with policy and advocacy work to address the policies, institutions and processes that limit people's livelihood options. For example, agricultural support will often need to be accompanied by policy work on increasing access to land and land rights issues. Working in conflict may require advocacy on respect for International Humanitarian Law to stop warring parties destroying or undermining livelihood strategies and assets.

### Box 1 Supporting livelihoods while saving lives in Aceh

In the first two weeks following the tsunami, many displaced families in Aceh wanted to return home. The proportion of internally displaced people (IDPs) who wanted to go home varied by location. Assistance was requested first for burying bodies, then for water and food. People then wanted to be able to rebuild houses and recover farmland, followed by livelihood recovery. At the same time, the vast majority of IDPs had lost everything and were depending on emergency relief to meet their immediate food and non-food needs

While implementing emergency water, sanitation, health and food distribution programmes, international agencies started CFW programmes almost immediately. The CFW programmes aimed to provide cash to meet immediate needs (such as food and kitchen utensils), stimulate markets, and ensure essential work activities. Work started with clearing roads and solid waste disposal. This allowed some people to return home immediately as they had road access. Once back in their home areas, further work was carried out on clearing waste, burying bodies, and later on, building houses. Subsequently, CFW was used to rehabilitate farms and rebuild fishing boats. Cash grants were provided to people who wanted to re-establish businesses and to purchase assets essential to their livelihoods. As well as emergency livelihoods programmes, work was initiated in the first month on land rights issues, and promoting sustainable access to markets for small scale timber producers.

Source: S. Jaspars.

### Box 2 Minimum standards for food security in emergencies

#### Standard 1 - General food security

People have access to adequate and appropriate food and non-food items in a manner that ensures their survival, prevents erosion of assets, and upholds their dignity

#### Standard 2 - Primary production

Primary production mechanisms are protected and supported

#### Standard 3 - Income and employment

Where income generation and employment are feasible livelihood strategies, people have access to appropriate income earning opportunities, which generate fair remuneration and contribute towards food security without jeopardizing the resources upon which livelihoods are based.

#### Standard 4 - Access to markets

People's safe access to market goods and services as producers, consumers and traders is protected and promoted

Source: The Sphere Project (2004).



Searching for bodies immediately post-tsunami was supported through Oxfam CFW programming in Aceh, Indonesia



Table 2 Description and objectives of different livelihood support interventions		
Intervention	Description	Objectives
<b>Food aid</b>		
General distribution	Free distribution of a combination of food commodities to the affected population as a whole. If the population is cut off from their food supply or suffers abnormally high rates of malnutrition, food rations should meet nutritional needs. Income and employment	To meet immediate food needs of populations cut off from their normal sources of food. To protect or recover livelihoods by preventing the sale of assets, or allowing households to spend time on productive activities that will restore livelihoods. Income and employment
<b>Income and employment</b>		
Food for work (FFW)	Public works programmes where workers are paid in food aid. The food ration is often calculated to be less than the daily wage rate for an area. The rationale for this is that the poorest self-select.	To provide food aid as income support for the poor or unemployed. To rehabilitate infrastructure, e.g. roads, schools, irrigation systems etc.
Cash for work (CFW)	Beneficiaries are paid in cash to work on public works or community schemes. Commonly these are to improve roads and water sources. The programme targets the poorest or most food insecure.	To provide income to meet basic food and non-food needs and provide income support. To rebuild community assets. To stimulate the local economy.
Cash grants	The provision of money to targeted households or communities, either as emergency relief to meet their basic needs for food and non-food items, or as a grant to buy assets essential for the recovery of their livelihoods.	To meet basic food and non-food needs. To recover livelihoods through the purchase of essential assets or re-establish business. To cancel credit debts. To stimulate the local economy.
Micro-finance	The provision of financial services to vulnerable but economically active individuals and households. This can be loans, remittance services, loan rescheduling, insurance, etc.	To restart local economies through enterprise and employment creation. To increase economic self-sufficiency.
<b>Market support</b>		
Commodity vouchers	Vouchers distributed to emergency- affected populations which can be exchanged for fixed quantity of named commodities from certified traders either at distribution outlets, markets or special relief shops.	To provide income support and meet basic needs. To provide production support; in case of seed vouchers. To support traders/retailers and stimulate markets.
Cash vouchers	Cash vouchers have a fixed cash value and can be exchanged for a range of items up to this value, from special shops or traders.	To provide income support. To recover livelihoods. To stimulate markets and trade.
Monetisation and subsidised sales	Putting large quantities of food aid grain on to the market or subsidised sale through specified outlets.	To improve access to staple foods for consumers. To ensure that prices are kept within normal boundaries. To improve traders' access to commodities.
Market infrastructure	For example, transport and feeder roads. Some of this may be done through cash or food for work programmes.	To improve physical access to markets for producers.
De-stocking	Purchase of livestock when there is pressure on water and pasture and prices are falling, at above prevailing market prices. Animals can be slaughtered and meat distributed as part of the relief effort.	To protect income and terms of trade for pastoralists. To prevent collapse in livestock market.
<b>Production support</b>		
Agricultural support	Agricultural support programmes usually involve some form of seed distribution in conjunction with inputs to help plant and harvest crops e.g. tools, pesticide spray.	To help re-establish crop production.
Livestock support	This can take a variety of forms. Early in a food crisis, interventions include provision of water, fodder, veterinary care, livestock offtake/de-stocking (when animals are at increased risk of dying). After the acute stage of crisis, interventions may include restocking.	To prevent loss of livestock through sales or death. To assist in herd recovery.
Fishing support	Distribution of fishing tools to improve catch (nets, boats, cages).	To increase ability of people to fish as a source of food and income.

Source: Jaspars et al (2002, August), Oxfam GB (2003, August), Creti and Jaspars, Eds (2006).

### Key reading

Collinson (2003, February). Power, livelihoods and conflict: case studies in political economy analysis for humanitarian action. HPG report 13. ODI.

DfID (1999). Sustainable livelihoods guidance sheets. [www.livelihoods.org](http://www.livelihoods.org)

Sphere Project (2004). Humanitarian Charter and Minimum Standards in Disaster Response, Oxford: Oxfam Publishing

Lautze and Raven-Roberts (2003, September). The vulnerability context; is there something wrong with this picture? (Embedding vulnerability in livelihoods models; a work in progress). UN Food and Agricultural Organisation, Rome.



# 3

## Livelihoods analysis and identifying appropriate interventions

### 3.1 Livelihoods assessment and analysis in emergencies

The livelihoods framework provides a tool for analysing people's livelihoods and the impact of specific threats or shocks on livelihood vulnerability. A key feature of livelihoods analysis is that it includes an analysis of household assets, strategies, priorities and goals at micro-level, and the policies, institutions and processes that affect livelihoods at national and international level (macro-level).

A second key feature is that it is participatory. The focus is on the needs and priorities as identified by the affected populations themselves. Assessments use participatory methods, such as PRA (participatory rural appraisal) or RRA (rapid rural appraisal) to find out what people's problems and priorities are

#### Box 3 Common elements and key differences between household economy assessments and livelihoods approaches to food security assessments

*Household economy assessments/approach and livelihoods approaches* to food security have a number of common elements:

- A division of the affected population into different groups or areas according to common food and income sources and the risks to which they are exposed. These can be livelihood groups, livelihood zones, household economy zones.
- A comparison of food and income sources for different livelihood (and wealth) groups before and after the disaster.
- An analysis of the coping strategies used in terms of their impact on livelihoods, as well as the ability of livelihood group to meet their immediate food needs.

The household economy approach, in addition, divides people into different wealth groups within household economy or livelihood zones. It then considers access to food and basic goods and services, by investigating and quantifying the ways in which people get food and cash income, and their expenditure patterns.

*Food security assessments* have a narrower focus and are primarily concerned with access to food and the coping strategies that people use in response to food insecurity.

A *livelihoods approach* to food security assessments considers the impact of coping strategies on people's ability to maintain their livelihoods, including the impact of a shock on assets. Since coping strategies are largely aimed at protecting livelihoods assets, they are not necessarily linked to maintaining or finding new food and income sources. For example, changes in livestock migration patterns with the aim of finding new pastures, or secure routes, to preserve livestock.

(Carney et al, 1999, November). Participation is also one of the key minimum standards for disaster response:

*"The disaster affected population actively participates in the design, implementation, monitoring and evaluation of the assistance programme"*

(The Sphere project (2004). Common standard 1).

Participation in assessments is also essential to maintain and restore people's dignity. Common participatory methods used in emergencies, include key informant interviews, focus group interviews, wealth ranking, proportional piling, seasonal calendars, and timelines<sup>6</sup>.

The livelihoods framework in its entirety has rarely been used as the basis for emergency assessments. Emergency assessments may take a livelihoods approach, but often focus on the impact of a disaster on households' food security or household economy. The most common assessment method is Save the Children-UK's (SC-UK) household economy approach (HEA), and elements of this have been incorporated into the assessment methods of many others. All food security assessments have the same theoretical basis and have many common elements (see box 3)<sup>7</sup>. None of these assessment methods, however, refer explicitly to the livelihoods framework<sup>8</sup> but focus on the impact of a disaster on livelihood assets and strategies, and rarely analyse risks and vulnerability.

There are important overlaps between household economy and livelihoods approaches to food security assessments, but also significant differences (see box 3). The Sphere food security minimum standard for assessment and analysis, contains the fundamental elements of an emergency food security assessment:

*"Where people are at risk of food insecurity, programme decisions are based on a demonstrated understanding of how they normally access food, the impact of a disaster on current and future food insecurity, and hence the appropriate response."* (The Sphere project; assessment and analysis standard 1; food security)

The increasing use of the term 'livelihoods' in emergency assessments has led to confusion as to what a livelihoods

<sup>6</sup> For further information on these methods see MacCracken, Petty and Conway (1988). Also, various agency food security assessment guidelines, for example, SC-UK's Manual for Household Economy Assessments.

<sup>7</sup> Methods include: Oxfam's livelihoods approach to food security assessments, ICRC's economic security assessments, CARE's livelihood security approach, ACF's food security assessment approach, MSF's analytical framework for assessing stages of food insecurity (Oxfam, 2001, November) and WFP's new emergency food security assessment approach (WFP, 2005, June).

<sup>8</sup> Oxfam's draft guidelines discuss the sustainable livelihoods framework in the first chapter, but subsequent chapters do not link the information needs to the framework. This will be addressed in the next draft.



Oxfam Pakistan, 2005



Brian Jones/Oxfam, RSS, Sudan

**Box 4 Examples of the use of the livelihoods framework in household economy or food security assessments**

assessment actually is. Sometimes an emergency livelihoods assessment is seen as synonymous with food security or household economy assessment. In fact, it is only recently that household economy and food security assessments have started making explicit use of the livelihoods framework (see box 4 for examples). Such assessments increasingly consider all the livelihoods assets, as defined in the livelihoods framework, to define different wealth groups. However, there are few examples of emergency assessments that explicitly analyse policies, institutions and processes, how these determine peoples vulnerability and how they have been transformed by a disaster. One element of policies, institutions and processes that is receiving increased attention is markets. Another example is credit institutions, which were particularly important in tsunami affected countries and for populations affected by the earthquake in Pakistan. In emergency prone countries with long term livelihoods programmes or in protracted livelihoods crises, an analysis of the wider policy and institutional context is more common (see examples on assessments in Southern Africa and Somalia in box 4).

In many emergency assessments, it will not be possible to assess all elements of the livelihoods framework and carry out an in-depth analysis of the impact of a shock on people's food and income sources. However, emergencies in many populations are protracted or occur on a regular basis. In such circumstances, it is possible to build up a livelihoods analysis that includes all elements of the livelihoods framework and develop recommendations for policy and advocacy work, as well as the provision of assistance.

Until recently, most emergency food security and household economy assessments have been biased towards food aid as a response. A number of agencies are adapting their assessment methodologies to better identify interventions other than food aid. For example, the World Food Programme (WFP) is carrying out a lengthy process of improving its emergency food security assessments and capacity to carry out such assessments. The first edition of WFP's emergency food security assessment handbook (WFP, 2005, June) is being piloted in 2005 and 2006. Response options range from different types of food aid programmes (general distribution, FFW, feeding

An SC-UK assessment in Pakistan, in November 2005, used a combination of the sustainable livelihoods framework and the household economy approach to understand livelihood patterns before the earthquake, the impact of the earthquake on livelihood patterns, and to determine what was required to restore livelihoods. Affected households were divided into wealth groups based upon asset holdings, e.g. income, physical assets (shelter, livestock, land), human assets (education) and social assets (gifts, assistance from relatives, and credit). The assessment also included analysis of markets, the private sector (business and shops), credit institutions, social welfare (for pensioners), charity (zakat), and government compensation schemes.

Oxfam in Southern Africa has used the sustainable livelihoods framework to develop baselines for strategic planning, to identify indicators for monitoring the food security situation, and to develop future scenarios. In Malawi, an analysis of the vulnerability context included demography, environmental factors, infrastructure, the economy, the population's health status, as well as the prevalence and impact of HIV/AIDS. Government preparedness and response strategies, agricultural policies, land reform, the governments' strategic grain reserve, public works and social welfare programmes, and donor, UN and NGO policies and practices were also considered. In Oxfam's operational areas, the population were divided into livelihood zones and wealth groups. Livelihood assets (physical, financial, human and social) were considered for each wealth group.

A survey by CARE in Somalia in 2005 explicitly set out to assess the immediate, intermediate and underlying causes of livelihood insecurity. This encompassed all elements of the livelihoods framework. The assessment found that CARE had primarily focussed on addressing the immediate causes of livelihood failure through food aid, and that it was important to start addressing the intermediate causes, more connected to public service provision, through efforts to improve education, skills training, strengthening production systems, building community assets and upgrading the skills of local institutions. At the level of underlying causes, recommendations included addressing clan based marginalisation issues, such as access to land, as well as advocacy for addressing economic under development and governance.

Source: SC-UK (2005, November), SC-UK; Lefebvre (2004, September), Oxfam GB; Van den Boogaard and Ochepe Kiru (2005, November), CARE Somalia.



programmes) to cash transfer programmes, market support programmes, to nutrition education and food fortification. The HEA is also being adapted to identify interventions other than food aid (see box 5). Oxfam's emergency food security

### Box 5 Use of the Household Economy Approach to identify livelihoods interventions

The Household Economy Approach (HEA) examines household assets, food and cash income sources, and expenditure patterns of different wealth groups within livelihood zones. It is often associated with determining food aid needs. However, SC UK - and increasingly some of the national Vulnerability Assessment Committees (VAC) in Southern Africa - have also used HEA to plan or advocate for a wider range of livelihoods interventions. These include:

- Cash transfers to meet essential food or non-food needs (including soap, education and healthcare costs), as part of national social protection policies.
- Food price subsidies to increase household food access based on an assessment of the income levels of different wealth groups and their reliance on market purchase.
- Cash - or food-for-work as an option for bridging food or non-food deficits taking account of household labour availability and seasonal calendars.
- Livestock de-stocking programmes based on an assessment of livestock holdings, their prices and the income needed to bridge predicted food- or non-food deficits.
- The abolition of user fees for healthcare and education considering the affordability of those services to different wealth groups.
- Using knowledge of the sequencing and viability of different coping mechanisms, different 'thresholds' for interventions can be set. The scale and timing of interventions can range from a minimal 'life-saving' objective to a broader 'livelihood support' objective. (The latter could be implemented before households are forced to resort to harmful coping strategies, such as using child labour or selling off draught animals).

Source: Michael O'Donnel, SC-UK.

assessment guidelines focus on identifying a range of interventions to both support livelihoods and save lives, including income and market support (cash transfers-cash grants, cash for work, vouchers), production support (livestock and agriculture), and food aid (Oxfam GB, 2003, August; Young et al, 2001). The guidelines are being revised to give better guidance on when commodity distribution or cash programmes are the most appropriate intervention.

### 3.2 Criteria for identifying appropriate interventions

The identification of appropriate interventions should be based on an analysis of the risks to livelihoods, who is most affected and how. A recent study of seven different emergency contexts in the Great Lakes region of Africa, however, showed that regardless of the context, the same interventions were implemented in each case, namely food distribution, feeding programmes and seeds and tools distributions. The emergency contexts included displaced populations, returnees, urban populations, and a rural population affected both by drought and conflict (Levine and Chastre, 2004, July). Similarly, a review of 2004 UN consolidated appeals, ranging from conflict in Darfur to floods in Bangladesh, found that the responses proposed were uniformly standardised. These were food aid from WFP, seeds and tools from the Food and Agriculture Organisation (FAO), water, sanitation and nutrition from UNICEF, and health from the World Health Organisation (WHO) (referred to in Harvey, 2005, February).

The realisation that the identification of emergency responses is rarely based on an analysis of needs has led some agencies, such as SC-UK, Oxfam and WFP, to develop specific criteria for decision making on interventions to address food crises. Table 3 summarises some of the criteria and other factors to take into account in deciding on different types of livelihoods interventions. Use of these criteria would undoubtedly lead to more appropriate programming than a standard response. However, using standard criteria risks restricting livelihoods

#### Iron sheets supplied as part of a livelihood protection project to build livestock shelters in Pakistan post-earthquake.





**Table 3 Criteria for decision-making on interventions to address food crises**

Type of intervention	Criteria	Common emergency context	Advantages	Disadvantages
General food distribution	People are cut off from normal sources of food. Lack of food availability. Alternative ways of increasing access to food would take too long.	Acute emergencies. Large scale emergencies. Displacement.	Most readily available resource.	Tied food aid takes a long time to reach destination. High logistics requirements. Can undermine markets and production if food is locally available.
Food for work (FFW)	Lack of access to food. Lack of food availability. Labour potential. Infrastructure damaged. Security and access. Target population should not suffer acute food insecurity or high levels of malnutrition.	Slow-onset or recovery stage of crisis. Chronic food insecurity.	Easier to target than free food distribution. Restores community assets as well as providing food.	Small scale. Not everyone can work.
Cash grants	Food available and markets functioning. Risk of inflationary pressure is low.	Early stages of emergency or rehabilitation.	Cost efficient. Choice for beneficiaries. Quick way of meeting basic needs. Stimulates markets.	Risk of inflation. Cash may not be spent on intended programme objectives. Difficult to monitor. Difficult to target.
Cash for work (CFW)	Food available and markets functioning. Food insecurity result of loss of income, assets or employment. Risk of inflationary pressure is low. Security and access.	Recovery phase. Chronic food insecurity.	Choice. Creates community infrastructure. Stimulates markets. Stimulates recovery Easy to target.	Small scale. Not everyone can work. May interfere with livelihood strategies. High management requirements.
Vouchers	Essential commodities can be brought in by traders. Opportunities to make agreements with traders. Food availability and functioning markets.	Usually second phase response in acute emergencies.	Promotes purchase of local products. Can specify commodities. Commodity vouchers protect from inflation. Easy to monitor.	Risk of forgery. May create parallel economy. May need regular adjustment to protect from inflation.
Microfinance	Functioning markets and banks. Stable economy (no hyper-inflation). Skilled workforce.	Recovery stage of emergency. Relatively secure context. Home based populations or returnees.	Can be sustainable.	High management costs. Risk of default on loans.
Market infrastructure	Food insecurity is result of fragmented markets.	Both emergency and development contexts.	Can bring about long lasting change in people's access to markets.	Needs in-depth market analysis. Often done badly as part of FFW or CFW if focus is on providing food or cash.
Monetisation and subsidised sales	Local food prices volatile. Targeted at areas that face food deficits. Affected population still has some purchasing power. Direct distribution not possible because of insecurity.	Early stage of emergency.	No targeting. Potential for quick impact on large population.	Can have negative impact on markets if done when criteria are not met.
Seeds and tools	Food insecurity due to reduction or loss in crop production. Affected households lack seeds and tools. Lack of availability of seeds and tools. The lack of seeds/tools limits production. Local knowledge.	Recovery stage or protracted emergencies.	Re-establishes crop production. Strengthens agricultural systems in the longer term.	Requires knowledge of local seeds. Imported seeds may not be used.
Livestock support	Sales causes collapse in market prices. Deaths result from lack of pasture and/or water. Livestock disease. Restrictions to livestock movements. Local knowledge.	Depends on type of intervention but some livestock intervention can be implemented at all stages.	In line with people's own priorities, and thus likely to get high levels of community participation.	Can usually only be done on small scale.

Sources: Levine and Chastre (2004, July), Jaspars et al (2002, August), Creti and Jaspars, Eds (2006).

**In the Oxfam supported programme in Niger, vouchers could sometimes be exchanged for food or non food items in the local market**



analysis and moving it away from being 'people-centred'. If a livelihoods approach starts with people's livelihoods strategies and is based on people's own priorities, then necessarily interventions cannot be pre-determined. There are other difficulties with using the type of criteria in table 3 including (Overseas Development Institute, 2005, June):

- Further assessment tools need to be developed, in particular for market analysis.
- The criteria may be too focussed on ideal interventions, rather than considering operational realities.
- Where more than one intervention is appropriate, how to rank their appropriateness.
- Often a combination of interventions is appropriate and sometimes it is appropriate not to intervene at all.
- There is a risk that criteria could be made too prescriptive.
- Criteria risk presenting too narrow a range of intervention options to decision makers.

The Great Lakes study referred to earlier (p) notes that there were several constraints to food security that were rarely, if at all, addressed. These included access to land, access to markets, freedom of movement, exclusion of certain ethnic groups from access to land, lack of access to credit and loans, loss of productive assets, loss of employment opportunities and labour, as well as high costs of social services. Interventions to address these issues are not easily included in a table of criteria.

### 3.3 An in-depth livelihoods analysis in Darfur

An in-depth livelihoods analysis, using all elements of the livelihoods framework in an emergency, was carried out by Tufts University (Young et al, 2005, June)<sup>9</sup>. The purpose of the study was to investigate the effects of the current conflict and humanitarian crisis on livelihoods of selected communities in Darfur. Whilst using the adapted livelihoods framework as the basic analytical tool for the research, the study focussed on labour migration, livestock production and trade, and communities' links with central and eastern Sudan and with Libya. This case study presents some of the key findings related to the livelihoods framework in order to illustrate the kinds of recommendations that may be generated by using the framework.

Livelihood goals, strategies and assets were investigated at the level of the household and the community. Policies, institutions and processes, were analysed by reviewing the salient political, social and economic features of the evolving conflict, and looking at how these have affected livelihoods (macro level).

#### Policies, institutions and processes

There are a number of national and local processes that have contributed to the current conflict in Darfur between the Government of Sudan (GoS), its local militia (the Janjaweed) and the opposition movements (the Sudan Liberation Movement (SLA/M) and the Justice and Equality Movement (JEM)). These include:

- Economic and political marginalisation of Darfur by central government.
- Wider regional conflicts which contributed to the establishment of armed militias and an increase in firearms owned by Darfurians.
- Tactical manipulation of ethnic identities within Darfur by the GoS.

The marginalisation has led directly to the creation of opposition movements. Within Darfur, certain groups feel they have been further marginalised, in particular Arab pro-government groups. In addition, a history of drought and famine has led to pressure on, and competition for, local resources.

At local level, the marginalisation and neglect of Darfur has contributed to:

- Failing institutions, including the native administration, judicial systems and policing. Native administration has been politicised, with increasing polarisation amongst tribal groups, and undermined by opposition groups whose leadership is drawn from young, university educated intellectuals.
- Failing development, including education, health care, transport and veterinary care.

Legislation on land tenure could pose difficulties for those wanting to return to their land of origin after a period of

<sup>9</sup> See research summary in Field Exchange 27. Livelihoods under siege in Darfur. March 2006.



displacement<sup>10</sup>. In Darfur, many land holdings are, in reality, governed by tribal customs and practices.

### Livelihoods in Darfur before the conflict

Livelihoods in Darfur consist of a combination of farming, pastoralism, and a variety of income generating activities such as labour migration, remittances, collection of natural resources (firewood, fodder, wild foods), and trade. Other activities specific to different livelihoods groups include the production of tobacc (chewing tobacco), artisanry, and a range of illegal activities (smuggling, brewing, banditry, prostitution).

### Impact of conflict on livelihood assets

The conflict has had both direct and indirect effects on livelihoods. Attacks by militia have been associated with destruction of household and community assets. Financial assets, mainly livestock, have been looted. Lost physical assets include loss of farms, homes, and other household possessions. Human capital has been undermined by violent deaths, and social capital by attacks on groups and families causing large scale displacement and loss of social networks. A large proportion of the population of Darfur has been displaced. IDPs compete for very few income earning opportunities. Natural resources were lost when wells were destroyed, surface water contaminated, fruit trees destroyed, and land became occupied.

### Impact on livelihood strategies

Insecurity restricts the mobility of all groups. IDPs are cut off from their normal livelihood strategies, and rural populations fear to travel to markets or to cultivate. IDPs are trapped within besieged towns. IDPs risk attack or rape if they venture beyond the town boundary to look for firewood, collect fodder, or wild foods. All services and markets are in areas controlled by the government and cannot be reached without fear of rape or attack. Limited mobility affects livelihood strategies of all groups in Darfur including cultivation, livestock migration, trade and access to markets for buyers and sellers, remittances.

### Study recommendations

The livelihoods crisis needs to be addressed at national, international and state level, and by a number of different actors at each of these levels. Recommendations ranged from measures to improve security and governance and increased communication between migrants and their families, to issues around access to cooking fuel and the risk of violence towards women collecting firewood. Seeds and tools fairs, increasing the size of food ration to allow for trading, and providing credit to small traders were also recommended as the situation stabilises.

<sup>10</sup> Following the 1974 Civil Transactions Act, all land is effectively owned by the state, although the right to use it may belong to a private party through usufruct rights. The state can reclaim property from the holder of usufruct rights if the latter has failed to exploit the property according to the conditions of the grant. Rights terminate upon total destruction or expropriation of the property.

#### Key reading

Jaspars and Shoham (2002, December). A critical review of approaches to assessing and monitoring livelihoods in situations of chronic conflict and political instability. ODI working paper 191.

Levine, S. and Chastre, C. (2004, July). Missing the point. An analysis of food security interventions in the Great Lakes. An HPN network paper. ODI.

SC-UK (2000). The Household Economy Approach. A resource manual for practitioners.

Young, H, S. Jaspars, R. Brown, J. Frize and H. Khogali (2001). Food security assessments in emergencies: a livelihoods approach. ODI HPN Network Papers 36. ODI, London.

WFP (2005, June). Emergency Food Security Assessment Handbook.

**Burnt grain from granaries torched by the Janjaweed in Dafur**



**Men in rebel held areas of Darfur describe their livelihood strategies before the crisis**





# 4

## Does food aid support or undermine livelihoods?

### 4.1 Introduction

Food aid remains the over-riding response to emergencies, regularly constituting over half of consolidated emergency appeals (Development Initiatives, 2003). Food aid can take many forms (see box 6) and plays an essential role in saving lives in many emergencies, and supporting livelihoods in some. However, there are many emergency situations where food aid is not necessarily the right response to address food insecurity or the impact of disasters on livelihoods.

*“General food distribution may not be appropriate when:  
- adequate supplies of food are available in the area (and the need is to address obstacles to access)  
- a localized lack of food availability can be addressed by support of market systems.”*

(The Sphere Project (2004). Guidance note 1 under food security standard 1).

Both donors and beneficiaries have also used food aid as an economic resource, since it releases income (otherwise spent on food) which can support livelihood strategies and help build up assets. The impact of food aid on production based strategies is more controversial and there is evidence of both negative and positive impacts. Finally, food aid policies and institutions at national and international level have critical impacts on livelihoods. At national level, for example, the use of food aid in strategic grain reserves as part of social safety nets can be an important and effective emergency response, strengthening the ability of poor or destitute populations to meet their basic needs. At international level, structures for global food aid governance, such as the Food Aid Convention (FAC) (FAC, 1999) and the World Trade Organisation (WTO), are essential for regulating the allocation of food aid according to need.

This section reviews briefly the use of food aid as support for livelihoods assets and strategies, and also examines some of the concerns around the potential disincentive effects of food aid. The possible disincentive effects of food aid, on trade, markets and production, have recently gained prominence in the negotiations on food aid as part of the agriculture agreements in the WTO<sup>11</sup>.

<sup>11</sup> See WTO Negotiations on Improving Food Aid, By Suzanne Jaspars and Chris Leather, Oxfam GB, Field Exchange 26, p21. November 2005. Also, Oxfam International (2005, March).

#### Box 6 Types of food aid

**Emergency food aid:** the distribution of general food rations, supplementary feeding and therapeutic feeding, to meet the food needs of emergency affected populations.

**Project food aid:** development projects which use food aid to strengthen food security and which have a number of other non-food related objectives. Projects include FFW, school feeding and vulnerable group feeding through Mother and Child Health (MCH) clinics.

**Programme food aid:** aid provided as budget support, for example in the form of concessional sales. It is direct bilateral (government to government) aid.

**Monetisation of food aid:** the sale of food aid commodities on the market. The local currency is then used to fund development projects.

**Tied food aid:** Aid which is tied to the procurement of goods and/or services from the donor country and/or a restricted number of countries.

**In kind food aid:** Imported food aid, which can be tendered on international markets.

A WFP ship carrying food aid docks in Indonesia

WFP/Rein Skullerud, Indonesia, 2005



## 4.2 Food aid as livelihood support

Food aid can be a form of livelihood support either when provided as general rations to assist in preserving or rebuilding assets, or as a FFW programme which creates community assets which promote livelihoods. The provision of food aid can indirectly contribute to livelihoods as a resource transfer. In the Haiti case example, (see box 7), where food aid is provided mainly for nutritional purposes, beneficiaries may view its main benefit as providing economic support.

As the food aid agency of the UN, the WFP also supports the use of food aid to support livelihoods, with the aim of preserving essential assets and assisting in recovery. Whilst the WFP's main priority is to use food aid to save lives, it recognises that more lives are saved in the longer term if people do not lose their livelihoods and become destitute as a result of a disaster. The WFP, however, faces serious challenges in achieving livelihoods objectives in emergencies. Emergencies pull staff towards those who are most in need, and when time and resources are insufficient (as is often the case), it may not be feasible to expand programmes to include those who also retain some assets (WFP, 2003, May).

Lack of resources has meant that food aid has rarely been distributed on a scale and of sufficient duration to prevent sale of, or recovery of, essential assets. In areas of chronic poverty, everyone in the affected population would need to be included. Furthermore, food distributions would need to start earlier in order to protect assets, and last longer than if the main purpose was only to save lives in order to promote recovery. This is particularly true for pastoral populations, which take longer to recover from drought (or other disasters where livestock are lost) than farmers or wage labourers.

The extent to which food aid by itself can really support livelihoods is unclear. Evaluations of the impact of food distribution on the pastoral economy have found that slaughter and sale of livestock has been halted and pastoralist purchasing power has increased due to increased livestock prices (Bush, 1995). An evaluation of the Oxfam Turkana programme in the early 90's considered the focus on saving livelihoods as well as lives to be justified (Wiles et al, 1993). Food distribution was also found to promote the maintenance of social networks through the sharing of food rations. Evaluations of programmes in both Turkana and Wajir have consistently found that sharing of food rations has been one of the main uses of food aid (Bush, 1995; Jaspars et al, 1997).

However, there have also been significant impediments to food aid having an impact on livelihoods in Sudan and Kenya. First, food aid has not been provided on the scale and for the duration needed for livelihood support. Second, droughts or other disasters have come in rapid succession thus not allowing

### WFP food being off loaded in Indonesia post-tsunami



Children queuing to eat in the ACF supported canteen in Haiti (see box 7)

### Box 7 Food aid as an economic transfer in Haiti

A food security assessment in February 2004 in the city of Gonaïves, Haiti demonstrated significant stress on the household economy due to political instability. The city experienced increased unemployment, increases in market prices and strains on existing coping mechanisms. This led to security problems and frequent looting. Following the installation of a new government, the majority of the population continued to experience economic difficulties due to continued inflation of food items, which led to lack of purchasing power and a reduction in family consumption.

Action Contre la Faim (ACF) decided to implement a five month, participative canteen programme targeting children under 5 years of age and their care giver. Canteens were chosen to minimise risks associated with insecurity. Canteens also provided short term employment for the communities. Each canteen was thus supplied with gas stoves to minimise impact on the price of local fuel. The project was self-targeting, and all children and their guardians who chose to frequent the canteen were accepted, using age (children under 110cm in height) as the only criteria for entry. Children were given a complete daily ration, and caretakers were given a dry ration. On average, each canteen served over 400 children per day.

The evaluation of the project demonstrated that the programme had a direct impact on the nutritional levels and diets of the participants. Children increased the number of meals from 1 to, on average, 2.34 meals per day. Yet the majority of participants stated that the economic impact was the most important aspect of the programme. The daily ration for the child and the caregiver's ration allowed an average family to save between 200-800 gourdes (equivalent to 5 to 20 US dollars) per week. The staff and community committees also reaped important economic gains from this programme.

Source: ACF (France)

WFP/Rein Skullerud, Indonesia,2005





## Box 8 Lessons learnt from Food for Recovery in Red Sea State, Sudan

The WFP introduced Food for Recovery (FFR) in the Red Sea State (RSS) in 2003. The main reasons were to limit community expectation of free food every year (reduce dependency) and because previous delivery of food aid was perceived to have had little impact on food security - food aid has been provided on a more or less on-going basis in the RSS for the past 20 years. The total amount of WFP allocated food aid in FFR was the same as would have been distributed for free in other years, and was therefore on a much larger scale than FFW projects.

### Lessons learnt:

- FFR is designed on the assumption that communities exist. However, RSS 'villages' consist of many hamlets scattered in large area that do not necessarily function as a community. It was, therefore, not necessarily the priority of the affected population to undertake activities in a central location.
- FFR required substantial extra work for Oxfam compared with free food distribution. It required implementation and monitoring of projects in every community.
- Activities had to be completed within a four-month period, at a time of year where people may otherwise engage in agriculture, herding livestock, or migrate to urban areas for work as part of their usual seasonal livelihood activities. It is also the hottest time of year. It was not always easy to choose activities that lasted four months. There were also conflicts between tribes over land rights, which reduced the cooperation within the villages and delayed the progress of the projects.
- Oxfam chose to implement projects that required purchase of substantial inputs and technical support. This caused delays in implementation of activities and delivery of food.
- FFR was confusing for Oxfam staff and beneficiaries. Beneficiaries of pastoralist programmes were already engaged in activities without receipt of food aid, while food aid beneficiaries had received free food aid for many years. The GoS was providing twice as much food aid (free food aid) as that delivered by WFP. As a result, some communities in the same area got free food aid from the government, while others on FFR programmes (who were often the most vulnerable) had to work for their ration.

Source: Oxfam Port Sudan, Sudan

sufficient time for recovery. Finally, and probably most importantly, food aid alone cannot achieve sustainable livelihoods or even livelihood protection or recovery. Other types of livelihood support, as well as policies at national level which promote the development of marginal groups, must be implemented in conjunction with food aid. The Oxfam programme in Turkana and Wajir subsequently started implementing a range of livelihood support interventions, including cash for work, re-stocking (during recovery), livestock offtake (at the early stage of emergency), and water interventions.

In FFW programmes, communities should benefit from the community assets created and from the food aid itself. Community assets to improve food security or livelihoods include infrastructure works, like road building to enable market access, constructing storage houses for crops, or digging wells to provide domestic water. Activities may also include water for livestock and fields, natural resource conservation programmes, such as soil and water conservation techniques or terracing. The WFP gives the following examples of food aid as livelihood support (WFP, 2003, May):

- WFP Afghanistan used food aid to help create urban and rural productive assets by supporting school feeding, women's literacy programmes, and urban bakeries.
- In the DRC, the WFP used food aid to rehabilitate rural and social infra-structure (for example, feeder roads, health and sanitation infra-structure), agricultural production (by distributing food along with seeds), and to encourage food insecure displaced or resettled women to attend vocational training.
- As part of flood response in Bolivia, food aid was used to recover flood damaged assets, such as small irrigation systems and agricultural land. In Colombia, the WFP used food aid to support construction of small roads and water and sewage channels, as well as vocational training.

There may be difficulties in implementing FFW programmes. Box 8 gives an example of the challenges faced and lessons learnt by Oxfam's food for recovery programme (FFR) in Red Sea State, Sudan, where food aid was required on a large scale for a widely dispersed population. Food for recovery is a less structured form of food-for-work where activities should contribute to initial recovery and should not require outside

### A school feeding programme supported by WFP in Sri Lanka



technical supervision (Sphere, 2004). In practice, the creation of community assets (whether as part of FFW or FFR) has often been secondary to the provision of food aid, and when this is the case, insufficient attention is given to community involvement in identifying projects, the capacity to maintain assets, or ensuring the necessary technical expertise is available to carry out the work.

### 4.3 Food aid, markets and production

The potential negative impact of food aid on production and markets is of concern to many in the international aid community. It is feared that the provision of excessive levels of food aid will reduce the incentive for farmers to plant, and that lower market prices will reduce their income from the sale of crops, creating dependency on external assistance in the longer term.

There is strong evidence that food aid, in particular programme food aid, displaces commercial imports in recipient countries. All food aid will displace imports to some extent, as food aid will inevitably replace some portion of the food that recipients would otherwise purchase (Barrett and Maxwell, 2005). The potential for food aid to displace imports had led food aid to become a hotly debated topic at the WTO negotiations on the agriculture agreements, i.e. food aid is seen as a hidden export subsidy.

The degree of displacement, in turn, depends on how well targeted the food aid is, i.e. the additional amount consumed is likely to be higher for the poorer sections of a population. Two main forms of food aid, *monetised food aid* and *programme food aid*, are not targeted. The monetisation of food aid involves the sale of commodities in recipient countries, and the local currency is used to promote poverty reduction and food security initiatives. In 2002, about half of all project food aid channelled through NGOs was monetised (OECD, 2005). Programme food aid is provided as budget support, for example in the form of concessional sales. US programme food aid is specifically linked to the creation of overseas markets and almost all programme food aid is monetised. These forms of food aid have a much greater potential to have a negative impact on imports.

Evidence of impact on local markets and production is mixed. The impact of food aid on markets in the recipient country will also depend on the *precision of targeting*. Poor targeting of food aid, or mistimed deliveries, is likely to decrease the demand for local produce and decrease prices in local or national markets (Barrett and Maxwell, 2005). This reduces the income of local farmers. Although food prices will almost always fall, at least in the short term, the impact on farmers' livelihoods depends on the balance between income lost through lower prices and the positive market impacts on inputs, capital and labour. For example, food aid could have a positive impact through relieving short term borrowing constraints, and the availability of food aid as a safety net can encourage producers to take more risks (Barrett and Maxwell, 2005).

Simple descriptive statistics can mistake a correlation between food aid receipts and low production for causality (Abdulai et al, 2004, June). Since food aid should be targeted at areas with low production potential, or with households who have low labour supply, we should expect this correlation. By controlling for other household characteristics, and by investigating the relationship between food aid deliveries and food production throughout Sub-Saharan Africa at the macro-level, food aid has been found, on balance, to be broadly stimulative to production. One possible explanation is that financial liquidity constraints so severely limit food production and distribution in much of Sub-Saharan Africa, that the ameliorative effect of food aid on farmers' access to inputs compensates for the downward pressure that food aid exerts on producer prices (Abdulai et al, 2004, June). The evidence at local level suggests that individual farmers do not base their planting decisions on the likelihood that food aid will depress prices. In



Maize seller in Mozambique who said to Oxfam interpreter, "tell her not to bring any food aid here or no-one will buy my maize"



Above: Women carrying food aid with visible donor logo  
Below: Small stall in Thyolo district, Malawi where a cash transfer scheme is operating





most situations, the provision of food aid is too unreliable for farmers to make such calculations (Harvey and Lind, 2005, July).

In emergencies, it is possible for excessive levels of food aid to have disincentive effects. For example, in 2002 and 2003, food aid donors over-reacted to a projected 600,000 metric tonne (MT) food deficit in Malawi, and sent close to 600,000 MT of food in aid. However, commercial and informal importers brought in an additional 350,000–500,000 MT. As a consequence, maize prices dropped from \$250 per tonne to \$100 per tonne in the course of a year. Local production of maize, cassava, and rice fell and estimated losses to the Malawian economy were approximately \$15m (Mousseau, 2004, March). Furthermore, the provision of food aid in kind can have negative impacts as it often arrives late, commodities are inappropriate, and quantities insufficient. In 2004, 74% of all food aid was sourced in donor countries (OECD, 2005), which may take up to 4-5 months to arrive in the recipient country.

The potential disincentive effects of food aid should be an argument for looking at the appropriateness of the assistance being provided, and the way it is provided, not whether it should be provided at all (Harvey and Lind, 2005). In countries or regions where food is available locally, it is both quicker and cheaper to purchase food aid locally. The cost of local purchase of food aid is, on average, 50% less than food aid sourced in donor countries (*tied food aid*) (OECD, 2005). Local purchase also provides commodities that people in need of food aid are used to, while local purchase can stimulate the local economy. A study of the statistical correlation between nations' annual per capita production of cereals with that of their neighbours, found that there was the potential for expanding triangular transactions, i.e. purchases within the region (Barrett and Maxwell, 2005).

#### 4.4 Global food aid governance

The main global instrument for regulating food aid is the FAC<sup>12</sup>. It is a legal agreement among seven donor countries and the EU. Recipient countries are not included. The latest FAC renegotiation (due in 2004) has been suspended until agreement could be reached within the WTO on food aid reforms.

The FAC was intended to enhance the capacity of the international community to respond to emergencies by guaranteeing a predictable flow of food aid every year. The 1999 FAC sets minimum aggregate commitments at 5.5 MT, whereas originally minimum commitments were set at 10 MT. Each donor has a minimum commitment per annum. The FAC also provides guidelines for the provision of food aid so that it is targeted effectively. For example, the 1999 FAC states that:

- Food aid should only be provided when it is the most effective and appropriate form of assistance.
- Food aid should be based on an evaluation of needs in the recipient country.

- Food aid provided is aimed particularly at the alleviation of poverty and hunger of the most vulnerable groups, and is consistent with agricultural development in those countries.

The FAC also encourages increased distribution of food aid through multi-lateral channels and the local or triangular purchase of food aid when possible. Members should provide regular reports to the Food Aid Committee of the FAC, on aid deliveries, arrangements for the future supply of food aid, and policies affecting the provision of food aid.

One problem with the FAC is that it is a voluntary code, with no compliance or legally binding regulatory mechanism. In practice, therefore, the guidelines are not followed, and food aid is not provided according to need. The committee on surplus disposal in FAO has a register of transactions which has a mechanism for notification of food aid shipments. It is also a forum for complaints about food aid issues. However, by 2001, reporting rates dropped to 4% (Barret and Maxwell, 2005). A key issue is that current food aid regulatory mechanisms were established at a time when food aid was mainly a means of surplus disposal, and the main aim of regulatory mechanisms was to prevent commercial displacement. In recent years, with the growth of emergency food aid, food aid has become more demand led.

The WTO negotiations on agriculture, and the revision of the FAC that will follow, provide a unique opportunity to make global food aid governance more effective. The main issue will be how to make the FAC more binding and to ensure that a compliance mechanism exists. One way of doing this is by linking it with the WTO dispute regulation process. Barrett and Maxwell (2005, December) have given recommendations for a new Global Food Aid Compact (GFAC). The key elements of the Compact are:

- Inclusion of recipient as well as donor countries.
- Link with an international Code of Conduct where all signatories agree to role specific obligations.
- Commitment of donors to a minimum of financial contributions as well as minimum tonnages.
- Link with the WTO for its dispute resolution process.
- Establishment of a Global Food Aid Council, an interagency body with technical capacity to oversee and monitor the implementation of the GFAC.

The regulation of emergency food aid through WTO disciplines is a contentious issue. On the one hand, tied aid in emergencies is clearly not the most effective form of assistance in many emergencies and therefore its use should be regulated. On the other hand, any regulatory measures should not lead to the delay of emergency food aid shipments when they are urgently needed.

<sup>12</sup> The FAC was originally agreed in 1967 as part of the International Grains agreement, and is housed in the International Grains Council in London. The FAC has been revised three times since its inception.



Carrying distributed food in Kenya

#### Key reading

Jaspars and Shoham (2002, December). A critical review of approaches to assessing and monitoring livelihoods in situations of chronic conflict and political instability. ODI working paper 191.

Levine, S. and Chastre, C. (2004, July). Missing the point. An analysis of food security interventions in the Great Lakes. An HPN network paper. ODI.

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WFP (2005, June). Emergency Food Security Assessment Handbook

# 5

## Income and employment support

### 5.1 Introduction

The provision of cash as an emergency response has the potential to impact on all elements of the livelihoods framework by providing the means to protect or recover assets, support livelihood strategies and meet basic needs, or to support institutions (for example, credit systems). Furthermore, it gives people choice and thereby respects the dignity of the affected populations. The provision of cash as part of an emergency response is becoming increasingly common practice for many NGOs. The need for cash transfers as part of long term social safety nets is also increasingly recognised by donors, the UN and NGOs.

Most of the major NGOs are now supporting and implementing cash transfer interventions in emergencies, e.g. Oxfam, SC-UK, ACF, Concern WW, CARE, CRS, MCI, and also the IFRC, British Red Cross and local Red Cross (RC) societies. UN agencies dealing with emergency cash programmes include UNDP (in Aceh) and, more recently, WFP in Sri Lanka. Cash programmes have been implemented in a wide variety of emergency contexts, such as floods, drought, chronic food insecurity and conflict, and amongst refugee, IDP and host populations. Interest in cash programmes accelerated with the tsunami response, as it was quickly realised that sufficient food was available locally and markets were functioning or could quickly recover. An unprecedented public response to the tsunami meant that most agencies had sufficient funds to try out something new. As a result, there is now an increasing body of knowledge and experience in cash programming.

This chapter reviews the most common forms of income and employment support in emergencies, which are cash grants, cash for work (CFW), and in some cases, micro-finance initiatives. Food for work (FFW) is another form of employment support, already discussed in the earlier chapter on food aid. Many of the principles of CFW programming, however, also

apply to FFW programmes. Vouchers, either in the form of cash, commodities or services, can be considered both as income support or as market support and are covered in Chapter 6 on access to markets, and again under production support (chapter 7), where seed vouchers are the most common voucher intervention. Cash transfers as part of social welfare schemes are touched upon briefly, as there is increasing recognition of the need for longer term assistance to meet basic needs in countries facing long term livelihoods crises. The final section has case studies on cash grants and cash for work in Sri Lanka, income generation for refugees in Guinea, and micro-finance in Argentina.

Income generation is not covered separately, as in many cases, the use of the cash from grants or CFW is used to generate income, for example by investment in livelihoods or business assets. As such, cash grants to re-establish small scale business or to invest in livelihood assets are not very different from the income generation case study in section 5.7.2. In more stable contexts, income generation projects also allow people to diversify their income through small scale, self-employment business schemes. Projects may include support of people in management, supervision and implementation of their businesses.

Finally, there are less common forms of income support which should also be considered in determining appropriate interventions, e.g. fee waivers (for example, for schools and health services), insurance schemes and tax breaks, but these are not covered here.

### 5.2 The rationale for cash interventions

Emergency affected populations often lose their sources of income, savings or assets. In some emergencies, items needed for immediate survival or livelihood recovery are available on the local market so that it makes sense to give people money to

**An Oxfam CFW project in Afghanistan. Embroidery was identified by the women as something they could and wanted to do.**







meet their needs. Furthermore, the provision of cash rather than commodities means that people can spend it on what they need most, according to their own priorities.

All cash programmes broadly aim to increase the purchasing power of disaster-affected people so that they are able to meet their minimum food and non-food needs, or to assist in the recovery of people’s livelihoods. Specific objectives depend on the context, but may include debt relief, the purchase of livelihood assets, purchase of assets or services to re-establish small businesses, and increasing access to basic services such as health care. Cash transfer programmes may also have broader objectives to stimulate or help in economic recovery.

Cash transfers can stimulate markets in a number of ways, for example, by increasing demand and by relieving debts. In many countries, people take credit from local shops, but in disasters may not be able to pay off debts because of loss of assets and income. Traders, in turn, will not be able to obtain supplies. In such circumstances, the provision of cash grants to affected households, together with credit for shopkeepers, can stimulate the movement of essential supplies into affected areas (Brass, personal communication; SC-UK, 2005, November; Lautze et al, 2002, May).

In cash interventions, recipients get goods and services directly from local traders and service providers, which

stimulates the local economy, and reduces the need for much of the logistics input required for commodity distributions. Cash distributions are also much more cost-efficient when compared to food aid. For example, a study in Ethiopia found that cash transfers were 6-7% cheaper than local food purchase, and between 39 and 46% cheaper than imported relief food (Adams and Kebete, 2005, June). The advantages of cash interventions are given in box 9.

Evaluations of cash interventions show that the most common uses of cash by the recipient population is to meet basic needs, such as food, cooking utensils, clothes, to pay off debts, purchase livelihood assets, or for education and health care (see box 10). The use of the cash is also determined by the method of making the payments, whether other forms of assistance are provided, the total sum beneficiaries receive, and the timing of the payments. Oxfam evaluations show that when cash is distributed on its own, the majority is spent on food (e.g. Creti, 2005, February; Jones, 2004; Khogali and Takhar, 2001). However, this may change if cash is provided after the harvest, as ACF’s experience in Somalia showed. Post-distribution monitoring showed that during the hunger gap, 60% of cash was used to buy food, and only 3% used for livestock purchase while after the harvest, 31% was used to buy food, and 47% to buy livestock (Mutambikwa, 2006, January). Cash distributed at harvest time in Ethiopia allowed people to renegotiate contractual arrangements for crop sharing for the next season. For 16% of households it also meant that they did not need to rent out land (Adams and Kebete, 2005, June).

If cash is provided as a complement to food aid, then it is more likely to be spent on livelihood recovery, such as restocking, setting up small businesses and the payment of school fees. However, this also depends on context and the type of food rations provided. For example, both Oxfam and ACF evaluations of CFW programmes in Aceh, found that even though cash beneficiaries received a WFP food ration and other food items from NGOs, the major use of cash was for food (ACF, 2005, July). Larger expenses were community contributions, clothing and gold (savings) (Brocklebank, 2005). Small regular payments are more likely to be used to buy food, whereas larger lump sums are more likely to be spent on productive assets and re-establishment of economic activities (Frize, 2002, Adams and Kebete, 2005, June).

Despite the clear advantages of cash programming in many contexts, commodity distribution is still the most common emergency response. Fear of insecurity, diversion and corruption appears to be one of the main deterrents to cash programming. Security is an issue that needs to be taken seriously in any programme, but there is no evidence that cash distributions create greater risks than in-kind distributions. In many emergencies, food aid or other commodities also carry considerable risks, and the risks associated with cash programming must be carefully balanced against the risks associated with other ways of providing assistance. CFW has, in

**Box 9 Advantages of cash transfers**

- Choice:** cash provides households with a greater degree of choice on spending priorities.
- Cost-effectiveness:** cash is likely to be cheaper and faster to distribute than alternatives such as restocking, seed distribution, and food distribution.
- Dignity:** offering cash maintains people’s dignity, instead of treating them as passive recipients of relief.
- Economic recovery:** injections of cash have potential benefits for local markets and trade.
- Flexibility:** cash can be spent on both food and non-food items and is easily invested in livelihood security.
- Empowerment:** cash can improve the status of women and marginalised groups.

Source: Creti and Jaspars, Eds (2006).

**Box 10 Examples of beneficiaries’ use of cash**

- Purchase of food, kitchen utensils, clothes
- Paying off debts and loans
- Payment of school costs: fees, clothes, transport
- Purchase of livestock and agricultural inputs
- Payment for health care
- Setting up small shops
- Purchase of tools for petty trade: for example woodcutting, donkey carting

Source: Creti and Jaspars, Eds (2006).

some situations, proved to be safer than food distributions. For example, an Oxfam programme in Haiti found that it was impossible to do food distributions because trucks were attacked and looted, but CFW was possible when the disbursement of cash was carried out through local shops (Creti, 2005, February). Similarly, in Uganda, Oxfam found that CFW was less subject to diversion than food aid (Khogali and Takhar, 2001).

Another common fear is that cash will be spent on non-essential commodities. There are few cases where it has been reported that cash has been spent on non-essential items, for example, Oxfam found that some of the cash was used to purchase cigarettes in Aceh. In such circumstances, stopping the cash distribution is unlikely to stop people from buying cigarettes. Replacing cash with commodity distributions will release income that would otherwise be spent on these commodities, which can still be spent on cigarettes. There are many other fears around cash programmes, for example that women may not have control over the cash, or that cash distribution on a large scale will cause inflation, but these have generally not been borne out by practice. Since cash interventions are relatively new for most humanitarian agencies and certain risks cannot be anticipated, some agencies are implementing on a small scale first and then rolling out programmes where successful.

### 5.3 Appropriateness of cash interventions

Many agencies, academics and donors recognise that cash as an emergency intervention is appropriate when foods (or other goods) are available and markets are functioning and accessible. In addition to these two criteria, a third criteria is that cash can be delivered safely and effectively.

Whilst basic criteria of food availability and functioning markets appear straightforward, these criteria are difficult to determine in practice. There is no agreed methodology for market assessments, and where assessments have been conducted, interpretation may differ between actors. (Market analysis is discussed further in chapter 7). Food availability may also be hard to determine precisely, as in many countries crop assessments are imprecise, while population estimates are notoriously unreliable. In Afghanistan, the WFP has combined a number of indicators to determine whether food or cash is more appropriate to meet food needs (Hofmann, 2005). These include:

- Market indicators
- Those areas where respondents to the National Risk and Vulnerability Assessment stated a preference for food over cash or a combination of both
- Areas where there is no spring/winter access to markets
- Areas where cash interventions are likely to be hampered by insecurity
- [food] gap analysis.

The ability to safely deliver cash in emergency contexts is crucial. Reviews and evaluations have found that where local banking systems exist, or there are informal money transfer mechanisms, these are by far the safest and most effective ways of delivering cash to beneficiary populations (Acacia consultants, 2005; Hofmann, 2005). The use of local banks minimises both the risk of theft during delivery, and the risk to beneficiaries as they can choose the day and amount of cash to withdraw from their account. Oxfam's programme in Uganda involved direct distribution of cash and employed a variety of mechanisms to minimise security risks, for example by varying payments days, decentralising distribution, and limiting the number of people who have information about when payment will take place (Khogali and Takhar, 2001). The issues to consider in an assessment to determine the appropriateness of cash interventions are summarised in table 4.

**Table 4 Key elements of an assessment of the appropriateness of cash intervention**

Element	Key issues
Needs	The impact of the shock on people's food and income sources as assets People's ability to meet their basic needs with the food and income available after the shock People's ability to recover their livelihoods with the assets and income available after the shock The impact of people's coping strategies on livelihoods and dignity Likely uses of cash Preference of the emergency-affected populations
Social relations and power within the household and community	Intra-household priorities and control over resources Intra-community differences in control over resources Likely impact of cash distributions on existing social and political divisions
Food availability	Available food, or other goods, nationally and locally, and whether this is sufficient to meet needs Normal seasonal fluctuations in food availability Government policies or other factors which may affect food availability
Markets	Whether markets in the affected area operating and accessible Availability and price of essential basic items that people need available in sufficient quantities Restrictions on the movement of goods How well the market functions, is it competitive and integrated Likelihood that traders will respond to an increase in demand Risks that cash will cause inflation in prices of key products
Security and delivery mechanisms	Whether banking systems or informal financial transfer mechanisms are functioning Risks of cash benefits being taxed or seized by elites or warring parties Comparative risks posed by in-kind alternatives to cash
Corruption	Risks of cash being diverted by local elites or project staff Comparative risks of providing in-kind alternatives Availability of accountability safeguards to minimise these risks

Adapted from Harvey (2005, February) and Creti and Jaspars, Eds (2006).



Post tsunami CFW beneficiaries being paid by Oxfam staff

Sophia Dunn/Oxfam, Sri Lanka



**Table 5 Advantages and disadvantages of different types of cash intervention**

Cash for work (CFW)	Vouchers	Cash grants
<b>Advantages</b>		
Easier to target than vouchers or cash grants Creates community assets Easier to register labourers for CFW, than beneficiaries for cash grants	Encourage traders to bring in certain goods Can be directed towards food purchase and consumption Voucher exchange is easy to monitor Less vulnerable to inflation and devaluation Security risks can be lower than for cash for work or cash grants	Quick to distribute and circulate Minimal involvement of implementing agency at point of trade Low administration costs
<b>Disadvantages</b>		
High administration costs Some of the poor or food insecure households may not be able to participate (e.g. elderly, ill, labour poor households, women with other household duties) Takes up to 6 weeks to organise May interfere with labour markets or other household activities or priorities	High administration costs Risk of forgery May create a parallel economy May need regular adjustment by agency to protect from inflation Can take 6 weeks or more to organise	Difficult to monitor usage Targeting and registration are difficult, because cash is of value to everyone

Source: Creti and Jaspars, Eds (2006).



A barber shop supported by a cash grant in Sri Lanka

Lili Mohiddin/Oxfam, Sri Lanka, 2005

**Box 11 Cash grants in Somaliland**

In Somaliland in 2003-04, cash grants were targeted at those who were at risk of destitution as a result of drought. A total of 14,000 households were targeted. A \$50 grant/month was based on the cost of food, sugar, oil, water for livestock and humans, drugs for humans and livestock, and relocation costs for livestock, i.e. the total value of essential goods and services. The grant was also kept fairly low to deter recipients from undesirable spending such as on weapons and qat (a local drug).

Even in an unstable environment such as Somaliland, this programme was found to be a success. Monitoring and evaluation of the programme found that the most vulnerable members of the community had been successfully targeted through community based targeting methods, and the main uses of cash were food, water, health, and debt repayment. Some households were able to move their animals from overgrazed pastureland to less affected locations. The incidence of begging and reliance on social support mechanisms fell by 90%. Furthermore, there were no incidences of misuse of cash or negative impact on social relations within or between households. Security risks were kept to a minimum through the use of local money transfer companies to disburse the cash.

Source: Ali et al (2005, March)

Different types of cash programmes will be appropriate in particular situations. CFW is by far the most common cash intervention. The main reasons for this appear to be that agencies are able to retain some degree of control over the programme. Cash grants, on the other hand, require a change in the mind-set of aid workers, as control and responsibility for identifying and meeting needs must be transferred to the beneficiary communities. CFW is appropriate where work needs to be carried out, e.g. rehabilitate houses, or public structures, or where works can assist in halting environmental degradation. Furthermore, although registration is notoriously difficult for any form of relief assistance, registering people for work makes is a lot easier. The main disadvantage of CFW is that it takes a long time to organise if the worst affected or poorest sections of the population are to be effectively targeted. The use of vouchers is usually recommended where there is a need for specific items (such as seeds) and/or to encourage traders to bring in food from surrounding areas. Table 5 sets out some of the advantages and disadvantages of the different types of cash transfers. The challenge for future cash programmes will be first, to agree on the criteria for implementing different types of cash interventions, and second, to implement cash programmes on the basis of rational criteria rather than allow influence of unfounded fears or assumptions.

**5.4 Cash grants**

Cash grants have been provided for a variety of purposes (see table 6), but the main forms are grants to meet basic needs or to purchase livelihood assets. The UNHCR have been implementing cash grants for returnees for many years while the Swiss Agency for Development and Cooperation (SDC) have implemented cash grants in at least 13 countries over the past five years. Many of these grants have been to families hosting refugees or displaced populations (Harvey, 2005, February). The cash relief programme in Somaliland, implemented by Horn Relief and Norwegian People's Aid, is one of the few well documented examples of cash grants in emergencies and is summarised in box 11.

Following the tsunami, several agencies started experimenting with cash grants. In many ways, the early CFW interventions by Mercy Corps and Oxfam in Aceh, Indonesia were a form of cash grants. They targeted entire communities with the main objectives of providing people with an income quickly, to stimulate the economy, and to clear roads and villages for rapid return home. Both Oxfam and Mercycorps later gave grants to re-establish livelihoods. The main aim of cash grants for livelihood recovery was to enable households to

purchase the assets needed to re-start their income-earning activities (see Sri Lanka case study 5.6.2). In Indonesia, the cash grant aimed to cover the cost of shelter, workshops, tools, equipment, and raw materials for small businesses. As new business opportunities arose, Mercy Corps also started a financial access programme which provided loan guarantees to financial institutions to provide loans to small enterprises (Mercy Corps, 2006, January). Such programmes are considered in more detail in section 5.7.

WFP is piloting cash grants in Sri Lanka. The cash provided has the same value as the food ration, and the key question asked in this pilot intervention is whether households that receive cash are more able to improve their food security than if provided with food aid, because of the choice that cash gives to the beneficiaries. A rigorous monitoring and evaluation system has been developed to compare the respective impact of cash and food aid interventions.

Cash grants are increasingly considered as an option in emergency response. For example, the British Red Cross distributed cash grants in Niger in 2005, and a number of agencies are piloting direct cash transfers in Southern Africa in 2005 and 2006.

## 5.5 Cash for work

This provides cash in return for work on a public or community employment scheme. The aim is that the entire community benefits from the work carried out and activities can include improving the public health environment, the rehabilitation of public buildings or roads, different forms of agricultural rehabilitation (e.g. storage houses for crops, or wells to provide domestic water or water for livestock and fields), and natural resource conservation activities, such as soil and water conservation techniques or terracing. One of the key criteria for implementing CFW programmes is that the activity is an essential part of the emergency operations and is needed in order to restore livelihoods. However, CFW is often implemented because of the greater degree of control that CFW gives the implementing agency compared to cash grants.

The objectives of CFW are:

- to provide the emergency affected population with a source of income
- to create or rehabilitate a community asset
- to carry out essential work as part of emergency response (e.g. clearing roads, remove debris)
- to stimulate the economy or contribute to economic recovery.

Oxfam has developed a set of principles for the implementation of cash programmes, many of which are also found in the Sphere guidance notes for the income and employment minimum standard (see table 7).



**Afghan women's group members weaving as part of CFW project**

Brian Jones/Oxfam, Afghanistan

Type of grant	Description and application
Grants to meet basic needs	Grants to meet basic food and non-food needs. Can be one off, but are usually provided regularly, e.g. monthly basis. Applied in Somaliland by Horn Relief, USAID in Mozambique, Iranian Red Crescent in Iran, SDC in Mongolia, ICRC in West Bank, Palestinian Territories.
Grants to host families	Grants to reduce economic burden of hosting IDPs. Applied by SDC. Countries have included Indonesia, Serbia, and Ingushetia.
Grants to rebuild housing	Grants for materials to rebuild houses, together with technical assistance. Applied by SDC in Kosovo. Beneficiaries had to host displaced people in return.
Grants to replace livelihood assets	Cash to purchase essential livelihood assets or to purchase the materials necessary to re-establish business. Applied by Oxfam and Mercy Corps in response to the tsunami.
Community grants	Grants for communities to design and manage their re-emergence from disaster. Applied by Mercy Corps in Indonesia.
Grants for returnees	SDC in Bosnia and Kosovo. UNHCR to cover transport costs for returnees to Afghanistan.

Source: Harvey (2005, February)

Principle	Explanation
The food-insecure or the poorest people should be targeted.	The beneficiaries of the programme should be those who have lost a large proportion of their food or income sources as a result of the disaster.
The most physically vulnerable people should be included.	Arrangements are made for those unable to work, for example they could be given cash grants or vouchers instead of CFW.
The community should 'own' the programme.	The community identifies projects activities. This involves a process of community mobilisation and awareness about the nature and process of CFW programming.
Work should be labour-intensive.	Programmes should employ as much unskilled labour as possible, to maximise impact on a largest possible number of affected households.
A gender balance should be ensured.	Projects should promote female participation. A variety of activities should be implemented, a majority of which will be suitable for both men and women. Childcare arrangements may be needed.
Equal pay should be the rule.	Women and men will be paid equally for agreed of working units.
Essential livelihood activities should not be undermined.	Cash for work activities should not interfere with or replace traditional livelihoods and coping strategies, or divert household resources from other productive activities already in place.

Adapted from Creti and Jaspars, Eds (2006).





**A meeting of men in Waras, Hazarajat, Afghanistan. The men were part of an Oxfam CFW project (see picture p.5). The meeting was to get feedback on their attitude to the programme and their thoughts on CFW v FFW.**

A number of other principles apply when planning the implementation of CFW programmes. The Sphere indicators for the income and employment standard provide good planning principles as well as benchmarks against which to monitor the achievement of the minimum standard. These include:

*“Project decisions about timing, work activities, type of remuneration and the technical feasibility of implementation are based on a demonstrated understanding of local human resource capacities, a market and economic analysis, and an analysis of the demand and supply for relevant skills and training needs.”*

*“Responses providing job or income opportunities are technically feasible and all necessary inputs are available on time....”*

*“The level of remuneration is appropriate, and payment for waged labour is prompt, regular and timely. In situations of acute food insecurity, payments may be made in advance.”*

*“Procedures are in place to provide a safe, secure working environment.”*

**Box 12 Challenges faced by Oxfam, Norwegian People’s Aid and Horn relief in the Somaliland CFW programme in 2004**

- Some Village Relief Committee (VRC) members/foremen did not have adequate technical skills.
- The vastness of the area made it difficult for close supervision of the micro-projects.
- The CFW activities were highly regulated in respect to work norms and schedules, which conflicted with the beneficiaries’ nomadic lifestyle.
- Some women complained of long distances to and from the project sites. Old or expectant mothers were more disadvantaged.
- There was an influx of people to the CFW sites who could not be included in the projects.
- The amount of resources provided by the project was too little and was also spread too thinly, thereby reducing the immediate benefits from cash injections.
- It was difficult to choose the target villages given the complex clan dynamics and the potential for conflicts when some clans were left out.
- The destitute are still vulnerable after a drought.
- At the beginning of the project, people who were accustomed to previous cash relief grants expressed reservation about CFW and influenced others.
- The chronic environmental degradation and the vastness of the area is a big challenge for the sparse population. The task at hand is enormous.

Source: Acacia Consultants (2005, July).

CFW payment has sometimes been made on the basis of a unit of work completed, or as a daily wage. The different factors that have been taken into consideration in the past include:

- The daily living expenses of the target group.
- The cost of immediate food and non-food needs and the cost of replacing livelihood assets.
- The cost of transport to and from the work site.
- The value of food aid provided in similar FFW programmes.
- Government minimum wages.
- Information about wage ranges for skilled and unskilled labour.

Past projects have made various arrangements for those unable to work on projects (but who are also amongst the most food insecure or poorest sections of the population) and to encourage the participation of women. For example, Oxfam often provides cash grants to those unable to work as part of CFW programmes. In others, special projects can be designed for those who are unable to participate in the main work activities, which may include the elderly, or women with small children. In Kenya, destitute elderly women participated in a project that produced housing materials since the work was light and could be done seated. In addition, tasks such as supervision, minding children, providing water, counting, and clerking were given to people who could not perform heavy labour (Lumsden and Naylor, 2002). In Afghanistan, women unable to leave home for cultural or religious reasons participated in group textile production and kitchen gardening (Jones, 2004).

Countries where sections of the population suffer chronic poverty and food insecurity, and where CFW has become a common intervention include Ethiopia, Kenya, Somalia, and Afghanistan. Common factors for each of these countries include:

- high levels of unemployment or destitutions amongst sections of the population
- high levels of indebtedness
- environmental degradation
- poor infrastructure
- repeated disasters.

CFW programmes in situations of chronic food insecurity, in particular where these are large rural dispersed populations, face numerous challenges (see box 12). Some of these relate to the nature of CFW projects; i.e. that they have high administration costs, and take time to plan, and may need particular technical skills to supervise projects. The most significant challenge, however, is the need for longer term programmes to meet basic needs in such situations. Most emergency cash programmes are short term, but the needs continue beyond the period of a typical emergency intervention. This is discussed in the next section.



## 5.6 Cash transfers as part of social welfare and social protection

With the increasing recognition of chronic livelihoods crises with high levels of poverty and chronic food insecurity in much of the Horn, East and Southern Africa, there is a growing acceptance of the need for cash transfers as part of long term social welfare programmes. The rising prevalence and impact of HIV/AIDS, particularly in Southern and East Africa, has highlighted the need for longterm welfare programmes. Many donors (e.g. the World Bank and DfID) now recognise the need for multi-year commitments for the predictably food insecure. The Commission for Africa has proposed that African governments should develop social protection strategies to support communities with orphans and vulnerable children and recommended that donors should commit to long term, predictable funding of these strategies (DfID, 2005, October).

*Social welfare* can be defined as assistance to meet basic needs for those who cannot meet such needs in normal times, whereas social protection includes a range of measures to protect people from shocks and to build up assets as well as meet basic needs (SC-UK, HIA/IDS, 2005). The term social safety net is also commonly used and includes measures to mitigate the impact of shocks.

There is relatively little experience of cash transfers as part of social welfare schemes in Africa. Some positive examples do exist, however, in Southern African countries. For example, Botswana and Lesotho have introduced non-contributory social pensions for adults who have lost their children due to HIV/AIDS and who are caring for their orphaned grandchildren. GTZ has successfully supported a pilot cash transfer in Zambia initiated in 2003 by the Zambian Ministry of Community Development and Social Services (GTZ, 2005, July). This was targeted at households with few able bodied adult members, mainly as a result of HIV/AIDS, and had a positive impact on food security, and children's nutrition, health and education. Also in Southern Africa, many NGOs are implementing home based care programmes (HBC) which is a community based approach to providing health care and other support to people living with HIV/AIDS, some of which include cash transfers. However, HBC implemented by NGOs are unlikely to reach the scale required for social welfare systems. The International Labour Organisation (ILO) calculated the cost of providing social welfare to the poorest 10% of households for seven African countries<sup>13</sup>, and found that in none of the examples would the cost would rise above 3.1% of estimated government expenditure, or between 3-5% of development assistance<sup>14</sup> (DfID, 2005, October).

Ethiopia and Afghanistan are examples where extensive donor support is provided to establish social protection programmes. Ethiopia is in the process of establishing an ambitious Productive Safety Net Programme (PSNP), planned for five years, with initial estimated beneficiaries of 5 million. It consists of an extensive public works programme for the chronically food insecure, and grants for those unable to work. The public works component builds on previous FFW and Employment Generation Schemes. The programme has experienced setbacks due to the administrative requirements of disbursing the cash, managing a balance between cash and food aid as payment (in particular when food prices are rising), and debates around policy. In Afghanistan, the National Emergency Employment Programme (NEEP), is a social safety net based on CFW, and is funded by the World Bank and ILO (Hofmann, 2005, June). Both the Ethiopia and Afghanistan national programmes rely heavily on the support of NGOs to implement the programmes.

A considerable challenge for the new development of state welfare systems is to ensure adequate and sustained financing, administrative and management capacity. This is especially the case where physical infrastructure and logistics are poor, and where state institutions are weak. Where government capacity for administration and monitoring is weak, such systems may be vulnerable to 'leakage' and corruption.



Sophia Dunn/Oxfam, Sri Lanka

Waiting for cash in Sri Lanka



Sophia Dunn/Oxfam, Sri Lanka

Beneficiaries at Mirijjavila Bank, Sri Lanka



Ann Witteveen/Oxfam, Zambia, 2005

Signing for cash using a thumbprint in Zambia



Ann Witteveen/Oxfam, Zambia, 2005

Sensitising beneficiaries prior to disbursement of cash transfer (Mongu Province) - for accountability and transparency and to promote HIV/AIDS awareness

<sup>13</sup> Burkina Faso, Cameroon, Ethiopia, Guinea, Kenya, Senegal, Tanzania

<sup>14</sup> Kenya is an exception where this would cost 16% of development assistance.



Projects implemented by NGOs on the other hand, tend to be small scale, which excludes large numbers of vulnerable people (SC-UK/HAI/IDS, 2005). Support for social welfare programmes raises both technical and institutional issues for most agencies. Some of these are summarised in box 13.

## 5.7 Micro-finance

In many situations of protracted displacement or post conflict, people will start small enterprises such as petty trade or service provision to meet some of their basic needs. People need access to credit to start such activities, and for these activities to grow. However, institutions which provide credit, such as banks, are rarely available in camp situations, and where they do exist, poor people may not obtain access due to their lack of creditworthiness or collateral. In such

### Box 13 Challenges in establishing social safety nets in Kenya

In many parts of Kenya, acute food insecurity, as a result of poor rains, is exacerbated by underlying structural poverty and increases vulnerability to external shocks. The decline in livelihoods, and the number of people who are unable to meet their immediate needs at any time, is not being adequately addressed by the current response mechanisms. There is now a predictable caseload of chronically food insecure people who need continual or regular assistance to meet their basic food and non-food needs. Predictable needs can be met more effectively through predictable resource flows, which give government more control over management of food security responses and facilitate more joined up decision-making across relevant ministries and departments. There are several challenges to this approach, however:

- In Kenya, as in many countries, emergency food relief is the only available instrument at scale. Transitioning out of emergency food aid to address a chronic problem requires establishing an alternative system at national level. This needs policy change, stakeholder buy-in, significant resources and strong leadership.
- A move away from relief is a huge challenge to some organisations, which are either unable or unprepared to change. It also stretches the mandate for organisations, particularly around funding.
- While new systems are being developed, it is important that needs are still met and that support continues, so there is not a gap in delivery of resources.
- There are organisational challenges due to artificial divides within organisations. There are differences of opinions as to what fits into the 'livelihoods' department and what fits into the 'humanitarian department'. Chronic food insecurity and multi-annual safety nets don't have a natural fit in either and there is a risk of them falling through the gap.
- It is difficult to distinguish between who is adversely affected by a current dry period and who is already unable to meet basic food needs during normal times. This has resulted in a blanket approach to all food insecure people, using an emergency relief response.
- A safety net will not operate effectively in isolation. Complementary programmes are needed to address underlying causes of food insecurity and poverty. Moreover, additional resources will be needed to respond to acute food insecurity at critical times.
- Addressing chronic food insecurity directly through a multi-annual safety net has implications for working through government, rather than parallel to government. This is a challenge to standard humanitarian practice, as well as to operating agencies that are used to working independently of government.

Source: Karen Tibbo, Livelihoods advisor, Oxfam

circumstances, people may get loans from local money lenders, or resort to damaging or illegal livelihood strategies.

Microfinance in emergency settings can include emergency loans, remittance services, loan rescheduling, loans to restore capital assets or to start new economic activities. Micro-finance has also been defined more broadly as any financial service targeted at low income people (including credit, savings, money transfer, insurance and currency exchange), and including services provided by community managed groups, NGOs, commercial banks, individual moneylenders, and collectors. For example, a recent pilot project by the World Bank in Malawi provides insurance for smallholder farmers whose harvests have been affected by drought. The project designed an index based weather insurance contract that will pay out if the rains required for groundnut production are insufficient. This section focuses on loans as the most common form of micro-finance in emergencies.

The main aim of micro-finance is to give poor or disaster affected population's access to financial services that will allow them to invest in ways that support their livelihoods. Micro-finance differs from the cash grants for livelihood recovery in that beneficiaries are expected to pay back loans, and there is an expectation of durability of the financial services provided. Agencies planning micro-finance need to plan for a long-term intervention rather than a short term emergency response.

In emergencies, the distinction between grants and micro-finance has sometimes become blurred because the institution implementing the project does not have the capacity to establish systems to retrieve the money. Alternatively, repayment has sometimes been cancelled when it is believed that clients are unable to repay the loan. This confusion can undermine the work both of formal and experienced micro-finance institutions and of informal financial services. In addition to general livelihoods assessments, the following needs to be determined before deciding on the suitability of micro-finance services (Wilson, 2002, March);

- Existing micro-finance competition in the market place and details of their products.
- Identification of products that are in demand.
- Criteria for when and where to give hand-outs rather than micro-finance and to whom.

The most suitable candidates for microfinance services are home-based resident populations and returnees, both of who tend to have at least some assets and an incentive to stay where they are if they can earn a living (Doyle, 1998), although there is an increasing body of experience working with refugees and IDPs. Preconditions for the success of micro-finance projects include (Doyle, 1998):

- Reasonable amount of security and stability of access in the project area (though microfinance programmes have continued to operate during conflict).
- Existence of some market activity.
- Assurance that refugees or IDPs will remain in place long enough for programmes to allow them to redeem the loans (18 months is the common benchmark).

In acute emergencies, or unstable contexts, in-kind assistance or grants are more appropriate.

Loans can be provided to individuals or groups, with group lending often preferred by NGOs as a form of collateral. This is not necessarily the preferred option by the recipient population, however, as was found in a review of micro-finance initiatives in Rwanda, Cambodia, Angola and Mozambique (Wilson, 2002, March). The same study found that people preferred to use local money lenders as they were more flexible than NGO schemes. Micro-finance is often accompanied by training to upgrade recipients' skills, which is frequently considered as important

by beneficiaries as the loan itself (Jacobson, 2004, November). A study by Tufts University developed a number of best practice principles for micro-finance in protracted refugee populations, which are summarised in box 14.

**Box 14 Best practice principles for micro-finance in protracted refugee contexts**

- Develop or bring in micro-finance institutions for the longer term, including host as well as displaced community.
- Separate micro-finance services from relief programmes. Use different agencies or different staff.
- Build trust and familiarity between implementing agency and refugees before starting micro-finance initiatives.
- Livestock and other in-kind loans may be more appropriate in refugee situations where new refugees continue to arrive, there are high levels of insecurity, or where no agency experienced in micro-finance is present.
- Anticipate the risks inherent in working in emergencies and adapt programmes accordingly. This can include using savings or group guarantees as collateral, adapting the loan terms (frequent loan repayments works best), not over-estimating loan size, and base interest rates on institutional costs, inflation, market rates, risk and client capacity.
- Where possible, provide a mix of service, for example marketing assistance, training, and other financial services such as flexible savings or money transfer services.

Source: Jacobson (2004, November)

**Key reading**  
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## 5.8 Case studies

### 5.8.1 Cash grants and cash for work in Sri Lanka

Sophia Dunn, Oxfam GB

Following the devastating tsunami in the Indian Ocean on 26th December 2005, Oxfam GB scaled up its activities in Sri Lanka and opened an office in the southern province of the country. Outside The Liberation Tigers of Tamil Eelam (LTTE) controlled areas, some parts of the Southern Province are amongst the poorest in Sri Lanka, and thus most eligible for assistance.

Oxfam GB had no existing partners in this area and therefore no relationship with the community. Immediate needs were being met through assistance from WFP (food) and the government (cash vouchers and cash grants), and were provided to all households directly affected by the tsunami for seven months, beginning in February 2005. Oxfam thus set up a programme of both cash grants and CFW, with a view to enabling people to purchase their own food and basic needs when government assistance ceased.

#### Why cash grants for some people and cash for work for others?

The local government authority was responsible for coordinating livelihood activities. Oxfam GB requested to assist the coir, lace and agricultural sectors as these groups are considered to be poor livelihood groups. Furthermore, Oxfam wanted to prioritise women's activities as many organizations were concentrating on the (male dominated) fisheries sector. Also, at that time, coir and lace industries were tsunami affected but not being assisted by other agencies.

Most of the households preferred to return to their original means of income generation so that they could earn money faster than if they had to undergo training first. By providing a grant, people were able to purchase the materials and equipments they needed quickly and locally



Sophia Dunn/Oxfam, Sri Lanka

Sophia Dunn/Oxfam, Sri Lanka

Sophia Dunn/Oxfam, Sri Lanka





Making lace

Lace support in a camp

The finished product

to re-start income generation activities and without logistics or any other additional complications for Oxfam GB.

CFW was used in villages where communal work was identified as being relevant for the beneficiary community, or for specific livelihood groups who, for various reasons, were unable to start their original income generating activities.

### Who received grants?

Cash grants were provided to:

- Lace makers.
- Coir makers received a grant between three women (between 1-3 households (HH)) as three people are needed to operate the machine.
- Farmers received a grant to replace livestock lost during the tsunami.
- Households who received a temporary shelter from Oxfam GB. These grants were given to re-start income generation in a number of activities including shoe making, tutoring (e.g. buying chairs, table, blackboards), fish selling, fish drying and sewing.
- In two camps in Matara, all HHs received a grant to re-start income generating activities (IGAs).

### Who received CFW income?

The groups of people who received CFW income were:

- Coir industry workers who needed to re-establish their coir pits as soon as possible. Activities included clearing lagoon of debris, digging the pit, filling pit with husks, and re-establishment of coir soaking pits at beaches.
- Fishermen in Hambantota District (Kirinda GN Division) as they were waiting for other NGOs to provide boats/nets and engines and in the meantime they had no other income source.
- Chena farmers in Hambantota District (Andaragasyaya GN Division) as their source of income was farming and it was outside the planting season. Also they were considered 'indirectly affected' by the government and therefore were not entitled to food vouchers from WFP or cash vouchers from the government. Activities included clearing of silt from paddy field irrigation channels, repairing roads, and construction of a community water reservoir.

By the end of July, the livelihoods team had distributed more than 3000 cash grants to re-start coir yarn making and other small businesses.

### Lessons learned from cash grant programme

Cash grants place responsibility with beneficiaries and

allow them to choose items they need.

Cash grants have enabled Oxfam GB to assist a large number of beneficiaries with a minimal input. Equivalent grants should be given to people undertaking the same work so that there is equity.

### Lessons learned from CFW programme

Due to the large number of beneficiary households, the amounts of money paid out on a weekly basis exceeded the amount allowed by the Oxfam GB cash carrying guidelines. As a result, money was transferred to a bank less than an hour away reducing the distance between bank and payment site.

At the beginning of the project there was major confusion/corruption, e.g. some households sent different people to collect the cash. Now each household has one named representative who is the only individual allowed to collect the cash.

The high demand for work meant that tasks were finished quickly so that there were constant discussions with the community and their leaders to come up with new ideas for CFW projects.

The chena farmers are earning more from CFW than in a normal year activity.

Some people who were casual fishing labour did not return to fishing even after receiving boats. They preferred to stay involved in CFW.

A lot of paper work is required (five extra finance officers were employed in Hambantota and Matara).

Corruption can occur in a number of ways, e.g. supervisors were putting down names of people who were not working and also more than one name per household.

### Conclusions

Assistance to each household was determined by the households themselves, both in terms of the amount and the items to be bought. All of the households used money for restarting IGA.

Provision of cash allowed rapid provision of materials to the affected households, as people were able to purchase for themselves from local suppliers.

CFW provided a source of income for households unable to access government assistance.

Use of cash transfer minimises the need for logistics and increases use of local procurement, therefore having a knock-on effect on the community. However, close monitoring of the labour market is essential to ensure that it is not being distorted by CFW.

## 5.8.2 Income generation in Guinea Conakry

By Alexandros Yiannopoulos, ACF Spain (ACF-E)

Since the 1990s, Liberia, Sierra Leone and later on the Ivory Coast, have been embroiled in conflict. This has led to a mass exodus of refugees to neighbouring countries, particularly Guinea, which has received 150,000 people. More recently, the political and security situation has improved. At the end of May 2005, there were 2,111 Sierra Leonais, 4,024 Ivoirians and 63,062 Liberians in refugee camps in Guinea Conakry. Even though the security situation was stable, many of the refugees were still reluctant to leave, preferring to wait and see what happens with the elections planned in October 2005.

### Income generation activities (IGAs)

ACF-E carries out food security monitoring, agricultural and environmental programmes and IGAs in Guinea. These activities are adapted to the needs of the refugees and the Guinean populations. The IGAs are a complement to the general food distribution, with a view to reducing dependence on the WFP food ration and increasing self-sufficiency. IGAs are highly flexible and can be implemented with very few resources. They target a wide range of social groups, from elderly to single parent families, and in a refugee context, where space and access to natural resources is limited or even prohibited, they provide one of the few sources of income.

The principal livelihoods of the refugees and the Guinean population are either agricultural based or commercial. The IGAs therefore build on the existing knowledge and experiences of the beneficiaries to assist them to start or improve an activity they would not normally be able to carry out due to the lack of resources. IGAs are small-scale activities that are run by groups of five people. Grouping the beneficiaries helps to reduce risk and improve co-operation in the villages. ACF-E has started four types of IGAs:

- Non-agricultural IGAs (e.g. bakeries, small restaurants, market stalls/small trading, soap making, etc.)
- Poultry raising for elderly women
- Market gardening
- Apiculture (honey production)

### Implementation

Groups to support were selected based on the following criteria:

- Not in receipt of assistance from other humanitarian agencies
- Acceptance of the activity by the population
- Vulnerable families (women headed households, widows, displaced and returnees from the local conflict)

- Demonstrable motivation and ability to implement the activity.

The IGAs were started through a one off grant. The amount varied according to the start up cost of the activity. The amount of the grant was discussed in advance with the group members and was based on the material needed to start the activity. Table 8 gives an overview of the different types of IGAs implemented with the Bureau of Populations, Refugees and Migration (BPRM) financing between 2004 and 2005. ACF-E provided training and support for the IGAs, which included management methods. However, many of the groups had experience and were able to establish their own systems quickly.

Funds were managed by the treasurer with the co-operation of the group members. Funds were apportioned in three different ways. A weekly contribution of 500 FG (Guinean franc) was put into a central kitty to cover either emergency needs (health) of a member, or as a donation or loan to cover other costs such as education, purchase of clothes or livestock. About one third of the income was used to cover the food needs of the families, while the remainder covered the running costs or expansion of the activity. The proportion of the funds distributed depended on the turnover and profit from the weeks activity and the priorities of the group.

In the well established refugee camps there were large markets both for the refugees and the Guineans. However, the purchase of raw material, goods and manufactured items used in IGAs had to be imported from Kissidougou or other neighbouring markets.

### Results

Visiting the IGAs after the first three months, the teams found all the IGAs running and making a profit. The variation in the profit depended on the initial investment costs and the running costs. Some activities, such as poultry raising and knitting which targeted elderly, provided a small supplementary income, whilst activities such as small trading proved to have a more long term benefit and provide a more regular income. The income was largely used to contribute to basic food needs and reinvested in the activity. A small amount was saved.

### Conclusions

A number of strengths and weaknesses of the IGAs were identified:

**Table 8 Example of IGAs, activities and grant size**

Type of activities	No of groups	No of members	Start-up capital (FG*)	No of beneficiary families	Total grant given (FG*)
Bakery	2	5	270000	10	540000
Forge	1	5	280000	5	280000
Knitting	1	5	221250	5	221250
Pâtisserie	4	5	225625	20	902500
Processing of agricultural produce	1	5	260000	5	902500
Restaurants	6	5	270000	30	1620000
Soap making	8	5	260000	40	2080000
Small trade	52	5	280000	260	14560000
Traditional fishing	1	5	100000	5	100000
<b>Total</b>	<b>76</b>			<b>380</b>	<b>205,63,750</b>

\*Guinean francs





ACF, Guinea Conakry

ACF, Guinea

Producing tools in a forge and milling in Gui, examples of IGAs supported by ACF-E

### Strengths

- IGAs were quickly implemented and in a short period of time were able to provide an income (this compares favourably with agricultural activities which can take from 3 to 6 months to generate output).
- With on going training and support, the activities could be made more sustainable.
- The income from the IGAs provides a supplement to food aid.
- Skills learnt and equipment can be taken home following repatriation.

### Weaknesses

- The programme was too short-term to provide adequate support to all groups.
- The criteria used for identifying vulnerable groups were too general and did not necessarily take into consideration the socio-economic situation of the household.
- Due to repatriation, many groups were split up, resulting in a slowing down or cessation of some IGAs.

The IGAs developed during this protracted crisis helped to reduce the dependence of the refugees on the general distribution and improved self-sufficiency. However, there needed to be more support, advice and initial investment in order to promote a longer term approach resulting in sustainable activities.

### Apiculture as one of the IGAs

Honey has an important role in the customs and the diet of rural Guineans. It is used in the preparation of the meals during the month of Karem (Ramadan) and events such as baptism or marriage. On a daily basis it replaces sugar in the preparation of meals and drinks.

It was noted, however, that the traditional methods to extract honey were very inefficient and had a negative impact on environment and forest. To build the hives special trees were cut down. The hives were treated as disposable so that each time the beekeeper wanted to harvest the honey, he would burn the hive to kill the bees and extract the honey. The quality of the honey was poor since it has a burnt taste and has segments of the dead bees.

So ACF-E tried to improve the traditional method of honey production. In the region of Dabola, South East Guinea, there are a number of associations specialised in bee-keeping based on a Kenyan design. ACF-E joined with these associations to train and construct hives for the bee-keepers in Albadariah.

ACF-E provided proper protection equipment (including a mask, a smoker and gloves), an improved Kenyan hive, a honey filter, training on honey production and how to carry this out in a sustainable fashion without killing the bees.

The beneficiaries learnt how extraction is best done during the day and how to move the bees from one hive to another. At the moment, the groups are producing more honey of a higher quality. Before the ACF-E intervention, average production for a hive was between 3 to 4 litres whilst now it is about 25 litres.



ACF-E, Guinea Conakry

A traditional beehive

## 5.8.3 Micro-finance as livelihood support in urban Argentina

By Claudio Freda, Marcela Gonzalez and Marta Valdez, ACF Spain (ACF-E)

The December 2001 Argentinean crisis highlighted the serious social and economic problems faced by the population. Several years of negative growth and an increase in unemployment led to social collapse. The dramatic increase in poverty had important consequences in terms of lack of access to food, health care and other basic needs. ACF-E started interventions by supporting community canteens with food aid. Once the emergency was over, ACF-E identified income generation as an intervention that would address the root causes of the crisis and improve the community's capacity.

### The food security intervention

In Argentina, more than 80% of the population live in urban areas and are dependent on the market to meet their food and livelihood needs. A significant part of the population coped with the crisis through community canteens. However, the organisations implementing these were not able to cover all

the food needs of the population through this programme.

To meet their basic needs, the unemployed developed IGAs within the informal sector. ACF-E's food security strategy was to combine food aid through canteens with income generation support. From November 2002 up to December 2004, a joint food security and nutrition project was implemented in the partido Moreno, a suburb of Buenos Aires. The project consisted of community IGAs and micro credit support for the individual IGA.

### The microfinance approach

The objective of the microfinance project was to provide financial services to the poor. ACF-E decided to collaborate with IDEB (Instituto de Desarrollo Empresarial Bonaerense), a non-profit making association specialising in microfinance and working in

the targeted area. It was hoped that working with this local agency would lead to a sustainable financial service once the project ended.

The objective of the loans was to finance productive initiatives through investment in productive assets, such as consumable inputs and fixed assets, (like machinery and tools), and strengthening the infrastructure needed for developing the activity.

### Collaboration with IDEB

The agreement between ACF-E and IDEB envisaged the creation of a revolving fund of 80,000 pesos funded by ACF-E for:

- Improving access of the canteen beneficiaries to microcredit.
- Inclusion of beneficiaries beginning a new IGA.
- Giving beneficiaries a grace period of one week before beginning repayments.

IDEB was in charge of the financial management, while ACF-E reinforced the training component for the beneficiaries. A micro-credit committee formed by members of both ACF-E and IDEB was created for making decisions about the loans.

### Characteristics of the micro-credit scheme

Underpinning the programme was the establishment of 'solidarity groups'. Here, a group of previously uncreditworthy people receive a loan but each one provides some form of collateral loan or loan guarantee through a group repayment pledge, i.e. if one group member defaults, then the other group members make up the payment. The minimum amount of credit was 100 pesos and the maximum 900 pesos. With a monthly interest rate of 6%, the reimbursement was based on weekly instalments with a maximum of 12 instalments.

### Implementation

The first step involved information dissemination regarding the scheme. In order to request a loan, individuals had to form a 'solidarity group' comprising from three to five members. Members from the same group could ask for different amounts and therefore would have different weekly instalment amounts. Training was provided on financial management of the IGA, e.g. calculation of costs, accountancy and commercialisation.

After one week of grace, the weekly instalments began. ACF-E reinforced technical aspects of the IGA through business training and facilitating the exchange of experience between the IGA groups. ACF also negotiated with the municipality to allow the groups access to commercial fairs. Where groups successfully reimbursed credit, they were able to request new microcredits for larger amounts.

### Results

Between February and December 2004, a total of 442 microcredits were approved for a total of 116,750 pesos - the estimated average loan was 264.14 pesos. A total of 314 persons benefited from the fund while 40% of the beneficiaries renewed their fixed capital or consumables through a second and, in some cases, third loan.

Overall, 78% of borrowers were women and only 22% men. Table 9 shows the type of activity for which credit was made available, which were mainly based

on previous skills and knowledge of the beneficiaries. Most credit was provided for trade activities (72.17%) followed by production (21.95%) and then services (5.88%). One third (30%) of the supported IGAs were newly created activities. The rate of default for the implementation period was low – approximately 5% of borrowers had difficulties repaying, which mostly involved those setting up new IGAs.

### Conclusions

A number of strengths and weakness of the initiative have been identified. Microfinance Institution (MFI) IDEB have ensured fund sustainability, while adapting eligibility criteria which allow access of the most vulnerable through more information, more credit agents in the community, and in providing canteen space for sensitisation. ACF-E has improved the capacity of IDEB to cover a broader range of the population while ensuring good financial performance (only 5% default rate). The approach was well adapted to financial capacity and needs, and borrowers began to perceive MFI as a useful support institution.

However the beneficiaries had to rely on their own knowledge and abilities to develop their IGA based activities. Also, market access for the IGA was generally in the close neighbourhood where there were many poor, so that income generation was on the low side. Finally, it was observed that only 11.8% of borrowers were enrolled on the community canteens programme, indicating that many of the most vulnerable still did not benefit from this scheme.

**Table 9 Type of IGA supported in micro-credit scheme**

Activities	n	Activity %	Proportion by class of activity	
Trade	Shop (dry food, dairy products, gas, charcoal, beverage, etc.)	117	26.47%	72.17%
	Sale of clothes	98	22.17%	
	Kiosk	58	13.12%	
	Articles of cleanliness	26	5.88%	
	Sale of prepared food	13	2.94%	
	Greengrocer's / butcher's shop	7	1.58%	
Production	Bakery	46	10.41%	21.95%
	Textile activities	19	4.30%	
	Handcrafted activities	19	4.30%	
	Food production (not bakery)	13	2.94%	
Services	Hairdresser, electricians, mechanic, repair of domestic appliances, etc.	26	5.88%	5.88%
Total of provided microcredits		442	100%	100%



# 6

## Access to markets and services

### 6.1 Introduction

In emergencies, access to markets may be lost for a number of reasons. Since most people live in a cash economy, restoring and maintaining adequate access to markets is important as part of an emergency response.

In a livelihoods analysis, markets are considered under 'policies, processes and institutions'. The market itself is a process (or chain), consisting of producers, middlemen, transporters, wholesalers, retailers, processors and consumers. The market is also influenced by a number of policies and institutions. Government policies on food subsidies, grain reserves, movement of grain across administrative boundaries and market liberalisation all impact on each of the elements of the market chain. Institutions for credit, insurance, and transport will also influence the ability of markets to function. Finally, access to information about different markets, relevant policies and institutions is crucial for each part of the market chain to function well and respond to changes.

Any part of the market can be affected by emergencies. The form of market disruption will depend on the type of emergency. Production losses will affect supply to markets, and loss in income or assets will reduce demand for goods. In conflict, cutting off access to markets may be a deliberate strategy of warring parties, or a consequence of conflict due to insecurity. Similarly, floods and earthquakes may destroy or block roads. In situations of localised food deficit, traders may be reluctant to move food from surplus areas due to uncertainty of markets in the deficit area or because they lack sufficient

information to alter trade routes. Markets can also be affected by the aid interventions themselves. Local purchase of food can increase food prices in areas of relative surplus, and conversely, imported food aid may have negative impacts on market prices (see chapter 4). Even the use of transport vehicles by aid agencies can have a negative impact on trade if there is a limited supply of trucks.

In essence, any food security or livelihoods intervention will need some analysis of markets, both to determine the most appropriate response and to determine potential impact of different interventions on markets:

*"Food security responses are based on a demonstrated understanding of local markets and economic systems, which informs their design and, where necessary, leads to advocacy for systems improvement and policy change."*

The Sphere Project (2004). Key indicator 1 for 'access to markets' minimum standard, p.131.

Market support in emergencies can aim to address any of the constraints on the functioning of markets. This chapter focuses on market analysis, gives a brief overview of market interventions in emergencies and development contexts, and describes voucher interventions in particular. The final section has case studies on a market analysis, food vouchers in Zimbabwe, and working with coffee farmers in Haiti.

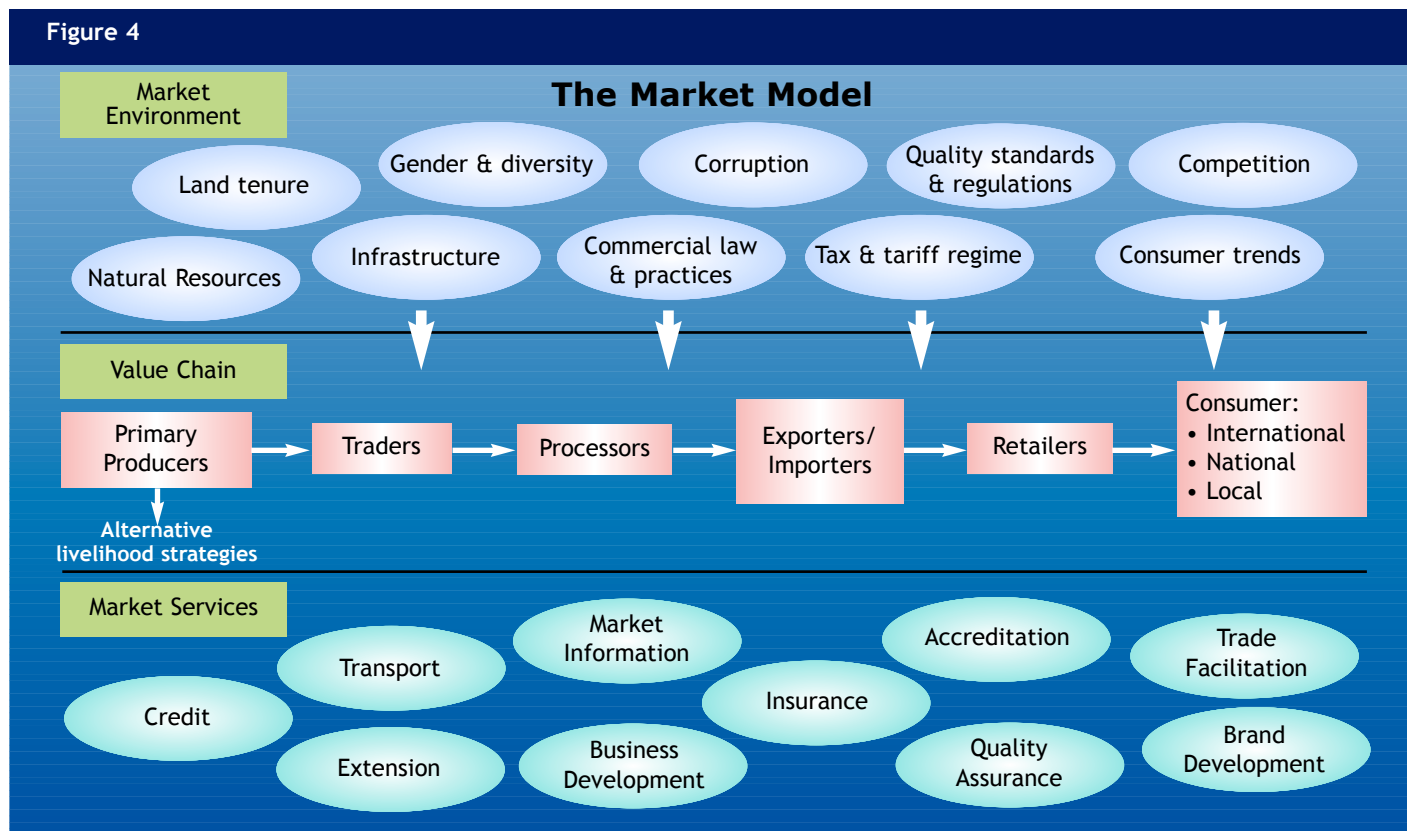
### 6.2 Analysing markets

Until recently, market assessments in emergencies have involved gathering market price and food availability data.

Market at the edge of Camp Aero, Bunia, eastern Democratic Republic of Congo



Figure 4



A Market Analysis Tool, developed by Practical Action (formerly ITDG) and adapted by Oxfam.

Recent interest in more in-depth assessments is probably due to the increase in cash programming, where goods have to be supplied through the market, and increasing concerns about negative impacts of food aid on markets.

The objectives of analysing markets in emergencies can be summarised as follows;

1. To determine the extent to which the market can meet demand for food (and other goods) now and in the coming months.
2. To assess the impact of a disaster on the different parts of the market chain and thereby to identify interventions that will help markets recover.
3. To assess whether the market can respond to an increase in demand as a result of cash programmes.
4. To assess the feasibility of local purchase of food from markets and the potential impact.
5. To assess the impact of food aid or other relief items on markets.

The first two objectives relate to determining the type of emergency response needed. Objectives 3 and 4 relate to assessing the feasibility and appropriateness for different types of responses, and objective 5 considers the impact (retrospectively) of a given intervention on markets.

The Sphere indicators for 'access to markets' relate mainly to assessments, i.e. to determine whether "people's safe access to market goods and services as producers, consumers and traders is protected and promoted". The key indicators are:

- Producers and consumers have physical and economic access to operating markets, which have a regular supply of basic items, including food at affordable prices.
- Adverse effects of food security responses, including food purchases and distribution, on local markets and suppliers are minimised where possible.
- Basic food items and other essential items are available.

Key elements of market assessments in emergencies therefore include the affected populations' income to purchase goods, the availability and price of goods in markets, whether

(and which) markets are operating, road and transport infrastructure to markets, the ability of producers to sell their products at fair prices, and the actual or potential impact of interventions on the price and availability of goods.

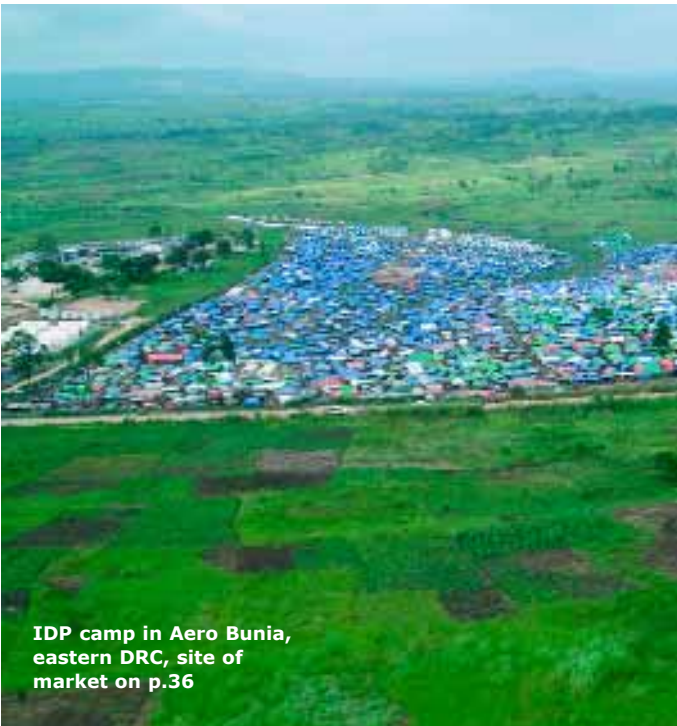
Such analysis is made easier with the use of a market model which illustrates all elements of the market. In its development work, Oxfam uses an adaptation of a market-analysis tool developed by Practical Action. The tool provides guidance on selecting the most important factors to investigate to determine whether a market functions well or not. The market is represented in three parts, the value chain, market services and the market environment (see figure 4).

The value chain identifies all the market players who are involved in trading a product as it moves from producer to consumer. Value chains are rarely linear and at each point in the chain there are usually several markets to which a producer or trader can sell. Market service providers may handle the product as it moves along the chain, but they are not involved in trading the product themselves. Service providers such as credit lenders and transporters can be critical in enabling a market to function. The market environment (everything from infrastructure to trade policies) is also key to the effective functioning of a market.

In emergencies, this model can be used to assess the impact of the shock on each of the components of the market model. In the first phase of an emergency, the market assessment may be limited to establishing whether markets are operating or likely to recover quickly following a disaster, whether the basic items that people need are available in the market, and/or some information on the extent to which people are able to buy goods themselves. A more in depth assessment can be done as soon as time allows. An example of such an analysis is shown in section 6.5.1 using a case study of Haiti.

There are few examples of market assessments in emergencies, and most focus on the lower (consumer) end of the value chain. Two examples are the Oxfam assessment in Haiti (6.5.1) and CARE's assessment in Darfur. The latter (El Dukheri





**IDP camp in Aero Bunia, eastern DRC, site of market on p.36**

### Box 15 Market questions to determine the viability of local purchase

#### Commodity and service needs and availability

What quantities of different commodities are needed for the humanitarian intervention?

Is it possible to coordinate procurement amongst agencies?

What is the current and expected availability of required commodities and services on local and adjacent markets?

#### Prices and terms of trade

What are the current and expected prices at required quantity/quality levels?

Is it cost-effective to buy the commodities and services locally taking account of total costs?

#### Impact on local markets

What would be the market share of the humanitarian organisations?

What are the maximum quantities that could be purchased without distorting the local market?

What are the possibilities of avoiding creating a dominant buyer position, by diversifying purchases into several connected markets and spreading purchases over time?

#### Local purchasing as a tool to facilitate local production and market flows

What are the possibilities of targeted purchases to revitalise flows among markets?

Source: WFP (2005, June).

et al, 2004, September) focussed on rural and urban markets within the state, and food shortages and price increases as a result of conflict and drought. Recommended interventions included cash transfers to IDPs or the poorest, buffer stocks, FFR to rebuild social institutions and infrastructure, and transport subsidies to encourage the flow of grains from surplus regions in the country.

The model can also assist in determining whether the market will respond to a change in demand following a cash intervention. In particular, the model can assist in assessing the integration and competitiveness of markets, both of which are essential criteria for cash programming. The number of suppliers in relation to the number of buyers will give a good indication of competitiveness of markets. If supplies outnumber buyers, then buyers are likely to be in a very powerful position and the market is competitive. An integrated market allows goods to move smoothly along the value chain, from producer to consumer. An integrated market needs good market services such as good information flows, a well-developed transport system, and developed marketing networks. Government policies or restrictions on the movement of goods are also an important consideration in determining the integration of markets (both nationally and internationally). The key list of questions to ask about markets to help determine the appropriateness of cash interventions was given in table 4. The model can assist with determining the impact of local purchases, but the WFP emergency food security assessment guidelines give a more specific checklist for assessing the scope for local purchase (see box 15).

Ideally, the analysis of a particular market should be a participatory process in which key players in the market (particularly producers and traders) decide who should be included in each of the three sections of the market model. In more stable contexts, the aim is to build a model of all key elements of the market using a participatory process. Once a simple model of the market is made in this way, the next step is then to identify the relative power of different market players, along with possible causes of unequal power distribution within the market. For example, by discussing the number of actors at each position in the supply chain, it is possible to identify a potential market distortion. Those players with access to knowledge and resources (such as market information and credit) are likely to have more power than those who do not. The trading environment can influence power relationships within a market. Local attitudes about the role of men and women in a market can also cause some players to be more powerful than others. For example, in West Africa, women buy paddy rice from male family or community members and 'polish' it before selling onto national traders. Analysis showed that while the men made a profit from their activities, the women 'polishing' and finding buyers did not make enough money to even cover their labour costs (David Bright, personal communication).

## 6.3 An overview of market interventions

A market intervention can aim to remove any constraint at any point in the market chain. The cash interventions described in the previous chapter are one way of improving access to markets, as people will have the means with which to purchase goods. Similarly, cash grants to pay off debts, and micro-finance (or access to credit) to allow traders to recover business will stimulate the recovery of markets. Other examples of market interventions in emergencies include:

- Selling grain to traders or government at subsidised prices in order to stabilise escalating prices due to food shortages.
- Sale of subsidised goods through fair price shops.
- Improving physical access to markets through repairing



**A local market in Nepal**

- flooded or war-damaged roads as part of a FFW or CFW programme.
- Livestock offtake interventions, which allow households to dispose of livestock that might not survive drought conditions.
- Voucher interventions, either through fairs or shops, which support access to goods by target beneficiaries and support the traders and producers from whom the goods are bought.

The provision of information in itself, or facilitating exchange of information, may be sufficient to stimulate the recovery of markets. Both buyers and sellers need information on market pricing controls, taxation, policies influencing the movement of goods, etc. This is also a key indicator for the 'access to markets' standard:

*"There is increased information and local awareness of market prices and availability, how markets function and the policies that govern this."* The Sphere Project (2004). p. 131

'Fairs' organised for voucher interventions bring together producers, consumers and traders and also allow the exchange of information on markets in the area. There are two types of voucher. The first is a cash voucher, which can be exchanged for a range of commodities up to the specified value. The second type is a commodity voucher, which can be exchanged for a fixed quantity of named commodities. Vouchers can be exchanged either with traders and retailers in shops or with traders or producers in local markets, distribution outlets, fairs, and other events organised specifically for the programme. Vouchers have been used by a number of agencies to improve access to food, seeds, livestock, trade commodities, and other non-food items. Food vouchers are discussed in 6.4.

In development work, market support aims to enable poor people to gain power by reaching a market, continuing to engage in that market, and gain reasonable returns from their engagement. Having identified the relative power of different market players and the possible causes of any power inequality, the next step is to identify how to build the power of poor people in markets. Often, a mix of programme interventions at different positions in the market brings about the greatest impact in the lives of poor people. Some of the more long-term interventions aimed at increasing the power of poor people in markets include:

- Lobbying for a supportive market environment by addressing specific trade barriers.
- Formalising markets through gaining agreement on codes of conduct, contractual arrangements and creating mechanisms for dealing with disputes.
- Supporting poor producers to diversify production.

- Developing the organisation and resources of small-scale producers.
- Improving poor producers' access to market services, especially credit.
- Working with small-scale producers to develop viable businesses.

Improving power in, and access to, markets can be highly challenging. For example, the lack of markets for Palestinians producing olive oil was having a severe impact on their livelihoods in late 2002. Israeli restrictions on movements, together with imported oil being used in the WFP ration, meant over-supply and reduced oil prices in the local market. Value chain analysis determined that the additional benefits of purchasing locally to the local economy would outweigh the additional cost (100-200% more expensive than imported corn oil). The WFP and the United Nations Relief and Works Agency (UNRWA) decided to distribute Palestinian olive oil in their packages, which was expected to use up about 50% of the surplus oil left from the previous year's harvest<sup>16</sup>. A case study on Oxfam's work with coffee producers is given in section 6.5.3.

Globally, trade rules do not give equal opportunities to developed and developing countries. The 48 least-developed countries (LDCs), home to 10 per cent of the world's citizens, have seen their share of world exports decline to 0.4 per cent over the past two decades. In comparison, the US and EU contain roughly the same number of people, yet account for nearly 50 per cent of world exports. Trade 'liberalisation', enforced by the WTO, makes it increasingly difficult for small traders to compete. 'Free trade' is supposedly in the interests of increased competition, but when multinational companies are able to benefit from subsidies and protections denied to small economies, this competition is unfair<sup>17</sup>. To make trade fair, global market access of poor countries needs to be improved. Some of the measures to make this happen include ending subsidised over-production in rich countries, curtailing the use of conditions attached to World Bank/International Monetary Fund (IMF) programmes which force poor countries to open their markets, and democratising the WTO to give poor countries a voice.

## 6.4 Food vouchers in emergencies

Food vouchers aim to improve consumer access to a specified range of commodities or services, and support traders in supplying these commodities. Food vouchers may also give some flexibility in the types of foods that beneficiaries can

<sup>16</sup> The text on Oxfam's development work to improve access to markets was written by David Bright, Oxfam GB's market access advisor.  
<sup>17</sup> This text was taken from the Oxfam website, <http://www.oxfam.org.uk>

Oxfam, Niger



Queuing to exchange vouchers for food

Oxfam, Niger



Bagging food ready for voucher exchange

Oxfam, Niger



Inevitable paperwork



purchase, or beneficiaries may be given a choice between food and non-food items (for example, small livestock, seeds, etc).

Oxfam has implemented food voucher programmes in Zimbabwe in response to chronic food insecurity as part of a social safety net programme (see 6.5.2), in an urban population in Haiti in a response to conflict and floods (see 6.5.1), and in Niger in response to acute food insecurity following drought and locust infestation (see below). CARE has recently implemented a food voucher scheme, with WFP support, in Aceh, Indonesia, using local vendors to supply food instead of WFP. The vouchers also included a cash component (Meyer, 2006, January).

Both the Zimbabwe, Haiti, and Aceh, programmes used shops in which beneficiaries could exchange the vouchers. In Haiti, the reasons for this were:

- to enable local shops to be involved in the life of community
- to provide a cash boost to small shops and the local economy
- to reduce the risk of non-payment, since the shops are based in the community
- to limit risks to security, since each shop pays a maximum of 20 beneficiaries per week and so manages only a small amount of cash
- to minimise the necessary logistical support.

In Niger, Oxfam linked food vouchers with weekly local markets. Beneficiaries receiving cash vouchers for free or as payment for work activities were able to access and choose among different food commodities displayed in local weekly markets. The project recipients could exchange vouchers through predetermined local traders that had been previously sensitised by Oxfam/Association pour la Revitalisation de l'Elevage au Niger (AREN) staff and were aware of the system and the value of the vouchers. The system allowed Oxfam to inform traders in advance about the demand every week (total value of the vouchers) and to subsidise traders to transport commodities in the most remote deserted areas.

Issues that have arisen in the implementation of food voucher programmes have included community resistance to

being directed to buy particular food in specified shops, insufficient food supplies, and high rewards being given to shop keepers. In Haiti, the reward given to the shops, at \$2 per beneficiary, was high compared to bank cash payments which would cost only \$0.6 per beneficiary. This caused suspicion amongst beneficiaries that the shops were profiting from their work and the money they earned. On the other hand, it could be argued that the shops were also affected by the floods and the high rewards enabled them to re-establish their businesses more quickly.

Food vouchers have not always been popular, in particular where they have replaced direct distribution of cash, or combined with cash distribution. For example in the UK for asylum seekers (Oxfam GB, TGWU, and Refugee Council, 2000) and in Haiti. People want to buy food according to cultural preferences and where they choose, rather than in pre-assigned shops. In Haiti, these problems were eventually resolved by adapting the proportion of cash and food vouchers given to beneficiaries.

In Oxfam programmes in Zimbabwe and Niger, the beneficiaries welcomed food vouchers, as they identified food as one of their priority needs. Criteria for implementing food vouchers should, therefore, include food being a priority for the target population and the need to encourage food traders into the affected area. The latter is more easily done with vouchers rather than cash as vouchers provide a guaranteed market.

#### Key reading

WFP (2005, June). Emergency Food Security Assessment Handbook

Creti, P. and Jaspars, S. Eds. (2006). Cash transfer programming in emergencies. Oxfam Skills and Practice. Oxford

[www.oxfam.org.uk/what\\_we\\_do/fairtrade/parables/index.htm](http://www.oxfam.org.uk/what_we_do/fairtrade/parables/index.htm)

Oxfam. Market Analysis Tools. Contact: Annabel Southgate, email: [asouthgate@oxfam.org.uk](mailto:asouthgate@oxfam.org.uk)



## 6.5 Case studies

### 6.5.1 A market analysis and subsequent interventions following floods in the south-east of Haiti (2004)

By Pantaleo Creti, Oxfam

In June 2004 continuous rains were at the origin of large landslides and floods in the South East of Haiti, which cause loss of human lives, and destruction of houses, and infrastructures. As part of the food security assessment, Oxfam applied a market analysis tool to assess the impact of the disaster on local markets and to identify interventions to recover normal market functioning. The analysis began by assessing the market value chain, services and environment, before and after the floods. The first step was to identify and interview the actors who were trading key foods and non-food items considered essential for survival and for livelihoods. They included local consumers, women who act as transporters between villagers and middlemen ('Madame Saras'), and retailers. The results were combined with information gathered from farmers' organisations and local community-based organisations. The market-analysis tool applied within the food security assessment is illustrated in figure 5.

The analysis showed that few major local wholesalers supplied the main staple food and other primary commodities. They purchased goods directly from Port au Prince, getting zero-interest loans from general market suppliers on the basis of acquaintance and trust. The wholesalers supplied goods (rice, sugar, flour, oil, beans, cement, etc.) to middlemen, who usually had limited transport facilities, such as donkeys and mules. The middlemen sold commodities in small amounts to numerous retailers, who took the goods on a daily credit basis and sold them in the more marginal areas. Alternatively, Madame Saras would buy direct from general market suppliers in the capital city and supply the retailers. In some cases, producers sold their commodity directly in local markets.

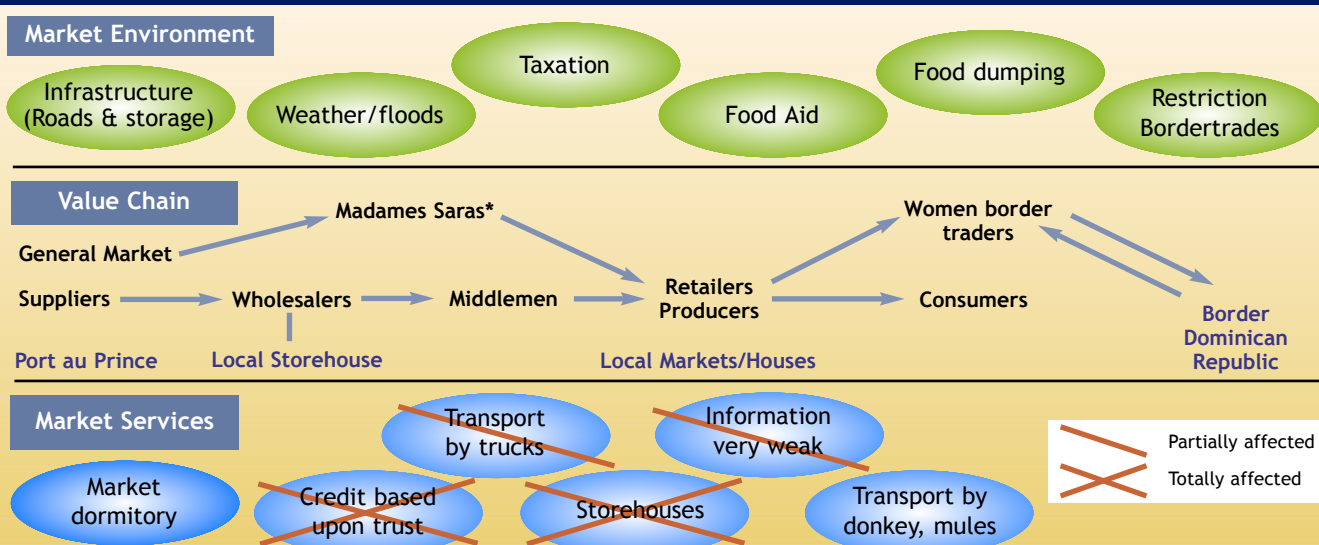
As a result of the floods, wholesalers lost their transport and storage facilities, because trucks were damaged and storehouses were destroyed. They had been left with debts to pay and it was impossible for them to

obtain further credit. Middlemen and retailers, including Madame Saras, had been affected both in terms of transport (through loss of their pack animals) and in the loss of the stocks that they kept for sale. The consumers lost both assets and income-earning opportunities, and their purchasing power was therefore much reduced. The general market suppliers were not affected.

Oxfam's response to the floods focused on restoring the far end of the supply chain, targeting the most vulnerable groups, i.e. the poorest consumers (including wage labourers), producers, middlemen, and retailers. Oxfam also re-established some of the market services disrupted during the flooding, such as transport, access to credit, and market information. Cash interventions were considered appropriate because those most affected had lost assets and income and, with assistance to Madame Saras, local markets could be supplied with the necessary goods. Assistance to wholesalers was not considered necessary, because these were among the wealthiest in the community. The cash interventions were targeted as following:

- Consumers: through employment activities (CFW) that increased the purchasing power of 500 vulnerable households.
- Retailers and Madame Saras: in particular women selling commodities in the local markets, by giving them vouchers to purchase the basic commodities to re-start their petty trade activities.
- Middlemen and producers: through organisation of vouchers and fairs, where producers and middlemen had the opportunity to display and exchange seed and livestock, and producers had the opportunity to buy them.
- Transport: by rehabilitating roads that connected affected communities with local markets, as part of the CFW activities.
- Market information: fairs and vouchers promoted the exchange of information among producers and traders about prices, types, and features of the commodities available.

Figure 5 Local Market Supply Chain



\* 'Madame Sara' is the Haitian name for the women who transport and trade goods (usually agricultural products) from the rural areas to the capital and other goods (mainly soap, cereal, oil) from the capital to the rural areas.



## 6.5.2 Food vouchers in Zimbabwe

By Ann Witteveen and Lewis Lawrence Musa, Oxfam

The food voucher programme was designed to target the most vulnerable between December and February, the most food deficit months in Zimbabwe. The target group were chronically food insecure people who in normal years would cope by getting assistance from others, but who were not expected to get sufficient assistance from friends and relatives in a period of food shortage.

The food voucher activity was implemented by Oxfam in four districts in two provinces of Zimbabwe in December 2004 and in January 2005. Food was provided through vouchers to a total of 1,600 people (320 households (HH)). The vouchers were valued at Z\$50,000 - enough to purchase 18kg maize or 10kg maize meal, 2kg beans and 0.375kg of oil. Traders were also encouraged to purchase from the Grain Marketing Board (GMB) where possible.

### Problems encountered

A few problems arose. Low availability of certain food commodities locally delayed some of the fairs conducted in February by a few days, as traders searched for food to purchase. Some politicians took advantage of the community gatherings and addressed the community members either before or after the activity (national elections were held in Zimbabwe in March 2005). Food insecurity continued to deteriorate as the programme was being implemented. Additional households were registered for a second round of vouchers, and also households agreed for vouchers to be given to only one person/household so that more households could be targeted. This meant that not all food needs of vulnerable households were met, thus limiting the impact of the programme.

### Targeting

The community based targeting method was used through the Village Relief and Rehabilitation Committees (VRRRC) and local leaders to identify the beneficiaries. A high turnout of unregistered community members was observed on the day of beneficiary verification and on the actual date for implementation of the food voucher activity in some districts. The team took this to be an indication of increased food needs. There were complaints from people not registered.

A series of meetings were held with community leaders, representatives and traders in order to make the traders aware of the programme and how it would be implemented. It was noted however that most of those representing traders were shop keepers (employees or relatives of the owner who did not live in the community at all, but rather in Harare) and not the owners of the shops. This slowed down the process, as decisions could not be reached immediately.

During the first voucher activity in December 2004, many traders indicated no interest in participating, citing possibilities of their monies being tied up before they could get paid while others indicated that



Ann Witteveen/Oxfam, Zimbabwe, 2005



Ann Witteveen/Oxfam, Zimbabwe, 2005



Jane Beesley/Oxfam

From top:  
Children returning from miller with maize bought at the Grain Marketing Board.  
A Chiru boy watering his vegetable garden.  
Women tending to an Oxfam supported onion garden.



Christmas was near and they needed their money to stock up seasonal items. In the end the traders who did take part were generally happy with the interventions. The food voucher payments usually took place within a week of the activity.

### The procedure

#### *Beneficiary identification and registration*

The community VRRC, community leaders and community members identified and verified the beneficiaries according to who was most vulnerable, e.g. persons affected and/or infected by HIV/AIDS or chronically ill persons with limited ability to secure food and/or no-one to assist them.

The food distribution manager and the community facilitators (both Oxfam GB staff) monitored the process of targeting to ensure transparency and fairness. The VRRCs called an open village meeting where the identified beneficiary names were called out, discussed and agreed upon. The identified beneficiaries were registered using Oxfam GB designed registration forms. The registration list was also used by community facilitators, community leaders and VRRC members to conduct follow up visits.

#### *Centre and food trader identification*

The community facilitators, under the guidance of the food distribution manager and livelihoods manager, discussed possible venues/traders for the food vouchers with the community leaders, VRRC, and beneficiaries.

Identified criteria included clean with no rodents, construction in good condition for food storage and protection from rain and rodents. In addition, there were certain requirements of the trader, e.g. should be able to read and write, have good record keeping skills, etc.

The stock of food in the identified traders shop was recorded by the community facilitators and food

distribution manager prior to procurement by beneficiaries. This information was vital in determining if the beneficiaries procured food or other items.

#### *Food purchase by beneficiaries*

A day was set aside after the registration of beneficiaries in which they were supplied with the food vouchers. One week was given to procure food. In practice, vouchers and food were exchanged in a day. The trader was paid by Oxfam GB based on the total value of food vouchers acquired from beneficiaries.

#### *Food Voucher Activity Report writing*

The community facilitators documented each step and compiled a report using the standardised report format while attaching all the necessary documents. Findings were discussed with other Oxfam GB managers and changes to the implementation were recommended.

#### *Post Distribution Monitoring (PDM)*

Monitoring was conducted by the community facilitators and the food distribution manager two to three weeks after the food voucher activity. Data were collected from community members and VRRCs.

After paying vendors, staff from the finance department based in Harare visited a few days after the fair. This ensured the accounts and payments were rigorously monitored.

### Lessons learnt

Food vouchers are appropriate when food is identified by the community to be their priority need and there is potential for food provision through local traders. Beneficiaries preferred food vouchers to food distribution and traders valued the intervention. Given the time it takes to plan food voucher programmes, it is necessary to base beneficiary numbers on projections of needs at the time of intervention, rather than needs at the time of planning the intervention. When food sources are distant from the emergency affected area, traders should be given sufficient time to source and stock food.

## 6.5.3 Campaigning with coffee farmers in Haiti<sup>19</sup>

Oxfam GB has been working with poor coffee producers in northern and eastern Haiti since 1992, raising awareness of their rights and mobilising communities to take control of their lives. This has been achieved primarily through the building of strong community-based co-operatives that have supported the coffee producers throughout the global coffee crisis.

Oxfam paid particular attention to developing functional, transparent co-operative committees in Haiti, in which co-op members could put their trust. The leaders of each co-op were given training in organisational and financial management and went on exchange visits to national co-operatives to learn how to build an effective business. Initially, coffee farmers were



Coffee seedlings are grown in this nursery at Kooperativ Kefeyie Kapwa Lomo (KKKL), a coffee co-operative in Dondon, northern Haiti.

<sup>19</sup> This case study is based on Campaigning with Coffee Farmers, written by Annabel Southgate, Oxfam. The text for the section 'Global Campaigning on Coffee' was taken from 'Mugged. Poverty in your coffee cup', Oxfam.





Pedro Guzman/Oxfam, Haiti, 1998



Pedro Guzman/Oxfam, Haiti, 1998



Pedro Guzman/Oxfam, Haiti, 1998

**From top:**  
Drying coffee beans in the sun at the Cooperative Sainte Helene Carice.  
Dried coffee beans.  
Sorting coffee for export at KKKL.

motivated to join the co-operatives because they could get a better price for their coffee through collective marketing, along with access to credit and technical support. Then in 1997, the co-operatives were given the opportunity to supply the Fairtrade market. This offered their members a secure market, a guaranteed minimum price for their coffee, a 60 per cent advance at the start of every contract. To take advantage of this opportunity, the co-operatives established a 'second-level' organisation, RECOCARNO, which would act on behalf of the primary co-operatives and be the main point of contact for the Fairtrade importer.

RECOCARNO is based in Haiti's capital city, Port-au-Prince, and is managed by marketing professionals. However, it is owned and directed by the members of the coffee co-operatives. In 1999 they received funding from the EU to implement a capacity-building programme which enabled them to deliver high quality coffee to the international market. Five years later, RECOCARNO is a well-known exporter of Fairtrade coffee, with established buyers across Europe, Japan and the US.

Additional training events were run to meet the particular needs of women. All decision-making bodies attached to RECOCARNO and the primary co-operatives were obliged to include equal numbers of men and women. Men and women producers were encouraged to set up separate accounts with RECOCARNO. This meant that family members could sell their coffee individually – providing women with their own source of income and strengthening their skills and confidence.

**Global campaigning on coffee**

The Haiti coffee producers are not alone in struggling to make a living from coffee production. There is a global crisis destroying the livelihoods of 25 million coffee producers around the world. The price of coffee has fallen by almost 50% in the past three years, to a 30 year low. Most developing country coffee farmers sell their coffee beans for much less than they cost to produce. Coffee traders are going out of business and national economies are suffering. The scale of the solution needs to match the scale of the crisis. Five big coffee roasters buy almost half the coffee beans each year. They sell with high profit margins. The coffee industry has been in the process of undergoing a change from a managed market to a free market system. This has brought very cheap raw material prices for the giant coffee companies. With Vietnam entering the market, and Brazil increasing its substantial production, prices have decreased further.

Oxfam is calling for a Coffee Rescue Plan to make the market work for the poor as well as the rich. This plan needs to bring together all the key players in coffee to overcome the current crisis. This plan includes recommendations for all participants in the coffee market including roaster companies, coffee retailers, producer and consumer governments, consumers and investors.

# 7

## Support for primary production

### 7.1 Introduction

This section focuses on supporting agricultural production, in particular farming and livestock production, as livelihood strategies. Production support can also include the provision of productive assets for any livelihood group, for example the provision of tools and equipment for carpenters, blacksmiths, potters, etc., or indeed support for any livelihood strategies. There is considerable overlap between the sections on income support, market access and this chapter on production support. Even with the limited focus of this chapter, many of the income and market support interventions already described provide support for agriculture and livestock based strategies.

In any context, it needs to be determined whether production support is better provided through cash transfers or market support (i.e. if the items are available and easily supplied locally), or in-kind support for agriculture or livestock. Furthermore, some production support interventions are also forms of market support, for example, de-stocking and seed fairs (see section 7.3). The provision of inputs, such as seeds or livestock, needs to be accompanied by access to essential services, such as agricultural extension and animal health care, to be most effective. In many situations, people will need a combination of different kinds of support.

*“Where possible, a range of inputs is provided in order to give producers more flexibility in managing production, processing and distribution, and minimizing risks”*

The Sphere Project (2004). Indicator 3 under primary production minimum standard, p. 124

Agricultural support covers a wide range of interventions, ranging from the provision of inputs to supporting extension services, to policy change on access to land and land rights. Preventative measures (mitigation) include seed banks and extension services. Livestock interventions include livestock offtake, fodder distribution, veterinary care, reparation of boreholes and other water sources, all of which are often carried out at an early stage of drought related emergencies. These interventions are complementary, and often implemented together. Other interventions include subsidies for transport to market, or initiatives to improve access to pasture in neighbouring regions or countries. In general, when the provision of in kind goods is necessary, local purchase is the preferred option:

*“Inputs and services are purchased locally whenever possible, unless this would adversely affect local producers, markets or consumers.”*

*“New technologies are introduced only where their implications for local production systems, cultural practices, and environment are understood and accepted by producers.”* The Sphere Project (2004). Indicators under primary production minimum standard, p.124

Seed fairs are covered in detail in this chapter, as this has been one of the main innovations in agricultural programming over the past few years, and has been shown to be successful in promoting access to local seeds, increasing production and increasing livelihoods assets. This section starts with a brief overview on determining the appropriateness of seeds and tools as an emergency response. The section on livestock support programming focuses on fodder distribution, veterinary care, de-stocking and restocking through livestock fairs as the most common livestock interventions in emergencies. The section ends with case studies of a seed fair in Zimbabwe, fodder distribution in Darfur, and livestock interventions in Kenya.

### 7.2 Assessing the need for seeds and tools

Seeds and tools provision is the most common ‘livelihood’ intervention, regardless of context (Levine and Chastre, 2004, July). Seed needs are generally inferred from food needs, and are rarely based on an assessment of availability and access to seeds. Many agricultural support interventions therefore do not meet the minimum standard for primary production, as one of the key indicators states that:

*“Interventions to support primary production are based on a demonstrated understanding of the viability of production systems, including access to, and availability of necessary inputs and services”* The Sphere Project (2004).

Indicator 1 under primary production minimum standard, p. 124

Livestock supported by an Oxfam livestock project in Afghanistan



Brian Jones/Oxfam, Afghanistan



## Box 16 An actor oriented analysis of the persistence of seeds and tools as an emergency response

For donors, seeds and tools allow spending with tangible results, since the success of the output, the distribution, is almost guaranteed.

- Agencies find seeds and tools manageable. It is easy to get funding for this intervention, and has a good image since it helps people grow their own food rather than relying on handouts. Seeds and tools also keep projects, and therefore agency staff, going.
- Local authorities may take seeds and tools at face value as helping people to produce.
- Community leaders aim to get as much aid for their community as they can.
- The local population will prefer something to nothing.
- Seed companies make profits from sales to humanitarian agencies, and will use their influence to keep the programmes going.

Source: Levine and Chastre (2004, July).



Tools being distributed (top) and seeds being divided (below) at a Tear Fund Seed Fair in South Sudan



An actor oriented analysis gives more insight as to why seeds and tools are such a common response (see box 16).

Assessments to determine the availability and access to seeds for an emergency affected population are rare. The assumption is often that food insecurity, associated with crop failure, will create seed unavailability during the next planting season. Another assumption is that seeds have to be distributed together with tools. Tools may be required in some emergencies, such as floods or displacement, but crop failure due to drought will not necessarily be associated with a loss of tools. Furthermore, in many emergencies, seed is actually available locally, or at least in-country, and can be effectively provided in seed fairs (see section 7.3).

Agricultural support programming needs to be based on a better analysis of the traditional ways farmers save, exchange and procure seeds. Five questions could be used to integrate local seed system profiles in a livelihoods assessment, to determine whether a group of farmers is seed insecure (Longley et al. 2002, December):

- What crops and crop varieties do farmers plant, and how are these used?
- What are the main features of the cropping system, i.e. in what ecologies are the crops planted, what is the cropping calendar for the different crops, and crop types and who (i.e. men or women) is responsible for various agricultural tasks?
- For each crop, do farmers normally save the seed from the previous harvest?
- How is seed saved and what are the main constraints?
- If seed is not saved, how do farmers normally acquire the seed for the different crops (where, through what means, from whom)?

To assess availability and access to seeds following a disaster, the following questions must be answered:

- Have farmers lost or been forced to eat their seeds?
- Has the disaster disrupted marketing of local crops or exchange of seed between farmers?
- Has the disaster affected the quality of seed produced by farmers or the quality of seed available from markets?

Even where assessments do find a lack of seeds, it is often unclear whether this is the limiting factor to production. Assessments need to consider all constraints to production.

## 7.3 Seed fairs

“Seed fairs are markets organised to empower disaster affected households to access seed through exchange of vouchers. They are organised on a specific day and location where vulnerable households are provided with vouchers worth a specific cash value to exchange for seed from registered sellers” (Bramel and Remington, 2005). Fairs are also a meeting place, where buyers and sellers can exchange information about seed quality, price, and innovations in the market.

CRS developed the seed fair methodology and has produced guidelines on how to implement them. In the past few years, a number of other agencies have also tried out the seed fairs approach. Seed fairs have been implemented in a variety of emergency contexts, including conflict, drought, and floods. CRS has recently completed an evaluation of its seed fair programmes in Zimbabwe, Ethiopia and Gambia (see case study 7.5.1). Oxfam has carried out evaluations of seed fairs in Zimbabwe and Haiti. The remainder of this section is mainly based on the CRS evaluation, complemented with some information from Oxfam evaluations (Creti, 2005, February).

In all areas where seed fairs were implemented, enough local seed was available in country to meet the needs of the

beneficiaries. This was the case even when initial assessments had concluded that there was insufficient seed because of significant loss of crop production.

The process of conducting a seed fair consists of the following steps:

1. Establishing a seed fair committee (local leadership, government officials, extension staff)
2. Assessing the availability and quality of local seed
3. Identifying the locations for the fairs
4. Recruitment and education of seed vendors.
5. Identify beneficiaries
6. Preparing for the fair, i.e. identify location, decide on monetary value to be distributed, produce booklets of vouchers
7. Promoting the fair, i.e. inform the sellers, inform the community, publicity
8. Holding the fair
  - a. Quality inspection
  - b. Register quantities brought by each seller
  - c. Agree on prices
  - d. Distribute vouchers
  - e. Exchange seed for vouchers and cash
  - f. Redeem vouchers
9. Evaluation of process and impact

In the CRS evaluation, the vast majority of seed fair beneficiaries were satisfied with the choice of crops, the variety, and the quality. However, in the case of Oxfam in Haiti, partner agencies had sensitised beneficiaries and sellers to the items that should be exchanged, thus limiting choice. Being able to choose creates a much greater sense of ownership of the items bought which, in turn, increases their use and care.

In many cases, the seed sellers were farmers or part time grain/seed sellers. In the case of Haiti, seed sellers were mainly middlemen who had bought the seeds from neighbouring villages. This highlighted the need for better communication about a fair so that farmers themselves would have a chance to sell. In all cases, access to seed was provided in time for the planting season. Seed fairs had a positive impact on production, enhanced livelihood assets and re-enforced local seed systems (see table 10 below).

The successful experience of seed fairs increased confidence in, and knowledge of, local seed systems and seed security, both on the part of the agency and local institutions. They also strengthened the role that women play in seed systems and

local markets. One weakness was that agency staff sometimes found it difficult to relinquish control over the distribution and take a more facilitatory role.

There are clear advantages of seed fairs over the direct seed distributions. These include (ICRISAT, 2002):

- Farmers can buy the variety and quality that they prefer, rather than receiving a single kit of seed which is the same for everyone.
- Seed is adapted to local agro-climatic conditions, which does not necessarily apply to imported seeds.
- Farmers exchange experiences, information and seed amongst themselves and with seed sellers.
- Emergency funds are invested in the local economy and in the affected area.
- There is a contribution to revitalising local seed production and trade
- Both local and certified seed is distributed.

The CRS evaluation also identified significant threats to this more demand driven approach. Influential institutions and actors, such as Ministries of Agriculture, commercial seed companies, donors and some UN agencies tend to support the top down approach. Also, as the seed distributed in seed fairs is not certified, seed regulatory agencies may act to prohibit its sale at seed fairs.

Clearly, seed fairs are not applicable in all contexts. Care must be taken that interventions remain based on an assessment of need and determination of what is most appropriate to the context.

### Some key lessons learnt

- Use all types of communication and advertising for the fairs, including radio, producing local leaflets.
- Ensure community involvement through an effective seed fair committee and recognise their contribution on the day of the fair.
- For seller recruitment, focus on local sellers from the community. Start early to facilitate this.
- Carefully consider seed pricing. Avoid price setting, but make sure beneficiaries have enough time for bargaining.
- Consider the fair site carefully.
- Make sure that both beneficiaries and sellers are involved in the planning process to consider date, place of fair, quality of products.
- Weigh seed before and after fairs to validate sales from vouchers.

**Table 10 The impact of seed vouchers and fairs on livelihood assets**

Asset	Impact
Physical	Households obtain seeds in time for planting. Beneficiaries have a choice of crops, variety, quantity and quality of seed.
Financial	Financial transfer to those receiving vouchers. Increased profit for seed sellers due to seed fair premium. Knock on effects of cash infusion into the community.
Social	Communities participate in planning and implementation via seed fair committees. Open, transparent and public process increased confidence. Strengthened relationships between seed sellers and farmers.
Human	Enhanced knowledge of different seed systems, their strengths and opportunities for integration. Enhanced knowledge of crops, varietal preference and seed quality. Seed fair interventions can be exploited for divulging information, education, and communication in seed, agriculture and other issues such as HIV/AIDS.
Natural	Increased genetic diversity by providing farmers with crop and variety choice.

Source: Bramel and Remington (2005).





Karimojong warriors moving cattle between cattle camps near to Kotido, Uganda



## 7.4 Emergency livestock programmes

People keep livestock as a source of food and income, invest in livestock as a form of saving and use them for their power capacity (for example for riding, for transporting goods, ploughing or cart pulling), and as assets to be used for social obligations such as marriage and religious ceremonies.

Livestock systems can be sedentary or migratory. Migratory livestock keeping - pastoralism and agro-pastoralism - has evolved to enable man to inhabit and survive in the harsher and more inhospitable environments where sedentary farming is risky. Sedentary production involves systems where small ruminants survive on grazing stubble, range-lands, orchards, and some feed supplements, such as wheat or barley, during the summer season.

In sedentary livestock systems, rainfall, pasture and input supply, market access and production success are considered to be reliable and it is the number of animals that is the critical factor. If conditions are good, more animals can be kept, if conditions are bad, fewer animals are kept. Any response to a problem or opportunity involves simply increasing or decreasing the number of animals. In sedentary systems, livestock may provide an important contribution to the livelihood, but other alternatives such as agriculture, forestry and commerce are also often available.

In migratory systems, environmental factors such as rainfall, temperature and vegetation growth are very extreme and unreliable. The amount and distribution of rainfall, snow, or access to fodder are the critical factors. Owners expect to lose large numbers of animals every few years and therefore they keep as many animals as possible to ensure that some remain after a 'shock' or disaster. They also have insurance strategies such as splitting the herd, gifting and loaning animals, and having excess animals to rapidly liquidise into cash or to pay for herding and access to water and pasture in distant areas.

Globally, the most severe livestock emergencies tend to occur in migratory systems, as livestock in these areas contribute most to household food security and income. Such environments are commonly found in Sub-Saharan Africa and Mongolia. Many pastoral populations are not well represented politically, and are therefore marginalised in their countries development policies and lack access to basic services. This makes them more

vulnerable to disasters. For example, in Sudan the following factors were identified which increased the vulnerability of pastoral livelihoods (Oxfam Sudan, 2001):

- Lack of effective representation of pastoralists' interests
- Reduced access to and control over natural grazing and water resources
- Poor access to and inappropriate models of basic service delivery
- Inappropriate and inadequate development of water supplies for livestock and humans
- Lack of basic infrastructure and communications in pastoral areas
- Inefficient livestock market
- Increased incidence of drought and reduced capacity of pastoralists to cope with its effects
- Widespread conflict in pastoral areas.

In migratory systems, there is a need for flexible responses to changes in the resource base, and for different responses during the various stages of a drought cycle. Responses need to make best use of the huge numbers of animals that may be lost, such as maintaining production and core breeding stock, encouraging diversification and ensuring that migration, mobility and access remains feasible. In many livestock areas, it is already impossible to survive on livestock production alone and the pastoral livelihood system has had to diversify in order to survive.

Livestock species are affected differently by different emergencies, both because of their varying vulnerability to specific types of disasters, and their respective recovery capacity. For example, in Ethiopia, it was estimated that cattle would take longest to recover, followed by camels, then sheep, then goats. This took into account mortality rates during the emergency and the number of years it takes a herd to recover (Sandford and Habtu, 2000). The most common problems for livestock in emergencies are reduced access to pasture and water, increased exposure to disease and limited access to health care. The impact on households may include:

- Lower livestock prices and thus reduced income from sale of animals
- Loss of livestock due to increased sales and deaths
- Loss of livestock products (milk, meat, fat and ghee)
- Reduced mobility due to death of transport animals

- Increased workload due to grazing areas being remote from water points
- Loss of employment from herding
- Loss of house making materials (hides and skins)
- Inability to access key livelihood resources (firewood, water, pasture etc.).

To determine whether a livestock intervention is necessary, and to identify the most appropriate type of intervention, the following questions could be asked in an assessment (Khogali et al, 2002):

- What types of livestock systems have been affected by the disaster? Who has been worst affected?
- What are the structural causes that contribute to the vulnerability of these livestock systems (policies, institutions, processes)?
- Following the disaster, what poses the greatest immediate risk to livestock, e.g. health, lack of fodder, water, etc?
- Which animals are most at risk and what is the significance of these animals to the household livelihood? Do households have other sources of food and income that could be increased to meet their needs?
- Who should be targeted by the intervention? Women and children are often responsible for looking after certain livestock.
- What is the existing capacity to support livestock programming? Include logistics, local purchase possibilities, local technical knowledge through Ministries of Agriculture and FAO, as well as the need for external assistance.

Figure 6 shows the types of livestock interventions (and other interventions) that are appropriate at different stages of crisis. These range from fodder collection and storage and water point rehabilitation at an early stage of crisis, to emergency veterinary care, destocking and fodder distribution at the acute stage, to restocking and livelihood diversification at the recovery stage. The figure also illustrates the complementarity of different emergency livestock interventions and other food

security or livelihoods interventions, some of which are described in more detail below. Emergency water interventions are not covered in detail here but include the installation, repair, or rehabilitation of existing strategic key water points such as boreholes and shallow wells, delivery of water by truck, and the drilling of new boreholes. Note that some of the water interventions, such as the repair of shallow wells, can be implemented as a CFW intervention, thus increasing income for the most vulnerable and improving water supply for animals and humans at the same time.

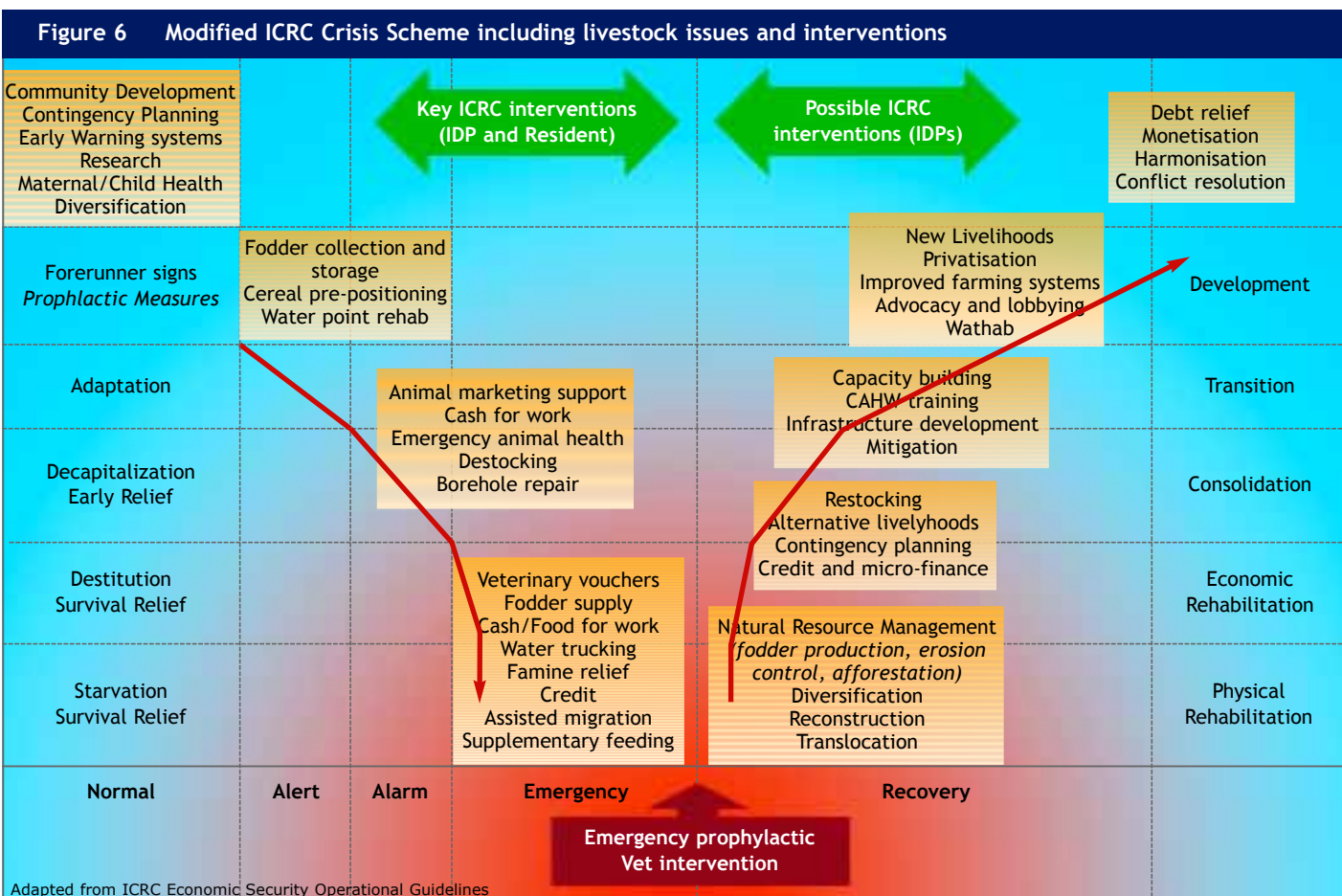
### Emergency livestock marketing support and destocking

This includes market transport subsidies (for animals still in reasonable condition early in the emergency) and purchase for slaughter. At the acute stage of an emergency, only a few entrepreneurial traders and some agropastoralists with access to cheap feed sources are likely to continue trading livestock, albeit on terms extremely favourable to the buyer.

Purchase for slaughter targets animals in good condition and can be started once market transport subsidy support has ceased. In contrast, destocking targets animals that would otherwise die. Destocking involves buying (or exchanging) livestock for immediate slaughter with the meat distributed dry or fresh (see case study 7.5.3). De-stocking may run alongside a veterinary or feed supplement programme, where the money from livestock sales can be used to buy veterinary drugs or fodder for the remaining stock. The advantages of de-stocking include:

- Provides cash which can be used to cover immediate needs.
- Livestock numbers are reduced, leaving more grazing for the other breeding animals.
- It creates employment amongst the very poor, for slaughtering, meat preparation, guarding etc.

Destocking interventions have been implemented by communities, women's groups, private sector trader or directly by local or international NGOs. Village destocking committees





or women's' groups have successfully implemented programmes with only minimal NGO involvement. Before beginning de-stocking, the type and condition of animal, prices, number of animals to be purchased, frequency or schedule for slaughter, seller and beneficiary criteria all have to be agreed with the community. The beneficiaries of the meat can be identified whilst the animals are still alive, and can be made responsible for the slaughter and division / sharing of the meat.

Most emergency fodder distribution involve the transportation of fodder from areas less affected by disaster to areas worst affected. Past interventions have included:

- Transporting prickly pear and crop residues to livestock areas.
- Purchase and distribution of urea/straw feed blocks and mineral bricks to breeding stock and animals used for ploughing.
- Buying and transporting hay.
- Providing water in dry season reserves where vegetation exists but water is unavailable.

It is generally recommended that fodder distribution is only carried out for core breeding stock or pack animals and that it is accompanied by veterinary inputs. Most fodder or livestock feed supplementation interventions plan to feed animals for a period of 90 days. An example of a fodder distribution intervention for donkeys in an IDP camp is given in case study 7.5.2.

### Emergency veterinary / animal health support

Emergency animal health and vaccination campaigns are important because of increased risk of exposure to disease in some emergencies. Most emergency veterinary interventions revolve around external and internal parasite control campaigns in disaster affected herds using local Community Animal Health Workers (CAHWs), the private sector or NGO staff.

In countries with operational government veterinary services, emergency veterinary drugs and vaccines can be provided to government clinics or private sector vets. In all cases, however, it is important to link CAHWs to private sector, pharmacists and quality drug suppliers. CAHWs can play an important role in sensitising and educating livestock owners to the importance and impact of a quality veterinary drug and animal health service delivery system. Vaccination campaigns need to cover large numbers of animals in order to meet the minimum coverage levels required.

### Restocking

Restocking is a method of asset building aimed at families who have recently lost most of their stock. There are many different methods. The most successful approach has been restocking with local animals, as these are used to the environment, there is no risk in bringing in new diseases, and this supports the local economy. Section 5.2 showed that cash transfers are sometimes used to purchase livestock, whether by the beneficiaries' own choice or through conditional cash grants. In considering re-stocking as an in-kind distribution, it is important to assess whether the same objective could not be better and more efficiently achieved through cash transfers.

A number of questions have to be answered before deciding on how or if to restock:

- Is the area already over-stocked or over-grazed?
- Are there other opportunities for getting food or income?
- Which one of the species has an added value for the vulnerable?
- Is it a suitable environment for the species?
- Do the beneficiaries have prior knowledge on management of the species?
- Is the species culturally and religiously acceptable to the beneficiaries?

- Is local knowledge on its husbandry and back-up available?
- Is there enough food, water and shelter to support it?
- Would potential beneficiaries buy livestock if provided with cash?

Oxfam has implemented re-stocking through voucher interventions in a number of contexts. Oxfam restocking projects in the arid pastoral areas of Africa have provided between 5-70 smallstock (sheep and goats) per family, usually comprising up to 68 breeding females and two breeding males. In Oxfam projects in Kenya, Samburu and Turkana, families received between 20-70 smallstock and a pack animal (donkey or camel). Most researchers and development officers agree that in pastoral systems, a minimum of 50 breeding female smallstock is required for subsistence, whilst others estimate 150 breeding animals to be minimal to ensure survival. In food insecure environments, beneficiaries may need to be supported with additional food or cash so that they do not have to sell their herds to meet basic needs.

### Box 17 Livestock fairs in Zimbabwe

Livestock fairs were held between the 1-4/02/05, by Oxfam in Zimbabwe. Advance planning included voucher preparations, beneficiary identification and verification and information dissemination. The fairs targeted a total of 2,500 beneficiaries in four districts.

The livestock at the fairs were mainly chickens (90%), while turkeys, ducks and guinea fowls made up the remaining 10%. Price analysis revealed that most of the bigger birds (ducks and turkeys) were more expensive than chickens and therefore households could not afford to purchase both a male and female.

Veterinary department officers and AREG (Agriculture Research and Extension, of the Zimbabwean Government's Ministry of Agriculture) staff were present on the day of fairs to check the livestock health and provide information on chicken rearing. The price ranges varied in different districts, and ranged from Z\$15,000 to 35,000 per bird. A few of the livestock sellers interviewed indicated that they had benefited from the previous years livestock fair and had managed to rear some chickens for sale this year.

Source: Ann Witteveen, Oxfam regional food security advisor, Southern Africa.



Jane Beesley/Oxfam, Bangladesh

### Key reading

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Akilu Y and Wekesa M (2002, December). Drought, Livestock and livelihoods: lessons from the 1999-2001 emergency response in the pastoral sector in Kenya. Humanitarian Practice Network paper 40, ODI.

ICRC Regional Livestock Study in the Greater Horn of Africa.



This woman described her goat as a "living bank"

## 7.5 Case studies

### 7.5.1 Seed vouchers and fairs in Zimbabwe – CRS<sup>21</sup>

In 2001/2, Zimbabwe experienced one of the worst droughts in ten years. Other factors which contributed to create a food crisis included economic decline, characterised by high inflation and unemployment, reliance on a single staple crop (maize) and detrimental government policies. A high prevalence of HIV/AIDS also contributed to people's vulnerability.

The agricultural sector in Zimbabwe contributes 15% of the gross domestic product (GDP) and employs 70% of the population. Factors limiting crop production include poor access to agricultural inputs, shortage of labour and lack of access to markets with competitive commodity prices. Seed systems in Zimbabwe include the formal, informal and the farmer. The formal system is the second largest in Africa and comprises maize, wheat, hybrid sorghum, soybeans, sunflowers, cotton and vegetable seeds. The informal system focuses on minor crops such as groundnuts, cowpeas, sorghum and pearl millet. For the farmer system, most smallholder farms in remote areas do not have access to seed and depend on their own home saved seeds. The drought had reduced the supply of this seed.

#### The programme

The CRS response was based on the assumption that seed was available locally but farmers had limited access due to lack of capital. The programme objective was to enhance food and seed security for 9000 households for the 2002/03 cropping season.

CRS established a partnership with a local NGO, CTDI (Community Technology Development Trust), who had agriculture programme experience. A training workshop was carried out, and agricultural recovery committees elected by the community. A seed needs assessment was also carried out, which focused on the quantity of seed of specific crops and the varieties required, in relation to the estimated availability for each. Assessments also served as opportunities to inform and recruit potential vendors. Meetings were held with local communities and commercial seed companies to recruit and educate seed vendors. The committee assisted in identifying vendors.

The general process of the seed fair consisted of event supervision, seller and beneficiary registration, seed quality

checking, voucher distribution, voucher exchange, voucher redemption, seller and beneficiary exit interviews.

#### Outcomes

The programme implemented 19 fairs in six districts, for 22,500 beneficiaries and involving 1347 sellers. A total of 324 MT of seeds were exchanged comprising 31 crop types. Nearly half (48%) of the beneficiaries and 72% of the sellers were women. In the higher productivity agro-ecological zone, 23-25 crops were sold, and 9-15 crops in the drier regions. Most sales were made for maize, which ranged from 23% to 83%. The range of crop varieties on sale was highest for maize with 18 varieties, followed by sorghum (10), groundnuts (9), beans (10) and pearl millet (5). There was evidence of short term positive impact on area planted and crop production.

Only 50-63% of beneficiaries were happy with the site. The fairs were held in one location in each ward, which can be a very large geographical area. This meant that beneficiaries had to walk long distances.

Between 60-90% of beneficiaries considered the quantity of seed available sufficient. There was lower satisfaction in areas where more maize was available but fewer other crops. Most received the seed on time. Very few of the beneficiaries (14%) felt the prices set were negotiable however, even though the price set was to be used as a maximum by sellers. Overall, 14-24% of beneficiaries concluded that the prices were fixed and very expensive. Only 41-67% of beneficiaries felt the vouchers had enabled them to buy all the types and quantities of crops that were available.

Beneficiaries judged the quality of the seed to be very good, and the majority expressed satisfaction with the range and varieties of crops available. Fairs improved the knowledge of local seed systems for both CRS, its partners and beneficiaries. Overall, 94% of beneficiaries recommended further seed assistance through seed fairs. The seed sellers were also satisfied.

<sup>21</sup> The information for this case study has been taken directly from a CRS document, Bramel and Remington (2005).



## 7.5.2 Donkey feeding in IDP camps in Darfur

By Siham Osman, Practical Action-Sudan, Sudan

According to the UN, the number of war-affected people in greater Darfur was about 2.5 million in July 2004, of whom 85% were IDPs. In North Darfur, the number was 725,730 of whom 431,135 were IDPs living in IDPs camps in the state.

The hardships and suffering due to the conflict affects humans and household animals – particularly donkeys. A livestock assessment carried out by FAO in September 2004 found that 75% of donkeys in the IDP camps died during the pre-rains season from a lack of feed, water and stress.

When asked about their priorities for return, IDPs identified donkeys as second to security, and even before food and water. Donkeys are key asset for IDP livelihoods, in terms of transportation (of humans and non-food items), water hauling, and firewood collection for sales. Donkeys are also movable assets to be turned into cash in times of need.

### Activities

Practical Action-Sudan has implemented two projects targeting IDP donkeys in the IDP camp of Abu Shouk. The camp is located 3 km north of El Fashir, capital of North Darfur State, and populated with 45,000 IDPs who own about 1,400 donkeys.

The first project was funded by the FAO and aimed to feed IDP donkeys to reduce their death rate. The process of purchasing and distribution started on 11th May 2004 and ended on 16 June 2004. The total number of donkeys fed was 2,597.

The second project was funded by SPANA (Society for the Protection of Animals Abroad - UK) also aimed at reducing donkey mortality in the IDP camps. This donkey feeding activity was implemented as a part of the Emergency Donkeys Healthcare and Feeding Project over an eight months period (December 2004-July 2005) with a total budget of £74,974. The project was preceded by a deworming project. A beneficiary committee was set up to distribute the grass bundles. Contractors collected hay bundles from neighbouring areas in November and stored

these in a rented warehouse near Abu Shouk camp. The distribution process was made through distribution points appointed by the community leaders. A total of 1400 donkeys belonging to IDPs received feeds for eight months. This activity resulted in improved health and higher survival rate for donkeys (as reported from the field).

### Lessons learnt

- Hay collection was started at the right time, as during November pasture was relatively rich and prices were low.
- The deworming project had a marked impact on animal capacity to utilise the fodder.
- Active involvement of the community (sheikhs, paravets, beneficiaries) led to unproblematic distribution.
- Close monitoring and notifying beneficiaries one day before the distribution helped overcome potential for over-registration.
- Treatment of store walls and floor with salt prevented termites.

Women collecting and transporting fodder in the donkey feeding programme in South Sudan



## 7.5.3 De-stocking in Kenya<sup>22</sup>

The drought in 1999-2001 was one of the most severe in recent history in Kenya. Nearly three million pastoralists and agro-pastoralists were considered at risk. As a direct result of the drought, an estimated two million sheep and goats, over 900,000 cattle and 14,000 camels worth some six billion Kenyan shillings (\$80m) were lost. This threatened the pastoralists future livelihoods, as many dropped out of their traditional production systems and settled near food distribution centres.

Food aid was one of the first responses to the crisis, but there was also an unprecedented level of livestock interventions in pastoralist areas. By September 2001, there were 21 livestock projects in the country, including de-stocking, livestock transport subsidies, animal health, livestock feed, restocking, and cross border harmonisation and peace initiatives to allow access to pasture in Uganda.

The de-stocking supported the purchase of nearly 40,000 sheep and goats, 200 camels, and 6000 cattle. This case study focuses on the de-stocking programmes of Oxfam in Wajir and CARE in Garissa, and gives some of the general lessons learnt.

### CARE in Garissa

The project had four objectives:

- to reduce the number of animals becoming unmarketable
- to provide some cash for beneficiaries
- to enable investment in credit facilities, and
- to distribute meat as a relief ration.

The intervention targeted nearly all the relief centres in southern Garissa. The objectives of the programme were

<sup>22</sup> The material for this case study has been taken from: Akilu and Wekesa (2002, December).

discussed with relief committees, including their responsibilities in identifying beneficiaries and fixing the dates for purchasing stock. The committees were also responsible for giving hides and skins to women's groups.

Each beneficiary centre was allocated 25 head of cattle and 50 shoats. CARE staff witnessed the slaughtering of cattle, but the distribution of meat was left to the relief committees. Supervision was minimal because of lack of staff and vehicle for the area covered. Because of security problems associated with transporting cash, payment to beneficiaries was through vouchers. These were put into the name of a trusted community member, who could cash the voucher at the CARE office. Sometimes the vouchers were exchanged by traders, who then cashed them at the CARE office. CARE estimated that 45% of stocks were purchased from people targeted for relief, and the remainder from better off members of the community who had stock to dispose off.

A total of 850 cattle and 250 sheep and goat were destocked. In addition to providing income for those who sold stock, the income from sales of skins and hides enabled women's groups to start small businesses, and some 60 MT of fresh meat was distributed to 1943 households. The main strength of the programme was its wide coverage, despite the security problems in Garissa. However, the project had high overhead and operations costs. The intervention also lacked sufficient local knowledge, as the allocation of equal numbers of livestock to be de-stocked per centre ignored the variation in needy people.

### **Oxfam in Wajir**

Oxfam funded a local NGO, ALDEF (Arid Lands Development Focus), to destock 950 cattle/camels and 7500 shoats. The actual number purchased was 194 camels, 95 cattle, and 9963 shoats. The target beneficiaries were mainly the peri-urban poor living close to Wajir town, high school students, hospital patients and orphans. Few rural beneficiaries were included. The project covered seven peri-urban areas and seven sparsely populated rural areas.

Communities were involved in the selection of beneficiaries. The intervention targeted vulnerable households, and lists of planned beneficiaries were read out in public. People unhappy with the list could appeal to the

'livestock off take committee'. A new committee was established to oversee the destocking, and to curb the power of the relief committee.

Contractors were instructed on the type of animal to buy, i.e. those that were too weak to survive the drought (generally male animals), females with udder defects, old or barren stock and animals with a history of abortion. Agreement was reached between ALDEF and the contractors on the number and types of animals each had to supply. The contractors then sold the animals to ALDEF at a fixed price and purchased animals were handed over to the committee.

Meat was distributed regularly to beneficiaries, two shoats between eight families per week for the duration of the programme (two months). Livestock were distributed to schools, hospitals, TB clinics and orphanages. Slaughtering took place twice a week in all operational sites.

One of the key strengths of the programme was its planning and community involvement. Trust was placed in the management capacity of communities, the urban poor were targeted, and strong support was given to women's groups. Weaknesses included limited geographical coverage, while profits for the contractors meant lost income for pastoralists.

### **General lessons learnt**

In all of the Kenya destocking interventions in 1999-2001, more livestock were offered for sale than the interventions could handle, indicating that pastoralists are willing to sell stock when they have the opportunity to do so.

Fresh meat is cheap, easy to produce, fast to distribute, and entails minimum wastage.

Fresh meat can be distributed at regular intervals, like relief food rations.

De-stocking supports the local economy and livelihoods. Destocking was the most successful element of the livestock intervention because of the high level of community interest. It provided markets for selected target groups, and generated income that could be used to maintain remaining stock, meet basic needs or to invest in business activity and trade.

Mike Pflanz/Oxfam, Kenya, 2006

**Animals sharing a drink in Wajir, northern Kenya**





# 8

## Issues and challenges for livelihoods programming in emergencies

### 8.1 Introduction

The previous sections of this supplement have highlighted various challenges in livelihood support programming in emergencies. Most of these are within the area of 'policies, institutions, and processes' and are the most difficult to address. This section reviews some of these challenges and draws out the recurring themes.

The over-riding premise of this supplement is the need to move away from food aid as a standard response to food or income insecurity. Yet, food aid remains the most common response probably due, in part, to agencies and individuals continuing to do what is familiar and within their realm of experience. There are also significant policy and institutional constraints in moving away from food aid.

The existence of chronic livelihoods crises in many parts of the world is another challenge. Large numbers of people are living in circumstances which are normally associated with humanitarian crises, but for extended periods of time. This raises issues around the nature and duration of humanitarian programmes (and therefore funding cycles), social safety nets, and linking relief and development programming. The question is how can people be supported to simultaneously have their basic needs met and their livelihoods supported or rebuilt. In protracted emergencies, this raises technical, institutional and ideological issues.

Livelihoods analysis and programmes focus on assets and strategies, yet the causes of livelihood insecurity are often related to policies, institutions and process at national and international level. People whose livelihoods are most vulnerable are often those who have consistently been excluded

or marginalised in national development policies, i.e. who receive less public services and government investment, or population groups who are excluded from political systems and lack political rights. To address the causes of livelihood insecurity, there is a need to more closely link livelihoods programming with protection and advocacy initiatives.

A number of operational challenges have also been identified. These include human resource issues, monitoring and evaluation, and coordination of livelihoods work in emergencies. These are briefly discussed below.

### 8.2 Institutional constraints in moving away from food aid

Whilst most donors, UN agencies and NGOs, support a livelihoods approach in emergencies, policies and practice varies between these institutions. Positions on food aid have been developed by a number of NGOs in the past year, but considerable institutional constraints remain to moving away from food aid. Food aid is the main funding category in UN appeals and there is no lead agency for the coordination of emergency food security and livelihoods responses.

Many agencies have recently developed food aid policies or are in the process of revising them. Most of these recognise that food aid is only needed in certain circumstances, and aim to limit the use of food aid. Many also aim to support livelihoods through appropriate mechanisms. Key common elements of recently formulated policies are summarised below (CARE-USA, 2005, November; Oxfam GB, 2005, June; ACF, 2005):

- Appropriate food security interventions should be determined on the basis of an assessment of need, including the potential negative consequences of food aid.
- Food aid is only needed in situations of absolute food shortage.
- Appropriate roles for food aid are as part of emergency response while in development situations, food aid can play a role as part of social safety nets (CARE and Oxfam only on social safety nets).
- Food aid can play a useful role in protecting livelihoods.
- Monetisation of food aid should be phased out (CARE and Oxfam GB only).
- Local purchase is preferred to the distribution of imported food aid.
- Cash transfers are more appropriate than food aid in situations where food is available and markets are functioning (Oxfam GB and ACF).

Food aid is an institution in itself, with its own interests, policies and procedures. Many US NGOs get a large proportion of their resources from the monetisation of food aid, and CARE is the first US NGO to move away from this. Even though CARE stands to lose a large proportion of their cash resources by

US logoed food aid in Malawi



Ann Whitehead/Oxfam, Malawi

transitioning out of monetising food aid<sup>23</sup>, it aims to replace some of the monetisation proceeds by advocating for the conversion of monetisation funds to cash accounts, and for the allocation of additional resources to address the underlying causes of food insecurity. Other organisations are more cautious.

US NGO's interest in food aid stems from three considerations; first, its magnitude as a resource, second, its inter-changeability due to monetisation, and third, its effect on financial indicators that are commonly perceived to affect private contributions to NGOs. US food aid contributions alone accounted for 30% of the gross revenue of the eight largest US NGOs in 2001, ranging from 9.6% to 49.6% (Barret and Maxwell, 2005). There are much more significant commercial interests of US agri-business and shipping companies (Marchione, 2002). For example, all (Title II) non-emergency food aid must be processed, fortified, or bagged in the US. Also, the Cargo preference act specifies that 75% of all food aid must be shipped under US flag carriers.

Most donors (for example, DfID, the EC and USAID) support some forms of emergency food security or livelihoods interventions in addition to food aid, but policies and funding criteria are rarely made explicit. Until recently, the EC funded mainly production support interventions (agriculture and livestock). In the past two years, ECHO has funded cash interventions on a case-by-case basis and has no policy or clear criteria for when it does and does not fund cash interventions. USAID also supports production and income support interventions (income generation, micro-finance), and has funded some US NGOs to carry out emergency cash transfers such as cash for work and cash grants. DfID is most explicit about supporting cash interventions. Its document on 'Eliminating Hunger; Strategy for achieving the millennium development goal on hunger' (DfID, 2002) states that;

*"Aid agencies must consider whether resource transfers are the most appropriate response, and if they are, then whether they are most appropriately provided in the form of cash, food or other support".*

*"Cash transfers can be effective in situations where markets work well, as they stimulate opportunities for local production and trade".*

Consolidated appeals, however, still focus mainly on food aid as the main food security interventions. Other food security related sectors include agriculture and economic recovery and infrastructure. The consolidated appeals process will need to change given the increasing recognition of the role of cash transfers in emergencies. Cash can currently be included under multi-sectoral activities, economic recovery, income generation, infrastructure, or livelihood activities.

### 8.3 Chronic livelihoods crises: Linking relief and development?

In chronic livelihoods crises, there is a large proportion of the population that cannot meet their immediate needs at any time of the year, and which are subjected to new emergencies on a regular basis. Protracted livelihoods crises have most commonly been associated with long term, armed conflict. These are usually associated with weak governance and a state that is either unable or unwilling to respond or mitigate the threats to populations or provide adequate protection.

<sup>23</sup> CARE states that it will only carry out monetisation of food aid in very limited circumstances; where it can be used to address the underlying causes of chronic food insecurity, with reasonable managements costs, and without causing harm to markets and local production. It will only be done if CARE can be sure that food that is monetised reaches vulnerable populations and is effectively targeted at poor people with limited purchasing power.

Chronically vulnerable areas are characterised by shocks and emergencies which are either man-made or natural, and may also be characterised by the following (Maxwell, 1999):

- Deterioration or destruction of livelihoods
- Loss or depletion of productive assets
- Long term reliance on coping mechanisms which were previously only used in times of acute food insecurity
- Environmental degradation and deterioration of natural resources
- Increasing impoverishment of communities and households
- Geographical isolation in terms of infra-structure and communication
- Continuous or repeated emergency programmes.

The idea of linking 'emergency' and 'development' livelihoods programmes in such situations is problematic, as emergency conditions are continuous, at least for some sections of the population, and development, in terms of achieving sustainable livelihoods, is often not appropriate or feasible.

The idea of linking emergency and development programming is derived from experience with natural disasters in the 1980's and early 90's. Disasters were seen as temporary interruptions to an otherwise linear development process, so relief rehabilitation was seen as a neat continuum (Duffield, 1994). The thinking was that development assistance could reduce people's vulnerability to emergencies, and relief could protect assets and provide the basis for future development work (Maxwell, 1999). This conceptual model still forms the basis of most livelihoods work today, in particular in drought related emergencies and other natural disasters.

For populations that suffer repeated natural disasters, it is recognised that a system allowing shifts forward and back between emergency and development work, and in some cases, relief, rehabilitation and development projects, may be implemented at the same time (Maxwell, 1999). Box 18 gives the most common components of a drought cycle management system that incorporates such flexibility.

Emergency and development livelihoods programming are in fact very similar, in terms of the types of interventions that are implemented. The difference is largely in terms of objectives, implementation modalities and scale. Whereas in emergency

#### Box 18 Components of an effective drought cycle management system

- An early warning system that is relevant, transparent and trusted, and able to trigger timely action.
- A package of flexible responses appropriate to each stage of the drought as it evolves (for example marketing and livestock offtake, water development, livestock health, public works, food aid).
- Shift between 'normal' development activities and 'relief-based' activities should be possible without major decisions being made outside of the organisation.
- The ability to expand activities during the drought (e.g. recruit more staff, hire more cars, etc.) and progressively contract them once the drought is over.
- Drought contingency plans and scenario planning sessions that are documented and kept as 'shelf' plans. Contingency planning also involves the undertaking of capacity and resource assessments within the organisation and the setting aside of critical resources in the event of a drought episode.
- Multi-agency drought coordination structures which promotes collaboration and sharing resources with other agencies.
- The resources and political will to put the above into practice.
- Mechanisms which can hold those in authority accountable for their actions, such as media or district-level representatives.

Sources: Birch and Shuria (2001) and Acacia Consultants (2004, February).



programmes, the objectives are generally limited to meeting immediate needs and protecting livelihoods (i.e. preserving assets or recovering assets), development programmes aim to achieve self-reliance and sustainability through for example livelihood diversification and improving market access. A key aspect of achieving sustainability in development programmes is capacity building of local institutions (whether local NGOs, ministries, etc), and working with local partners.

Even in natural disasters, shifting from development to emergency programming, and back again, is not always easy. For example, a development project may have partners in areas which are not emergency affected and partners may not have emergency experience. There may be resistance to shifting from a mode of working as it is feared that relief implemented by 'outsiders' will undermine development projects by limiting participation and capacity building. There are also fears that aid becomes seen as a free and additional resource rather than something that requires community commitment in terms of time and resources. Case studies from Wajir, Kenya and Ethiopia (8.6.1 and 8.6.2) illustrate some of these constraints and the attempts to overcome them.

Linking relief and development in protracted crises due to political instability or internal conflict is much more problematic. The essential political nature of these emergencies has crucial implications for working with local partners and capacity building initiatives, in particular in relation to the application of humanitarian principles. Local institutions or partners are likely to be subject to political pressures, or have their own political motivations, which may compromise principles of neutrality and impartiality. Furthermore, since the destruction of livelihoods is often a direct aim of war strategies, the transition from livelihood protection to livelihood promotion may be impossible. However, developmental approaches to relief were adopted in conflict related emergencies throughout the 90's using capacity building approaches to reduce conflict and build peace. Some have

argued that the use of developmental relief in protracted crises has diverted time and resources away from saving lives and contributed to a "normalisation of crises" (e.g. Duffield, 1997; Bradbury, 1998, September), where levels of malnutrition that previously indicated crises are now considered "normal" thus justifying a move to developmental approaches.

In any context, it is important to set clear objectives for programmes in protracted livelihoods crises based on an assessment of needs. Objectives may range from saving lives, to the provision of longer term safety nets, to a combination of these two with some scope for moving towards rehabilitation and development (Maxwell, 1999). Minimal conditions for moving from emergency to developmental approaches are some level of political stability, security, a respect for human rights, and basic indicators of humanitarian need (such as malnutrition, mortality and food insecurity) within internationally accepted levels.

The need for long term programmes to meet the basic needs of large sections of the populations experiencing chronic livelihoods crises remains however for many countries. The increased interest in social safety nets and the recent re-engagement of development actors in protracted crises (see section 5.6), offers both opportunities and threats for linking relief and development. The coinciding of humanitarian and development agendas in situations of protracted crises, means that there is at least the basis of coherent dialogue between the emergency and development aid communities. However, this convergence is also a potential threat mainly in the form of loss of neutrality in politically unstable situations and consequent risks to the security of aid workers.

## 8.4 Linking livelihoods programming with legal protection and advocacy

The causes of livelihood insecurity are often linked to long term processes of political, social and economic marginalisation,



**Building raised villages are a longer term strategy to deal with flooding in Bangladesh**

Jane Beesley/Oxfam, Bangladesh, 2002

### Box 19 Influencing the national policy environment in Kenya

To have a greater impact on livelihoods, Oxfam Kenya recognised the importance of strengthening co-ordination amongst agencies and advocacy. This work took up approximately 50% of the Oxfam coordinators time.

Oxfam established the Kenya Pastoralist Forum, which brought together practitioners, academics and policymakers, and pursued policy concerns at national level. Oxfam has also facilitated emergency response by the government of Kenya (GoK) through influencing policy and making small investments, and has funded the Kenya Food Security Steering Group (KFSSG) and participated in the Kenya Food Security Meeting (KFSSM). The KFSSG includes donors, the GoK, and two NGOs, one of who is Oxfam, thus facilitating the exchange of information between these actors. In 2001, Oxfam funded a review of coordination structures in Kenya and has also funded joint assessments. It is now widely acknowledged that the KFSSM has been instrumental in enabling the existence of a genuine partnership between the GoK, donors and NGOs in matters of food security.

The GoKs Arid Lands Programme has drawn on Oxfam's experience in Wajir. When Oxfam incorporated drought management in its development programme, GoK did so as well. Oxfam has also given financial and technical assistance to the Arid Lands Programme. Policies on emergency livestock offtake, decentralisation, and privatisation of animal health services in arid districts are now being embraced by the GoK, partly as a result of Oxfam initiatives.

Source: Jaspars et al (2002, August).

and the policies and practices of national and international institutions. These macro-level causes are rarely assessed in livelihoods assessments, and livelihoods programmes are therefore rarely linked with policy and advocacy work. A rights based approach (or protection analysis) would help identify who is responsible for causing livelihood insecurity and who has the duty to act. The aim is then to influence those with a duty to act. Yet such an approach is rarely part of humanitarian needs assessments (Darcy, 2003, September).

Advocacy initiatives can be focussed on achieving policy change at either, or both, national and international level. For example, Oxfam in Kenya has made a conscious effort to influence the external environment for more effective livelihood support. Elements of the strategy included promoting coordination between key actors, and working closely together with the Kenyan government, WFP and donors to bring about policy changes (see box 19).

Advocacy can also include strategies to change the policies and practices of international institutions, and to improve the response to a specific crisis. Activities can range from organising joint assessment missions, joint piloting or research initiatives (for example on cash programming) and dissemination of findings of innovative programmes to donors and UN, to global initiatives to change international food aid regulations and to make trade fair.

Issues of governance, illegal war strategies or the manipulation of assistance by states or warring parties need to be dealt with at the political level or through legal instruments. Acts like the deliberate destruction of livelihoods, and the denial of access to resources, including humanitarian assistance, are specifically prohibited under International Humanitarian Law (IHL) (see box 20).

Protection activities are often centred on gathering evidence of abuses of IHL and human rights laws, holding states and warring parties to their responsibilities under IHL, and equally, making war affected populations aware of their rights. Other protection activities may include providing war affected

**Box 20** References to food aid and denial of food in International Humanitarian Law

Where urgent needs are not being met, States (and by implication other warring parties) are obliged to allow free passage of relief supplies which are humanitarian and impartial in character (See Additional Protocol 1, Article 70 - referring to international armed conflict and Additional Protocol 2; Article 18 - referring to non-international armed conflict). 'Humanitarian' refers to basic needs essential for survival such as foodstuffs and medical supplies.

Common Article 3 of the Geneva Conventions- applicable to all forces in all conflicts (ref. Nicaragua decision of the International Court of Justice) calls for those no longer taking part in hostilities "in all circumstances to be treated humanely". This is widely interpreted, inter alia, as a prohibition on the use of starvation as a weapon of war. Protocol I (Art 54; covering international conflicts) and Protocol II (Art 13; certain non-international conflicts) explicitly prohibit this, but are only applicable on certain conditions - including that the State has signed up to them.

The International Criminal Court makes it a war crime to use starvation as a weapon of warfare, including "depriving [populations] of objects indispensable to their survival" and "wilfully impeding relief supplies" (Art 8 (2) (b) XXV Rome Statute). This applies in both international and non-international conflicts.

Sources: Birch and Shuria (2001) and Acacia Consultants (2004, February).

populations with better information on their options (e.g. for returning home after displacement) or supporting risk minimising strategies that conflict-affected populations are already using. It is difficult, however, to find examples of specific links between protection and livelihoods work, despite the clear evidence of the impact of abuses of IHL on livelihoods, and the impact of inadequate assistance on creating protection risks.

Livelihoods and protection assessments in Darfur, Liberia and Uganda (and many others) highlight some of these issues: These include:

- Conflict destroys livelihoods through destruction and looting of assets and displacement, either as a direct war strategy to deny access to resources or as a result of insecurity.

**Box 21** Example of use of food security assessment and programmes for Chechen IDPs to address protection risks

In 2004 there was a clear determination to organise the return of the IDPs in Ingushetia to Chechnya, even though low-level warfare, and abuses against the civilian population, continued on a daily basis. This was demonstrated by the gradual closure of all the official camps in Ingushetia between 2003 and 2004. The projected return contrasted sharply with the will of the people: a food security survey conducted by ACF in 2004 revealed that despite the flux of people from Ingushetia to Chechnya, 82% of the IDPs did not want to return home, with insecurity, inadequate shelter and income given as the main reasons.

It was stated that the return would be conducted on an entirely 'voluntary' basis, thus implying a freedom of choice for the people concerned. However;

- The IDPs did not have any guarantee of protection in their areas of origin
- The administrative environment and the security environment in Ingushetia had become openly threatening towards IDPs, with almost a quarter of the IDPs living in the camps stating that they had been directly threatened by the authorities
- The rights of the IDPs to proper living conditions in Ingushetia were openly flouted, whereas promises of assistance in Chechnya, used as incitements for their return, had multiplied. The availability of adequate alternative shelter in Ingushetia was limited and did not cover the needs of the population who were forced to leave their current accommodation. Over 40% of the population had less than 4m<sup>2</sup> of living space per person. Cuts in utilities frequently occurred, mainly due to antiquated networks that were not properly maintained, and high demand. Humanitarian assistance provided to IDPs in Ingushetia decreased whilst an increasing number of agencies and donors shifted their assistance toward Chechnya.

At the same time, the economic pressure on displaced families had become extreme. Diminishing humanitarian aid was stated as the main source of income by over a third of the population, and households were increasingly resorting to erosive coping mechanisms.

A key concern for ACF was to give a choice to the displaced Chechen populations to stay in Ingushetia. ACF responded by monitoring the situation closely and advocated among concerned stakeholders, e.g. through food security surveys<sup>24</sup>. On a programmatic level, ACF increased its water and sanitation rehabilitation and construction activities, focussing in areas where those evicted from the camps were likely to settle.

Source: Mattinen, ACF-France

<sup>24</sup> The focus of ACF food security surveys is often broad, and they include factors affecting the general livelihoods of the population.



## Box 22 Fuel efficient stoves reduces risk of violence in Darfur

The project trains women to make fuel-efficient stoves in order to reduce their exposure to violence when collecting firewood. Two of the indicators used to measure the success of the intervention are number of firewood collection trips per week and the amount of income used to buy wood per week.

A questionnaire was used before the project started to establish the baseline, and afterwards home visits were carried out to monitor impact and use. Monitoring showed that the number of firewood collection trips has reduced by half on average and households are spending less of their income on buying wood. The longer-term impact on the environment has yet to be seen, but observation and feedback from women already indicates stove owners no longer need to cut green trees close to the town.

Source: Hastie (undated). Using indicators to monitor protective impact. Oxfam GB.



Searching for wood for fuel can expose women to increased risks

Brian Jones/Oxfam, Uganda

- The most vulnerable population groups, often particular ethnic groups or newly displaced populations in camps, are typically excluded from registration (for food distribution or other assistance).
- Lack of fuel for cooking means that women have to walk long distances to get firewood, which exposes them to risk of violence or rape.
- Inadequate assistance means that the most food insecure have to take great risks to try and meet their immediate needs. This may include prostitution and travel to farms when this is unsafe.

Food security and livelihoods assessments can provide powerful tools to highlight the consequences of war strategies, of systematic marginalisation or abuse of certain groups, and can thus be used as 'evidence' in protection work. Similarly, surveillance of livelihoods indicators can help monitor the impact of protection work. An example of this is given in box 21 on ACF's work with Chechen IDPs.

In many emergencies, simply ensuring that humanitarian programmes are implemented well and effectively reach the vulnerable will go a long way to addressing protection risks that people face. Protection risks can also be reduced through increasing income opportunities or reducing expenditure (see box 19 and the field article on Liberia in 8.6.3). The case study in Liberia shows how vegetable gardening for IDPs allowed them to increase their income, which in turn reduced the incidence of damaging coping strategies such as prostitution or travelling to insecure areas to collect wild foods and firewood. An initiative in Darfur to introduce fuel efficient stoves, similarly reduced the number of times women had to collect firewood, thus reducing the risk of rape (see box 22).

## 8.5 Operational challenges

There are a number of human resources, knowledge management and coordination challenges relating to livelihood support programming in emergencies.

Livelihoods interventions in emergencies are relatively new so that few emergency practitioners are familiar with the livelihoods framework and few development practitioners have experience of working in emergencies. There is no agreed adaptation of the framework for emergencies, so there is no common conceptual framework to form the basis of programming. The relative importance of humanitarian principles and livelihoods principles in different contexts has not been systematically reviewed. Although humanitarian principles, such as neutrality, impartiality and independence should take precedence in any emergency, there is no clear framework for determining when certain livelihoods principles can be applied. For example, participation should be applied in any context, but capacity building and working with partners needs to be more carefully considered as these may conflict with humanitarian principles.

Difficult decisions about principles, who to work with, what and where, would be made easier if there were coordination mechanisms between agencies to set a common framework for action. Such mechanisms are rare for emergency food security and livelihood support. This makes humanitarian operations more open to abuse and manipulation. Working together under the same set of standards and operating principles is crucial to effective and accountable humanitarian action, but at present, there isn't a lead UN agency for emergency food security or livelihoods programmes. In theory, the FAO should coordinate food security activities, however, it has limited experience of working in emergencies and its interventions are mainly limited to agricultural support. In protracted crises, the FAO has taken a more prominent role in coordinating food security assessments and analysis, as for example in the Food Security Assessment Units in Somalia,

Afghanistan and South Sudan. In the more acute stages of an emergency, WFP has more often taken on this role. There is no UN agency that provides leadership and coordination on cash interventions. UNDP took the lead role in Aceh, Indonesia, and WFP is piloting cash interventions in a number of countries.

Cash programming only gained prominence in the past five years or so, and there are therefore relatively few experienced practitioners to call on in an emergency. The same applies to other emergency livelihoods interventions. Furthermore, the management of cash transfers usually requires the involvement of local financial institutions. This may be particularly problematic in rural areas where banks are few and far between. Implementing agencies may have to help strengthen the financial management of local institutions and/or strengthen their own financial and administrative procedures. Production support and market access programmes are still largely derived from development programmes and are still in the process of being adapted. Agriculture and livestock professionals with experience in emergencies are difficult to find. Finding skilled national staff can also be problematic. Furthermore, there is frequently a high turnover of staff due to competition between

agencies. Some of these issues are illustrated in the field article on South Sudan in section 8.6.4.

It is difficult to find documentation of livelihoods interventions in emergencies, in particular on impact and the lessons learnt from implementing programmes in a particular context. However, this applies to most types of humanitarian interventions (Duffield et al, 2004, December). Many cash transfer interventions are now being reviewed or evaluated. In many cases, there are still uncertainties about how cash will be used and fears remain about possible diversion and misuse of funds. In addition, new forms of cash programming are being developed on an almost daily basis, and are applied in new contexts. Lessons from these new experiences need to be accessible to a wide range of actors to bring about change. Most cash intervention evaluations have focussed on how the cash was spent, but few consider the wider impact of cash programmes on livelihoods, including changes in asset levels, debt relief, and impacts on markets and the wider economy. For cash programmes to become more widely and appropriately adopted, it is important to generate more evidence on their in a variety of contexts.

## 8.6 Case studies

### 8.6.1 Linking relief and development programming in Wajir, Kenya<sup>25</sup>

In the early to mid-1990s, Oxfam developed a one programme approach that combined relief, development and advocacy. The Wajir programme, which is described below, is considered throughout Oxfam as a successful application of this approach.

#### The Wajir Pastoral Development programme

The Wajir Pastoral Development programme (WPDP) started in July 1994. Much of the initial phase was spent developing pastoral associations. The project was designed to span a nine-year period managed in three phases, but has now been extended to 2008. Two kinds of community-level organisations were developed as part of the project. The first are pastoral associations, which pursue a wide range of activities including water-supply development, livestock health, women's income, and education. The second is a network of women's groups in Wajir town, whose primary purpose is to provide a structure through which women can access credit and training in business skills. Both are also channels through which people can represent their interests to government and other actors.

The project's first phase included work with five pastoral development associations, restocking and loans for credit through the women's groups. Government departments were involved in the planning and design of the programme. This was instrumental in influencing the thinking of government staff, and later opening up channels to influence government at national level.

The second phase of the project included capacity building with local authorities in order to have an impact on the district beyond the project areas. Oxfam was instrumental in establishing the Wajir Pastoral Steering Committee (PSC), as a coordinating body for all those working in the pastoral sector. The second phase of the project was marked by almost continuous emergencies, from drought in 1996–7, to floods in 1998, and drought again in 2000. The year 2000 also saw the resumption of inter-clan conflict in the north of the district. The same Oxfam team in Wajir managed the succession of relief activities in addition to the longer term projects.

The third phase seeks to handover programmes through structured mentoring of local NGOs, pastoral associations and the umbrella organisations to enhance the transfer of planning and implementation capacity.

#### Integrating emergency response with development programming

The success of emergency response has been judged on the basis of emergency preparedness, speed of response and ability to scale up and become operational when necessary. Key factors in the success of linking relief and development programming were:

- the continuity and commitment of the staff
- most of the staff were from the District
- the same staff are responsible for emergency and development programmes
- the likelihood of drought was considered in the design of the development programme
- setting targets for emergency response
- institution building to create an environment conducive to emergency response.

Many Oxfam staff in Wajir still have close connections with rural pastoral groups (the 'baadia'). This means that they are naturally very concerned about the risks to their community. In addition, the team asked for outside help when needed. Management responsibility for responding to emergencies was gradually incorporated into the job descriptions for every programme manager. A key point in creating the willingness to respond to emergencies was to present working in emergencies as a career opportunity for development staff. When the development programme for Wajir was designed, drought was factored in.

The WPDP has supported drought-monitoring activities throughout the district, and pastoral associations have sometimes proposed drought-mitigation activities.

The analysis and contacts built up during the WPDP were used to design the emergency response between 1996 and 1998. Pastoral associations registered beneficiaries and their

<sup>25</sup> This is a summary of a case study in Jaspars et al (2002, August).



secretaries were employed as monitors (Birch and Shuria, 2001). Relief activities were consistent with pastoralist livelihood strategies. Food distributions were widely dispersed across the district, with minimal targeting (excluding only salaried people). In addition to nutritional objectives, the purpose of food aid was to stabilise food prices and reduce distress sale of livestock.

Following large scale food distributions in 1997, the Wajir programme carried out several emergency livelihood support interventions as part of the flood recovery programme in 1998. Interventions included CFW, restocking with sheep, goats, milking cows, donkey or camel, and the

distribution of seeds and plough oxen. CFW projects included road clearing, school rebuilding, digging of pit latrines, pan de-silting, fencing of dispensaries, town cleaning and duffel making.

There were also disadvantages to implementing relief activities through the development programme structures. For example, Oxfam is now perceived by some to be a resource-rich agency (£4.6 million was spent between 1996 and 1998 on relief, more than five times the amount planned for the development programme) making it increasingly difficult for Oxfam to constructively disengage from the District.

## 8.6.2 Ethiopia: Challenge and Change

By Catherine Allen, Concern WW

Concern WW is trying to create mutually reinforcing linkages between livelihood security<sup>26</sup> and emergency programming at a number of levels.

Concern WW has been operational in Ethiopia since 1985. The Concern Worldwide Livelihoods Security

### Damot Weyeda Livelihoods Programme Activities

#### Long-term changes in livelihood status:

- Agricultural promotion activities, e.g. introduction of improved seed varieties, integrated pest management, livestock development, irrigation services, community capacity building, etc.
- Support for off-farm employment, e.g. vocational skills training and business start up support.

#### Saving lives and protecting livelihoods:

- Cash or food for work activities based on natural resource management.
- Nutrition surveillance and gathering early warning information.

Programme is currently working in Kalu Wereda in South Wollo Zone and Damot Weyde in North-East of Wolaita Zone. These areas are characterised by chronic food insecurity with periodic incidents of acute food insecurity resulting in high levels of malnutrition, distress migration and sale of household assets. Implementing Concern's Livelihood Security Programme<sup>27</sup> in such a chronically food insecure environment such as Ethiopia is extremely challenging, in particular:

- conducting effective, participatory livelihood and vulnerability analysis<sup>28</sup> for programme planning
- developing programmes against short as well as long-

<sup>26</sup> Concern defines livelihood security as the "...adequate and sustainable access to and control over resources, both material and social, to enable households to achieve their rights without undermining the natural resource base."

<sup>27</sup> Concern Worldwide Livelihood Security Programme focuses on improving target beneficiaries livelihood security within their countries of operation through appropriate activities relating to: (i) better management of community resources, (ii) improved production and processing, (iii) better access to markets, (iv) supportive and effective institutions and (v) preparing for emergencies.

<sup>28</sup> Based on Concern Worldwide Livelihood Security Approach. The full policy is available from <http://www.concern.net/docs/LivelihoodSecurityPolicy.pdf>



Work on the Wollo Irrigation Canal, one of the Concern WW livelihood programme activities



Livestock support in Wollo

term objectives

- maintaining emergency capacity within programme staff
- incorporation of disaster risk reduction strategies.

The Damot Weyde Livelihoods Programme (DWLP) has been designed to test this more integrated approach to addressing the root causes of vulnerability and poverty. The programme has been divided into two phases. The pilot phase (2005) is currently testing the feasibility of the approach and component activities. A further output from this phase will be a comprehensive livelihoods baseline. The learning from the pilot phase will then be used to design the main programme phase where interventions will be scaled up. This phase will run from 2006 – 2008.

### DWLP design

The programme design was based on a detailed, participatory livelihoods and vulnerability analysis and subsequent stakeholder consultation carried out in 2004. The analysis has attempted to understand coping and adaptive strategies as well as people's capabilities, motivations and constraints.

Based on the analysis, DWLP was designed with components that contribute towards saving lives, protecting livelihoods and ensuring long-term sustainable changes in livelihood status. Not all will be operational throughout the course of the programme. Relief components, e.g. cash or food-for-work, may only be activated during times of acute food shortages.

Integrated water supplies, which include potable water, washing slabs, cattle troughs and irrigation schemes, have provided an effective entry point for Concern WW's programme activities and a means of developing community and local government capacity to plan and

implement local initiatives. It then also becomes possible to incorporate these with soil and water conservation activities (e.g. watershed management) that can ensure their sustainability in the long-term. Terracing and bund formation provide the potential for CFW or FFW and visible improvements in soil fertility leads to greater motivation for changing agricultural practices.

### Human resource strategies

Staff have been encouraged to develop emergency programming skills such as emergency analysis, management of emergency programmes, monitoring skills and logistics. There is also a flexible organisational structure within the team that enables Concern WW to respond to emergencies at short notice without undermining the livelihoods work.

### Incorporating Disaster Risk Reduction

The incorporation of disaster risk reduction and emergency preparedness plans has included:

- the institutionalisation of early warning systems
- carrying out a participatory risk assessment that includes hazard mapping and vulnerability analysis
- minimising the impact of the hazards through mitigation measures such as community managed pilot seed reserves
- developing contingency plans and the introduction of community based food aid distribution and targeting systems.

### Linking with government and other actors

The government of Ethiopia's Productive Safety Net Programme (PSNP) attempts to separate those who are chronically and acutely food insecure in those weredas that are structurally food deficient. Concern WW is engaging with the local government as part of the DWLP to coordinate with the PSNP and build capacity for its

#### Team flexibility

Kalu experienced severe drought in 2002/3, which required a shift of emphasis from livelihoods work to saving lives. Staff from the Kalu Programme were quickly mobilised and deployed to the emergency programme. Some staff members had emergency experience, and the rest were given quick in house training.

An example of the topography of Wollo, Ethiopia



### 8.6.3 Food security – protection links in Liberia

By Mary Atkinson, Oxfam

Direct effect of conflict on livelihoods and food security  
Violence and the threat of violence over 14 years led to severe loss of livelihood assets through looting, destruction and lack of maintenance which negatively impacted on ability to sustain livelihoods and grow or buy sufficient food in Liberia. Loss of livelihoods from mass displacement made the displaced particularly vulnerable to food insecurity.

Availability of food from domestic production has been reduced as result of displacement from farms, looting and destruction of agricultural assets and harvests, loss of life and separation of the family unit. Insecurity also restricted planting, harvesting and marketing of crops. Ability to fish in local rivers and along the coast has also been severely restricted through destruction of fishing equipment. Bush food had consequently become an important food that allowed the survival of many.

Severity of food insecurity in a location appeared to be largely determined by the degree of violence and destruction experienced, with acute malnutrition rising dramatically in periods of fighting and displacement. During the attack on Monrovia in the summer of 2003, for example, global acute malnutrition was as high as 50% in some locations, but had fallen to normal acceptable levels by September once the fighting had stopped.

#### Ethnicity and vulnerability

The militia in control of a particular area effectively controlled the markets and livelihoods of a local population through looting, diversion of harvests and other assets, taxation of goods transported to and from markets, and disruption to transport. The resulting 'war economy' restricted consumer access and power in markets and has helped keep prices of food high. The militia groups vary in their ethnicity base. Those of a different ethnicity to the rebel group in power in an area were more at risk to such controls, therefore making them more vulnerable to food insecurity

#### Damaging coping strategies

Assessment highlighted that many of the strategies employed to access sufficient food and income in camps around Monrovia involved taking additional risks, for

example sexual exploitation, splitting up of families, and travelling through insecure areas to collect bush food, firewood, or food from farms. Women, girls and particularly female-headed households, were particularly at risk of sexual exploitation and infection with HIV/AIDS.

#### Inadequate assistance creates protection risks

A considerable number of IDPs and particularly women headed households in official camps in Monrovia were excluded from registration due to unrepresentative and unaccountable camp management and hence were not receiving their entitlement to food and non-food items. Households excluded tended to be those with less resources and so already more vulnerable to food insecurity.

#### Food security and protection initiatives

Oxfam advocated the need for improved registration and sensitisation of IDPs in camps to help improve the problems in registration and delivery of aid. A recommendation was also made to explore the idea of providing a community based scheme for helping vulnerable households build new shelters on arrival in IDP camps, thus allowing them to register for food and non-food items (NFIs).

In 2003, Oxfam GB started a vegetable growing programme in camps in Monrovia that provided women with an alternative source of income, thereby reducing the need for them to practice damaging and dangerous coping strategies. Significant numbers of beneficiaries were those who are not receiving food aid due to the problems in registration.

#### Lessons learnt

Political vulnerability, due to ethnicity, can be the most important determinant of food insecurity and lead to exclusion from assistance.

Food insecure populations in conflict zones may have to adopt coping strategies that expose them to greater risks. Food insecure groups are therefore often the most in need of protection initiatives.

Protection activities need to include providing safer alternatives for accessing food and income.



Temporary shelters in Salala IDP camp, about 90 miles northeast of Monrovia where Oxfam was working.

## 8.6.4 Challenges to Livelihood Support Programming in South Sudan

By Mamie Sackey, AAH-US

AAH's interventions in Southern Sudan have mainly been emergency responses in the nutrition, health and food security sector. The establishment of livelihood programmes began in June 2005 with a focus on grain mills and tailoring programmes in the Old Fangak payam of the Central Upper Nile region. The primary objective of these programmes was to strengthen the livelihoods capacity of 11,250 vulnerable people in this region, thereby reducing reliance on external agencies for the provision of basic disease prevention items such as mosquito nets, and to improve the food security situation at the household level.

The proposed activities built on the existing capacities within the communities directly focusing on women and the enhancement of their capacities and abilities. AAH's main role is to provide the initial input, such as the grain mill and the sewing machines, in addition to skilled technical support, e.g. a technician to assist the community in the set up of the mill and a qualified tailor to conduct training in tailoring.

Although the livelihoods activities in Old Fangak are in their early stages of implementation, AAH has already faced numerous challenges.

### Lack of skilled and qualified personnel and reduced levels of literacy

Due to the prolonged civil war, there is a dearth of skilled human resources with literacy levels one of the lowest in the world.

### High turn over of staff

Given the decreased levels of employment opportunities and developmental structures in the Upper Nile, the majority of the adolescent and young adults frequently leave to explore higher education or employment opportunities in other areas of Sudan or in neighbouring countries. As a result, agency programme operations are constantly set back by the constant cycle of recruitment, training and departure of staff.

### Lack of basic infrastructure

Twenty-two years of civil war in southern Sudan has led to the wide spread demise of basic infrastructure, especially in the Upper Nile regions. In Old Fangak payam, trade is primarily with the former garrison towns where southern traders are subject to significant taxation fees when importing traded items to their own markets. Transport routes are also virtually non-existent, with the whole of the Old Fangak community reliant on self-made rafts of reeds or the solitary privately owned boat. As a result, the community are constrained by the availability of material and adequate transport and are thus must rely on external organisations for the provision of materials needed for construction.

### Timing of programmes

As the majority of Southern Sudanese are primarily agro-pastoralists, programmes have to be planned strictly in relation to the community seasonal calendar and specific planting times. Deviations from planned timing can have a markedly adverse impact on programme success.



From top: Grain mill supported by ACF in Old Fanyak, South Sudan. Mamie Sackey, ACF US at the ACF supported grain mill. The tailoring programme supported by ACF US.



# 9

## Conclusions



Steps built as part of a Cash for Work project in Haiti

Jane Beasley/Oxfam, Haiti

**E**normous progress has been made over the past few years in food security and livelihoods programming in emergencies. Assessments are increasingly making use of the livelihoods framework and are being adapted to identify a range of interventions, rather than focussing on food aid. The development of criteria for identifying appropriate responses is also a significant step forward.

There is increasing recognition amongst all key humanitarian actors that in many emergencies, providing people with cash to meet both their immediate and livelihoods needs is the most appropriate response. Agencies have increased their cash responses in emergencies in recent years, contributing to greater knowledge of where and when it is appropriate and how to implement such programmes. Cash transfers allow a range of needs to be met. This is appropriate as impact of emergencies on different livelihoods varies. Furthermore, provision of cash ensures choice, which maintains people's dignity and sense of self-worth.

The introduction of seed fairs is a significant step forward in agricultural programming in emergencies, providing another option to seeds and tools as the standard agricultural rehabilitation intervention.. Seed fairs also lead to better assessments of local seed systems and the impact of disasters on these systems. Emergency livestock interventions also cater for people's own priorities in the face of disaster.

The increased interest by governments, donors, and NGOs in providing long term social welfare and protection in chronic livelihoods crises offers real hope for addressing the needs of populations who have shown persistently high levels of food insecurity and malnutrition. The fact that both development and humanitarian communities are engaged in social safety net programmes, can provide the basis for coherent dialogue between development and humanitarian professionals, which offers new opportunities for linking relief and development.

It will be a considerable challenge to maintain the progress of the past five years. Many issues and challenges remain to be addressed. These range from improving assessments, to monitoring and evaluation, to addressing some of the institutional constraints to moving away from food aid as a standard emergency response. Priorities for future work are as follows:

### **Broadening emergency livelihoods analysis to include policies, institutions and processes**

There is a need for improved analysis of the threats and vulnerabilities that create risks to livelihoods. This includes an analysis of the underlying policies, institutions and processes and structural causes of livelihood insecurity. The adoption of a rights based approach, i.e. one that identifies who is responsible for causing livelihood insecurity, and who has a duty to act, should lead to better advocacy.

Linking livelihoods analysis with protection analysis is important, particularly in conflict situations, as this should lead to mutually re-enforcing analysis and action. Protection work can reduce threats to livelihoods by advocating for adherence to IHL by warring parties, and livelihoods work can reduce protection risks by reducing the need for war affected populations to engage in risky coping strategies.

### **Developing an agreed methodology for market assessments in emergencies**

Several agencies are working on market assessment methodologies, but few have been applied to emergency situations. Also, the different objectives of undertaking market assessments need to be clarified and methods developed accordingly. Objectives may include assessing the potential for local purchase of food, whether the market can cope with an increase in demand through distribution of cash, the impact of an emergency on all components of the market and how to rehabilitate a functioning market.

### **Agreeing on criteria for identifying appropriate responses**

Criteria have been developed by a number of agencies for identifying appropriate responses. The next challenge is to obtain agreements amongst key actors on the criteria, and their implementation. Care must be taken, however, that criteria do not limit analysis and do not hinder the development of policy level or innovative responses.

### **Rigorous monitoring and impact evaluation of emergency livelihoods interventions**

The past few years have seen significant increase in knowledge and experience of emergency livelihoods interventions. It is now necessary to capture that experience, examine the lessons learnt, and use this both to improve programme implementation and lobby others for changes in policy and practice. Monitoring and evaluation methods will need to be improved and more rigorously applied. Few documented or published case study material were found in the published or grey literature in compiling this supplement.

Cash programmes are still not applied as widely as they might be, due to a number of fears and assumptions. However, none of these fears have been borne out in practice and the only way to address unproven fears and assumptions is to systematically document experience of cash programmes and disseminate this information.

### **Supporting social safety nets in situations of chronic livelihoods crises**

The increasing acknowledgement of the need for long term programmes to meet basic needs in chronic livelihoods crises, as well as increased donor commitments for multi-year funding for such initiatives, provides important opportunities. For NGOs, this can mean the piloting of social safety net programmes and supporting national governments in larger scale implementation. The engagement of both the development and the humanitarian communities in these initiatives, offers both opportunities and threats. There are opportunities for coherent dialogue between the two communities, and to review thinking on linking relief and development. There are threats in terms of the erosion of humanitarian principles. Careful review will be needed to consider when and how humanitarian and livelihoods principles are appropriate, according to different emergency conditions and contexts.

### **Upgrading or re-orienting the skills of emergency food security practitioners**

Most emergency food security practitioners are experienced in assessments and emergency food distribution. With the shift

to cash interventions, as well as other forms of livelihood support, there is a need for re-training professionals. This will need the development of guidelines, training, mentoring and programme exchange schemes which will be a considerable challenge, given that there is currently no formal training or professional qualifications in emergency food security work. Most practitioners have learnt through experience.

### **Global advocacy initiatives**

Some donor policies and some of the global regulations and interests in food aid will need to change if any there is to be any real and lasting change in the way we respond to emergencies. The major opportunity for changing global food aid governance is during the coming year with the revision of the Food Aid Convention, which is linked to current WTO talks on food aid as part of the agriculture agreements. A joint NGO vision on the role of food aid can shape the debate, and will also help bring about change in donor policies, as well as the practices of NGOs who are heavily dependent on food aid as a resource. Many donors already support emergency livelihoods interventions, but clearer policies and procedures are needed, particularly in funding cash interventions in emergencies. Joint NGO initiatives are an important way forward in achieving policy and practice change.

**Selling local produce in an IDP camp market**



Jane Beesley/Oxfam, DRC



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**Beatrice, a beneficiary of the CRS seed voucher scheme in Burundi**



**Oxfam voucher beneficiary in Niger**







**On the cover**

Front: Market in Aceh, Indonesia. S. Jaspars, Indonesia, 2005.

Back: Dam building CFV project in Hazarajat, Afghanistan. B Jones, Afghanistan.

Inset: A woman queues to exchange her voucher for work. Oxfam, Niger.



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