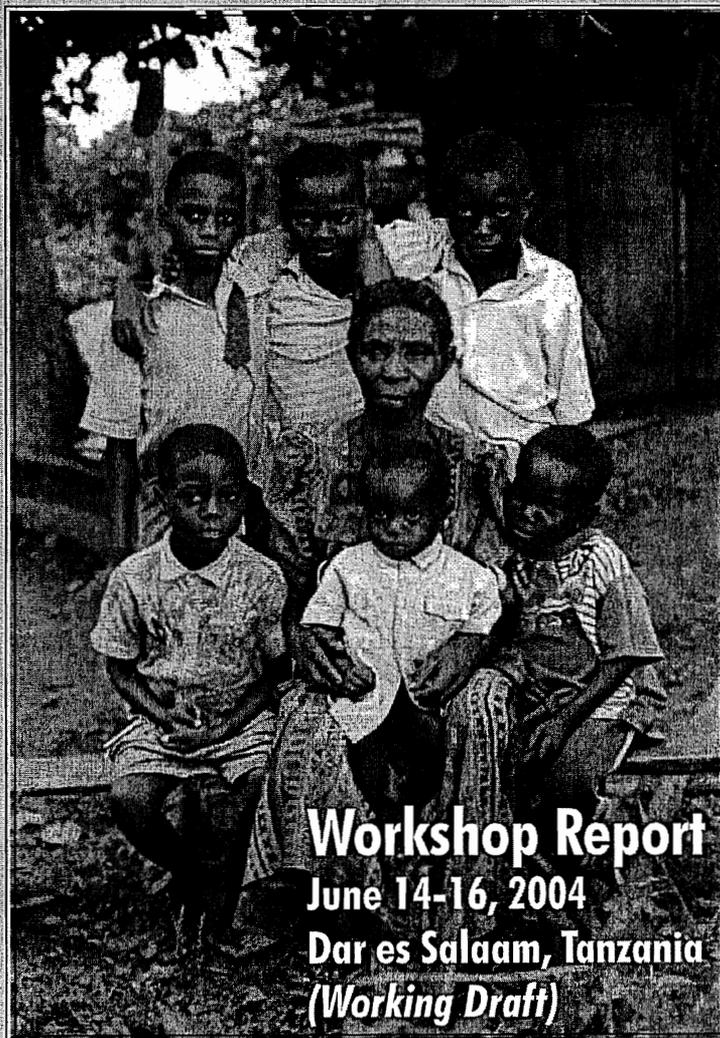


# ***Economic Strengthening to Improve the Well-Being of Orphans and Vulnerable Children***



Bureau for Africa  
United States Agency for International Development

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**Workshop organized by:**

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Project



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**Cover photo:**

Giacomo Pirozzi, courtesy of UNICEF (HQ99-1052). In December 1999 in Uganda, a grandmother sits with six of her ten grandchildren, all orphaned by AIDS and now living with her, in the village of Namave, outside Kampala, the capital.

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## **ACRONYMS AND ABBREVIATIONS**

<b>AIDS</b>	acquired immune deficiency syndrome
<b>BDS</b>	business development services
<b>CABA</b>	Children Affected by AIDS
<b>ES</b>	economic strengthening
<b>FHI</b>	Family Health International
<b>HACI</b>	Hope for African Children Initiative
<b>HIV</b>	human immuno-deficiency virus
<b>IGA</b>	income-generating activity
<b>MFI</b>	microfinance institution
<b>OVC</b>	orphans and vulnerable children
<b>PLA</b>	participatory learning and action
<b>REPSSI</b>	Regional Psychosocial Support Initiative for Children Affected by AIDS
<b>SAT</b>	Southern African AIDS Training Program
<b>SEEP</b>	Small Enterprise Education and Promotion Network
<b>SME</b>	small- and medium-sized enterprises
<b>USAID</b>	U.S. Agency for International Development
<b>UNGASS</b>	United Nations General Assembly Special Session

## **1 EXECUTIVE SUMMARY**

The HIV/AIDS pandemic has weakened the traditional support structures for children, jeopardizing their safety, well-being, and development. The problems are massive and urgent, and extensive efforts are required to identify, support, and implement the most appropriate responses. In sub-Saharan Africa, 12.3 million children have lost one or both parents to AIDS. The vast majority of the children orphaned or otherwise made vulnerable by AIDS are living either with a surviving parent or with extended family members. Many of these households, already poor before they lost family members or took in additional children, have been pushed deeper into poverty by the impact of AIDS.

A global consensus has developed that the fundamental strategy to improve the safety and well-being of orphans and vulnerable children is to strengthen the social and economic capacities of their families and communities.<sup>1</sup> This is the most affordable and sustainable way to meet the children's immediate needs and to accord them an opportunity to grow up in a caring and socially integrative environment. Recognizing this imperative, USAID's Bureau for Africa organized a workshop on economic strengthening in Dar es Salaam, Tanzania, June 14-16, 2004, to improve the well-being of orphans and vulnerable children. The workshop brought together a diverse group of 26 specialists with experience and expertise in the areas of economic strengthening and children's programming to determine how appropriate interventions can be developed and implemented on a scale that matches that of the impact of AIDS (See Annex 1 for a list of participants).

### **1.1 Workshop Objectives**

The workshop's overall goal was "to identify specific ways to improve programming and increase ongoing, collaborative action among organizations and specialists with expertise in economic/livelihood strengthening and those implementing programs to improve the safety and well-being of children affected and infected by HIV/AIDS." The workshop's objectives were to:

- Identify and review current programs, promising practices, and lessons learned;
- Review existing guidance material on how to improve the economic circumstances of families and communities to benefit orphans and vulnerable children;
- Make recommendations for developing guidance material and capacity building activities; and
- Recommend critical actions and next steps for ongoing collaboration.

### **1.2 Focus on the Three Primary Safety Nets**

After reviewing the basic issues and challenges that brought them together, participants divided into three groups to explore in depth *three primary safety nets* for orphans and vulnerable children: *children themselves, their households, and their communities*. Each safety net plays a vital role in protecting the child from becoming vulnerable or falling into destitution. Participants observed that these safety nets are interrelated, and often an intervention at any level will have an impact on the other levels.

Each group analyzed interventions designed to support one safety net. The groups identified the most important economic strengthening interventions that can be used to support that safety net. Groups discussed the following topics in detail for each identified intervention:

- The minimum conditions necessary for the intervention to be effective;
- The expertise required to implement it effectively;
- Complementary interventions;
- Any relevant tools or resource material that exist;
- The strengths of the intervention; and
- The limitations of the intervention.

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<sup>1</sup> *The Framework for the Protection, Care and Support of Orphans and Vulnerable Children Living in a World with HIV and AIDS*, July 2004.

### **1.2.1 Child-Level Interventions**

A child is enabled through his or her own capacities to act on his/her own behalf to learn, integrate socially, and adapt to local circumstances. Economic-strengthening interventions directed toward children complement, rather than replace, other programs such as education and psychosocial support. Economic-strengthening interventions that serve children directly include vocational training, apprenticeships, formal education, income-generating activities, microfinance services, and legal support. Refer to Annex 2 for the matrix developed by this group, which looks in detail at various program interventions and lessons learned in each.

### **1.2.2 Household-Level Interventions**

Children's survival, development, safety, and well-being depend primarily on the household in which they live. The household/family safety net provides belonging and emotional support. Common economic interventions at the household level identified by the group included market-linkages, business grants, labor-saving techniques, microfinance, and legal support and advocacy. Refer to Annex 3 for the matrix prepared by this group.

### **1.2.3 Community-Level Interventions**

The community safety net can serve as a watchdog and counselor and can intervene at the household level on children's behalf where urgent needs arise such as neglect, exploitation, or abuse. The community can also provide direct support such as clothing, food, and health care to vulnerable children when households cannot due to sickness or economic problems. Key interventions identified include community mobilization, community fundraising, income-generating activities, promoting links to development programs, and providing child care to vulnerable households. The matrix and crosscutting issues developed by this group are in Annex 4.

## **1.3 Summary of Conclusions**

Workshop participants found that considerable knowledge and sound programming principles exist to enable communities to care for their most vulnerable children through community mobilization. Similarly, interventions that support stable households to prevent them from becoming vulnerable, such as microenterprise development, are also well developed. A need exists to invest in expanding support of these two safety nets considerably to protect the most vulnerable children and prevent others from becoming vulnerable.

More knowledge is required in two areas: economic strengthening interventions directed at children and those for households that are not stable enough to participate in mainstream microenterprise development programs but have the economic earning capacity that could be developed. Comprehensive strategies are required to increase learning of how best to reach these populations. Participants designed an action plan to help move forward these conclusions (see page 14).

## **1.4 Key Actions Areas for Scaling Up Programs**

Based on the small group and plenary discussions, workshop participants identified six areas where action is needed to ensure effective programs are scaled up. For each area, participants then identified priority actions required to support expanding economic strengthening to benefit orphans and vulnerable children.

The six action areas are:

1. Improved collaboration between institutions and programs focused on orphans and vulnerable children and those with expertise in economic strengthening;
2. A critical review of existing tools and documents and ongoing documentations and dissemination of information;
3. Action research to answer strategically important questions relevant to maximizing program impact and scaling-up;

4. Improved technical capacity within programs and organizations to implement effective interventions;
5. Improved program design, monitoring, and evaluation; and
6. A comprehensive strategy for resource mobilization.

Workshop participants agreed that an ongoing network of working groups is needed to exchange information and to generate collaborative action in these areas. Jill Donahue agreed to serve as the coordinator of this initiative for the first three months, and one participant agreed to serve as the initial focal point for each of the six action areas.

## 2 INTRODUCTION

In countries seriously affected by HIV/AIDS, the epidemic is causing unprecedented threats to a vast number of children. This is in addition to the threats caused by armed conflict, population displacements, other diseases, governmental failures, drought, environmental degradation, and other causes. The impact of these complex and often interrelated problems undermine household livelihoods and increase poverty, consequently threatening children's safety, well-being, and development. A growing recognition exists that strengthening family and community livelihoods is fundamentally important to reducing children's vulnerability.

Market-based initiatives, including microfinance services, have successfully demonstrated that well-designed interventions can help improve household livelihoods in a sustainable way. While organizations that serve orphans and vulnerable children have highly developed tools to identify and monitor the safety and well-being of these children and to provide them with services, they have limited experience with market-based initiatives. Intersectoral knowledge sharing is needed to ensure that appropriate and effective interventions are designed to meet the needs of vulnerable children.

Recognizing this need, USAID's Bureau for Africa brought together a diverse group of 26 economic strengthening and vulnerable children's programming specialists to address how to improve the safety and well-being of orphans and vulnerable children through economic strengthening interventions. (See Annex 1.) This workshop was held June 14-16, 2004, in Dar es Salaam, Tanzania.

The workshop's overall goal was "to identify specific ways to improve programming and increase ongoing, collaborative action among organizations and specialists with expertise in economic/livelihood strengthening and those implementing programs to improve the safety and well-being of children affected and infected by HIV/AIDS." Its objectives were to:

- Identify and review current programs, promising practices, and lessons learned;
- Review existing guidance material on how to improve the economic circumstances of families and communities to benefit orphans and vulnerable children;
- Make recommendations for developing guidance material and capacity-building activities; and
- Recommend critical actions and next steps for ongoing collaboration.

The Support for Analysis and Research in Africa (SARA) project of the Academy for Educational Development (AED) and Enterprising Solutions (ES) partnered to plan, organize, and facilitate the workshop. Both AED and ES ensured that the relevant technical aspects of the workshop were adequately covered and will monitor follow-on commitments by participants.

The workshop used as its base a wealth of documents available on the topic,<sup>2</sup> built on existing frameworks, and assessed interventions to identify principles and gaps in knowledge for each.

<sup>2</sup> 1) *Children, HIV/AIDS and Poverty in Southern Africa*, SARP, J. Donohue.

2) *Livelihoods Programming and HAI Workshop Report*, Nov. 2003

3) *Economic Strengthening, Building Blocks*, HIV/AIDS Alliance

4) *Economic Strengthening at Household and Community Levels to Benefit Vulnerable Children*, J. Dempsey, DCOF, USAID

## 3 WORKSHOP OPENING

The initial presentations provided an overview of the impact of HIV/AIDS on children in Africa, the types of interventions which have been used to address their needs, and a framework for understanding the support networks of children and how interventions can strengthen them.

### 3.1 Current Situation and Strategies

Peter Salama of USAID's Bureau for Africa explored the magnitude of the HIV/AIDS problem, its impact on children, responses to date, and future challenges. He noted that with 42 million people living with HIV/AIDS, the life expectancy in high prevalence countries has decreased and the number of orphans due to AIDS is growing throughout the world. The continent hit hardest by this significant increase in orphans is Africa. With a continued high prevalence, however, the worst of the impact is yet to come—the number of orphans is expected to grow to 25 million by 2010. Governments are starting to respond by developing national plans for addressing the needs of orphans and vulnerable children. Comprehensive programs for HIV/AIDS include support for infected and affected children. To respond adequately to the growing problem, interventions must address urgency, scale, and duration.

John Williamson of USAID's Displaced Children and Orphans Fund discussed strategic responses to the problem. He described the impact of HIV/AIDS on children, including psychosocial stress, economic problems, and risk of HIV infection. Often basic needs, such as food, shelter, healthcare, and education, are not met. Thus, children's vulnerability increases when households are affected by HIV/AIDS. This is happening on a massive scale, and the problems are many, varied, and long-term. Five strategies have been recognized as fundamentally important in the *Children on the Brink* series and *The Framework for the Protection, Care and Support of Orphans and Vulnerable Children Living in a World with HIV and AIDS*. These strategies include:

- Strengthening family capacities to protect and care for vulnerable children;
- Strengthening community capacities;
- Strengthening the capacities of children to meet their own needs;
- Enabling governments to provide essential services and protections; and
- Mobilizing broad social support for orphans and vulnerable children.

Eileen Miamidian of Enterprising Solutions Global Consulting discussed economic strengthening initiatives. Recognizing HIV/AIDS is thinning the assets that households and communities use to support and protect children, the crisis is becoming an economic one. Economic problems require economic solutions and, as a result, programs seeking to protect the security of children are looking to economic strengthening as a way to reach many people in a sustainable way at lower cost. Economic-strengthening initiatives include those directed at children, those that support households, and those that strengthen communities. If programs are to meet children's needs effectively on a large scale, collaboration is required between those who work with children and those with expertise in economic strengthening to ensure that the necessary skills, experience, and know-how is invested to respond to this urgent and growing problem.

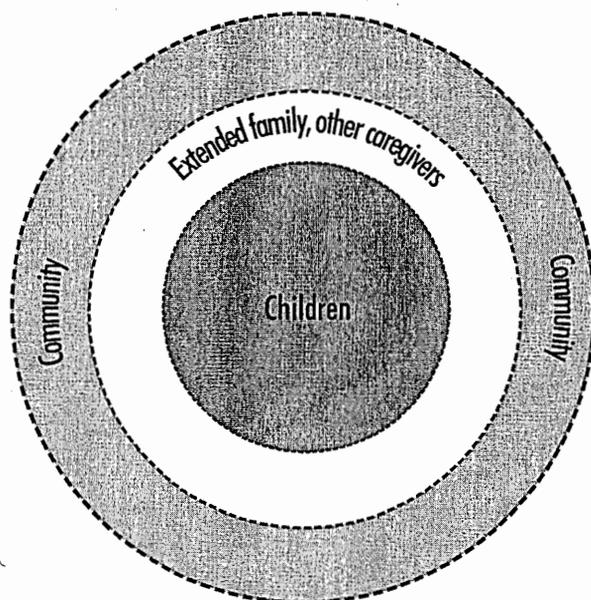
### 3.2 Economic Strengthening for Orphans and Vulnerable Children Framework

Jill Donahue presented and facilitated the discussion of a framework for economic strengthening for orphans and vulnerable children. The framework considered ways to support the safety nets that protect children from vulnerability and eventual destitution.

Protecting a child through economic strengthening can be effectively accomplished through fortifying the safety nets supporting that child. At the center, the child is able to protect his/her own security. Most children cannot support themselves fully (obviously this varies by age), and thus depend on a household to meet their needs. This may include their immediate or extended families or other caregivers. If the household is unable to meet the child's needs because of vulnerability or crisis, the community will often help households to support vulnerable children. It is the next safety net.

Thus, the three layers of a child's safety net (the child, the household, and the community) can be seen in Figure 1 below.

**Figure 1** Safety Nets for Children



The participants identified roles that each safety net plays in a child's safety and well-being:

- *The Personal Safety Net* enables the child to adapt to change, integrate socially, take action to protect his/her health and safety, learn, survive, and develop a sense of his/her own capacity and potential.
- *The Household Safety Net* provides the child with a sense of belonging, emotional support, and socialization skills. It also provides shelter, food, education, protection, and skills transfer.
- *The Community Safety Net* provides a child with a sense of identity, protection, and hope. It can provide a monitoring and counseling role for children and can intervene on behalf of the child in cases of abuse, sickness, or economic necessity. Communities can also provide access to services and often support child-headed households with specific needs, such as access to schools and services.

Although this workshop was not designed to discuss very specific government commitment to economic strengthening interventions for children, it was widely acknowledged that governments have an important role to play in protecting the youngest citizens of their respective countries.

Identifying the safety nets on which children can depend is key. For example, street children sometimes do not have a household safety net. In this case, nontraditional households and/or communities may be identified. In principle, all safety nets are needed to protect children from becoming destitute.

Finally, it was emphasized that AIDS is a "moving target," and children that are relatively "well off" may suddenly find themselves vulnerable due to the sickness or death of a parent. Strengthening a household's ability to protect children in all potential circumstances is important.

Using this framework, workshop participants considered what is currently known about economic strengthening interventions to benefit orphans and vulnerable children and the gaps to ensuring that children's needs are met on a scale that responds to the growing problem.

## **4 ANALYSIS OF PROGRAMS TO DATE**

Participants considered the roles, functions, capacities, and limitations of the three basic safety nets and analyzed the different interventions that can be used to support each of them. Participants divided into three groups to explore in-depth the three primary safety nets. Each group identified the most important economic strengthening interventions that can be used to support that safety net and considered each one in detail. For each intervention, the three groups identified the following:

- The minimum conditions necessary for the intervention to be effective;
- Required expertise;
- Complementary interventions;
- Any relevant tools or resource material that exist;
- The strengths of the intervention; and
- Limitations.

Using this analysis, it was also possible to identify some underlying principles common to interventions designed to strengthen each safety net.

Since each group considered various types of interventions, the lessons learned from each are presented in the annexes. The text of this report presents only the general conclusions and cross-cutting issues from each group.

### **4.1 Child-level Interventions**

The most frequent economic strengthening interventions for children and youth include:

- Vocational training/apprenticeships;
- Formal and nonformal education;
- Income-generating activities (IGAs) for children;
- Microfinance services; and
- Legal advocacy.

#### **4.1.1 Minimum Conditions**

The group determined that some minimum conditions must exist for these programs to succeed. Children's basic needs must be met before they can engage in economic-strengthening activities. Additionally, communities must be able to support children through effective systems and structures, analyze their situation, and understand children's circumstances. Adult resource people are needed in communities to guide and encourage children and counsel and train them. Children also require peer support to succeed in economic-strengthening endeavors. Clear laws and policies must ensure that children have the right to earn wages and, on a more basic level, a legal identity and access to licenses or permits. For all programs, access to opportunities within the community must exist. For training or income-generating activities, this means market access, while for schools this means access to facilities and teachers. Finally, work should be age-appropriate, and other developmental needs and rights, such as access to education, should not be jeopardized by income-earning activities.

#### **4.1.2 Expertise**

All programs require child care, development, life skills, and teaching skills. Though some successful economic-strengthening programs for children exist, many challenges remain, and we do not yet know the best ways to implement such programs. The following are some of the challenges identified by the group.

### **4.1.3 Required Action**

First, enterprise-development programs (e.g., vocational training, income-generating activities, micro-credit, and microsavings) require cross-training between microenterprise development specialists and those with expertise in working with children to ensure comprehensive skills in marketing and business development. Second, documenting success stories can serve as a basis for developing programming guidelines that would include such issues as the optimal sequencing of grants, training, credit, and other services; how to measure success; and the degree of trial and error needed in an enterprise-development program for children.

### **4.1.4 Complementary Interventions**

Funding for complementary initiatives, such as psychosocial support, is needed. Also, basic legal issues, such as a child's legal identity and right to work, must be addressed for programs to succeed.

This group also discussed education as a key component in a child's economic capacity. To ensure that education responds more adequately to needs of vulnerable children, research into the range of primary and post-primary education alternatives available and how schools can be effectively linked to vocational training and other enterprise development programs is needed.

Finally, legal advocacy interventions were discussed. Addressing legal constraints requires both research and community mobilization. Some threats to children's safety are known, such as protecting inheritance rights and ensuring that children have a home and access to government services. Research would provide a clearer understanding as to the relative importance of traditional and formal legal structures to protect children as well as how HIV/AIDS has affected the ways that communities uphold traditional norms with regards to protecting children. Once identified, community mobilization would address the legal (traditional and formal) barriers threatening children's security.

See Annex 2 for analysis of each type of intervention.

## **4.2 Household-level Interventions**

Key interventions used to support households that care for children include the following.

- Market linkages;
- Business grants;
- Improvement of agricultural and/or other productive techniques;
- Funds for funerals/microinsurance;
- Property and inheritance rights to avert the dispossession of property; and
- Microfinance.

Best practices for all these interventions, except microgrants, are for the program or institution to sustain itself without external funding after a specific time period and have a growth strategy.

### **4.2.1 Minimum Conditions**

The group found that the minimum external conditions household-level programs need to succeed include sufficient market demand and access, adequate infrastructure, an appropriate legal framework, and a minimal level of political stability. Analysis should be undertaken to ensure that interventions fit with existing household assets and capabilities (e.g., households have sufficient labor capacity to engage in activities, and program clients are willing to meet contractual agreements).

### **4.2.2 Expertise**

Implementing these programs requires business knowledge and/or private sector engagement. To develop flexible products, programmers need to:

- Be knowledgeable about the local market;
- Have adequate technical/management skills;
- Be financial literate; and
- Be knowledgeable about best practices.

To ensure that programs adequately support children, technicians must be able design to work with the existing community infrastructure.

#### **4.2.3 Required Action**

One challenge with such interventions is to ensure that they benefit not only stable households but also those that are vulnerable. Documenting lessons in this regard from existing programs is important, and guidelines should be developed based on these lessons. Finally, a strategy is also needed to bring mainstream microenterprise development programs into this field through staff and client education, product/service development, monitoring and impact tools, and linkages with community initiatives.

See Annex 3 for further detail of analysis of each intervention.

### **4.3 Community-level Interventions**

Key interventions that strengthen communities to support orphans and vulnerable children include the following:

- Community mobilization;
- Community fundraising;
- Income-generating activities;
- Promoting linkages to development institutions (e.g., microfinance or NGOs); and
- Providing child care.

#### **4.3.1 Minimum Conditions**

To be successful community-level interventions require local analysis and ownership of issues, commitment to action, local planning and management, use of local resources, and effective youth and child involvement. Action can be initiated by a community itself or facilitated by outside action.

#### **4.3.2 Expertise**

Facilitators must be able to catalyze a process in communities. Participatory learning and action (PLA) tools are a good resource.

#### **4.3.3 Required Action**

To facilitate more effective community action for orphans and vulnerable children, we need a clearer understanding of how such children fit into community economies. This can help communities to consider how best to provide support and meet basic needs, such as attending school. Additionally, research is needed into how to incorporate community livelihood analysis into a national situation analysis to clarify risks and opportunities for different interventions and to target interventions to especially vulnerable communities. Finally, accurate data to inform this research requires including orphans and children outside of households in national censuses and other information gathering activities. See Annex 4 for a more analysis of community-level interventions.

## 5 UNDERLYING PRINCIPLES

Each of the three groups, through their discussions of lessons learned from various interventions, identified the principles that should guide program design and implementation. These are summarized in the table below.

**Table 1** Underlying Principles of Successful Interventions

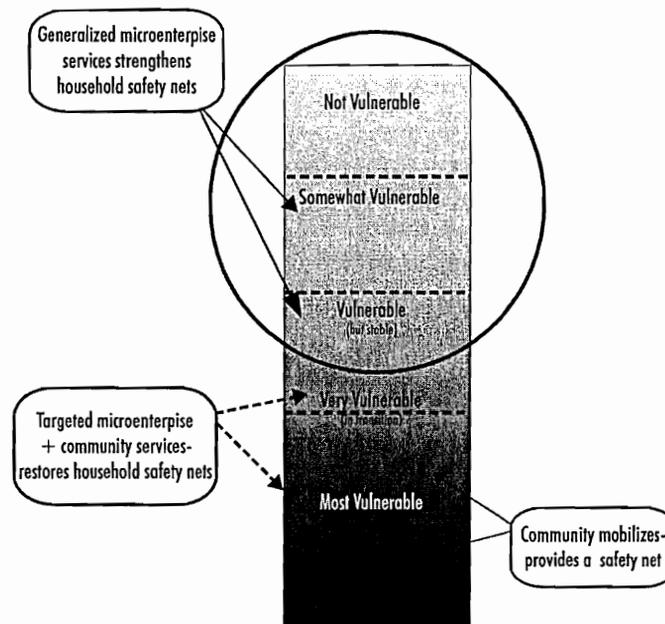
<b>Direct Interventions with Children</b>	<b>Interventions at Household Level</b>	<b>Interventions at Community Level</b>
All programs should adapt to local contexts	Support for children goes beyond support for households and must be incorporated into programs at all levels	Effective programs help communities do what they are doing better
Market programs must respond to the market	Market programs must respond to market demand and create minimal distortions	Facilitation can help unlock community capacities
Children have real-life needs that successful programs address	Flexible services will reach more vulnerable households	Programs may start with a small core of community members, but need to catalyze wider community and youth participation
Household and community safety nets should be included and protected by interventions with children	Diversified services and markets are less risky	"Hot" money is more effective than "cold" money since communities manage their own resources more carefully and are more motivated to work together, than when outside resources are introduced*
Gender is relevant	Programs should incorporate best practices and use the lessons	Community ownership is the foundation of any effective community action.
Quality control and cost effectiveness are key	Cost effectiveness is key to sustainability and scale	Collaboratively identifying areas of shared concern is the starting point ("What are we concerned about as a community?")
Economic strengthening interventions should consider and protect the safety of children; they should not impede the social, emotional, physical or educational development of children involved in the program	Microenterprise development programs (market linkages, microinsurance, microsavings, micro-credit) effectively support the general population of stable households, but rarely succeed when vulnerable households are targeted	People will work together over time if they decide individually that doing so is in their own individual interest.
Children make mistakes when they learn; programs need to include this learning process	For grant-based initiatives (business grants, agricultural training and inputs, property rights advocacy) effective targeting of those who are vulnerable yet willing and capable will more likely succeed	
Psychosocial and life-skills will enable a child to engage in economic strengthening		
Program collaboration requires clear roles for economic strengthening and psychosocial programs for children.		

\*"Cold money" comes from the community, and "hot money" comes from external sources.

## 6 FRAMEWORK FOR STRENGTHENING SAFETY NETS

Supporting orphans and vulnerable children requires interventions at all three levels. Based on discussions during the workshop, Jill Donahue and David James-Smith developed a diagram that shows the different degrees of vulnerability within a community at the level of the household and the child. It also indicates the kinds of intervention appropriate to each. The diagram also recognizes that some children and households are in crisis and need immediate, direct assistance.

**Figure 2** Proposed Framework for Strengthening Safety Nets



A community safety net sustains households in crisis by providing material relief as long as possible or until the household is out of danger. Over the long run, the household must continue on its internal resources, thus freeing-up resources for others who come to find themselves in dire need. Similarly, microenterprise services are not enough to address the economic needs of everyone who is affected by HIV/AIDS. Nor do these services address communal efforts to create a safety net for households in crisis.

Services should be matched to economic ability. Generalized microenterprise development services are an integral part of stabilizing household economies, and households choose to participate instead of being chosen. This is the technical field of programs aiming to provide support to microentrepreneurs. Typical services include microfinance and business development services. Such services help as many families as possible to maintain their assets and remain economically productive. This capacity allows them to play a critical role in community safety nets for those in crisis, not only for extended family members, but also for the community. These services strengthen stable households, but do not easily reach “very vulnerable” and “most vulnerable” households.

*Community mobilizing* to provide a safety net is critical when the economic stress caused by HIV/AIDS becomes so severe that engaging or continuing income generation is not an option. Community groups acting as a catalyst, or “lightning rod,” around which the rest of the community rallies, tend to be the most successful. A group that facilitates community participation is an important concept. A community group, no matter how dedicated or energetic, needs the participation of the wider community—they will not be able to create a truly resilient safety net alone. Such activities successfully support the “most vulnerable” households.

“Very vulnerable” households, however, are not readily served by either microenterprise development or community-mobilizing interventions. This group includes households in transition—either stabilizing or becoming part of the most vulnerable. This may include homes that have taken in many orphans, child-headed households, or those in which the household head has become ill or died. In all cases, they have the potential to stabilize and eventually engage in typical microenterprise development programs but need some extra help.

For this “very vulnerable” group, *targeted microenterprise development* is promoted. This would include such interventions as business management or entrepreneurial training/coaching, small grants, production skill training, counseling, psychosocial support and community support in taking care of children, cleaning the house, moral/spiritual support, and assisting in preparation of meals. Community structures would assist in targeting individuals for these services, considering both vulnerability and capacity. This area will take some innovation to move it forward.

Overall, in order to respond to scale up services which protect the safety and well being of children, considerable expansion and replication is needed for traditional microenterprise development and community mobilization programs. In order to reach the “very vulnerable” households, however, innovation and improved collaboration is needed to expand knowledge.

## 7 MONITORING AND EVALUATION

For interventions at each of the three levels discussed above, simple, effective ways are needed to monitor progress and (as far as possible) assess impact. A dilemma exists between the need for community groups to develop indicators meaningful to them and relevant to their context and the need for aggregated data at national, regional or global levels. The participants recognized the importance of measuring progress at national level using the ten proposed core indicators developed at a 2003 UNAIDS/UNICEF sponsored workshop in Gaborone, Botswana (see Table 2). This workshop was held in response to the United Nations General Assembly Special Session (UNGASS) on orphans and vulnerable children.

It was discussed and agreed however, that to enhance ownership of program outcomes and indicators and commitment to data collection, community participation in defining these indicators is crucial. Experience has shown that communities are more likely to monitor and respond to indicators that they develop locally. Two specific areas where such participation will be essential are: definitions of vulnerability and measuring the success/impact of particular programs. For effective community mobilization, indicators should be developed by the community and not imposed from above. The group recognized, however, that locally meaningful indicators can generally be aggregated to feed into the ten UNGASS indicators for orphans and vulnerable children.

**Table 2** Proposed UNGASS Monitoring and Evaluation Indicators

1. Orphan and vulnerable children (OVC) policy and strategy index (weighted index which includes participatory process, multi-sector representation, existence of an OVC policy, specific strategies to meet OVC goals, participatory needs assessment, body to monitor, legal rights and protection for OVCs, policy/strategy linked to other development processes, gvt accountability for resourcing strategy)	6. Basic personal needs and material well being: Percent of children with at least 3 of basic needs met (as defined by community)
2. Orphan school attendance ratio	7. Households receiving free basic external support to (% of households with OVCs receiving free support for OVCs)
3. Access to health care	8. Government expenditure: Amount spent on OVCs per child in on year
4. Malnutrition ratio	9. Birth registration (Percent of children whose births are registered)
5. Proportion of OVCs that receive appropriate psychosocial support (participate monthly in structured activities which address appropriate support)	10. Children outside family care (Percent of children who are living on the streets or in institutional care)

## 8 REQUIRED NEXT STEPS FOR SCALING-UP

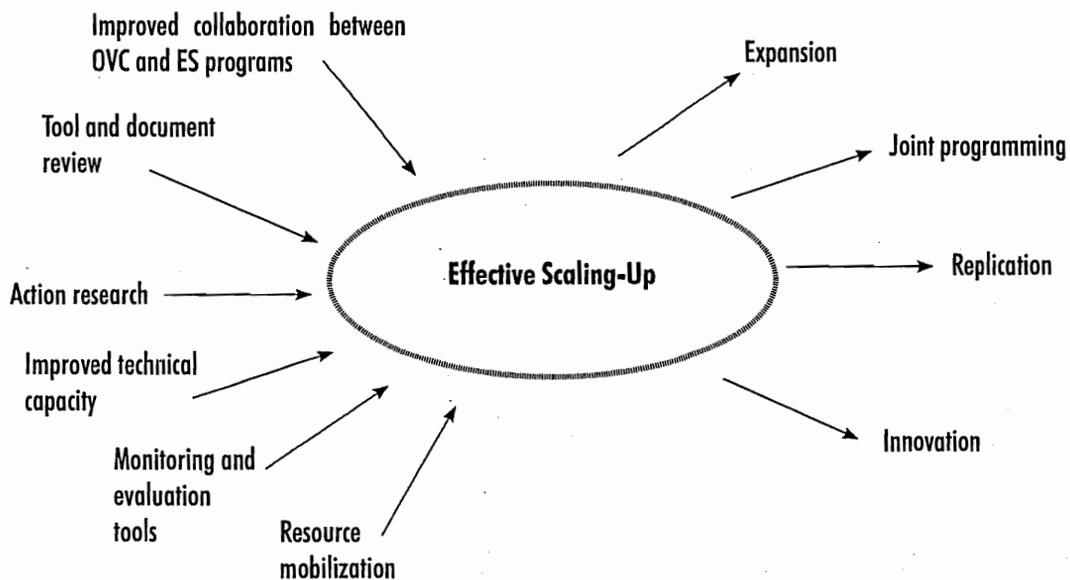
The workshop participants developed the following vision:

*More orphans and vulnerable children accessing quality, adequate social and economic strengthening services and interventions that lead to improved and sustainable livelihoods in a stable family and/or community setting.*

The key element in the proposed strategy to reach this vision is developing and scaling up effective interventions. Based on the small group and plenary discussions, workshop participants identified six areas where action is needed. For each area, participants then identified priority actions needed to scale-up economic strengthening to benefit orphans and vulnerable children. The six action areas were:

1. Improve collaboration between those focused on orphans and vulnerable children and those whose expertise is in economic strengthening;
2. Review critically existing tools and documents;
3. Conduct action research to answer strategically important questions relevant to scaling-up;
4. Improve technical capacity within programs and organizations to implement effective interventions;
5. Improve program design, monitoring, and evaluation; and
6. Mobilize resources for the action required.

**Figure 3** Strategy for Scaling-Up Economic Strengthening Programs to Support Orphans and Vulnerable Children

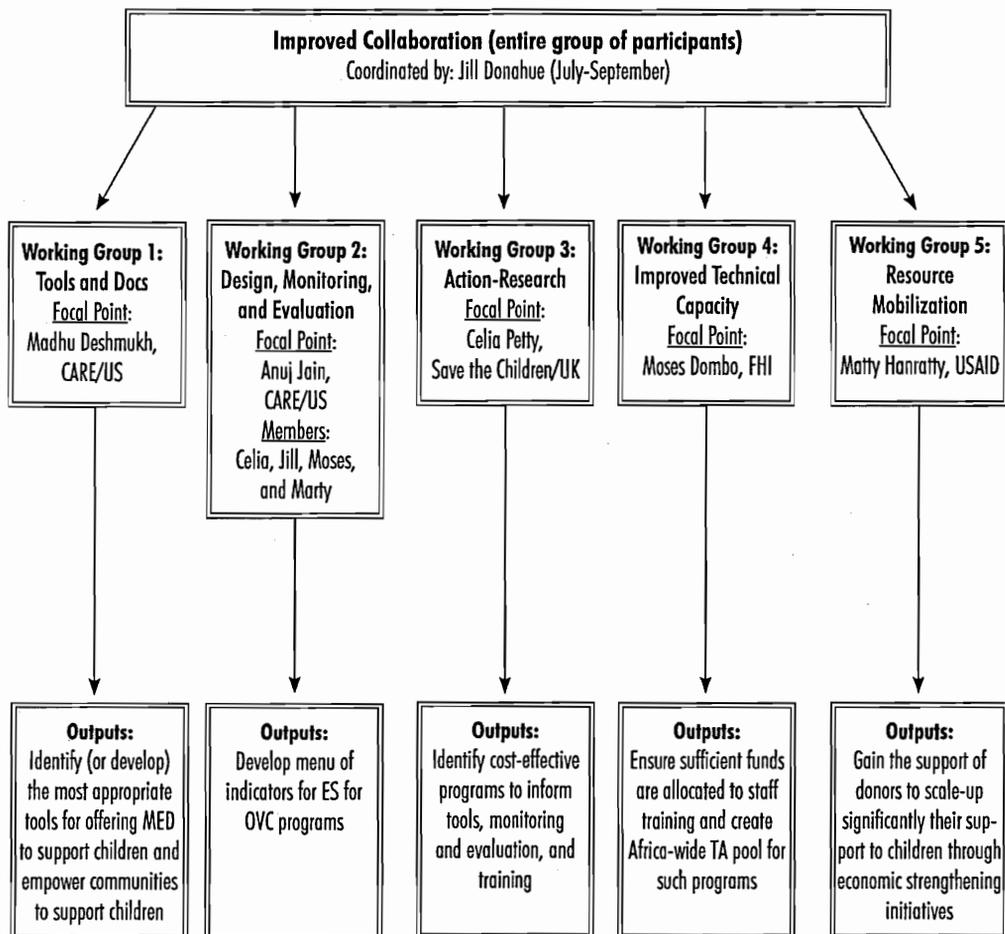


Action is needed in all these areas to scale-up an adequate set of interventions in the countries most affected by HIV/AIDS in Africa. Scaling-up will involve expanding current programs, replicating programs in new areas, and developing innovations where current knowledge does not yet suffice.

All workshop participants expressed their willingness to participate in a network focused on moving this strategy forward. This mechanism would enable ongoing exchange and collaboration in these areas. Jill Donahue agreed to serve as the coordinator of this initiative for at least the first three months, and a participant agreed to serve as the initial focal point for five other action areas.

Figure 4 suggests how these working groups link into a larger network. The network as a whole will be concerned with improving collaboration.

**Figure 4** Structure of Working Groups



## 9 COMMITMENTS FROM WORKSHOP PARTICIPANTS TO MOVE SECTOR FORWARD

### 9.1 Improve Collaboration (Focal person: Jill Donahue, July-September)

This focuses on improving collaboration among experts in programming for the safety and well-being of orphans and vulnerable children with experts in economic and community strengthening. The workshop found that to develop and implement economic strengthening programs to support children successfully, people with different expertise cannot continue to work in separate spheres of intervention.

To promote future collaboration, a deliberate, planned strategy is necessary. The network proposes to:

- Create dialogue on the need for such collaboration within the organizations represented at the meeting; and
- Create a network to address such technical issues as
  - developing tools/manuals,
  - carrying out research,
  - improving technical capacities within programs and organizations,
  - improving design, monitoring, and evaluation, and
  - mobilizing necessary financial, technical, and human resources.

The network will also ensure that its activities complement rather than duplicate existing groups—such as the Small Enterprise Education and Promotion Network (SEEP) and the Hope for African Children Initiative (HACI). Participants in the network (from this workshop and others who are interested) can explore the possibilities and appropriateness of developing an e-mail list serve, website, or international conference and establishing itself more formally. It can address issues such as how to support on-going initiatives, such as STRIVE, STEPS and SCOPE.

### 9.2 A Critical Review of Existing Tools and Documents (Focal person: Madhu Deshmukh)

This working group recognized that many tools exist—some better than others—that could be used for economic strengthening to support orphans and vulnerable children. The group also identified gaps. To assist programs in identifying the most appropriate, user-friendly tools for assessment, planning, implementation, and monitoring, the following steps were recommended:

- Conduct two critical reviews of existing tools/interventions:
  - community-based economic strengthening tools that focus on assessment, planning, and monitoring to assist communities to identify and care for its most vulnerable households, and
  - microfinance and business development services (BDS) interventions specifically for vulnerable households and children; and
- Review documents:
  - case studies of successful microfinance and BDS interventions for children and development of guidelines from those case studies.

To the extent possible, this group will work with HACI, which as part of its mandate will review economic strengthening initiatives that seek to strengthen safety nets for children. HACI is interested in carrying out a tool review if funding is available.

### 9.3 Improved Program Design, Monitoring, and Evaluation (Focal Person: Anuj Jain)

USAID in conjunction with Family Health International (FHI) is engaged in extensive work to develop program indicators to accompany the ten national level monitoring and evaluation indicators for orphans and vulnerable children. This group will seek to link its efforts to USAID and FHI's work on indicators. FHI plans to have a finalized version of the monitoring and evaluation handbook for OVC programs finalized by June 2005.

Recognizing that work is being done to develop indicators, this working group seeks to focus mainly on program design, based on feedback from monitoring and evaluation to ensure that the design is most appropriate to strengthening safety nets for children. It will work toward program designs that not only build households and communities, but also ensure the desired impact on children. The group will accomplish this by:

- Bringing individuals and institutions together to conceptualize innovative and larger scale programs;
- Exploring partnerships between different sectors and players in public and private sector; and
- Creating designs that can be converted into 'action research' programs.

*NOTE: The group found that monitoring and evaluation is a part of action 'research' and will work closely with the action research working group.*

#### **9.4 Action Research to Answer Strategically Important Questions Relevant to Scaling-Up** (Focal Point: Celia Petty)

Complementary to the tool review, better documentation is needed of programs that have successfully found ways to "stabilize vulnerable households." The following action is proposed:

- Create an action-research working group to continue research into best ways to serve orphans and vulnerable children through economic strengthening initiatives. It will look at promoting action research for:
  - cost and effectiveness of programs (2-3 year research project),
  - country-wide economic assessments that can be used as a base of comparison (1-2 countries), and
  - ensuring involvement in other workshops and conferences, such as Microsave. Jill will be attending Microsave meeting in September and raise the issue of action search.

This group should coordinate with and build on the work done by UNICEF, USAID, POLICY, and FHI on costing interventions that support orphans and vulnerable children, focusing specifically on economic strengthening interventions with a view to sustainability. This working group will coordinate activities with the design, monitoring, and evaluation group.

#### **9.5 Improved Technical Capacity within Programs and Organizations to Implement Effective Interventions** (Focal Point: Moses Dombo)

Often program personnel do not have the appropriate mix and level of skills to manage economic strengthening initiatives and work with orphans and vulnerable children. Investment is necessary to ensure that personnel have sufficient capacity to manage the programs, while ensuring that the programs successfully improve the safety and well-being of orphans and vulnerable children. The following needs were identified:

- Training and capacity building at program level;
- Training staff in developing effective interventions for a particular context;
- Documenting lessons learned; and
- Developing an Africa-wide pool for technical assistance, training, and information gathering

The group will look for opportunities to collaborate with organizations such as the Regional Psychosocial Support Initiative for Children Affected by AIDS (REPSSI) that is working on providing psychosocial support to orphans and vulnerable children. REPSSI is run by the Salvation Army, Switzerland, Terre des Hommes, Southern African Aids Training Program (SAT), and the International HIV/AIDS Alliance.

Participants should be aware of Children Affected by AIDS (CABA), an on-line discussion that facilitates the exchange of information on OVC (run by the Synergy Project/US).

### 9.6 Mobilize Resources for the Action Required (Focal Person: Marty Handratty)

This working group will seek to mobilize resources for the action required by:

- Developing marketing tools to present to donors the importance of and concrete potential for economic strengthening as a way to improve the circumstances of orphans and vulnerable children in a sustainable manner. Developing an approach to ensure scaling up—thinking big—through getting resource commitments from donors and governments; and
- Ensuring that donor interventions are coordinated and working toward a common set of goals.

The group will accomplish this by:

- Developing presentation materials for meetings with donors, NGOs, and other actors which that will address results, good practices, and costs;
- Communicating the key message of the need to coordinate donor, government, and community-level programming and performance indicators with a view to the massive scale of the problem, the enormous gap between the few children who now benefit from external interventions and the vast majority who do not, and the long-term nature of the HIV/AIDS epidemic;
- Ensuring that efforts are focused on existing donor and government programs to address the growing problems facing children; and
- Developing a short narrative piece on experiences to date with information provided by workshop participants (Abebe, George, Rita, Pelucy, Brenda, Jennifer, and David).

Through such a coordinated effort, the participants seek to bring the sector forward to meet the growing needs of children.

## 10 UNICEF/NEW YORK

During a conference call with Peter McDermott, UNICEF's Head of HIV/AIDS, participants presented some of the workshop's initial outcomes. Mr. McDermott reassured the participants of his continued commitment to support economic strengthening for OVC activities and encouraged the participants to move the agenda forward.

## 11 SITE VISIT

Following the conclusion of the workshop, 12 participants attended a regular meeting of a self-managed and now independent savings and loan group in Kisarawe Village, outside Dar es Salaam—a CARE microfinance project. At the conclusion of financial transactions and the regular business, participants asked members about how this approach to microfinance services was working, its benefits to participants and their families, and what they anticipated in the future. Participants were impressed with how well the group was functioning, the variety ways that members reported benefiting from participating in it, and the value they saw in other members of their community forming similar groups.

*NOTE: During the workshop, Anuj Jain had described the savings-led, self-managed approach to microfinance services, indicating that this type of initiative had proven appropriate particularly for remote rural households and has been implemented across 15 countries in Africa, sometimes costing as little as US\$18 per participant. Jill Donahue had also described preparations in Zimbabwe to measure the impact on orphans and vulnerable children of an Integrated Savings and Loan program.*

**Annex 1** Participant List – Economic Strengthening for OVC Workshop, Tanzania, June 2004

<b>Name</b>	<b>Organization</b>	<b>Title</b>	<b>Contact Information</b>
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**Annex 2** Matrix Detail of Interventions to Support the Child’s Personal Safety Net

	Underlying Principles				Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Tools and Resources	Strengths	Limitations	Do’s	Don’ts	What Needs to Be Known?	Actions/ Collaboration
<b>Vocational Training</b>	Establishment of necessary community structures or strengthening existing ones	Small enterprise development specialists, market studies and needs assessments for technical support	Grants/credits start-up funds	OVC Tools database (FHI/Alliance)	Skills	Time taking for addressing immediate needs	Demand driven mechanism in resource, market, practical situation, urgent purpose	Not apply same formula; adapt to particular situation and circumstances	More about markets	Develop and disseminate tools for community assessment
<b>Apprenticeship</b>	Structures for training and apprenticeship include: institutions, systems, community linkages	Child and youth development knowledge, difference between training adults vs. training children	Market development includes quality	Jan Williamson’s annotated bibliography	Good means of sustainable income generation to address poverty	Expensive nature of the activity (infrastructure, expertise)	Take into account past, existing situations, past experiences	Consider past inclination, interests	Gender; girls have few choices	Access and availability of institutions and alternative
	Adult resource people such as trainers, artisan	Counseling, psychosocial support	Peer support groups	CABA Profiles (Renee de Marco)	Reduced dependency in future	Not all children want to do vocational skills	Focus on issue of cost-effectiveness	Don’t force them to go where they don’t want to	Understand local situation/local context, community assessment skills	Have they been prepared? Paradigm shift for institutions that are involved, money better spent
	Training facilities, access to space with appropriate tools and equipment and training materials	Skills transfer	Role model	State of the Art Isalde Birdthistle (SARA/AED)	Group income generation, group having complementary skills; it benefits the group as a whole through complimentary capacities	Market saturation; need a balance invest in complimentary activities (e.g., secondary education)	Better harmony with changes occurring over time			Market surveys regarding future demand in profession considering economic situation

	Underlying Principles				Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Tools and Resources	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Apprenticeship (continued)</b>	Hands-on practice, opportunities to practice	Marketing skills	Basic literacy skills  Communication skills (need to deal with market language)  Other life/survival skills; communication; problem solving	Situation Analyses		Limited capital closely related to limited market	Guidance in counseling life skills, crosscutting issues like gender  Provide better rehab; funds to meet/provide basic needs and management skills  Closer supervision in monitoring, team spirit  Quality assurance  Gender sensitivity			Involving children in decision-making process, which involves psychological support; psychosocial needs of children have to be addressed  Strengthening partnership between parents/school  Dissemination of tools
<b>Enhance School Enrollment/ Education</b>	Low or no fee access	Teaching skills	Flexible shifts/schedule		Reduce vulnerability due to enhanced literacy and quality of life	Proper filter; planning system for placement of children in appropriate field	Programming; planning education policies; guidelines; adequate structure in place; useful curricula	Avoid the issue of school for the sake of going to school (purpose)	Beyond primary education	Strengthen documentation and success stories

	Underlying Principles				Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Tools and Resources	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Enhance School Enrollment / Education (continued)</b>	Provision or availability of basic needs (school feeding)  Scholastic material guidance and encouragement	Child handling skills	Relevant syllabus/redesigning syllabi that are better adapted  Alternative basic education flexibility; adaptable schedules  Distigmatisation; protection schools need to be safe and friendly  Informal schools to address literacy skills  Child rights; education  Access to library facilities; domestic chores; back-up support from community, relatives		Social integration  Possibility of identity use; opportunity to go to school  Lifetime investment  Stimulus for other intervention and entry points  Break cycle of poverty and HIV/AIDS (e.g., Uganda girls delaying sexual debut)	Long-time involvement minimum of 7 years; no quick fix, slow returns (skills, capacity building)  High costs, high investment  Nationwide problem; coverage is a big limitation	Community support  Basic needs must be addressed  Quality of education must be insured  Emphasis on safe school (e.g., for girls)  Flexible entry and reentry point  Alternative basic education		What is the range of post-primary alternatives  How to link school with vocational and microsavings/ credits  How to scale-up?	Need for integrating activities at grassroots levels— more emphasis and complementary initiatives

	Underlying Principles				Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Tools and Resources	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>IGAs for Youth-Child Workers</b>	Skills	Business development	Health		Immediately relevant in terms of demand	Needs foundation; still has to draw from other schools	Emphasize family links	Don't give too much capital without training	Key factors for success	Documentation
	Capital	Marketing	Social stability related to health		Builds on existing experiences	Alliance building skills of community orgs., (CBOs)	Targeted services for commercial sex workers		How to build in constant innovation (buffer, sustainability)	
	Land market	Management	Food security		Powerful prevention tool, especially for HIV/AIDS	Require social entrepreneurship	Create flexible/ short-term products or venture		Roles of adult managers	
	Policies/police taking the wages away	Accounting	Access to basic infrastructure (access to roads)		Powerful/practical life skills building activity	Ownership threats	Build in a rights and legal advocacy component			
		Capacity building for youth workers	On-going short-term emergency measures/buffer intervention		Strengthens family connections or promotes reunification, reintegration	Time vs. other chores/responsibilities; need for balance	Building peer support, mentorship, and coaching			
	Expanding choice of markets			Reduces abuse in family (little earnings); enables them to negotiate more/better; less vulnerable to family anger	Capital gain is small, minimal return unless investment grows	Clear roles for psychosocial and MFIs staff				

	Underlying Principles				Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Tools and Resources	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>IGAs for Youth-Child Workers (continued)</b>					Sustenance and sustainability	Sustainability and very little capital, thus more susceptible to collapse	Screening for aptitude and interest  Counseling guidance (e.g., accompanied livelihood model)			
<b>Microsavings/ Microcredits</b>	Creative savings product  Practical business skills training  Flexible credit products  Hands-on practice including credit that does not work/ opportunities to make mistakes	Technical skills  Management on money	Institutional alliances/linkages  Linked to school and vocational  Linkage to adult MFIs so they can graduate temporary support getting ready for adult support						Sequence and balance between savings/credits/BDS/grants  Youth development/life cycle specifics and implications for adaptation of adult MFI tools and approaches	

	Underlying Principles				Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Tools and Resources	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Legal Issues (Inheritance/ Property Rights)</b>	Standards, values, laws, traditions	Knowledge of legal processes that are available	Community mobilization		Encourages ownership; safety is enhanced, children feel protected	Traditional values often contradictory or override formal	Community mobilization/training	Do not disintegrate households; don't emphasize individual rights vs. groups	How to strike balance between traditional and formal	Increased training/mobilization and awareness at community level
	Structures and systems if someone violates the law		Civil rights		Encourages participation	Enforcement of the formal rules; laws are weak	Need to strengthen the systems (revise laws)	Don't forget responsibility	What impact HIV/AIDS has on adherence and cohesiveness of values and norms	Legal framework/pillars at national level
	Knowledge of rights, system						Stay practical and vigilant			
	Clear property rights						Focus on immediate needs and practical rights			
	Legal identity									
	Access to licenses and permits									

### Annex 3 Matrix Detail of Interventions to Support the Household Safety Net

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Business Development Services: Market Linkages</b>	Supportive infrastructure  Private sector link (middle man to market)	Combination of private, community and technical expertise	Building partnership and their capacity  Stock link credit (supplier)  Market information	Create real opportunities  Growth orientation/can change real income  More work, jobs (self-employment and other employment)	Mission drift (social aspect forgotten)  Not short term (5 to 7 years time frame)  With uncontrolled community development and additional mobility comes risky behavior	Ensure efficient structure  Fair prices for producers  Ensure maximum efficiency for producer groups	Create distortion in marketing through food aid	Need guidelines  Any public guidance can be subsidized; private needs to be indirect subsidy  Summary of lessons available from programs such as: CLUSA, IFAD, FAO	SEEP working on this
<b>Business Development Services: Business Grants</b>	Good practice  Community buy-in and identification of problems		Policies and procedures			Integrate social behavior aspect into programs  Create indirect practice/Introduce risk sharing costs  Market analysis incentives and disincentive need to be clearly defined		How to develop BP guidelines and scale-up	

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Improvement of Agricultural or Other Productive Techniques</b>	Appropriate climate	Agricultural extension	Cluster interventions for greatest impact (e.g., agriculture, microcredit, food processing, nutrition)	Affects food and nutrition, and therefore health	Lack of markets	Minimize risk, labor	Concentrate on one commodity	Best practices and case studies related to OVC	Promote skill building
	Household labor capacity	Local culture bias towards agriculture	Education sectors/informal skills	Source of income for household (i.e., education)	Infrastructure	Economic interventions should diversify income sources	Diversity of crops	Resources available	Skills transfer
	Land Equipments			If children in household benefit	Natural calamities	Consider livestock livelihood options		Lessons from agricultural market assessment (e.g., CLUSA)	Techniques to develop agriculture with children
	Access to farming inputs			Gender time saved for women due to level saving technology	Market conditions	Include orphans in farmer field schools		Agricultural gaps: finance	Bio-intensive gardening
	Appropriateness of intervention				Unfavorable policies			Labor-saving techniques	

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Funds for Funerals/ Microinsurance (Loan, Health, Death)</b>	Creation of resources to withstand shocks		Loan insurance	Minimizes assets loss; asset protection in time of crisis		Design issues	Start with actual expertise	Gaps microinsurance:	Issues of whether/how public fund can/should subsidize the cost?
	Willingness and ability to pay for services/social capital/cost of outreach (administrative structure must be cost-effective)		Health insurance	Reduce economic impact of crisis		Large numbers required		Still involving	Explore what kind of participation private sector can have in the risk (scale-up issues)
	Community-based funds cheaper to manage		Death insurance	Promotes forward planning mentality		Community funds are mutual support		Best practices not all yet concretized	Private sector/new partners
	Relative social stability			Microinsurance protects portfolio from wearing out		Scale-up; involve more people; make benefits more predictable			
	Large numbers					Spreading risk			
	Non-homogenous group								
	Not targeted/general population base								
Risk limited to resources									

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b><i>Averting Risk of Property Dispossession/ Property Inheritance Rights</i></b>							<p>Deliberately involve politicians</p> <p>Create transparent financial systems or limit involvement</p>		<p>MFIs</p> <p>Develop guidelines and toolkit for MFIs to operationalize HIV/AIDS OVC mitigation plan to:</p> <p>protect institutional and financial sustainability; educate staff and clients on prevention, care, and support; develop products and services for unique needs; monitor impact regularly; create linkages with community credit and savings, CBOs, COOPs, non-financial services, HIV/AIDS and health care</p>

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Microsavings</b>	<p>Institutional savings</p> <p>MFI Legal framework or linkage to a commercial bank</p> <p>Need clients with capacity to save</p> <p>Location issue/accessibility</p> <p>Access to banking institutions</p> <p>Community-based micro savings</p>			<p>Savings creates/enhances financial security</p> <p>Especially important for vulnerable groups</p> <p>Meets household needs and emergency needs</p> <p>Potential of building social capital</p> <p>Self-reliance</p> <p>Hugely cost-efficient</p>	Over regulations (e.g., Rwanda-group size <20)	<p>Flexibility in savings products (e.g., could be free for withdrawal)</p> <p>Ensure that savings are safe and accessible</p>		<p>Optimum balance of credit vs. savings for vulnerable households</p> <p>Do standard programs meet needs of people inc crises?</p> <p>Better understanding of changing financial needs and product adaptation</p> <p>How bring mainstream finance to appreciate this methodology</p>	<p>CARE is expanding methodology (community-based microfinance) to reach 9 million by 2010</p> <p>Orientation and training</p>

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Microsavings (continued)</b>	<p>Social capital</p> <p>Natural groupings available</p> <p>Regulatory system in place</p>	<p>Minimum management skills</p> <p>Minimum financial literacy</p>							
<b>Microcredit</b>	<p>Community-based</p> <p>Access to market</p> <p>Flexible loan conditions (households, emergency needs, education, funeral loans)</p> <p>Skills or asset based to invest in willingness to repay loans</p>	<p>Institution-based</p> <p>Huge for risk assessment</p> <p>Designing product</p> <p>Financial management (expensive for communities)</p>			<p>Still needs to adapt situation with HIV</p> <p>Credit enhances vulnerability it cannot convert to assets</p> <p>Limited capital</p> <p>Limited loan terms</p>		<p>Free credit</p> <p>Subsidize interest rates</p> <p>Target credit</p> <p>Inject extend credit before group strong (6-9 months)</p>	<p>Partnership with private sector</p> <p>Appropriate indicators of social impact within microcredit</p> <p>More knowledge about risk to lenders and loans to vulnerable groups</p>	

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Microcredit (continued)</b>	Use of guardian system for children who are HIV positive  Cost effective delivery of services	Scheme administration sale and selling							
<b>Business Development Services: Market Linkages</b>	Supportive infrastructure  Private sector link (middle mean to market)	Combination of private, community and technical expertise	Building partnership and their capacity  Stock link credit (supplier)  Market information	Create real opportunities  Growth orientation/can change real income  More work, jobs-self-employment and other employment	Mission drift (social aspect forgotten)  Not short term (5 to 7 years)  With uncontrolled community development and additional mobility comes risky behavior	Ensure efficient structure  Fair prices for producers  Ensure maximum efficiency for producer groups	Create distortion in marketing through food aid	Need guidelines  Any public guidance can be subsidized-private needs to be indirect subsidy  Summary of lessons available from programs such as: CLUSA, IFAD, FAO	SEEP working on this

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Business Development Services: Business Grants</b>	Community buy-in and identification of problems		Policies and procedures			<p>Integrate social behavior aspect into programs</p> <p>Create indirect practice/introduce risk-sharing costs</p> <p>Market analysis Incentives and disincentive need to be clearly defined</p>		How to develop BP guidelines and scale-up	
<b>Improvement of Agricultural or Other Productive Techniques</b>	<p>Appropriate climate</p> <p>Household labor capacity</p> <p>Land Equipments</p>	<p>Agricultural extension</p> <p>Local culture bias towards agriculture</p>	<p>Cluster interventions for greatest impact (e.g., agriculture, microcredit, food processing, nutrition)</p> <p>Education sectors/informal skills</p>	<p>Affects food and nutrition therefore health</p> <p>Source of income for household (i.e., education)</p> <p>If children in household benefits</p>	<p>Lack of markets</p> <p>Infrastructure</p> <p>Natural calamities</p>	<p>Minimize risk, labor</p> <p>Economic interventions should diversify income sources</p> <p>Consider livestock livelihood options</p>	<p>Concentrate on one commodity</p> <p>Diversity of crops</p>	<p>Best practices and case studies related to OVC</p> <p>Resources available</p> <p>Lessons from agricultural market assessment (e.g., CLUSA)</p>	<p>Promote skill building</p> <p>Skills transfer</p> <p>Techniques to develop agriculture with children</p>

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Improvement of Agricultural or Other Productive Techniques (continued)</b>	Access to farming inputs  Appropriateness of intervention			Gender time saved for women due to level saving technology	Market conditions  Unfavorable policies	Include orphans in farmer field schools		Agricultural gaps: finance  Labor-saving techniques	Bio-intensive gardening
<b>Funds for Funerals/ Microinsurance (Loan, Health, Death)</b>	Creation of resources to withstand shocks  Willingness and ability to pay for services/social capital/cost of outreach (administrative structure must be cost-effective)  Community-based funds cheaper to manage		Loan insurance  Health insurance  Death insurance	Minimizes assets loss; asset protection in time of crisis  Reduce economic impact of crisis  Promotes forward planning mentality		Design issues  Large numbers required  Community funds are mutual support	Start with actual expertise	Gaps microinsurance:  Still involving  Best practices not all yet concretized	Issues of whether/how public fund can/should subsidize the cost?  Explore what kind of participation private sector can have in the risk (scale-up issues)  Private sector/new partners

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Funds for Funerals/ Microinsurance (continued)</b>	<p>Relative social stability</p> <p>Large numbers</p> <p>Non-homogenous group</p> <p>Not targeted/general population-based</p> <p>Risk limited to resources</p>			Microinsurance protects portfolio from wearing out		<p>Scaling-up; involve more people; make benefits more predictable</p> <p>Spreading risk</p>			
<b>Averting Risk of Property Dispossession/ Property Inheritance Rights</b>							<p>Deliberately involve politicians</p> <p>Create transparent financial systems or limit involvement</p>		<p>MFIs</p> <p>Develop guidelines and toolkit for MFIs to operationalize HIV/AIDS OVC mitigation plan to:</p> <p>protect institutional and financial sustainability;</p>

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b><i>Averting Risk of Property Dispossession/ Property Inheritance Rights (continued)</i></b>									educate staff and clients on prevention, care and support; develop products and services for unique needs; monitor impact regularly; create linkages with community credit and savings, CBOs, COOPs, non-financial services, HIV/AIDS and health care
<b><i>Microsavings</i></b>	Institutional savings			Savings creates/enhances financial security	Over regulations (e.g., Rwanda-group size <20)	Flexibility in savings products (e.g., could be free for withdrawal)		Optimum balance of credit vs. savings for vulnerable households	CARE is expanding methodology (community-based microfinance) to reach 9 million by 2010

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Microsavings (continued)</b>	<p>MFI Legal framework or linkage to a commercial bank</p> <p>Need clients with capacity to save</p> <p>Location issue/accessibility</p> <p>Access to banking institutions</p> <p>Community-based micro savings</p> <p>Social capital</p> <p>Natural groupings available</p> <p>Regulatory system in place</p>	<p>Minimum management skills</p> <p>Minimum financial literacy</p>		<p>Especially important for vulnerable groups</p> <p>Meets household needs and emergency needs</p> <p>Potential of building social capital</p> <p>Self-reliance</p> <p>Hugely cost-efficient</p>		<p>Ensure that savings are safe and accessible</p>		<p>Do standard programs meet needs of people for people inc crises?</p> <p>Better understanding of changing financial needs and product adaptation</p> <p>How bring mainstream finance to appreciate this methodology</p>	<p>Orientation and training</p>

	Underlying Principles			Program Principles				Outstanding Questions	Next Steps
	Minimum Conditions (context)	Expertise Required	Complementary Program Needs	Strengths	Limitations	Do's	Don'ts	What Needs to Be Known?	Actions/ Collaboration
<b>Microcredit</b>	<p>Community-based</p> <p>Access to market</p> <p>Flexible loan conditions (households, emergency needs, education, funeral loans)</p> <p>Skills or asset based to invest in willingness to repay loans</p> <p>Use of guardian system for children who are HIV positive</p> <p>Cost effective delivery of services</p>	<p>Institution-based</p> <p>Huge for risk assessment</p> <p>Designing product</p> <p>Financial management (expensive for communities)</p> <p>Scheme administration sale and selling</p>			<p>Still needs to adapt situation with HIV</p> <p>Credit enhances vulnerability it cannot convert to assets</p> <p>Limited capital</p> <p>Limited loan terms</p>		<p>Free credit</p> <p>Subsidize interest rates</p> <p>Target credit</p> <p>Inject extend credit before group strong (6-9 months)</p>	<p>Partnership with private sector</p> <p>Appropriate indicators of social impact within microcredit</p> <p>More knowledge about risk to lenders and loans to vulnerable groups</p>	

## **Annex 4** Community-Level Interventions Matrix and Crosscutting Issues

### **Minimum Conditions for All Community Interventions**

- Effective youth/child involvement;
- Participatory process (community ownership); and
- Protecting and promoting rights of children.

### **Underlying Principles**

- Effective programs help communities do what they are doing better;
- Facilitation (unlocking is required);
- Programs may start with a small core, but need to catalyze wider community and youth participation; and
- “Hot” money is more effective than “cold” money because with their own resources, communities manage more carefully and are more motivated to work together, than when outside resources are introduced; and
- Community ownership is the foundation of any effective community action:
  - collaborative identification of areas of shared concern is the starting point (What are we concerned about as a community?), and
  - people will work together over time if they decide individually that doing so is in their own individual interest.

### **Action Needed**

- Better understanding of how orphans and vulnerable children fit into community economies:
  - relevant to capacity to absorb orphans, send them to school;
- Incorporate analysis into national situation analysis processes:
  - clarify specific risks and opportunities for intervention, and
  - help target interventions; and
- Ensure orphans are included in national censuses and other information gathering.

	Program Principles				Underlying Principles	
	Minimum conditions	Expertise required	Complementary program needs/opportunities	Tools and resources	Strengths	Limitations
<b>Community Mobilization</b>	<p>Effective programs help communities do what they are doing better.</p> <p>Programs should facilitate unlocking of resources</p> <p>Could start small core but needs to catalyze wider community including young people</p>	<p>Participatory processes</p> <p>Training adults; PLA and related tools</p>	<p>Community mobilization; youth/child effective involvement; protecting and promoting rights of children</p>	<p>World neighbors <a href="http://www.wri.org">www.wri.org</a>; HLS framework; global framework HIV/AIDS; STEPs Community Mob. Manual; financial management and training (UNICEF Tanzania) Sept wise approach to community capacity building; household economy approach <a href="http://www.microserve.org.africa">www.microserve.org.africa</a> (market research for micro-finance) SC FHI document for mobilization</p>	<p>Facilitates community involvement; helps to address issues of targeting, stigma, discrimination; uses available systems and mechanisms encourages broad participation; promotes community ownership</p>	<p>Community in crisis multiple issues may not be ready; process may be slow-donor demands and prescriptions; other orgs. may undermine process (sitting fees, indiscriminate distributions)</p>

	Program Principles				Underlying principles	
	Minimum conditions	Expertise required	Complementary program needs/ opportunities	Tools and resources	Strengths	Limitations
<b>Community Mobilization (continued)</b>	Community ownership foundation of any effective community action  Need excess time to be a caregiver; explore traditional care practices for children	Effective and appropriate participation of children	Incorporation in PRSP processes  Microenterprise MFIs			
<b>Community Fundraising</b>	Communities manage their own resources (and are more motivated to work together) more carefully than when using others' money	Understanding environment for fundraising; analysis of right timing; availability of tools for corporate fundraising accessible eg UK/US sources	Financial management skills, objective for fundraising, agreement on use of funds/targets  UNICEF/Tanzania financial management training tools	Resource mapping	Short and specific-not long term proceeds used very carefully  Proceeds used carefully	May not raise enough to satisfy all needs; difficult to do locally in poorest places; impact of fraud
<b>IGAs</b>		Organization skills; bookkeeping/business-financial management skills; necessary technical skills; local knowledge of markets; knowledge of community and group dynamics	Agriculture and nutrition; community mobilization; poverty reduction strategies			High probability of group business failure; nutritional; objectives
<b>Promote Microfinance Development Linkages</b>			Wider economic analysis to avoid putting basic household income at risk			Each organization has its own policies, reduces flexibility doing what it does best; limited financial knowledge and inputs capacity
<b>Child Care</b>			Economic child care/protection; health and nutrition; psychosocial support; childcare centers	Teachers, volunteers skilled in child care; love; psychosocial support		Sensitive to protection risks; establish criteria economic and social benefits should outweigh costs of program