



GUIDELINES ON CASH TRANSFERS AND LIVELIHOODS

Based on the learning workshop
held on 16th and 17th November 2015
in Guatemala City

 **Livelihoods Centre**
knowledge creation | knowledge sharing | knowledge networking

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The Cash Learning Partnership

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This study received funding from the European Commission's Humanitarian Aid and Civil Protection department (ECHO). The views expressed in this study do not reflect ECHO's official position. ECHO is not responsible for any application of the information contained within this document.

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I. INTRODUCTION

This document, like the learning workshop that took place in Guatemala City on 16th and 17th November 2015, focuses primarily on the context in Central America. Due to the profile of the participants and the complex problems of the region (the Dry Corridor, high exposure to hurricanes, high levels of chronic malnutrition, the impact of climate change, etc.), it was decided that it would be best to restrict the document to Central America. However, much of the information and many of the recommendations presented herein may be useful for other contexts in Latin America and the Caribbean.

Several programmes have been implemented in the Latin America and the Caribbean (LAC) region involving cash transfers, generally on a conditional basis. Cash transfers are increasingly being used in humanitarian contexts, particularly in the area of food security and in the construction of community assets/public works. This method is becoming more and more accepted as an effective multisectoral tool for humanitarian response and to break the poverty cycle, as well as for livelihood programmes. To date, there is no regional platform for exchanging experiences and lessons learned about this issue. This event therefore aimed to initiate a process to fill this gap, starting with cash transfers for livelihood programmes.

Audience

This document seeks to provide information about cash transfer programmes for livelihoods to humanitarian, development and government agency staff who have:

- good knowledge of the issue of livelihoods, but with limited experience in cash transfers, or
- experience in cash transfers but with limited knowledge of the livelihoods sector.

This document is not a guide to implementation. It simply writes up lessons learned in the region, makes references to practical examples, and highlights details of cash transfer programmes for livelihoods. It also refers to various key documents on cash transfers and livelihoods.

2. CONTEXT AND BASIC CONCEPTS

CONTEXT

It would not be appropriate to try to characterise the situation in Central America here as if it were made up of one single thing. However, in the context of this work on cash transfers and livelihoods, it is worth pointing out some of the factors that affect livelihoods and potential cash transfer programme interventions aimed at this sector.

The levels of malnutrition¹ and chronic food insecurity and the recurring crises (drought, storms, etc.) that affect the region make it difficult to implement livelihood projects that would be able to help the most vulnerable families to break out of the poverty cycle.

In the dry corridor area, as well as in many other regions of Central America, **the most vulnerable rural families depend primarily on subsistence crops and selling temporary labour** (for the coffee and sugar harvest, etc.) for their sources of income and food. These two sources of income and food are very exposed to climatic disasters, infestations and global prices, meaning that households that depend on them are actually in a situation of chronic vulnerability, and cannot plan and draw up strategies for sustainable livelihoods.

- Characteristics of livelihood zone 8, Guatemalan Dry Corridor

| Distribution by zone | | Socio-demographic Characteristics | | | | | |
|----------------------|-----|-----------------------------------|--|--|---------------------|--|--|
| % Population | | Household size | Population Land Tenure | Assets | Basic Grain Reserve | Productive Activities | Animals |
| Extremely Poor | 60% | 5 to 8 | 0.2 ha of own land 0.70–1.40 ha sharing | basic tools (hoes , pickaxe , shovel) /no infrastructure post harvest storage) | 3–4 months | Subsistence agriculture, sale of unqualified labour for agricultural activities | 8–10 chickens, one pig |
| Poor | 30% | 5 to 6 | 1.40–3.50 ha of own land 0.70–1.40 ha sharing | Basic Tools Fumigation pump | 3–4 months | Subsistence agriculture, sale of unqualified labour for agricultural activities | 1–2 cattle , 2 pigs, 10–15 chickens, 1 horse |
| Middle | 4% | 3 to 4 | 3.50–84 ha Own land | Tractors , vehicles irrigation system, chainsaws | | Livestock, farmers producers tomato, pineapple, okra , bananas, rubber, forest activities, | 20–100 cattle, 1 pig, 25–30 chickens, 5 horses |
| Wealthy | 6% | 3 to 4 | >84ha own land | Tractors , vehicles irrigation systems, aircraft to spreading, systems mechanical drainage, machinery agricultural, greenhouses | | Livestock producer, African palm, bananas, rubber, forestry | 200–300 cattle, 10 horses |

(Source: Fewsnet 2007)

¹ Prevalence of chronic malnutrition: 48% in Guatemala, 22.6% in Honduras, 23% in Nicaragua. 32% in Central America as a whole. Source: "Central America in figures, nutritional food security data 2013"

- Drought, irregular rainfall and coffee leaf rust
 - **2011**: the rainiest of the last 30 years, with rainfall levels more than 50% above the average in some regions of Guatemala's Dry Corridor.
 - **2012**: prolonged very hot season in July and August (interval of up to 45 days without rain) and coffee crops severely affected by coffee leaf rust.
 - **2013**: another prolonged very hot season in July and August (interval of up to 22 days without rain) and coffee crops severely affected by coffee leaf rust.
 - **2014**: in the sentinel sites in the municipality of Jocotán, there was a prolonged very hot season of **between 38 and 41 days without significant rainfall**, with reports of the loss of between **70% and 90%** of maize and bean crops.
 - **2015**: the longest very hot season of recent years was recorded. According to information from the sentinel sites, there was **no significant rainfall for 57 days** between June and August².

These figures illustrate the problems suffered in the Dry Corridor over the last five years, and prove the need for both humanitarian organisations and governments to change their strategy to tackle these recurring crises.

Social protection is covered within public policies, but these policies are not applied, the authorities are not involved, and they do not allocate them the necessary resources.

Moreover, there is a lack of access to basic health and education services, especially in rural areas, and of basic infrastructure for livelihoods (roads, markets, etc.).

It is also important to highlight the particularly severe impact of **climate change** as an aggravating factor in this situation, as well as the **problem of access to land**, which makes it difficult to perform interventions aimed at strengthening the resilience of existing livelihoods.

The strategies of governments and humanitarian and development organisations will have to seek increasingly to assimilate responses to humanitarian crises into longer-term projects aimed at protecting, recovering and developing livelihoods.

The responses to the latest crises demonstrated the **increasing acceptance of cash transfer programmes** in the region and the willingness of most organisations to use cash transfers when the context allows.

However, there are some **key points that could be strengthened, thereby improving the quality of interventions**:

- the limited knowledge of the complex nature of these programmes within the context of livelihood programmes;
- the 'systematisation' of conditional interventions (particularly cash for work);
- the lack of specific coordination for cash transfer programmes.

These aspects still represent significant challenges to achieving better planning, design and quality of cash transfer programmes for interventions in the livelihoods sector.

² "Hunger in the Dry Corridor of Chiquimula: A Crisis Avoided", Save the Children Guatemala, November 2015

OBJECTIVES OF LIVELIHOOD INTERVENTIONS

Programmes designed to support livelihoods will have different objectives, depending on the context of the intervention. Livelihood interventions can be broken down into three types: livelihood protection, recovery and strengthening.

| Type of intervention | Objectives |
|----------------------|---|
| Protection | To protect households from becoming involved in negative adaptation mechanisms (migration, sale of assets, reduced use of inputs, etc.) that could compromise the sustainability of their livelihoods in the short, medium and long term. |
| Recovery | To help households affected by a disaster to recover the situation they had before the disaster and to re-establish the productive capacity of their livelihoods. |
| Strengthening | To consolidate and increase the capacity of households and communities to satisfy their needs and to increase their resilience. |

CASH TRANSFER METHODS

There are several different types of cash transfers. We can differentiate between **conditional and unconditional transfers**, and between transfers **with restrictions and without restrictions**.

The conditional nature mentioned above refers to the duties that must be performed (e.g. participating in capacity-building or taking one's children to a health centre) in order to receive the cash transfer. It does not refer to selection criteria. The restrictions mentioned refer to the limits imposed by the programme with regard to the use of the cash transfers. Vouchers are restrictive by definition, meaning they cannot be used for all types of purchase.

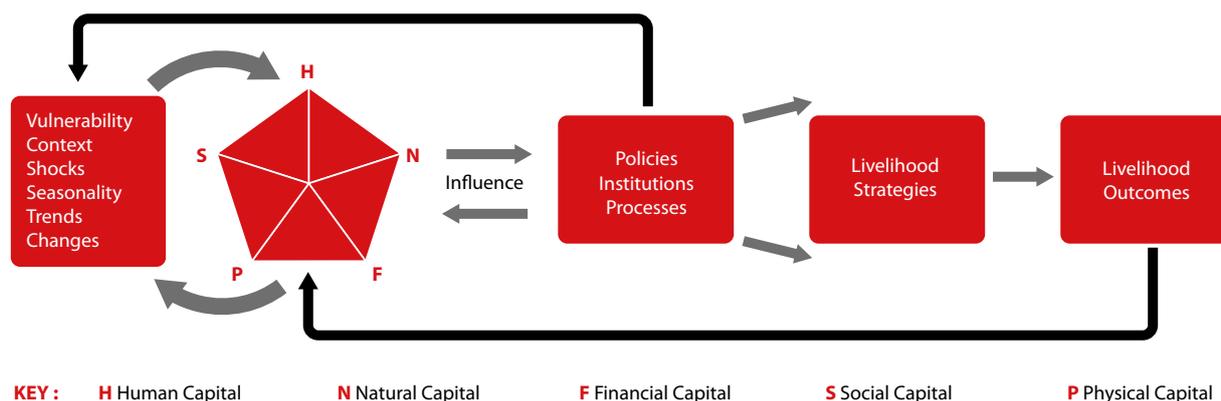
Examples of cash transfers for livelihoods:

| | With restriction | Without restriction |
|---------------|--|---|
| Conditional | <ul style="list-style-type: none"> Vouchers for work on irrigation system recovery Vouchers for access to productive water Seed fair, with access conditional on the building of compost heaps. Disbursement of money in several phases, conditional on the investment of at least 80% of the sum in boosting livestock activities Vouchers for seeds conditional on the hiring of local labour | <ul style="list-style-type: none"> Cash for work Cash for capacity-building |
| Unconditional | <ul style="list-style-type: none"> Provision of vouchers for seeds and tools Money for employment of temporary labour Money for recapitalisation of shops selling veterinary products and/or food, etc. | <ul style="list-style-type: none"> Provision of money in cash |

Livelihoods

“A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain its capabilities and assets both now and in the future, while not undermining the natural resource base.”³

The sustainable livelihoods framework



“The left hand section of the figure shows how the **vulnerability context** impacts on the **livelihood assets** of rural people – denoted by a pentagon. Livelihood assets are also influenced by **outside policies, institutions and processes**. **Livelihood strategies** of different categories of households are shaped by their **asset base** and by the **policy and institutional context** in which they live. **Livelihood outcomes of different types of households** are influenced by the **vulnerability context** – people’s exposure to unexpected shocks – and their ability to withstand the shocks, which depends on their **asset base**.”⁴ (for more details, please also refer to the “Sustainable Livelihoods Guidance Sheets”, DFID⁵)

Cash transfer interventions for livelihoods may seek to act on various levels and on different components of the sustainable livelihoods framework, although the majority of cash transfer programmes for livelihoods focus on capitals rather than on technical, political and strategic advocacy activities.

The sustainable livelihoods framework shows the interrelations and interdependencies between the different capitals and components of the framework, and therefore the importance of an integrated approach when analysing livelihoods and planning livelihood protection, recovery or strengthening interventions.

³ FAO, Module 1: Livelihoods, poverty and institutions. www.fao.org/docrep/009/a0273s/a0273s04.htm

⁴ FAO, Module 1: Livelihoods, poverty and institutions, www.fao.org/docrep/009/a0273s/a0273s04.htm

⁵ <http://community.eldis.org/59c21877/SP-GS2.pdf>

Examples of cash transfer interventions for contexts and institutions:

| Problem | Type of interventions |
|---|--|
| Contextual: Seasonal hunger, job losses, leading to the sale of productive assets | <ul style="list-style-type: none"> • Disbursement of money to protect livelihoods • Cash for work to generate community jobs and recover livelihoods |
| Institutions: Absence of cooperative groups, impacting on purchase price of inputs and sale of livestock products | <ul style="list-style-type: none"> • Cash for capacity-building for the development of cooperative management skills • Disbursement of money to constitute capital for the cooperative |

Example of direct interventions on capitals:

| Capitals | Type of interventions |
|-----------|--|
| Human | <ul style="list-style-type: none"> • Cash for capacity-building for the development of technical livestock management skills • Vouchers for capacity-building to boost knowledge about drought-resistant crops, anti-erosion techniques • Money for professional training in small urban businesses |
| Social | <ul style="list-style-type: none"> • Cash for work to build a cooperative building • Vouchers for capacity-building for community staff in awareness-raising about agricultural micro-insurance |
| Physical | <ul style="list-style-type: none"> • Vouchers for boat repair equipment • Money for restocking small ruminants |
| Natural | <ul style="list-style-type: none"> • Cash for work for reforestation • Money for access to land ownership (for purchase or through ownership title) • Money for managing water for livestock (lakes) |
| Financial | <ul style="list-style-type: none"> • Vouchers for capacity-building for access to the micro-finance system • Disbursement of cash for the recapitalisation of a small business |

3. CASH TRANSFERS IN LIVELIHOOD PROGRAMMES: CRITICAL STAGES OF THE PROJECT CYCLE

During the learning workshop, a limited number of points of interest were prioritised, taking into account the experiences and knowledge of the actors in the region, as well as the interests of the participants and the organisers.

This chapter highlights the practices of the actors present, tools, and reference documents, as well as recommendations for the following issues:

- Analysis of the situation and calculation of the sums involved
- Market mapping and analysis
- Selection of methods
- Integration of the concept of resilience
- Monitoring and assessment

It was also considered of interest to highlight issues such as:

- support measures
- social protection
- the phases of analysis of the situation, and design and implementation of programmes

A. ANALYSIS OF THE SITUATION AND CALCULATION OF THE SUMS INVOLVED

Analysis of the situation

The analysis of the situation will seek to provide information in order to decide on the relevance of and/or need for an intervention, and to feed into the response analysis.

Within the post-emergency assessment tools, there is a distinction between sectoral tools and multisectoral tools. Many organisations develop their own multisectoral damage assessment tools, such as the 48 Hours toolkit (Oxfam), MIRA (UN) and EDAN, for emergency situations.

It is essential in an emergency situation that there is a multisectoral assessment that can assess all the basic needs of the affected households.

That the immediate needs of the population be covered first of all is a condition *sine qua non* for livelihood protection and recovery programmes to be successful⁶.

Several organisations develop specific methodologies for assessing livelihoods (e.g. FAO: Rapid guide for missions: Analysing local institutions and livelihoods⁷)

Within the framework of a cash transfer intervention for livelihoods, one of the challenges lies in the calculation of the sums to be transferred.

⁶ See [Multi Purpose Grant toolkit](#) for more information

⁷ www.fao.org/docrep/009/a0273s/a0273s00.htm#Contents

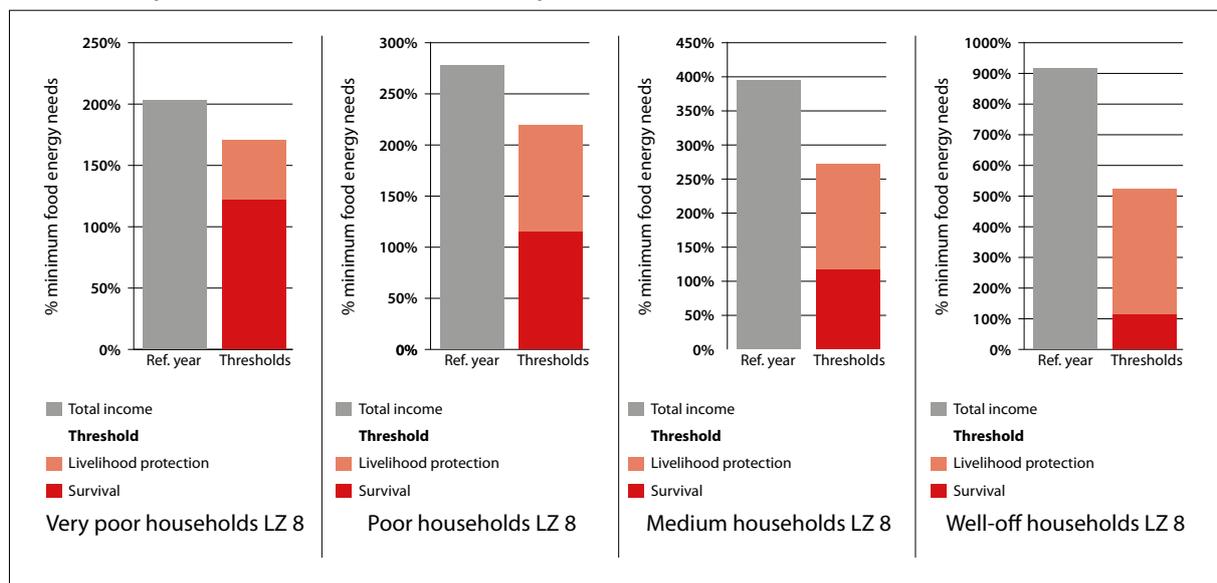
Calculation of the sums involved

The HEA methodology was used during the workshop, which is why it is presented here. However, it is not the only tool that can be used to calculate the sums.

The “Household Economy Approach”⁸ (HEA) methodology is a tool used to assess spending patterns, sources of food and income, and capital assets, as well as to characterise households, the threats they face and the strategies they can use in response to these threats. Two key elements of this methodology are seasonal calendars and assessments, and classification into socio-economic groups in each livelihood zone.

An HEA baseline makes it possible to define livelihood survival and protection thresholds⁹

Baseline compared with livelihood survival and protection thresholds¹



(LZ: Livelihood Zone)

“The HEA method defines the survival threshold as the total income required to cover:

- a. 100% of minimum food energy needs (2,100 kcals per person), plus
- b. the costs associated with food preparation and consumption (i.e. salt, soap, fuel for cooking and lighting), plus
- c. water for human consumption.

The livelihoods protection threshold represents the total income required to sustain local livelihoods. This includes expenditure to:

- d. ensure basic survival (see above), plus
- e. maintain access to basic services (e.g. medical and schooling expenses), plus
- f. sustain livelihoods in the medium-to-longer term (e.g. purchase of seeds, veterinary products, etc.), plus
- g. achieve a minimum locally “acceptable” standard of living (e.g. purchase of clothing, coffee, etc.)¹⁰

⁸ www.sln.org/es/biblioteca-digital/item/el-enfoque-de-la-economia-del-hogar-hea-una-herramienta-para-programar-la-resiliencia-2

⁹ Rapid HEA for Guatemala: The Effect of the Coffee Rust Outbreak in Two Livelihood Zones in Guatemala” Oxfam, FEG consulting, ECHO, December 2013

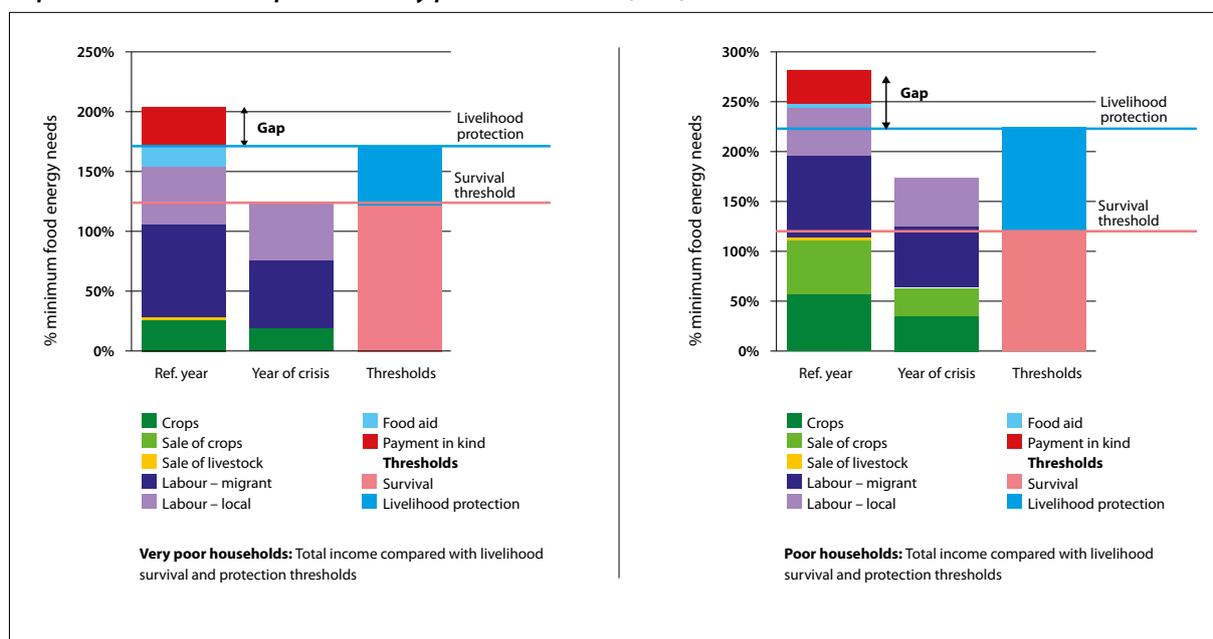
¹⁰ Source: Consulting FEG and Save the Children, 2008

In order to calculate the sums involved, i.e. the gaps that an intervention will attempt to fill for each group of livelihoods, we will take into account:

- the capacity of each household to cover its needs without having to resort to negative adaptation mechanisms (crisis response strategies);
- the reserves that the households have;
- the period during which the households will not be able to cover their needs.

We will then compare these factors with the livelihoods protection thresholds to assess the gap that will need to be filled.

Impact of Scenario 1 on poor and very poor households (LZ 8)



In an emergency situation (livelihood protection), the amount would have to be the result of a calculation of the gap (see table above), whereas in a context of recovery, it would have to take into account the gap to be filled for the protection of livelihoods and the investment necessary to be able to recover livelihoods sustainably, i.e. the capital and inputs necessary until the household can generate income or food to enable it to reach the livelihoods protection threshold sustainably.

EXAMPLE

In the case of the “poor” households (see graphic above), during a normal year (ref. year), and for this period, the value of the sources of income and food represents some 280% of the value of the basic food needs of this group. For the crisis scenario (curr. year), the households only manage to cover around 170% of those food needs, with the livelihoods threshold representing some 220% of the value of the basic food needs.

The amount to be transferred in order for the households to be able to protect their livelihoods therefore represents 50% of the value of the basic food needs of a household from that livelihoods group.

The experiences that were shared during the event primarily concerned programmes involving cash for work or food security, and showed that the calculation of the amounts is in practice based on the cost of the basic food basket or on the official rural minimum wage (78 quetzales, or 10 US dollars, in Guatemala).

The calendar below illustrates the seasonality of prices and sources of income and food and, therefore, of households' capacity to cover their needs. It also shows that expenses, threshold values, and needs in both normal situations and crisis situations change according to the seasons. These factors are all considered when calculating sums and the duration of the intervention.

| Sources of food and incomes | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug |
|-----------------------------|------|-----|-----|-----|-----|-----|-----|-----|-----------------|------|------|-----|
| Period | | | | | | | | | | | | |
| Rainy | ■ | | | | | | | | ■ | | | |
| Dry | | | | | | ■ | | | | | ■ | |
| Hot | | | | | | | | | | | | |
| Principal crops | | | | | | | | | | | | |
| Maize | ■ | ■ | | | | | | | ■ | ■ | | |
| Beans | ■ | ■ | ■ | | | ■ | | | ■ | ■ | | ■ |
| Coffee | | | | ■ | | | | | | | | |
| Cattle | | | | | | | | | | | | |
| Milk production | ↑ ↑ | | | | | | | | ↑ ↑ ↑ ↑ ↑ ↑ ↑ ↑ | | | |
| Sale of cattle | | | | | | | | | | ■ | | |
| Cattle disease | | ■ | | | | | | | | | | |
| Labour | | | | | | | | | | | | |
| Labour – local | | | | | | | ■ | | | | | |
| Labour – migrant | | | ■ | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Food shortage | | | | | | | | | ■ | | | |
| Rising prices | | | | | | | | | | ■ | | |

Seasonal factors will influence the amounts to be transferred, as well as the period during which the transfers will be necessary. The gaps that the transfer will seek to fill will vary according to the time of year. However, it is not recommended that the amount of the transfer be altered in the case of monthly transfers.

The gaps will therefore have variable values depending on the time of year. It is not recommended that this value be adjusted for each transfer in the case of monthly transfers. However, adjustments could be considered for specific periods of three or four months, for example.

If the context changes during the implementation period of the intervention (due to a storm, emergency measures implemented by the state, an epidemic, significant changes in prices, etc.), the value of the transfer may be reconsidered.

The 'crisis modifier' approach, developed by Save the Children, seeks to provide the conditions to be able to adapt interventions within the framework of medium- and long-term projects. This approach, as defined by Save the Children, involves a pre-agreed plan, including financing mechanisms, within an existing project, for early intervention and measures to mitigate identified risks. The main objective of this approach is to prevent suffering and protect the lives and livelihoods of children and their families, whilst at the same time ensuring that the crisis will not threaten long-term development goals. In this respect, this approach is interesting, since it makes it possible to anticipate and reconsider the amounts that will be transferred, thereby providing a more targeted contribution to protecting livelihoods.

Frequency of the transfers

The frequency of the transfers will take into account the objectives of the project (see below), the costs of the transfers (return), possible migration periods, the security context, households' preferences, etc.

- Normally, though not always, **interventions that seek to cover basic** needs opt for fairly frequent transfers (e.g. fortnightly or monthly) so that the recipients do not retain large amounts of money during the duration of the project.
- For interventions that seek to enable households to make purchases and significant investments, as in the case of **asset recovery, constitution of capital for business, etc.**, transfers are normally made in just one or two instalments.
- **Projects that impose conditions on the use of the money** (e.g. for the recovery of a business, investments in productive assets, livelihood protection equipment) will use two or more transfers to be able to verify the use of the first transfer or ensure that other requirements have been fulfilled.

As always, any advantage also has its downside. Payment in a single instalment is likely to be simpler, on a larger scale and more efficient, since the costs associated with transfers or disbursement apply only once. Payment in instalments allows the agency to adjust the amount during the course of the project, and does not require the recipients to keep or carry large amounts of money. As in other stages of the project design process, households should ask themselves how frequently they would prefer to receive the transfers.¹¹

Fixed or variable amounts?

Whether for livelihood protection or recovery projects, we will have to assess how appropriate it is to customise the amounts (according to needs, the size of the household, etc.).

In the case of **livelihood protection projects**, it will be necessary to look at the duration of the project (if the project has a short duration, it could be a low-return option), the number of households involved in the project, conflicts that could be caused by customising the amounts, the practices of other actors, the communities' preferences, etc.).

For **livelihood recovery projects**, the losses caused by a crisis or disaster are very rarely uniform, even within the same socio-economic group. In this case, we will avoid considering individual losses so as to not re-establish inequalities that existed prior to the disaster.

In light of the crises and subsequent emergency responses of the last four years, it is recommended that existing information be systematised and absent information be collected. This will help to establish a baseline and, based on the livelihood analyses and thresholds, calculate the gaps to be filled and define the capitals to be prioritised for reinforcement.

Regardless of the context, livelihood protection thresholds must be taken into consideration for cash transfer programmes for livelihoods. The Minimum Economic Recovery Standards¹², now an integral part of the Sphere Standards, must also be taken into account.

¹¹ Extracted and adapted from Good Practice Review (GPR)-11- Cash transfer programming in emergencies, June 2011, Paul Harvey and Sara Bailey

¹² <http://www.seepnetwork.org/minimum-economic-recovery-standards-pages-10078.php>



PHOTO: SAUL MARTINEZ / OXFAM

B. MARKET MAPPING AND ANALYSIS

The market evaluation may have different objectives, according to the context and the strategy of the agency that carries it out or requests it:

- **To evaluate how the market was affected** by an event and how it could affect livelihoods, so as to be able to identify measures to support the market and livelihoods, in emergency and post-emergency contexts
- **To create a baseline** that will help to speed up pre-crisis monitoring and market evaluation in case of emergency (preparation for emergency intervention)
- **To map and analyse the markets to evaluate their capacity to support a response** with cash transfers and/or identify measures to strengthen the market
- **To evaluate how the market was affected by an event and how it could affect livelihoods, so as to be able to identify measures to support the market and livelihoods, in emergency and post-emergency contexts**

This evaluation forms part of the situation analysis phase. Beyond the analysis of basic needs or food product markets to assess the impact of an event on food security or other basic needs (hygiene, water, etc.), a market evaluation within the framework of livelihoods will seek to evaluate the critical market systems on which livelihoods depend (employment¹³, services, inputs, productive assets, etc.). Livelihoods depend on a network of services, inputs, demand markets, labour markets, etc. to function, and it is essential to be able to understand the interdependency between these factors and in what way they were affected, as well as how they could impact livelihoods in future.

This type of market evaluation will seek to identify challenges (and potentially opportunities) that market actors could face, with the aim of being able to propose direct or indirect actions¹⁴ on the market that would help economic actors to overcome a crisis.

¹³ See "Labour Market Analysis Guidance" SC UK 2015, for more information about labour market analysis

¹⁴ See EMMA manual for examples of direct and indirect actions on the market

EXAMPLE

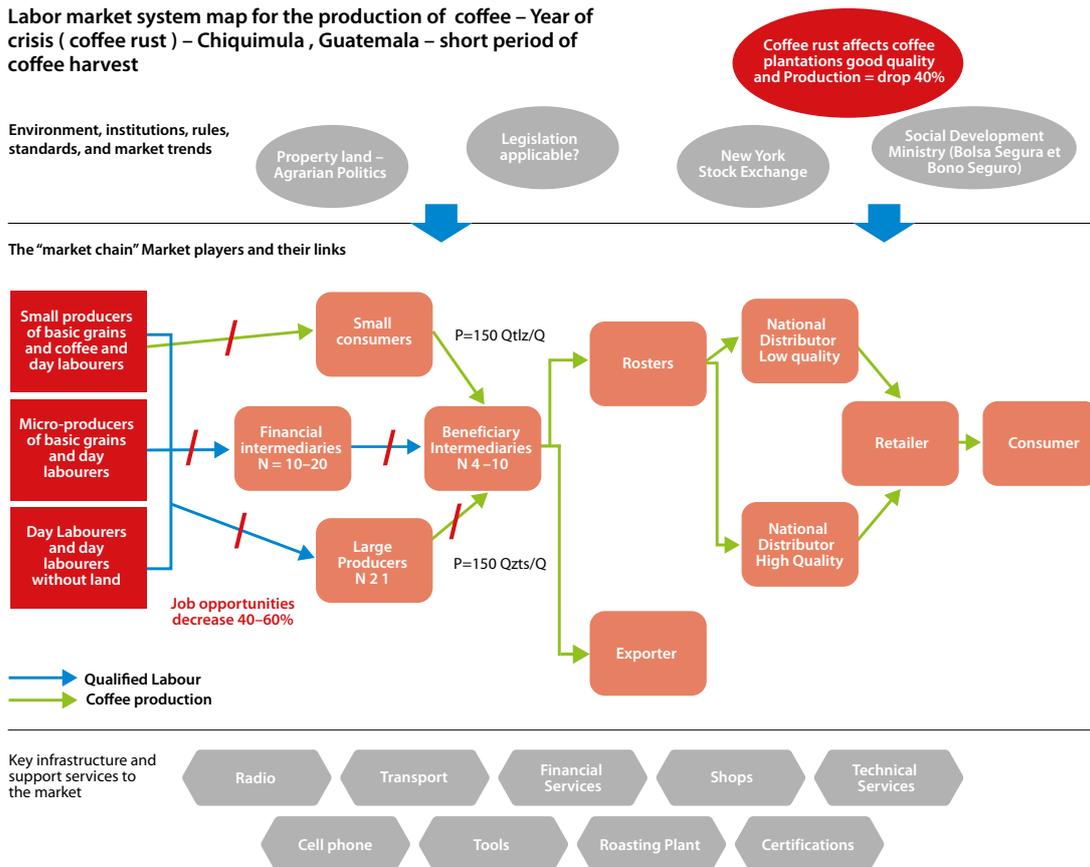
In Honduras, following the floods that affected rice farmers and fish farmers (2011), a study of the labour market and livelihoods related to these activities showed the interdependency between rice farmers (well-off), who employed members of the poorest families, and transport service providers, who own small businesses (poor and medium). This study helped to identify a series of measures to speed up the recovery of livelihoods in the area:

- cash for work for the poor, for the recovery of the rice fields of the well-off (rebuilding ridges, levelling out), in the form of an indirect loan to the well-off (repayable directly to the communities for the construction of sanitation works). Without this measure, the rice farmers who had lost their investment would not have been able to sow on time or to provide jobs to the poorest families
- provision of inputs to grow rice
- provision of cash for local traders to recapitalise small businesses

These measures helped to recover livelihoods and open discussions between the rice farmers and the communities about working conditions.

Example labour market map¹⁵:

Labor market system map for the production of coffee – Year of crisis (coffee rust) – Chiquimula , Guatemala – short period of coffee harvest



This market map shows the interrelations and interdependencies between the various actors involved in the coffee market, as well as how these market system actors are affected by coffee leaf rust.

¹⁵ Emergency Market Analysis: Integrating and Adapting the EMMA and Gem Methodologies in Guatemala, Chiquimula, July 2013 Coffee: labour and production

This type of study goes beyond an impact study about a livelihood (or socioeconomic) group, showing how the different actors are affected, and thereby opening up more integrated-response options.

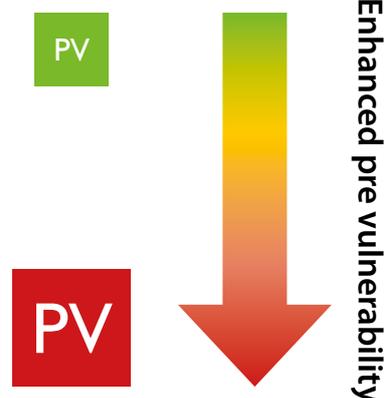
The table (from the same market analysis) below presents an analysis of risks and vulnerabilities for the different groups who depend on coffee for their livelihoods. Together with the market system map, this analysis feeds into the response analysis, and also contributes not only to the definition of an immediate response, but also to the design of longer-term strategies.

Coffee production and unskilled labour market

| Sector/crop | Activity | Drought | Coffee leaf rust | Temperature increase | Chronic malnutrition | Acute malnutrition | Current situation. Land Tenure | Difficulty to access to supplies and credits |
|--------------|---|---------|------------------|----------------------|----------------------|--------------------|--------------------------------|--|
| Social group | Local day labourer and migrant local day labourer | 1 | 2 | 3 | 0 | 0 | 0 | 0 |
| Social group | Micro producer + day labourer | 0 | 2 | 3 | 0 | 1 | 0 | 0 |
| Social group | Small producer + day labourer | 2 | 0 | 2 | 0 | 1 | 2 | 1 |
| Social group | Medium-sized coffee producer | 3 | 3 | 3 | N/A | N/A | 3 | 2 |
| Social group | Large-scale coffee producer | 3 | 3 | 3 | N/A | N/A | 3 | 3 |
| Social group | Women | 1 | 2 | 3 | 0 | 0 | 0 | 0 |
| Crop | Coffee | 2 | 1 | 3 | N/A | N/A | N/A | N/A |

Key

| | |
|-----|--|
| N/A | Not relevant to the sector/crop/activity |
| 3 | Sector/crop/activity is largely unaffected by negative climatic impacts and other political/economic factors |
| 2 | Sector/crop/activity is partially affected by climatic impacts and other political/economic factors |
| 1 | Sector/crop/activity may be severely affected by climatic impacts and other political/economic factors |
| 0 | Sector/crop/activity may be overwhelmingly affected by climatic impacts and other political/economic factors |



- **To create a baseline that will help to speed up ongoing monitoring and market evaluation in case of emergency**

Tools such as pre-crisis market mapping and analysis (PCMMA¹⁶) make it possible to develop a baseline of critical markets for livelihoods in a given area. The presence of baselines will facilitate and speed up the market analysis in case of emergency. It will also be a tool for monitoring livelihoods (indirectly through critical markets for livelihoods) and for supporting the definition of a contingency plan.

- **To map and analyse the markets to evaluate their capacity to support a response with cash transfers and/or identify measures to strengthen the market**

After the situation analysis and during the response analysis, the first thing considered is intervention options (desired outcomes, target population, duration, seasonality, etc.), through which method options and combinations of methods can be contemplated. Then, the critical market systems for the intervention option selected will be determined¹⁷.

| Reasons why a market system may be critical ¹⁸ | |
|---|--|
| <i>Why the system is critical</i> | <i>Nature of the gap</i> |
| It provides food or items necessary to guarantee survival | Deficit between what households have and what is needed to meet the minimum standards for protection of their lives (see Sphere) |
| It provides inputs or goods for protection of livelihoods | Deficit in the inputs, goods or services that households need to protect and sustain their livelihood activities (e.g. production of food) |
| It provides income, salaries or access to buyers | The loss of opportunities for labour and sale of livestock, production surpluses, etc. necessary for households to obtain essential minimum income |

The market mapping and analysis will seek to answer the following questions:

- The market has the capacity to respond in good conditions (time, quality, proximity, etc.) to a demand created by a cash transfer programme without having negative effects on the market (prices, availability, quality of products, etc.)
- If not, what are the potential market support measures that would allow it to support an intervention based on cash transfers?

The EMMA methodology¹⁹ is the one that is most commonly used for this type of study.

¹⁶ www.sraf-guidelines.org/pre-crisis-market-mapping-and-analysis-guidance

¹⁷ Critical market systems. The specific market systems that are most urgently relevant to the emergency needs of the target population. Essentially, these are the markets that have played or could play an important role in guaranteeing the survival or protection of the livelihoods of the target population.

¹⁸ EMMA toolkit: p. 130, Box 7.2

¹⁹ <http://www.emma-toolkit.org>

Lessons learned

- There is little experience of formal market studies²⁰ in Central America.
- The organisations involved in cash transfers for livelihoods are aware of the need to conduct market mapping and analysis, but most agencies limit this to price monitoring and secondary data (crop monitoring data from the Ministry of Agriculture, Livestock and Food (MAGA)/FAO, data on product movements at national or regional level from Fewsnet, etc.).
- Monitoring prices and movements of goods is not a market study.
- Over the last four years, the multiple cash transfer interventions for livelihoods led to the collection of a great deal of market data that it would be useful to collate and analyse, with a view to identifying gaps in the information required to establish a baseline.
- The presence of actors and the current dynamic in relation to cash transfers should be employed to establish a baseline at national level. The dynamic around social programmes, seasonal interventions and emergency response fully justifies the investment necessary for a baseline.
- The sale of seasonal labour is essential to the incomes of the poorest households, and a study of the labour market (together with an HEA study) would contribute to the definition of critical thresholds for early warning and/or social protection systems.
- There is a need to develop skills relating to formal studies of critical markets for livelihoods in Central America.
- A market study is not necessary for all contexts, e.g. a disbursement of cash by the Red Cross to 125 families in El Cambray II, Guatemala City, will not represent significant volumes at the level of an urban market.
- How are the local authorities involved?
- The SAN²¹ law in Guatemala states that each municipality has to monitor the markets, but in practice it is applied only in a few places.

C. SELECTION OF METHODS

During the selection of methods for livelihood programmes, various criteria must be considered, including:

- the method that is most consistent with the capacities and will (preference) of the communities
- the characteristics of the critical market systems. Is the market system appropriate for an intervention including one or more cash transfer methods?
- the security context
- the options available for cash transfers
- risks relating to the quality of the inputs and/or services identified as necessary for the target population
- time required for implementation
- opportunities for additional activities with potential added value
- analysis of risks associated with each method, including social risks (“do no harm”)
- the cost-effectiveness of each method
- which method potentially presents the least negative impact (“do no harm”)
- possible connections with long-term programmes

²⁰ E.g. “Emergency market analysis: integrating and adapting the EMMA and GEM methodologies in Guatemala, Chiquimula”, July 2013

²¹ SAN: Seguridad Alimentaria y Nutricional (Food and Nutrition Security)

Lessons learned about practices in Central America:

- Two very important factors that must be taken into consideration when making a decision are:
 - **the actions undertaken by other actors:** this is relevant in terms of coherence and managing conflict with communities. However, the strategies of institutions such as the WFP and governments have their own limiting factors that sometimes prevent them from adopting more complex methods (combination of methods, cash for capacity-building, etc.) with potentially more added value. Each organisation has to consider first of all what is best for people, and what is most coherent with the strategy and capacity of their agency.
 - **the wishes of the donor:** this seems to be an important factor in decision-making for many organisations. However, while it is important to respect and understand the donor's strategy, each method has its advantages and disadvantages, **depending on the context**. There is no recipe that can be applied in all places and all contexts, and though donors are increasingly inclined to finance interventions with cash transfers, the selection of the method must, above all, be the result of a response analysis that will justify the decision made.
- **Cash transfers are not always the lowest-cost method**, particularly when we consider the costs that the beneficiary households will have to bear in order to reach the delivery points for vouchers or cash, the costs of transporting goods, etc. Practical examples showed that organisations do not always consider this aspect when calculating cost-effectiveness.
- **Taking into account the preferences of people and communities** when selecting the project method(s) does not seem to be a very common practice. Paternalistic behaviours are very common among the staff of humanitarian, development and government agencies.
- **Just because a method is appropriate today, that does not mean it will be tomorrow.** In livelihoods programmes, seasonality plays a key role and influences the context of interventions, and therefore the relevance of methods, which could also have a seasonal aspect.
- **Consider combinations of methods.** Livelihood projects often require various types of support (inputs, assets, services, etc.) and it is always useful to consider selecting not just one method, but also combinations of methods.



PHOTO: PETER TECKS / OXFAM

4. COMPLEMENTARY AND CROSS-CUTTING ISSUES

A. SOCIAL MOBILISATION AND SUPPORT MEASURES FOR CASH TRANSFERS IN LIVELIHOOD PROGRAMMES

Cash transfers are nothing more than a method, a tool, and must not under any circumstances be considered as a programme in their own right.

Support measures, at least in terms of social mobilisation, are essential in order to optimise the likelihood of the project being successful.

It is important to consider the complexity that cash transfer programmes can represent for some households, particularly when they use various methods, and it is essential for such programmes to communicate with the households about the process related to the method, complaint mechanisms, potential conditions and/or restrictions, etc.

The amounts that are usually transferred for livelihoods are larger than for other types of programme, particularly in the case of asset recovery or transfer to strengthen livelihoods (with the acquisition of new assets). It is important in the preparation phase to evaluate the households' capacity to manage the sums proposed and, if necessary, strengthen their fund management skills (e.g. expenditure planning, business plan, management of productive assets, etc.).

Projects involving diversification and strengthening of livelihoods and resilience will bring new concepts and knowledge to households and communities. As well as transfers, capacity-building concerning these concepts will have to be provided.

Projects involving protection and recovery of livelihoods also represent opportunities to strengthen livelihoods, resilience and capacities, even when the main objective of the project is to provide economic support to households for the protection or recovery of their livelihoods. Support measures should be considered above all as opportunities to give the project added value, to connect the activities to longer-term objectives, and to achieve goals beyond the objectives initially set out.

Examples of support measures for cash transfers in the context of livelihood strengthening projects:

| Examples of support measures | Activities / objectives |
|------------------------------|--|
| Financial support | <ul style="list-style-type: none"> • Development of financial resource management skills • Support for investment and expenditure planning and for use of the funds that the household will receive • Support for fund management at community level (includes decision-making and fund provision mechanisms, etc.) • Participatory development of management tools • Facilitate access to micro-insurance agencies • Fund management in a crisis context (premature sale of assets, etc.) |
| Technical support | <ul style="list-style-type: none"> • Development of new capacities for households, groups, authorities, etc. • Facilitate contact with available technical services (state or other) |
| Support for market actors | <ul style="list-style-type: none"> • Loan to market actors to increase the offer • Temporary logistical support (for access to warehouses, transportation, etc.) • Technical support for quality control, veterinary services, etc. |
| Other activities | <ul style="list-style-type: none"> • Awareness-raising on the concept of resilience • Management of natural resources within the framework of farming projects • Studies of the market, value chains, the current offer, demand and its growth potential • Awareness-raising on the right to social protection • Capacity-building on the potential role of organisations in the management of social protection programmes |

B. INTEGRATION OF THE CONCEPT OF RESILIENCE

The concept of resilience as applied to livelihoods is ‘in fashion’ in the region, and according to the participants’ experiences, it has mainly been applied on a small scale, within the framework of a money-for-work programme. However, several agencies had already included it in their medium- and long-term strategies.

1. Definition: What is resilience in livelihoods?

It can be defined as the “ability to resist, recover from, or adapt to the effects of a shock or a change”²². “Resilience is a long-term approach that emphasises the capacity to recover, and to integrate a capacity to adapt and transform in response to change.”²³

It therefore also covers improvement in a socio-economic situation and livelihood conditions in the long term.

²² Institute of Development and Study, 2012 – Resilience: New Utopia or New Tyranny? www.ids.ac.uk/files/dmfile/Wp405.pdf

²³ BC3, 2011 – Multidisciplinary perspectives on urban resilience

2. What does ‘resilience’ within the Dry Corridor mean?

The greatest risks²⁴ to livelihoods in the Dry Corridor are related to:

- climate change and El Niño (drought and coffee leaf rust)
- chronic and acute food insecurity (seasonal and cyclical)
- chronic poverty levels of between 75% and 90% of the population
- deficient (and in some cases non-existent) health and education services
- few alternatives in terms of livelihoods and work
- uncertain sources of income and food (strong dependency on rainfall levels, coffee production levels and global prices)
- infrastructure in poor condition (e.g. road and communication networks)

Main challenges and opportunities identified:

| Challenges | Opportunities |
|--|---|
| <ul style="list-style-type: none"> • The farming system “collapsed” some 12–17 years ago; the technical assistance system and the research centre (Copal) disappeared. • Climate change caused private actors to change production and become more involved in coffee production. The poorest people are now heavily dependent on labour in coffee picking. • Coffee leaf rust and drought are affecting demand for labour. • No resources are being allocated to the Ministry of Agriculture to deal with this long-term problem. | <ul style="list-style-type: none"> • Existing state social protection programmes, which could help to increase the resilience of the poorest households in the Dry Corridor if they were improved. |
| <ul style="list-style-type: none"> • Most actors in the Dry Corridor are humanitarian actors that intervene year after year with short-term interventions. | <ul style="list-style-type: none"> • Some agencies have a dual mandate (humanitarian and development) and are beginning to work on projects lasting two to three years and become involved in medium- and long-term food security and livelihood strategies. |
| <ul style="list-style-type: none"> • Lack of political will to support the change in productive systems and livelihoods in the area. | <ul style="list-style-type: none"> • Work on Community Development Plans, which exist in most cases. |
| <ul style="list-style-type: none"> • Drought and slow onset crisis are not provided for within the CONRED national contingency plans, and are not portrayed or listed as a response priority for governments | <ul style="list-style-type: none"> • Other threats are considered by CONRED, which means that the concept is understood and it would only be a case of incorporating drought. |
| <ul style="list-style-type: none"> • Community and early warning systems need to become institutionalised. • They were developed by non-governmental agencies, but governments do not monitor them sufficiently. | <ul style="list-style-type: none"> • Different ministries, UN agencies and NGOs perform data collection. Therefore there are data, but they are not centralised or widely published. |
| <ul style="list-style-type: none"> • INSIVUMEH (it has information, but this is not widely published or disseminated) | <ul style="list-style-type: none"> • There is information, but it is not widely published so that the population can use it. |

²⁴ According to workshop participants

3. What livelihood and cash transfer programme activities could be carried out within the Dry Corridor to improve the resilience of the most vulnerable?

Examples

Interventions on policies and institutions:

- Advocacy and work to improve and expand existing **social protection systems**. Also, a focus on chronic poverty and the adoption of the seasonal aid model in months of famine, with unconditional or conditional cash transfers.
- **Institutionalise “drought”** as a threat within the state contingency plan and make it a binding part of a response protocol with a budget with CONRED for cash transfers.
- **Create a national platform for response to drought** with SESAN (food security), MAGA (agriculture) and CONRED that facilitates coordination and the collection and dissemination of information, as well as an integrated approach to the medium- and long-term response.
- Work on workers’ rights in the coffee sector and other sectors to improve their living conditions.
- Advocacy on **improving state health and education services**

On livelihood assets:

- Explore the issue of **micro-insurance** for small farmers.
- Work on **diversifying livelihoods and the job market**. Grants for training for young men and women in order to diversify livelihoods.
- Listen to **ancestral information** and knowledge and see how it can help with climate change adaptation
- **Cash for work linked to community jobs in improving resilience**, managing land erosion, improved farming techniques, and crops adapted to climate change.
- **Improve watershed management and integrated water management plans**

The challenges identified, the examples put forward by the participants and the existing publications on the issue of resilience as applied to livelihoods all highlight the need for an integrated approach to resilience, and for medium- and long-term interventions.

Reference documents such as “Resilient Livelihoods: Disaster Risk Reduction for Food and Nutrition Security - 2013 edition, FAO”²⁵ are based on four pillars, in line with four of the five priorities of the Hyogo Framework for Action.

The four pillars: 1- enable the environment; 2- watch to safeguard; 3- apply prevention and mitigation measures; 4- prepare to respond

The first two pillars are focused above all on the “policies, institutions and processes” part of the sustainable livelihoods framework (strengthening institutions, good governance for DRR, early warning and information system, etc.), while the third and fourth centre on the promotion and diversification of livelihoods, as well as risk reduction practices for livelihoods. The fourth pillar focuses on preparing to respond and the effective recovery of livelihoods.

The document “**Toward Resilience: A Guide to Disaster Risk Reduction and Climate Change Adaptation**”²⁶ also sets out a list of 10 principles for the implementation of an integrated approach to resilient livelihoods.

²⁵ www.fao.org/3/a-i3270s.pdf

²⁶ “Toward Resilience: A Guide to Disaster Risk Reduction and Climate Change Adaptation”, Chapter 4.2, Turnbull, C.L. Sterrett, A. Hilleboe

Cash transfer programmes for livelihoods offer opportunities to contribute to the process of strengthening resilience, whether through contributing to social protection systems (temporary community jobs, access to insurance systems, etc.), increasing knowledge at household, community and local level about related problems (cash for capacity-building, conditional “grants”, etc.), transfers for strengthening existing livelihoods and/or diversifying sources of income and food, or cash for work for the protection, creation or strengthening of assets and/or infrastructure, etc.

In recent years, most interventions in this sector have been limited to specific activities, often within the framework of emergency response and as part of money-for-work projects.

Recurring crises are leading humanitarian agencies to review their strategies so that they can form part of a longer-term project.

Over the last few years, a considerable amount of experience and knowledge has been acquired on the subject of cash transfers for livelihoods, which could be put to use within integrated programmes to strengthen resilience.

It should be pointed out at this stage that the resilience-for-livelihoods approach is complex, that it involves the assimilation of a variety of concepts and knowledge, and that the agencies, in both the design and the implementation phases, have to be able to mobilise the necessary skills and develop these capacities within their team.

C. MONITORING AND ASSESSMENT

Monitoring is a data collection and analysis exercise that allows us to measure the extent to which objectives have been achieved, monitor the project implementation process, and analyse how the context has evolved, with a view to reorienting or correcting certain aspects of the project (selection process, sums involved, methods, security and protection measures, transfer frequency, etc.) if necessary.

- **The context – monitoring: a tool for a dynamic assessment of the situation**

The conclusion about the pertinence of a type of intervention and the selection of a method is the result of the analysis of a context. If this context changes, it could cause the conclusions of the initial analysis to be reconsidered. Regardless of the project activities, the security context or the characteristics of the market system (prices, the quality of products and services, the demand market, the number of actors, etc.), they may evolve and will have to be monitored and analysed continually.

The market system maps and analyses may have shown that cash transfers are pertinent and suited to the context, but if a factor changes and affects the validity of the analysis (e.g. disruption of the supply chain, epidemic, etc.), the pertinence of the analysis will have to be reassessed.

- **The project implementation process (operational aspect)**

Beyond the project implementation monitoring indicators, the monitoring system will incorporate aspects specific to the use of cash transfers.

See HPN, Good Practice Review (GPR)-11- Cash transfer programming in emergencies, June 2011, p. 82 to 90, for information about this methodology and specific indicators for cash transfers, as well as the “IFRC Cash in Emergencies Toolkit”²⁷.

Monitoring systems will also be used for the ‘livelihoods’ aspect. The Livelihoods Centre²⁸, within the framework of the same ERC project, is working on reference indicators for livelihoods, as well as guidelines for monitoring livelihood projects. This information, part of the ‘livelihoods toolkit’, will be available at the end of this year in English and as of February 2016 in Spanish, on the web page mediosdevida.org.

²⁷ rcmcash.org

²⁸ www.mediosdevida.org

Examples of indicators of the contribution of cash transfers to livelihoods

| | Indicator |
|--------------------|---|
| Use of funds | <ul style="list-style-type: none"> • % of the total amount used to buy productive assets • % of the total amount used to protect existing assets • % of the total amount used to create new economic activities |
| Productive capital | <ul style="list-style-type: none"> • Change in the value of productive assets (e.g. name of animal and its value) • Increase in the number of types of productive assets (diversification) |
| Natural capital | <ul style="list-style-type: none"> • Surface area of cultivable land that benefited from protection measures under a money-for-work project • % of the time during which or when quality pasture is available • % of wood reforested |
| Social capital | <ul style="list-style-type: none"> • % of the amount received used to pay debts • households' level of debt • % of the amount received that was shared with other members of the community |
| Financial capital | <ul style="list-style-type: none"> • % of households that have access to savings and credit groups • % of increase in income due to the strengthening of livelihoods • Number of sources of income in the household |
| Human capital | <ul style="list-style-type: none"> • Number of households with new technical skills • Number of households that improved their skills in managing economic activities |

D. LIVELIHOOD AND SOCIAL PROTECTION PROGRAMMES

There are several different definitions of social protection. Within the framework of this event the focus on rights was highlighted: "Access to an adequate level of social protection is a fundamental right of all individuals recognised by the International Labour Standards and by the United Nations. Moreover, it is considered a tool for the promotion of human wellbeing and social consensus, which promotes social peace and is essential to achieving it, and therefore to improving equitable growth, social stability and economic performance." (ILO)

In practice, it includes the following sectors:

- **Insurance** (health, unemployment, old age)
- **Social support:** foreseeable and long-term transfers so that people who do not have sufficient physical and/or human capital can have a minimum level of income and cover their basic needs
- **Legislation:** this includes national laws and policies that define and guarantee all the subsets of social protection for the residents of each country

In Latin America, where inequality is more severe than anywhere else in the world, there are few social protection systems in place, which means there are few institutionalised solidarity mechanisms. The context of the last four years in the Dry Corridor proved once again that vulnerable people do not have the capacity to protect and re-establish their livelihoods without external support.

Moreover, agencies cannot carry out livelihood strengthening programmes (diversification of sources of income and food, resilience, etc.) if people do not have the capacity to meet their basic needs and to protect their livelihoods in adverse contexts.

Most agencies became involved in short-term programmes to respond to crises in the last few years, without being able to develop longer-term programmes and strategies. In this context of ‘chronic crisis’ it is very important to **develop, in parallel, emergency programmes, bases for the development of sustainable livelihood systems, which involves firstly helping people to cover their basic needs.** Moreover, it should be pointed out here that in all societies, some people will never have the capacity to meet their basic needs, and they will always depend on the solidarity of their community and their country.

Examples of social protection programmes in Central America:

| Type of Programmes | Challenges | Country |
|---|---|-------------|
| Bono Seguro (conditional cash-transfer programme) School repair Community employment | Corruption Politicisation Scope cannot be monitored Little political will for implementation Lack of continuity Lack of transparency and resources | Guatemala |
| Free health service School meals up to sixth year Economic support for the elderly in rural areas | Politicisation Lack of continuity. They begin with management but the new elected government puts an end to it. | El Salvador |

These examples illustrate the challenges facing the region. Most governments are aware of the need for social protection programmes and incorporate them into public policies. However, such programmes tend to be politicised, are not prioritised in budget terms, and end up being very erratic and therefore ineffective. States do not fulfil their duties, and the most vulnerable people do not manage to cover their basic needs.

In the past, various organisations contributed to the design of social protection programmes (e.g. GETCO in Guatemala), which were incorporated into public policies but were not implemented (lack of political will, budget, etc.).

In this context, each agency must consider how humanitarian and development actors can contribute to the development and implementation of this type of programme, in order to create the basic conditions for the development of livelihood programmes: How could they integrate this into their projects or strategies?

There are several options, including:

- **Advocacy** (with the government, the World Bank, etc.) to highlight the needs and the rights-based approach, secure budgets, provide information about successful initiatives in the region, demonstrate the impact of social protection programmes on the efficiency of livelihood promotion programmes, and establish strategies to advocate for the right to social protection
- **Contribution to the design of social protection programmes:** definition of household selection methodology and of criteria to propose neutral standards and avoid politicisation
- **Information about different methods:** contributive and non-contributive systems
- **Social and technical support:** micro-insurance, savings banks with solidarity funds, etc.
- **Innovate, experiment, demonstrate.**



PHOTO: NOAH FRIEDMAN-RUDOVSKY / OXFAM GB

There are several initiatives in the region: Choluteca solidarity fund (Honduran Dry Corridor) implemented through the FAO's Special Programme for Food Security (PESA²⁹), agricultural insurance with minimal contributions in Haiti, cash for work for community resilience funds, various different examples in Bolivia (state agricultural insurance), with active participation of rural organisations in Colombia, Mexico, etc.

In this context, in which states do not fulfil their duties and contributive systems are not accessible to the poorest people, in a context of 'chronic crisis', we must be part of the drive for a social protection system, a condition *sine qua non* for the development of livelihoods.

²⁹ www.fao.org/in-action/pesa-centroamerica/es

5. RECOMMENDATIONS

- The selection of which methods to use seems to depend heavily on other organisations' strategies and donors' wishes. In Guatemala, there is considerable uniformity in the types of interventions implemented, which can be very useful and have very positive aspects. However, this also draws attention to the method selection process, the strategies and the contextual analysis capacities of each organisation.

The method selection process must always be the result of a contextual and response analysis.

- The **money-for-work method is more common than other methods** for the implementation of livelihood projects. However, it is not always justified to impose work as a condition, since it is often applied to jobs that are not community jobs, but for personal benefit (e.g. building a compost heap, plant or stone barriers on one's own plots, etc.). In this case it would be better to speak of disbursing money conditionally rather than cash for work.

In many contexts, especially for the creation of seasonal work in areas of chronic food insecurity, cash for work is a valid method. In others, however, other methods could be considered that offer greater added value, including unconditional cash transfers or cash transfers with a broader range of conditions (e.g. a mixture of capacity-building and livelihood protection measures within a longer-term project with specific households, offering the possibility of a medium- and long-term vision for the household).

- **The calculation of sums for livelihood protection** is not usually the result of an analysis of the situation that takes livelihood protection thresholds into consideration. In practice, only food needs and the price of a bag of groceries are considered, even though the objective of the intervention is to protect livelihoods. **As part of the definition of a medium- and long-term strategy, it is recommended that the pertinence of this practice be reconsidered by looking at the added value of systematising the calculation of amounts based on real necessities, the programme's objectives and the livelihood thresholds.**
- In recent years, a great deal of information of different kinds has been collected from situation and market analyses. **It would be extremely helpful to collate this information, identify any gaps and gather the information required to establish useful baselines for livelihoods.**

However, this will be pertinent only if the baselines actually correspond to needs for livelihood projects and for emergency preparation (e.g. coffee, grain and labour markets).

- **The presence of recurring crises represents a major obstacle to longer-term programmes.** As part of the definition of medium- and long-term strategies for livelihoods in areas affected by recurring crises, organisations are experimenting with various approaches that could be considered in the region.

The incorporation of preparation (including emergency response) into a longer-term project³⁰ (e.g. the crisis modifier approach) and the inclusion of social protection components into a livelihood strategy could be interesting options.

- **Coordination on 'cross-cutting' issues such as resilience and cash transfers was identified as a necessity for the actors.** The region lacks strong coordination mechanisms on these issues, which damages the processes of capitalisation, exchange, lesson-learning, capacity-building, etc., all of which are key to improving the quality and impact of interventions.

³⁰ See Section III – A for more details

- Actions to strengthen and protect livelihoods are dedicated mainly to strengthening existing assets (e.g. soil protection), which excludes poorer households that do not own any assets. These activities are implemented even in emergency contexts, without always considering other types of measures for the most vulnerable households. While it is true that **many of the poorest households do not have the physical and/or human capital to develop their own economic activities, they must not be automatically excluded from livelihood programmes.**
- **Support social protection strategies through the promotion of related activities:**
 - to be able to **propose neutral standards** (methodology and criteria for selecting vulnerable households, methods of checking and updating lists, etc.)
 - to **demonstrate** the impact of social protection programmes on the efficiency of livelihood promotion programmes, and thus establish strategies for advocacy for the right to social protection
 - to **contribute** to the technical design of social protection programmes
- **Translate key documents on livelihoods, cash transfers, etc. into Spanish.** Many websites of interest, as well as documents and studies (including those about Spanish-speaking countries!) are in English, and therefore are not accessible to many workers in the region.
- The workshop participants and other actors expressed their **need to strengthen capacities for cash transfers and livelihoods.** Capacity-building could take place through learning events, since the participants highly valued the complementary nature of the theory sessions, the case studies and the experience exchanges. There are various different experiences of these issues in Latin America, and there is great potential for learning in the region's countries and sub-regions.

6. SOURCES OF INFORMATION OF INTEREST

- **For information on the context**

- [Central America in figures, nutritional food security data 2013](#)
- [MFews](#)

- **Reference documents**

- [Good Practice Review \(GPR\)-11- Cash transfer programming in emergencies, June 2011, Paul Harvey and Sara Bailey](#)
- [Resilient Livelihoods, 2013 edition, FAO](#)
- [Toward Resilience, M. Turnbull, C. L. Sterret, A. Hilleboe, 2013](#)
- [Minimum Economic Recovery Standards, 2010, the SEEP Network](#)
- [Rapid guide for missions / Analysing local institutions and livelihoods, FAO, Rome 2006](#)
- [Child Safeguarding in Cash Transfer Programming. A practical tool. Hannah Thompson, Save the Children, 2012](#)
- [Sustainable Livelihoods Guidance Sheets, DFID](#)
- [Labour Market analysis in humanitarian contexts. A practitioner's guide \(IRC, Save the Children, Mercy Corps\), 2015](#)
- [Labor and Market Assessment Guidance and Tip Sheet, Mercy Corps June 2015](#)

- **Reference websites**

- www.mediosdevida.org
- www.emma-toolkit.org
- www.cashlearning.org/english/home (online courses and reference documents)
- <https://ifrc.csod.com/client/ifrc/default.aspx> (platform for online courses)
- www.sraf-guidelines.org
- <http://practicalaction.org/consulting-pmsd-training>
- <http://rcmcash.org>
- www.livestock-emergency.net/es



The Cash Learning Partnership

This document, like the learning workshop that took place in Guatemala City on 16th and 17th November 2015, focuses primarily on the context in Central America. Due to the profile of the participants and the complex problems of the region (the Dry Corridor, high exposure to hurricanes, high levels of chronic malnutrition, the impact of climate change, etc.), it was decided that it would be best to restrict the document to Central America. However, much of the information and many of the recommendations presented herein may be useful for other contexts in Latin America and the Caribbean.

Several programmes have been implemented in the Latin America and the Caribbean (LAC) region involving cash transfers, generally on a conditional basis. Cash transfers are increasingly being used in humanitarian contexts, particularly in the area of food security and in the construction of community assets/public works. This method is becoming more and more accepted as an effective multisectoral tool for humanitarian response and to break the poverty cycle, as well as for livelihood programmes. To date, there is no regional platform for exchanging experiences and lessons learned about this issue. This event therefore aimed to initiate a process to fill this gap, starting with cash transfers for livelihood programmes.

This document seeks to provide information about cash transfer programmes for livelihoods to humanitarian, development and government agency staff who have:

- good knowledge of the issue of livelihoods, but with limited experience in cash transfers, or
- experience in cash transfers but with limited knowledge of the livelihoods sector.

These guidance notes were commissioned by the Cash Learning Partnership (CaLP) with the generous support of the European Commission's Humanitarian Aid and Civil Protection department (ECHO).



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