

LIVELIHOODS & ECONOMIC RECOVERY
IN CRISIS SITUATIONS
EXECUTIVE SUMMARY

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Youth agriculture training (Photo by UNDP Kenya)
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*Empowered lives.
Resilient nations.*

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November 26, 2012

The Guide on Livelihoods and Economic Recovery Programming in Crisis and Post-Crisis Situations provides a practical “how to” resource for development practitioners, particularly those in UNDP Country Offices. By sharing the knowledge and experience that UNDP and its partners have gained over the years, the Guide aims to facilitate effective and sustainable programming for livelihoods and economic recovery in crisis and post-crisis situations. It will be most useful at the onset of programming, especially in preparations for high-level discussions with national authorities, resource mobilization, project and programme development, and the provision of training and technical and policy advice.

Context and approach

Crises interrupt and sometimes reverse the development process. They generally result from either violent conflict or disaster. One billion people are estimated to live in countries where the state is breaking down or is overcome by conflict, and the number and human impact of disasters in the developing world continues to rise. The poor, women, and youth are particularly vulnerable. The destruction of livelihoods and local economies is an immediate impact of crisis. Programming for livelihoods and economic recovery aims to help build the human, natural, physical, financial, political, and social assets of crisis-affected people and countries.

The Guide calls for an early and sustained UNDP presence in crisis and post-crisis situations. UNDP’s areas of expertise—including democratic governance, poverty reduction, energy and the environment, human rights, gender, and the empowerment of women and youth—are critical in these situations. The organization’s resources for supporting livelihoods and economic recovery programming include its network of offices, technical personnel, programmes, and relationships around the world.

Adapted from UNDP’s Sustainable Livelihoods Approach (1996), the Guide’s overall approach to livelihoods and economic recovery in crisis and post-crisis situations is illustrated in Figure 1.1. The **outcomes** to be achieved are resilient livelihoods for crisis-affected people and inclusive economic growth. When achieved, these outcomes provide a foundation for development and contribute to peace-building and stability, poverty reduction, and MDG progress.

The **entry points** are the various strategies and interventions undertaken in order to achieve the outcomes. Good governance/national ownership and private sector recovery are the drivers of sustainable livelihoods and inclusive economic growth.

The **conflict/disaster risk filter** is the process of ensuring that the selected entry points will have a positive impact on crisis-affected people, create resilience, and address the root causes of crises.

Successful livelihoods and economic recovery programmes can create a virtuous cycle wherein outcomes stimulate drivers or become drivers themselves. For example, when inclusive economic growth is realized, it fuels further investment and gives people a vested interest in governance and growth-sustaining policies. The revival of growth also raises expectations, creates confidence, and stimulates market participation among people previously forced to adopt highly conservative coping strategies as the result of a crisis. Such a phenomenon, in turn, stimulates inclusive economic activity.

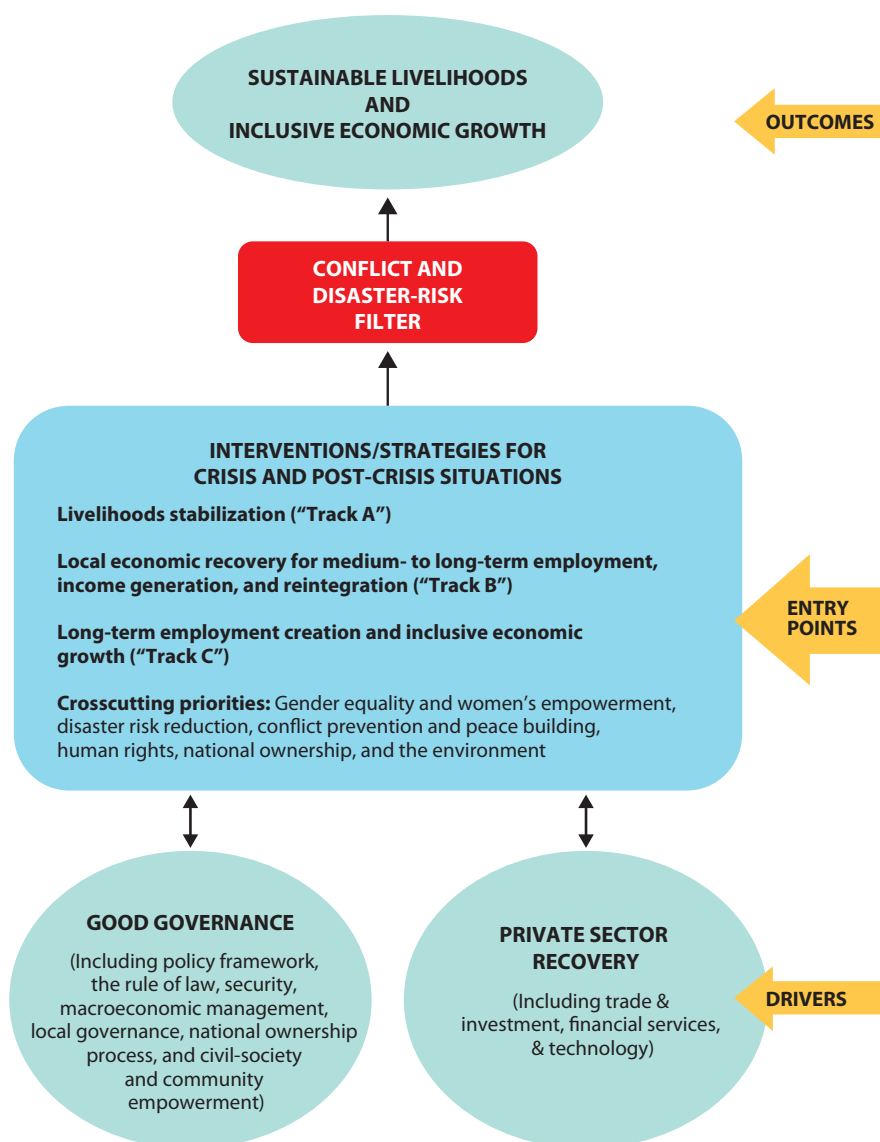
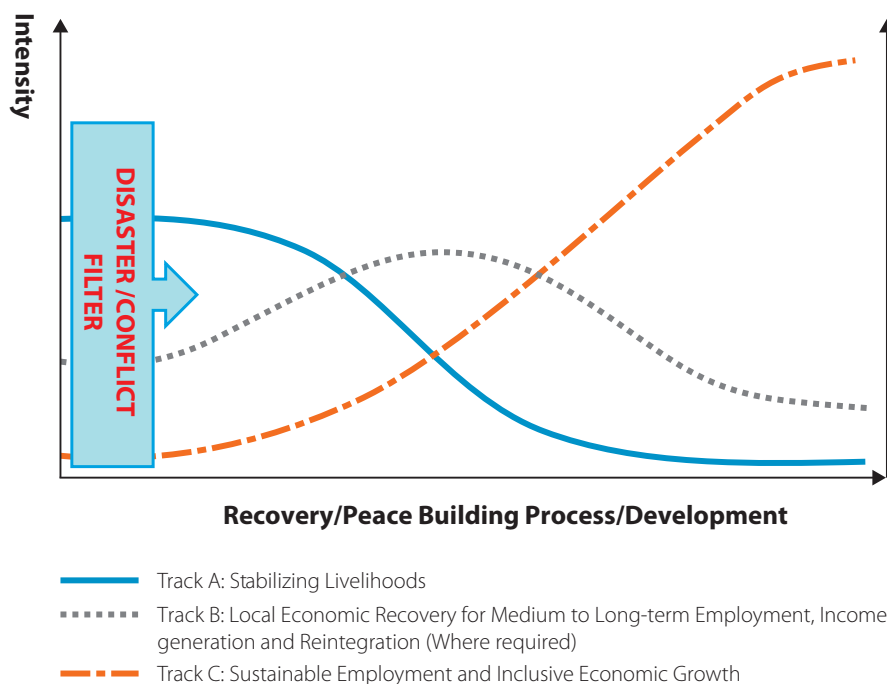


Figure 1.1 Sustainable Livelihoods and Economic Recovery: Overall Approach

The Guide’s **entry points** (see Fig 1.1. above) are adapted from the UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration (2009) – see diagram below. **Track A** programming responds to the urgent needs of crisis-affected groups with interventions to help stabilize livelihoods. **Track B** focuses on medium- to long-term local economic recovery, including interventions to boost sustainable employment, income generation, and reintegration. To sustain the progress achieved in Tracks A and B, **Track C** programming focuses on long-term employment creation and inclusive economic growth by helping to strengthen national systems and policies. Programmes in all three tracks are intended to start early and, ideally, at the same time, though they pick up pace and intensity at different stages. This eases the translation of emergency interventions into longer-term results.

Interventions under the three tracks are complementary, and some of the activities in Tracks A, B, and C, such as skills training, are crosscutting. The programming content varies in different countries and contexts.

Figure 1.2 *Timing and intensity of the three tracks*



The Guide's approach is preventive rather than reactive, encouraging practitioners to anticipate future threats and to promote resilience in crisis-affected communities. Programming priorities common to all tracks include national ownership, capacity development, gender equality, empowerment of women and youth, private sector involvement, participation, community empowerment, and partnerships. The basic principles for livelihoods and economic recovery programming are as follows: (1) be coherent and comprehensive; (2) do no harm; (3) be conflict-sensitive (acknowledging that interventions can have unintended consequences that actually worsen the situation); (4) be disaster- and climate-risk-sensitive (safeguarding recovery and development gains and ensuring that interventions do not contribute to disasters); (5) aim for sustainability; and (6) promote gender equality and women's empowerment.

Livelihoods and Economic Recovery Assessment

Programmes in crisis and post-crisis situations can achieve their goals—and avoid inadvertently causing harm—only when they are based on solid assessments. Assessments provide information on the social and economic context of a crisis or post-crisis situation. They cover issues at both the “micro” level (individuals, households, and communities) and the “macro” level (the economy, the policy framework, and governance).

At the micro level, the assessment identifies the assets (human, natural, physical, financial, political, and social) of crisis-affected people, their livelihood strategies, and the ways they cope with vulnerability. At the macro level, it shows how the local and national economy, system of governance, and physical environment influence crisis-affected people and are influenced by them. The assessment reveals power structures, including those related to gender, ethnicity, and other personal, family, or community characteristics. It also identifies and analyzes conflict and disaster risks.

Information collection for a livelihoods and economic recovery assessment typically involves a combination of methods. These may include rapid scoping exercises, key informant interviews, discussions with local organizations, focus group discussions with crisis-affected people, surveys and questionnaires, community mapping exercises, and workshops with resource persons.

A successful assessment process will strengthen local capacity for inclusive and participatory analysis, help vulnerable people to have a voice in decision-making, and create gender, conflict, and disaster-risk sensitivity.

TRACK A: Livelihoods Stabilization

Track A programming responds to the urgent needs of crisis-affected groups with interventions to help stabilize livelihoods. Three key approaches to Track A programming are emergency employment creation, targeted self-employment support, and infrastructure rehabilitation. The Guide provides the key steps and methods for developing and implementing a Track A project with specific attention to the principles of gender sensitivity, conflict and disaster sensitivity, and market sensitivity.

By providing an immediate source of income, **emergency employment** projects can promote stability and mobilize the social and economic rebuilding of communities. The short-term work created under these projects aims to boost the purchasing power and consumption of crisis-affected people, enabling them to meet their immediate needs and reduce their vulnerability to additional shocks. Cash-for-work, food-for-work (in partnership with WFP), and community contracting are modalities that UNDP often supports for emergency employment creation.

Targeted self-employment or enterprise recovery and development support usually includes livelihood start-up grants or packages. Start-up grants provide seed money or capital to reestablish or jumpstart income-generating or entrepreneurial endeavors. Start-up packages can include tools, small-scale equipment, inputs (such as seeds), and training and technical assistance. Participants typically receive training on business orientation, business management, and market development. Throughout the process, they are linked with longer-term opportunities, such as microfinance operations, training programmes, and business development services.

UNDP's support for **infrastructure rehabilitation** usually involves community infrastructure. Community-led initiatives to rehabilitate low-cost, small-scale structures and systems can restore communities' access to markets and essential services while creating short-term opportunities for employment and income generation. They provide an entry point for mobilizing communities, strengthening social relationships, building partnerships between citizens and local authorities, and reducing social tensions. Cash-for-work, community contracting, and public-private partnerships are the modalities most often used for infrastructure rehabilitation.

Users of the Guide should note that Track A interventions and strategies are linked to Track B and C described below, as they are not meant to be standalone interventions. This linkage ensures sustainability of short term interventions.

TRACK B: Local Economic Recovery

Track B programming focuses on medium- to long-term local economic recovery with interventions to boost sustainable employment, income generation, and, where required, reintegration. All interventions in this track require a careful balance between stimulating local economic growth and ensuring that growth is inclusive. The three main areas of Track B programming are vocational and skills training and placement, inclusive private sector development, and conditional cash transfers.

Vocational and skills training and placement services for crisis-affected people can prevent the deterioration and obsolescence human capital, expand opportunities for employment and income generation, increase competition, and raise enterprise productivity. When these services are market-based and implemented with gender, crisis, and disaster-risk sensitivity, they can contribute to peace, stability, and disaster resilience. Training may be classroom-based or hands-on. Apprenticeships provide on-the-job training and job shadowing, usually in a one-on-one capacity. Career guidance and mentoring services help to ensure that graduates are able to use their new skills and knowledge to enhance the stability and security of their livelihoods. Placement services link trainees and apprentices to potential employers and self-employment opportunities.

In crisis and post-crisis situations, the underpinnings for private sector activity—including a business-friendly policy environment, access to finance and markets, value chain linkages, and infrastructure—are usually damaged, destroyed, or in an early stage of development. Interventions in support of **inclusive private sector development** aim both to strengthen local market systems and to improve the position of crisis-affected people and communities within them. The micro, small, and medium enterprise sector is typically the most resilient part of the economy, with the potential to generate broad-based employment and income. UNDP's role in this area focuses on inclusive market development, inclusive financial sector development, and the establishment of business development services.

Conditional cash transfer programmes provide cash transfers to targeted poor households on the condition that household members take certain measures to advance their own development. The conditions may include, for example, sending children to school or accessing maternal and child health care services. These programmes require considerable time and resources, but they can be highly cost-effective. They support livelihoods and economic recovery by injecting cash into local economies, promoting human capital development, smoothing consumption when households experience shocks, and creating opportunities for decent work and income generation.

TRACK C: Long-Term Employment Creation and Inclusive Economic Growth

Track C programming focuses on long-term employment creation and inclusive economic growth. Two interrelated avenues for programming in this track are capacity development support and support for good governance.

In crisis and post-crisis situations, **capacity development support** addresses the toll that crises take on individual and institutional capacity. Crises result in the death, injury, or displacement of people with important skills, they corrode social relations, and they often destroy or incapacitate public, private, and civil society institutions. Examples of

areas where capacity development is often important in these situations include staff retention in the public sector, professionalizing the judiciary, effectiveness and accountability of the police and security forces, recovery planning capacities of communities and local governments, and the research and advocacy roles of local universities and think tanks. The integration of capacity development measures into a national strategy is essential for long-term results.

Crises place heavy burdens on governments to provide services, infrastructure, and a favorable policy and regulatory environment for recovery—while damaging their capacities to do so. As a result, security, justice, and the rule of law are often severely compromised. **Support for good governance** helps to address these challenges with a focus on processes, institutions, and/or policies. Participatory assessment, participatory forums, and mechanisms for national-local interaction are examples of key governance processes. The institutions that require strengthening may include state institutions (e.g., government bodies, justice sector institutions, Parliament, police and security forces, and local government bodies), civil society organizations, the media, and/or private enterprises. Support for policy reform may be appropriate in a variety of areas, such as financial services, business registration, land policy, decentralization, transfer and use of remittances, protection of labour and consumer rights, and development of physical infrastructure.

Inclusive economic growth often requires significant macroeconomic policy reforms. UNDP can play a critical role in convening partners for dialogue on macroeconomic policy. In collaboration with the international financial institutions, UNDP can also often provide valuable support on the development of fiscal, monetary, and trade policy. Support for fiscal policy development may be appropriate, for example, in the anchoring of programmes and projects in national frameworks and budgets or in strengthening systems of public financial management, domestic revenue mobilization, and data management. In regard to monetary policy development, UNDP can advocate for aid coordination and for the prioritization of programmes that facilitate private sector investment and productivity, thereby helping crisis-affected countries to avoid aid-related inflation. In situations of hyperinflation, UNDP could support the evaluation of possible responses, such as switching to an alternative currency or strengthening Central Bank independence.

Managing integration into the global economy in ways that strengthen the hands of peace builders and poor and crisis-affected communities is an important challenge for crisis and post-crisis countries. UNDP and its partners can support countries in meeting this challenge in a variety of ways. For example, they can support the development of policies and programmes to encourage the diversification of export sectors, the participation of smallholders in export production, and/or the capacity development of exporters and export service providers. They can also support national efforts to simplify trade-related rules and procedures, to negotiate international trade agreements, and/or to develop capacity to monitor real exchange rates and assess their impacts on trade and livelihoods.

Employment and Income Generation for Targeted Groups

Inclusiveness in livelihoods and economic recovery programming requires targeted attention to vulnerable groups and others who may face exceptional difficulties. At the same time, a careful balance is necessary in programming for targeted groups to ensure that interventions do not exacerbate social tensions by appearing to favor some groups over others.

Women, youth, ex-combatants, and internally displaced persons (IDPs) are among the groups that often experience exceptional barriers to employment and income generation in crisis and post-crisis situations. The Guide prioritizes both gender mainstreaming and specific initiatives to promote gender equality and women's economic empowerment in all programming stages. When youth are targeted, the Guide calls for integrated interventions to enhance skills, create employment opportunities, facilitate job placement and business start-ups, and improve working conditions. The creation of green jobs is an area where UNDP can often support the generation of sustainable, market-oriented employment for youth in crisis and post-crisis settings. UNDP's experience supporting disarmament, demobilization and reintegration programmes makes it particularly well placed to support the transition to post-conflict livelihoods for people who depended on military-related livelihoods during a conflict.

In crisis and post-crisis situations where people have been displaced, early attention to the establishment or re-establishment of the livelihoods of IDPs is important. An area-based approach to IDP reintegration and livelihoods is usually most effective, with local governments and communities at the heart of the process.

Programmatic Support

Coordination, strategic communication, resource mobilization, and monitoring and evaluation (M&E) are key areas where programmatic support is important for the effectiveness of livelihoods and economic recovery programming. In addition, in many crisis and post-crisis situations, UNDP Country Offices can take advantage of UNDP's new "**Fast Track**" initiative for the procurement of goods and services.

Support for **coordination** may encompass the establishment of coordination platforms, the process of building stakeholder agreement on all programming stages, and coordinating the monitoring and reporting processes. Examples of **strategic communication** include media outreach, donor relations, "communication for development" to ensure that crisis-affected people have the means to influence public debate, and knowledge management. **Resource mobilization** is most effective when pursued within the overall recovery effort and in collaboration with other partners. An effective resource mobilization strategy embraces genuine partnerships with donors, awareness of donor priorities, policies, and procedures, strong M&E and reporting, host government involvement, and effective communication.

The development of an **M&E system**, in close collaboration with national counterparts and other stakeholders, is critical in the programme formulation stage. Budgets and staffing plans need to reflect adequate human and financial resources for M&E. Like all other aspects of programming in crisis and post-crisis situations, M&E must contribute to national ownership and capacity development and must be conflict, disaster-risk, and gender sensitive.

Livelihoods & Economic Recovery in Crisis Situations

UNDP Bureau for Crisis Prevention and Recovery

Online Edition can be accessed at

<http://www.undp.org/content/undp/en/home/librarypage/crisis-prevention-and-recovery/guide-on-livelihoods-and-economic-recovery-programming-in-crisis.html>

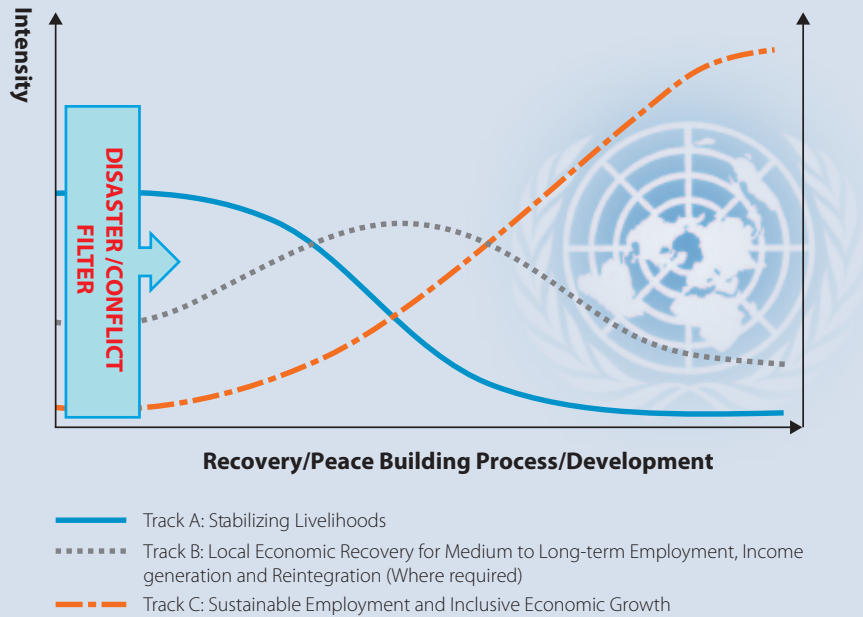
In addition, the discussion papers can be accessed via Teamworks "Livelihoods and Economic Recovery in Crisis and Post-Crisis Situations": <https://undp.unteamworks.org/node/17324>

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UNITED NATIONS DEVELOPMENT PROGRAMME

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