CHF International: Economic Strengthening for Vulnerable Households

In Ethiopia, CHF implemented the OFDA-funded Gurage Livelihoods and Agriculture Development (GLAD) program. The GLAD program strengthened the livelihoods of rural populations in Ethiopia to increase their resilience in times of severe economic or climatic disaster. By increasing diversification of resources and improving the management of those resources, communities are better prepared to respond to and recover from the negative effects of recurrent drought. GLAD activities included trainings on high-yield methods of beekeeping and diversifying the income generating activities of farmers otherwise dependent on low-yield crops. Upon program completion, CHF had distributed agro-forestry seedlings, beehives, and chickens to hundreds of farmers and women. Of equal importance, recipients were trained on best practices to maximize the economic potential of these agricultural assets. To further enhance livelihoods and agricultural yields, GLAD organized income-generating activities for two hundred women, and constructed 82 shallow wells for water supply and vegetable gardening. [OFDA / $X million / DATES?]

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In Mongolia, CHF's Growing Enterprises Rapidly (GER) Initiative expands economic opportunities for poor, peri-urban rural to urban migrant populations in Mongolia's four largest cities through microenterprise and value chain support, association development, credit facilitation, market linkages and employment matching. CHF is integrating peri-urban businesses into the urban economy through the mining, farming, animal production and food processing sectors. Following a sub-sector selection and value chain analysis, CHF is facilitating value chain interventions in the pork sector. This program has also created a local business service provider, Development Solutions, which is now providing fee-based business support and brokerage services to MSMEs. Under the Mongolian Agribusiness Support Program (MASP), value chain interventions are occurring in the pork meat and dairy sectors. To date the two programs have facilitated over 3,000 loans worth $2.8M; facilitated business linkages valued at over $150,000; created nearly two hundred new micro and small enterprises, expanded or improved nine hundred existing micro and small enterprises; matched over 3,000 unemployed peri-urban residents to long term jobs; and generated nearly 1,000 long term jobs. [USAID & USDA / $10 million / 2002-2011]
Whether the target is PLHIV, OVCs, care givers or other vulnerable groups, CHF’s economic strengthening programs emphasize a market-based approach, connecting people and enterprises to market and workforce opportunities, which help establish safety nets, strengthen economic security and, gradually, build sustainable livelihoods. While traditional economic support approaches tend to focus on the immediate need of vulnerable groups, the CHF methodology also considers their long-term economic viability in order to achieve sustainable impact. Program design is based on a participatory process involving beneficiaries and includes a thorough market analysis, which identifies sectors with opportunity for growth and employment. Coupled with an examination of household needs, resources and skills, program activities guide beneficiaries toward attainable economic opportunities. In addition, the assessment process maps existing lead firms, financial institutions, service providers and other economic resources to which the program facilitates access as a means to integrate beneficiaries into the mainstream economy. The private, public and NGO institutions themselves are often targeted for assistance to enable them to effectively partner with and deliver services to target beneficiaries, enhancing the integration of all value chain actors. To further bridge this gap, CHF promotes cooperative business activity—on a formal or informal basis—to accommodate access to markets and services, in addition to overcoming common resource constraints, reaching economies of scale, and catalyzing learning and innovation.

Accounting for the varying profiles among vulnerable groups, solutions are tailored to individual needs and capacities. CHF employs a range of interventions from financial literacy training and savings and lending schemes for highly vulnerable households, to value chain and enterprise development for more established entrepreneurs and cooperative businesses. For the unemployed (especially young people), CHF builds both specific vocational and life skills for unskilled and semi-skilled labor to enhance their employability and ease their entry into the workforce. All CHF economic strengthening programs help establish safety nets, strengthen economic security and build sustainable livelihoods.

One way in which CHF is implementing the economic strengthening pathway is by facilitating the successful formation of asset building groups in Ethiopia and Sudan. CHF programs work to establish both household Asset Building Groups (ABGs), in which group members work together on a common business venture to benefit from collective productive capacity, bargaining power, and an improved ability to save in order to develop productive assets at the household level and Community Asset Building Groups (CABGs) which are formed to benefit from and support the construction and management of community assets such as water points. CHF facilitates the formation of groups but ensures that they are independent and self-managing. The majority of household ABGs decide that they will save, and many of these also choose to provide loans to members from these savings. This both allows the group to build up reserves in case of shocks, and allows group members to undertake investments and build their household food security.

Examples of CHF International’s needs-based support to orphans, youth, and vulnerable populations in countries around the world include:

In Rwanda CHF worked directly with OVCs through the Community HIV/AIDS Mobilization Program (CHAMP), a USAID/PEPFAR-funded program that builds the capacity of Rwandan organizations and government to provide a continuum of community-based care, treatment, and support services. The program has assisted over 40,000 OVCs to obtain socioeconomic support, vocational training, health insurance, health prevention, and psychosocial support. The program also sets up Village Savings and Loan groups (VSLs) for households that are independent and self-managing. The majority of household ABGs decide that they will save, and many of these also choose to provide loans to members from these savings. This both allows the group to build up reserves in case of shocks, and allows group members to undertake investments and build their household food security.

1. Households recover assets and stabilize consumption;
2. Build self-insurance mechanisms and protect key assets;
3. Smooth household consumption and manage household cash flow;
4. Smooth household income and promote asset growth; and
5. Expand household income and consumption to help vulnerable households build assets to finance income-generating activities (IGAs) as well as to provide a safety net to cope with health or economic shocks. CHF is further improving economic opportunities for cooperatives of PLHAs by increasing productivity in the dairy, agriculture, and crafts industries through linkages with business service providers, microfinance institutions, and lead firms. An important feature of this program is the emphasis on linking producer groups and cooperatives to markets and building their capacity to work together effectively to increase their positioning and bargaining power, increase output, and increase participation of small producers, particularly women in decision-making processes. This initiative is building the capacity of 8 local service providers to facilitate PLHIV cooperatives in accessing markets, financial services, technical assistance, and other business support services. Specifically, within the chili sector, this program is connecting producer groups with a microfinance institution to arrange a pilot loan to finance some of their operational expenses, and has facilitated agricultural technical assistance to be delivered both by government extension agents and by a distributor who has identified markets in Europe, [USAID-PEPFAR / $X million / DURATION]

Following on to CHAMP’s success, the USAID-funded NiGa Ubehe program in Rwanda is reducing the vulnerability and building the resilience of families and communities against health and economic shocks. Our underlying strategy is to

CHF programming facilitates the gradual progression of households through these phases by assisting households with risk reduction strategies which reduce household’s exposure to risk and smooth income flow and through loss management strategies which seek to improve the household’s ability to cope with loss after a shock has occurred and to smooth household consumption. Specific interventions are selected only if they move target households towards reduced vulnerability and growth of assets.