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VALUE CHAINS FOR VULNERABLE POPULATIONS

AN ONLINE SPEAKER'S CORNER FACILITATED BY BEN FOWLER, LUIS OSORIO, BEATRICE KINYANJUI & CHRISTIAN PENNOTTI. THE FORUM WAS HOSTED ON WWW.MICROLINKS.ORG.



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DAY ONE: INVOLVING VULNERABLE POPULATIONS

DAY 1: INTRODUCTION

POST BY: BEN FOWLER

Hi everyone, and welcome to the Speaker's Corner!

Judging by the large number of participants who have signed up to participate in this Speaker's Corner, there is a lot of interest in the selected topic: value chains and vulnerable populations. My co-facilitators Luis Osorio (Practical Action), Christian Pennotti (Academy for Education Development), and Beatrice Kinyanjui (Emerging Markets Group) are excited to be hosting this event and engaging with you over the next three days. We anticipate advancing our collective knowledge by sharing and reflecting upon our respective experiences as practitioners, donors, academics, and others.

First, to provide a bit of context for the first day's discussion. A clear distinction has traditionally existed between the type of programming considered appropriate for microentrepreneurs and micro and small enterprises (MSE) and that for vulnerable populations impacted by natural disasters, conflict, or HIV/AIDS. Whereas the former has focused on incentives, markets and value chain approaches, the latter has more typically consisted of relief efforts and liberal use of direct subsidies. In recent years, however, the line that has traditionally divided these two areas has become increasingly blurred. Projects have begun testing, adapting and applying value chain development principles to working with vulnerable populations. These innovative approaches have been implemented by both organizations regarded as relief organizations and those with a focus on economic development (and occasionally by both in partnership!).

Alongside these field experiences have emerged several new reference guides, case studies and toolkits that document experiences to date. This increasing body of knowledge is now allowing lessons to be drawn about what works, and what does not. What requires adaptation and what does not. It is this knowledge and experience that we'd like to leverage in this Speaker's Corner over the next three days, by focusing on three areas in which debate remains on what is good practice.

In this first day, the focus is on the success or failure of value chain projects in involving vulnerable populations. Value chain projects are at times criticized for favoring the less-poor members of a community that can afford to make the investments and take the risks that are required to launch or upgrade a business. Vulnerable populations are, by definition, particularly vulnerable and often face enormous struggles to effectively participating within value chains.

Question 1:

What are the primary barriers that vulnerable populations face to participating in and benefiting from value chain projects? How can these barriers be mitigated?

Question 2:

How, if at all, does the use of subsidies change when engaging vulnerable populations in value chain projects? Are demand-driven approaches sufficient to ensure the participation of vulnerable populations? If not, what adaptations have you made and how have they worked?

I look forward to the discussion!

INVOLVING VULNERABLE POPULATIONS: BARRIERS TO PARTICIPATION

Post by: Abdur Rahim

Value chain analysis plots the flow of goods and services up and down the chain, and between different chain which provide the heuristic framework for generation of data for marketable products and services.

As we know 'Market Makes a Happy' the differential productivity of factors and entrepreneurship including patronization are the primary barriers for vulnerable populations benefiting from the value chain project.

The barriers can be mitigated under the following ways:

- Increasing Technological capabilities for integration of global economy for substantial economic and income growth for vulnerable populations
- Increased organizational capabilities, skills to coordinate the potentially increased rate and scope of industrial growth and up gradation of their manufacturing activities.
- Increased Marketing capabilities like 4Ps i.e. product, price, promotion, place of distribution including Brand names.
- Enabling environment industrial Governance: Countries like China have developed their industrial activities, so barriers to entry into production have fallen and competitive pressures have heightened with its abundant supply of educated labor, entered the world market also.

Post by: Beatrice Kinyanjui

In response to the first question, there are numerous reasons why it is difficult for vulnerable people to benefit from Value Chain programming. One of the main issues (and possibly the more obvious one) is that they may be faced with specific challenges associated with the causes of their vulnerability. Also, these barriers seem to differ depending on the stages of vulnerability. For example, if vulnerability is caused by HIV/AIDS, the stage of the disease, perception of their condition, etc. are important factors. A person who has tested positive for HIV and learned (possibly through HIV/AIDS interventions) that they can live a productive life may be more willing to take on more risk, an important ingredient to taking advantage of a specific market opportunity. His or her success in that venture (and willingness to share his HIV status) can serve as a strong demonstrator to others in the same situation. The case may be entirely different for another person who has tested positive for HIV/AIDS and is facing lots of stigma from family members or for another household that has started to sell off productive assets to pay for unexpected medical expenses. A good understanding of the causes of vulnerability can be a good foundation on strategies to effectively assist these groups to participate in value chain programs. Also, if meeting basic needs is the primary concern, these may need to be addressed first. This may imply that certain foundational steps or activities to address immediate needs/concerns may be necessary before integration in a Value Chain project is possible.

Post by: Ben Fowler

Hi Beatrice,

I was quite interested by your statement that

"This may imply that certain foundational steps or activities to address immediate needs/concerns may be necessary before integration in a Value Chain project is possible."

What types of steps were you thinking of? Would these be activities implemented by the project itself

Post by: Beatrice Kinyanjui

To Ben's Question: Some of the foundational activities we have been using are mentioned in Sunimal's post. However, specific activities differ from one program to another depending on issues related to vulnerability either HIV/AIDS, post conflict, drought, etc. Generally speaking though, we have found that confidence building, using demonstrations (especially of successful people who have been faced with similar challenges), using a phased approach that builds from simpler activities to more complex ones have been helpful. For example, while working with women affected by HIV/AIDS in Uganda, we started with a simple savings activity since a lack of savings was directly associated with their increased vulnerability. By saving very small amounts on a weekly basis, we noticed an increased sense of confidence to undertake more complex activities. For the same group of women, the program facilitated a visit to a widowed woman responsible for taking care of several children. She had been very successful at undertaking

the enterprise that program's target group were exploring. In fact, after visiting her work site, the first group decided to start preparations to undertake the enterprise. They had lots of concerns before this visit. This group then became a champion for the newer groups.

Post by: Zaki Raheem

Dear participants,

Thank you for the lively discussion so far today. I continue to learn and be challenged by the various perspectives.

To begin with, reflecting on Beatrice's comment, it is clear that a phased approach that builds from simpler activities to more complex ones can be a key strategy particularly because a (successful) demonstration effect can be powerful for a vulnerable population taking the risk of exploring an enterprise activity (in a new sector) or a different function in the value chain they had already been working in.

Overcoming stigmas, building trust and ensuring that market opportunities are balanced with target populations' skills and interests seem to highlight some of the barriers that vulnerable populations face to participating in VC projects. When looking at a number of projects focusing on youth livelihoods, particularly in post-conflict settings, this certainly becomes evident. If there are stigmas by the business community that vulnerable populations - such as youth - are lazy, incompetent, unmotivated, dishonest, or violent then clearly these populations will find it difficult to engage in and build business relations. If some portion of the youth population were involved in some way in the violence that a country or region has been affected by, then clearly such stigmas can be prevalent throughout the business community, as well. Therefore, such realities must be addressed, since they could often be one of the most challenging components of incorporating such populations into VC projects.

Trust can be built through interactive activities such as apprenticeships and market interactions (trade fairs, etc.) , however some of the stereotypes that these businesspeople hold might exist for a reason. Recent research working on youth livelihoods projects in Northern Uganda and East Timor found that many business owners were convinced that much of the technical aspects of the industry could be taught on the job or through various workshops, but that the soft skills - such as time management, leadership, honesty, professionalism, communication, and punctuality (all needed for employment or self-employment within industries), need to also be addressed, as well. Therefore, the workforce development projects that are incorporating some of these non-technical components seem to be trying to address an issue that might have been overlooked by other VC projects in the past.

In addition, it is clear that the business case must be made as to why a vulnerable population can be competitive, capable, efficient market actors that can and should be integrated into growing value chains. However, the struggle and possibly the business case for subsidies and other such interventions can be made, when the targeted population (at least at the beginning) are simply not as capable or competitive as other more established business partners. In economic theory, we see governments supporting infant industries as a key ! for future competitiveness, and possibly a similar framework can be used to structure targeted subsidies for vulnerable populations entering or upgrading in particular value chains.

Finally, looking at the skills of a targeted population needs to be complemented with the participants' actual interests. This can also be seen in the successes versus failures of youth livelihood programs in various contexts. Sound market assessments should be done to highlight sectors that youth (or other vulnerable populations) can enter into; access to financial and other business services are often needed; and the possibility of accessing technical skills (possibly through apprenticeships or workshops - both of which can sometimes be justifiably subsidized), are all key components of such projects. However, ensuring that the targeted individual, group and community is actually interested in engaging in such activities through some self-motivation, and that these activities complement their experiences/skills/assets should not be forgotten, either.

I look forward to continuing this discussion.

Post by: Sunimal Alles

Question 1:

What are the primary barriers that vulnerable populations face to participating in and benefiting from value chain projects?

How can these barriers be mitigated?

The primary barriers are:

a) Their mindset and circumstances: They have been made to believe that they are worthless as they lack education, do not have a permanent address, do not have a permanent activity, do not have a vocation or have not been trained in one, are refugees/displaced and lost all assets become unable to access loans for restarting activities, trauma as they saw killings/death of their loved ones, orphans, live in remote rural areas where the able bodied family members have migrated, no banks/MFIs in the area, cultural sensitivity where women/widows cannot work/be self-employed, village level leaders preventing progress of certain tribes, refusing to collaborate with other ethnic/tribal groups due to past hurts/atrocities, have been brought up in areas where there! was animosity against neighbors, are HIV +ve and believe they will die soon, and many others.

b) We developed and tested processes to mitigate the barriers for most of the above, starting by challenging them to change their mindset:

The first question we ask them is “Do you believe you were born to live in misery, poverty and as a destitute HIV+ve person”. Generally they say “NO”. Then we ask them, why do they vegetate in their misery. They say, “We do not know what to do”. We ask them if they have any “Thoughts” that run through their minds/brains (As everyone’s brain is similar) of a way out. They say, “Yes we can think and have thoughts of the ways we can move forward” but “We do not know how to put out thoughts into action”, “we are waiting for someone to lead us”. We ask them (in post conflict communities/refugee camps) “Were your past leaders able to prevent conflict and displacement and lead you to become RICH”, they say “NO”. Then we ask them, “then why are you waiting for past leaders to guide you when they could not guide you to date”. They say, “We do not know what to do”, “we depended on them in the past”.

Then we ask them “what is your happiness level?”. It is generally below 50%. So we ask them, “what are the challenges/barriers preventing you from being 95% happy”. Then they say “lack of security, news of war, protection, cannot trust anyone, do not know and activity to practice/lack of jobs, lack of money, lack of seeds, roads, schools, health centres, vicinity of markets to buy and sell products”. Then we ask them, “Are there any honest persons in the community that are concerned and knowledgeable about the above and can you nominate them to join together to establish ‘Committees for Better Living (CBL),” they say “Yes”, and we request that they are nominated.

Once the CBL is established, we guide them on the manner they can advocate for services from government/authorities for most of the basic services, when fulfilled enables them to stabilize and focus on economic development. (Creating enabling environments) For developing economic activities we ask them if they have any goals/aspirations in their lives (Other than vegetating in misery) and activities they like (emerging from within them) to practice or a crop they like to/know how to grow, or support in marketing. Most say, “Yes” in rural areas. But in urban areas most say “NO”. At this point we inform them that nobody was born without instincts and has some Talent/Strength (Thoughts, Drive/Will/Entrepreneurial traits, Skills) that can be identified, refined and marketed as a service, product or produce in one or more Value Chain (VC). We carry out a Talents/Strengths identification process, guide/sensitize them to establish goals, orient them to one or more professions/VC and request them to establish S&I (Savings and Investment) groups or VCAs (Value chain associations). If they need coaching to refine their Talents/Strengths and make them marketable, we contact master entrepreneurs/trainers and link them for training. In Rural areas the master trainer would travel to areas where we had grouped people by VCA to carry out the skills and management/business training.

We then elaborate on the Value Chain (VC) concept, and sensitize them on the advantages of being within a VC. We tell them to strengthen their VCAs where different members by village of origin start saving and investing in their VC. Then we ask them if they would like to become “RICH”. All of them say, “YES”. So we facilitate sessions on the manner they can create a Production and Service Center/organization that establishes a shop and marketing channels and a financial apex organization to access loans/investments from banks/donors and on lend to the VCAs. (The vulnerable are hesitant to open bank accounts in towns distanced from their villages and also have been made to believe that “Big banks in big buildings, eat their money” (high Interest).

The above process started in Niger in 1991 through a USAID funded project and the interview sheets can be read at:

<http://www.changemakers.net/files/Form%20for%20creating%20employment%20-%20French.JPG>

http://www.changemakers.net/files/Goals%20and%20Talents%20identification%20format%20CCMV_0.jpg

In order to provide services to the most vulnerable (who were excluded by existing institutions) affected by the volcanic eruption in Goma EDR Congo, we established CCMV/ACBL (Centres de conseils pour Mieux Vivre-Advisory Centres for Better Living) to analyze challenges/barriers and provide services. The services we offered can be read at:

[http://www.changemakers.net/files/Advisory%20Centers%20for%20Better%20Living%20\(CCMV\).jpg](http://www.changemakers.net/files/Advisory%20Centers%20for%20Better%20Living%20(CCMV).jpg)

When some of the most vulnerable were still hesitating to engage themselves to carry out economic activities, we established a "Pre engagement for attaining Goals/Impact" format and walked them through the process, until they started believing that they could break the cycle of chronic poverty. The format can be read at:

http://www.changemakers.net/files/CCMV%20Assessment%20and%20Pre-Engagement%20for%20impact-Goals%20pg%201_0.jpg

Post by: Luis Ernesto Osorio-Cortes

Hi all: I am enjoying this discussion very much. Thanks to those of you who have participated so far and congratulations to Ben for an excellent facilitation.

Given that today we are focusing on barriers for vulnerable people to engage in market development processes, I think it is important to explore further the psychological aspects; which for me are probably some of the most critical and perhaps some of the most ignored. Self-esteem, the feelings of extreme loss, trauma, fear, etc. are aspects that have or should have a significant impact on VCD strategies and activities. (Sunimal's brilliant message touches on this).

At the end of the day, practitioners working on pro-poor VCD will argue that they are also working with vulnerable populations. So, the question is what is the difference between the "poor" and the vulnerable. Is it income, assets, the fact that they live in marginal ecosystems? What is it?

The implications I can see in terms of concrete practice are in terms of: time (we need to be more patient); attitude (more sensitive to the unseen pain); strategy (which links to time and timing and sequencing but also to subsidies, etc); subsector selection (what criteria do we introduce to select and how do we involve people in the process); M&E (how do we ask about progress or no progress?); ambition (what do we expect in terms of scale-up and increase in incomes, etc?); etc. etc.

I would like to know more about the concrete implications that working with VPs have in VCD... lessons, anecdotes, tips, etc.

Post by: Sunimal Alles

Hi Luis,

Let me try to clarify some of the points you mention:

1) what is the difference between the "poor" and the vulnerable

After having worked with the so called "poor" for many years and having sensitized, visualized and rationalized with them, they realized that they are not really poor but only "economically poor". What we used as a process was to first request them to set aside the vegetating/fostering (on their poverty) that they were engaged in for a short period and focus to realize that they had Talents/Strengths, and if identified and refined could transcend them to become "Not Poor" (Thoughts, Will/drive/Entrepreneurial traits and Skills). After such sessions, they become dynamic and motivated to explore their opportunities to develop their newly found knowledge. In Sri Lanka at a job fair in a school, we carried out sessions with around 250 young adults who were "poor" as they were unemployed and did not know their talents/strengths and what they could do to be employed. However, after the sessions they realized that they were "Rich".

The worst cases of vulnerability I have seen are those who live in Eastern DR Congo, who had been raped or were forced to leave their homes and sleep on trees to avoid being raped, those who could not attend school as they had no clothes, had been subjected to trauma (cases of husbands who had to watch while their wives were raped or killed), had developed multiple personalities to

continue to live (preventing them from having normal human relationships and working and living normally), those who could not have personal or business assets or money on them as they will be robbed, etc. Others become vulnerable when the breadwinners or able-bodied are abducted to serve on fighting forces, killed or migrate. We have seen such cases in northern Uganda where elderly women find it difficult to construct houses or cultivate. Other cases of vulnerability are the HIV+ve women whose children are taken away, become depressed and abandon their economic activities. Orphans who are not accepted by host families, as they too are vulnerable or the children have become bandits. The most refined way out I have seen is to sensitize them to establish village level Committees for Better Living to analyze all cases of vulnerability and advocate to have better security, services and protection >>> Establish VCAs for savings and investment >>> establish production and service units/centers (where the community pools resources for economic development and the vulnerable are assisted by socially minded persons to recommence living their lives). A production and service center also has the capacity to draw people together to analyze their talents/strengths and join VCAs as they see the opportunity to make money and become "not poor". In areas where there are no schools and health clinics, they can be established at the centers.

2) Strategy: we find that all poor and vulnerable need to be challenged to engage themselves to move forward. If not, they will continue to do what they are doing (generally vegetating on their misery), i.e. a HIV+ve persons we worked with were challenged to decide what they wanted to do: Die or live until they were ready to die: (we set a timeline for them to organize S&I (Savings and investment) groups and provided loans matched to savings (not handouts/grants) to those that organized themselves, saved, invested their own money and were able to demonstrate a change (two meals a day, children in schools etc). In Mbandaka (Western DR Congo) we challenged "Not poor" parents in associations to identify orphans and vulnerable families in the neighborhood and give them work (sweeping yards, cooking etc,) so that they will have money to organize S&I groups, join other "Richer" parents and enter the mainstream. If they were unable to do so, we informed them that we would not select their school to provide grants matched to savings to enhance economic activities and enroll additional children.

3) Sub-sector selection: In 1991 while working in Niger we had many manufacturing and service sub-sectors where people could analyze their talents and form themselves into groups, be coached and obtain loans. Recently we carried out a survey in northern Uganda and in refugee camps in Rwanda and the number of sub-sectors were very limited. (Due to globalization many manufactured products are flooding the markets and it has become cheaper to buy new watches, household goods/appliances etc rather than repair them) So, the current profitable value chains are: Sewing, mechanics, metalworking, food transformation, agriculture, plumbing, construction and trading. However, youth do not like to stay in villages and do farming unless they are operators of modern machines and they have uniforms that make them look "Dignified". (This could be one cause of the current food crisis) – here we again need production and service centres established by VCAs that have farm machinery renting units.

4) Ambition/Aspirations: Everyone I have met has ambition and aspirations. However in a competitive world they need to be engaged in an occupation/activity where they "feel good" and are able to be creative (manufacture good products and provide refined services) and become promoted or their sales increase. If not, they fall behind and become bored and depressed (and eventually give up and do buying and selling). The only way that a person can be creative and become dynamic is if she/he is engaged in a profession aligned to her/his natural talents/strengths. I carried out research in 1986 and found that 95% of children/young adults were NOT doing what they really liked to do and developed a program in 1988: It can be read at:

http://www.changemakers.net/files/Article%201988%20-%20Meaningful%20work%20for%20the%20young_0.jpg

I also sent an i-report to CNN where I proposed that the education system should be refined as we do not have creative people to resolve challenges RAPIDLY in the world anymore due to coercion:

<http://www.ireport.com/docs/DOC-249061>

Today as globalization is promoted there are only a few sub-sectors/VCS that are profitable (The main one is trading). All donors should focus on them and provide grants to organizations to establish or expand existing MFIs (Micro Finance institutions), in all areas where the vulnerable live and link them (or their caretakers) to obtain loans after carrying out sessions to change their mindsets and providing them business skills.

Post by: Radha Rajkotia

I really appreciate Beatrice's focus on understanding the nature and scope of vulnerability in order to understand how an individual or population's ability or intent may be influenced as they engage in value chain programming. I would like to expand on this by highlighting the contextual factors that also make an individual or possibly more commonly, an entire population particularly vulnerable. I am thinking here of conflict-affected populations or urban refugee populations for whom vulnerability arises as much from their own experience or status as it does from the environments in which they are living. Issues such as limited mobility and insecure legal status in relation to both work and residence are a couple of the many barriers that these populations face.

In addition to understanding an individual's vulnerability and the possible implications that it may have on their engagement in value chain programming, I would also say it is important (if not impossible to avoid doing) to look at the implications of vulnerability that are context-specific. The danger that arises here then may be a potential dilution of the VC approach in its purest sense as attention is shifted from the market linkages to something that is more holistic in its view. There has been some recent debate about the interaction of value chain and sustainable livelihoods approaches and while I do not want to shift the focus of this discussion to that debate, it seems that mitigation of barriers that vulnerable populations face requires a broader based approach than traditional VC approaches promote.

Post by: Linda Jones

Excellent points, Radha. I believe this ties into what I was saying about keeping in mind we have two sets of challenges - the vulnerability challenges and the VC constraints. There is an interplay between them, but they are in some sense two separate issues. The context that you discuss is so important to all of this.

You are bringing it back around to holistic programming which we explored recently in a SEEP HIV and AIDS economic strengthening PLP.

So, holistic but delineated, with programming based on analysis of both.

Post by: Jason Wolfe

Thanks, Radha (and Bea) -- I wholeheartedly agree. The most successful value chain efforts have a well developed understanding of how their target businesses behave in a market environment and make economic decisions. We seem to fail when we try to directly apply these models of behavior and decision making to more vulnerable populations, who clearly operate under different circumstances, have often very different expectations for returns on their involvement, and make decisions according to different criteria.

Some folks talk about "market readiness" -- investing in things like confidence building, peer support, and market exposure for vulnerable households -- before launching into incremental efforts towards greater market engagement and value chain development. Does this sound consistent with some of the points you've raised? Do you (or others) see any potential pitfalls or problems with this kind of an approach?

Post by: Radha Rajkotia

Hi again

I wanted to jump back into the discussion about vulnerability and market readiness and respond to some of the great points that have been raised through the day's discussion.

Jason asked earlier whether activities like confidence-building, peer support and market exposure would serve well as precursors to value chain development for vulnerable populations. I would have to respond yes and no to this - obviously :-). In our experience of youth livelihood development in conflict and post-conflict settings, building 'market-readiness' or in some situations, 'work-readiness' serves as a way to address particular facets of vulnerability - namely those associated with the individual youth's confidence, communications and sometimes, their social and business networks. However, it is also evident that it is not a young person alone who is responsible for their level of vulnerability, but rather they are influenced by external factors whether in terms of relationships, access to assets or the opportunities to participate (as well as other factors that have been highlighted today). Often, 'market-readiness' or 'work-readiness' initiatives target the vulnerable individual or population themselves, but do not necessarily address the contextual issues that contribute to the young person's vulnerability. I am thinking of an example from our Cote d'Ivoire program,

where it was necessary to link youth farming associations in the northwest Forces Nouvelles-held region with existing community structures in order to build trust among the community and facilitate community support to the youth agriculture activities. Without these linkages, youth remained marginalized from the communities in which they were living and vulnerable to (re-)engagement in rebel activities. The opportunity for youth to participate in community level discussions and decision-making about land use, labor and access to markets meant that their vulnerability to marginalization was reduced and the local community as a whole is less vulnerable to unrest.

I think this example supports Jason's suggestion that a focus on market-readiness can assist in preparing vulnerable populations for value chain development, but I would suggest that it also stresses the importance for those initiatives to be holistic and targeted at the contextual causes of vulnerability, rather than at vulnerable individuals.

In addition, I think there is great scope for the private sector to play a role in addressing causes of vulnerability that are tied to distrust in communities - this arises frequently in conflict-affected areas and relationships between youth and the community. A UNDP-funded project that we are currently implementing in Sierra Leone is focusing on engaging out of school youth in micro-franchise initiatives with local businesses. We have identified local businesses which have a strong brand, reputation and the potential for growth and linked youth with them as micro-franchisees. The youth are able to use the company's brand as they set up their own enterprises and are obliged to comply with the company's operational, marketing and sales procedures. The benefit of this has been that youth are able to engage in business activities that hold a lower risk than establishing their own micro-enterprises, but perhaps more significantly, youth are able to operate with greater credibility under the banner of known and trusted company brands. The obvious benefits to the company are that they are able to expand their businesses and we are able to focus our efforts in supporting them to do so.

While this is different to the value chain discussion at hand, I think there is potential for similar lessons to be taken from and applied to value chain programming.

Anyway, I have just realized that Ben's summary email has arrived in my inbox so I may be a little late with this submission, but I look forward to more tomorrow.

Post by: Jason Wolfe

Thanks, Radha, I knew I could count on you for a beautifully nuanced and thought-provoking response!

I see two potential pitfalls with a market-readiness approach:

1. We over-focus on the gaps in needs, skills, confidence, hope for the future, etc. that we see in the vulnerable folks we're trying to work for -- to the detriment of addressing the other constraints in the market system. I think this is one of the points you were raising.
2. We attempt to raise the market-readiness of ALL the folks we're working with to some acceptable level BEFORE proceeding to whatever the next step might be. We forget that some people build confidence, acquire new skills, or recover from crisis faster than others. When we treat everyone the same way or expect them to follow the same trajectory during a pre-set timeframe, we risk moving faster than some people who need more time or end up stifling those that want to move faster. The "fast-movers" could in fact become the source of the demonstration effect that others have mentioned during this discussion and that is an important leverage point in accelerating market development.

Post by: Ruth Campbell

I just wanted to raise why so many of us want to apply a value chain approach to the vulnerable. For me, I think the strengths of the approach are its attention to 1) relationships, 2) incentives and 3) behavior. Enterprise development approaches in the past have often not focused on these social aspects, but have emphasized physical assets and skill sets. I think these three factors are very important to many vulnerable populations.

First, their relationships are often more limited, geographically and in terms of the diversity of individuals and institutions they interact with. This reduces options. A value chain approach can be used to strengthen linkages with public and private sector actors

that have the potential (given additional support) to influence the way vulnerable groups see themselves (e.g., as clients/buyers of inputs and services, rather than always as recipients/beneficiaries).

Second, the value chain approach can be used to identify the economic and social incentives that result from these relationships. As someone else mentioned in an earlier thread, the vulnerable often do not act as the “rationale economic actors” that we expect. Risk-aversion, low self-esteem, dependency culture, etc., impact how anyone, especially the vulnerable, act. A focus on incentives opens up the possibility of intervening in ways to strengthen reasons for positive behavior and mitigate negative drivers.

Which leads to the third factor: behavior. By intervening in ways that shift incentives, vulnerable individuals and groups can be encouraged to act in new ways that contribute to reduced vulnerability and poverty (such as valuing learning, savings, willingness to innovate, etc.). Peer pressure at the community level and new value chain relationships can reinforce these incentives toward new ways of thinking and acting.

I have posted a presentation on this topic (Making Value Chains Work for the Poor), much of which I shamelessly stole from my colleague Mike Field... again, great discussion and sorry to be a day behind!

INVOLVING VULNERABLE POPULATIONS: NEW APPROACHES

Post by: Abdur Rahim

Comments on discussion topics 2

Famous Economist observed that the division of labor was determined by the extent of the market, by this he meant that small scale markets allowed for little specialization-the entrepreneur making a small number of jobs employed no-one and undertook all the different tasks that are required in making a final product. But when the market expanded, so it will become profitable to employ workers.

Unto that situation subsidies are required to engage the vulnerable populations in value chain projects.

Demand is the mother of Marketing. So demand driven approaches is sufficient to ensure the participation of vulnerable populations. Value chain analysis plays a key role in understanding the need and scope for systematic competitiveness. Without competitive marketing environment the product will not be sustained in the market for income generation. For competitive marketing environment also we need to focus on Just In Time Production (JIT), Total Quality Management (TQM) and Continuous Improvement (CI) program of incremental changes, which will add up a significant and rapid globalization over time. Participation in global market by the vulnerable populations is not just governed by the trade policies in final market countries. Analysis the whole cycle of production connected to the final markets to consider not just the efficiency of the production link in the chain, but also those factors, which determine the participation of particular vulnerable groups of producers in the final markets.

Post by: Ben Fowler

Hi Abdur, thanks for your comments. Could you expand on the role of subsidies in engaging vulnerable populations in the market?

What type of subsidies have you found to be required, for what activities?

Post by: Sunimal Alles

Comment for question 2:

While working in communities that had been “fathered and Mothered” by relief and development agencies and were constantly requesting subsidies and handouts, we introduced two techniques:

a) The vulnerable were used to receiving food and drinks at meetings: we changed this to effort based subsidy by giving them transport costs on condition they established S&I/VCA, saved 50% of their transport allocation and provided a loan to develop an economic activity.

b) Vulnerable populations have to first sensitized and challenged to change their mindset. Next they should be walked through a process to identify talents/strengths, establish goals/aspirations in their lives rather than vegetate and challenge themselves to attain their goals by investing in economic activities. Once they start the process and become a little “not poor”, the VC approach should be introduced (through a visualization process) as a process that can make them richer. This is where they demand/request to be in a value chain as they see the benefits.

Post by: Linda Jones

Hi,

Vulnerable populations suffer from their special circumstances (war, AIDS etc.) and the complications that these bring. And, at the same time, they generally have even more limited resources than other hard to reach populations.

As Abdur pointed out, there are the basic requirements of any value chain program - which in my mind will be more challenging for a vulnerable population. Then, as Bea mentioned because of their various forms of vulnerability, the barriers are different.

It would make sense to me to keep these two threads in mind during analysis: common value chain development needs and special circumstances needs. On a recent visit to Rwanda, I met with a CHF/AEE production cooperative that was made up largely of HIV and AIDS impacted individuals. These people first joined together to provide social support to one another, and it led to the development of economic cooperation. The fact of HIV and AIDS had to be born in mind throughout (e.g., if someone was in a period of sickness, the group had to be able to cover for them in terms of workload), and yet other challenges were typical VC constraints (access to inputs, extension, product quality, markets etc.).

Thanks for the interesting discussion. I look forward to reading others' examples!

Post by: Adina Saperstein

This is a great discussion so far. To pick up on the last few points, the value chain development approach aims to be a framework that can be adapted to any environment, but often it is associated narrowly with the 'best case scenario' examples of where industries successfully link MSMEs to profitable markets with minimal interference. In order for it to function more broadly, practitioners absolutely have to start with a thorough understanding of the constraints, including specific vulnerabilities of targeted communities or populations -- and then identify the specific opportunities available to them. The value chain analysis methodology provides a framework for this and can help identify how specific contextual issues (disease, conflict, disaster, etc) have affected not just individuals, but the relationships, linkages, and trust between them, which are the key to forming a functioning value chain.

In terms of targeting vulnerable populations, the value chain development approach can also be applied more flexibly than just integrating vulnerable populations into strengthened industries. For example, a few years ago I worked on the design of a project aiming to combat child labor in Egypt. The main industries that were reliant on child labor were cotton and mining. The RFA focused on establishing and subsidizing education programs for these children to try to 'pull' them out of these industries. We took the approach of saying that unless we understood the dynamics within those industries that were holding or pulling children in -- as well as the dynamics in the communities making families reliant on those incomes -- the pull effect of those new education programs would do nothing. So we proposed to do a value chain analysis of each industry and set aside resources to strengthen the industries in a way that would allow them to fill the gap left by those child laborers and integrate the communities in alternate ways to fill the gap! of those incomes in the families' livelihoods, while integrating elements of technical education into the school curriculum that would enable children to rejoin these or other industries later on in a less exploitative manner. Unfortunately the donor did not see the value of this and went for a standard 'build some schools' approach. But I think it's a useful example of how the VC approach can be applied more broadly and creatively in dealing with vulnerable populations.

Looking forward to more of the discussion!

Post by: Ben Fowler

Hi Adina,

You raise some excellent points that really get to the heart of the topic of today's session. As you point out, a clear analysis of how vulnerable populations are participating within the value chains that they are engaged in is critical. So often using a standard approach that does not take into account the specific vulnerabilities of target populations leaves us wondering why they are not participating, despite all the 'right' incentives being in place!

Another approach to addressing issues of child labour has been used by MEDA. It has been implementing an interesting project in Egypt called PPIC-Work. Its method has been to address the safety risks and educational needs of these children through partnerships with local microfinance institutions. In brief, 'dual purpose loans' are given to workshops employing youth. These loans address the business's need for capital while also providing the finance to invest in safety improvements (e.g. guards for machinery). Business owners commit in accessing the loan to provide conditions which support child development and learning.

Interestingly, discussions with project clients found that children often see the skills that they gain at work as an important complement to that which they receive in class. Ultimately, the project has found ways to address issues of exploitation through market mechanisms.

Post by: Samina Jain

Subject: Day 1 Topic: Involving Vulnerable Populations

I agree that this is a great discussion so far!

Thanks to Ben for kicking it off for some good questions; and Bea for pointing out the need to understand specific characteristics of vulnerable populations - their constraints (or strengths - if having HIV/AIDS enables risky entrepreneurial behavior!); Linda provided a context/framework and; everyone else.

I'm intrigued by two strands:

1) I was impressed by Adina's example of combating child labor in Egypt. It makes so much sense to think about the cotton and mining industries and put aside some resources to upgrading their own marketability/profitability without relying on cheap labor (i.e. differentiation). It seems like such a shame that the donor did not go along! Besides participating in learning conversations like this one, what else can be done to 'convince' donors of this kind of holistic thinking? Forgive me for being blunt - but are "they" just slower on the uptake on what is cutting-edge in the field? This is a broader issue related to donor relationships and project cycles, but still I think it is relevant since best-practices for value chains for vulnerable populations are still being developed.

2) I liked Jason's point about "market readiness" and thought it might be interesting to hear some cases of how you go about measuring it and building it - at what point can you say "this population is ready" or is it just better to start an economic empowerment program and learn through trial-and-error?

Just was interested to hear your perspectives and get some more examples!

Post by: Adina Saperstein

Subject: Re: Day 1 Topic: Involving Vulnerable Populations

Thanks for this. I'd love more info on the PPIC-Work project...has it been targeting specific value chains at all? Anyone from MEDA?

Post by: Jared Penner

Subject: Re: Day 1 Topic: Involving Vulnerable Populations

Hello Everyone,

This has indeed been a fascinating discussion thus far. I appreciate the many comments on the various challenges involved in market development with vulnerable populations. There are clearly a lot of lessons to be learned from our different experiences in the field.

I would like to respond to Ben's description of MEDA's PPIC-Work project in Egypt. This was a project that was funded by CIDA and was intended to develop a rights based approach to the enhancement the working conditions and learning opportunities for working children. The participation of children in the project design and evaluation was an essential component. Working children

were not to be seen as passive recipients of project benefits but rather as active participants in the project interventions that were going to improve their lives.

While the project was successful in addressing some of key hazards and skills development needs of the working children, the project lacked a strong value chain component. Most of the interventions (workplace safety assessments, learning through work activities, dual purpose loans) were focused at the workshop level and did not address some of the business constraints of the workshop owners that were preventing them from expanding their business and forging greater linkages with larger firms up the value chain.

One of MEDA's current projects in Afghanistan, Afghan Secure Futures (ASF), is trying to incorporate some of these "PPIC-Work interventions" into a value chain development model, focusing on boys 13-18 who are working as apprentices within the construction sector in Kabul. MEDA is in partnership with AED on this project and is hoping to test the merit of this workforce development model for vulnerable working children operating within the challenging business environment of conflict affected Afghanistan. One of the greatest challenges we are facing is in making a strong business case to the workshop owners to address the working conditions and learning opportunities of their apprentices. The ongoing conflict in Afghanistan, and the upcoming presidential elections this summer, have depressed business confidence in Kabul and many workshop owners are struggling to find enough work to sustain themselves.

The issue of providing an incentive for business owners in conflict affect regions to improve working conditions and learning opportunities for their young worker is indeed a challenge in this intersection between livelihoods and value chain development. I would love to hear of any insights or experiences from the others in the group on this issue.

Post by: Jennifer Denomy

Hi everyone,

I've been managing the Egypt PPIC-Work project for MEDA for the past 2.5 years and was very pleased to see the initiative come up earlier in this discussion. I was actually in transit at the time and couldn't respond, so thanks to my colleague Jared for explaining more about the project.

I should clarify first that PPIC-Work is a microfinance project and was not designed to work along value chain principles, so may fall beyond the scope of the current discussion. I'd be happy to correspond directly with anyone who wants more information that doesn't fall in the scope of this online event. Please feel free to contact me at the email address below.

PPIC-Work grew out of the Women's Initiative Fund, an earlier CIDA-funded microfinance project in Egypt, in which staff began to realize that children were working in many businesses operated by women receiving micro loans. This finding was supported in a CIDA study conducted in 2007 by MEDA and PTE! , in which it was found that micro loans often drew children into work. Many businesses could not afford to hire adults as they grew, so children made up that labour shortfall.

PPIC-Work interventions seek to improve the working conditions and learning opportunities of economically active children. The children in the project are primarily working in businesses that are or have in the past received loans from one of our partner MFIs. This relationship between the MFIs, primarily the loan officers, and the business owners is key to the project. Because the loan officer has a generally positive relationship with the business and is in a position to offer financial support in the form of loans, they can exert influence over conditions in the workplace.

Loan officers have been very successful in helping business owners improve working conditions and upgrade safety features of workplaces. In some cases, this has been supported by a dual purpose loan, a product which includes additional funds for upgrading equipment (such as guards for cutting machines) or other workplace features (e.g., shelves, to move dangerous tools off the ground or work surfaces). Loan officers receive training in workplace hazards and safety mitigation, and are often able to offer low cost advice that improves the overall productivity of the workplace.

PPIC-Work also provides non-formal education for working children, but that falls outside the scope of this discussion.

Some of the keys to PPIC-Work's success in improving working conditions are:

- a) making sure that suggested solutions are market driven and actually increase productivity of the business, while also improving working conditions.
- b) understanding that change takes time. Often, the most effective improvements begin with small and incremental change.
- c) realizing that many improvements in working conditions for young employees are not visible. For example, reducing working hours for children, or making work time more flexible, can be enough to allow a child to combine work and school.
- d) building on existing business relationships, in this case between loan officers and business owners, is a powerful way to bring change.

I'd be happy to share more information, including case studies we are documenting. I'm not sure how much of this falls within the current discussion, given that PPIC-Work is not a value chain project, but please feel free to ask questions.

Post by: Luis Ernesto Osorio-Cortes

Hi Jennifer:

Three things called my attention from your email:

- PPIC was not designed using a systemic approach, instead it was focused on provision of microfinance. However, it seems that some of the success factors of this project are related to systemic thinking (parts. A and D of your list below).
- MEDA's finding on the impacts of microloans on child labour: "This finding was supported in a CIDA study conducted in 2007 by MEDA and PTE, in which it was found that micro loans often drew children into work. Many businesses could not afford to hire adults as they grew, so children made up that labour shortfall." Fascinating!... now that I see it, it makes a lot of sense but still fascinating. This links somehow with a discussion had in the Market Facilitation Initiative about issues of improving working conditions within MSMEs in Sri Lanka:

"The project strategy is to offer a package of services to qualifying enterprises within the project area, in return for certain projected result in terms of employment creation and employee conditions. Agreements are reached with the business owner and services then provided by the project include discussion of business plans, access to a grant and credit for asset replacement, access to working capital loans. The owner undertakes to create a certain number of jobs and to meet statutory welfare provisions for those employed. Also the owner enables workers to attend meetings and receive training to discuss and improve their working conditions" (Andy Jeans -APT Enterprise Development. I am CCing Andy in case there is potential for cross-learning)

- You also mention: "Because the loan officer has a generally positive relationship with the business and is in a position to offer financial support in the form of loans, they can exert influence over conditions in the workplace."

This is another great example of imbalances (or differentials) of power that have positive impacts on vulnerable populations behavior/attitudes. An issue we were discussing yesterday.

Thanks for sharing this. I am learning loads in these three days! ;-)

Post by: Tracy Gerstle

Hi Ben et al,

Thank you for hosting a very timely discussion-the next frontier for our field is to not chance a dependence on "trickle down" and only the easy wins in terms of whom to target with the target value chain approach. If we really want to get at poverty we have to reach down as far as we can to those that can be economically active. Increasingly, we are also finding that the level of engagement in markets often increases with vulnerability-the 2008-09 Chronic Poverty Report highlights this.

To understand vulnerability and therefore how to address it, we need to stay mindful as Abdur and Linda note of the specific vulnerabilities of the target group, as well as the environment in which they live. This differs widely depending on the group and whether they are in a stable economy, or one that has been affected by conflict or natural disaster. Two resources that I think are useful in framing this discussion are:

Gerstle, Nourse, Snelgrove, Rinck and McVay. Market Development in Crisis-Affected Environments: Emerging Lessons for Achieving Pro-Poor Economic Reconstruction.

http://www.microlinks.org/ev_en.php?ID=20743_201&ID2=DO_TOPIC

In our paper, we developed a matrix on page 14, which looks at how households are affected by different types of crisis, e.g. slow or rapid onset disasters and conflict and the types of interventions needed to address the vulnerabilities that result. For example, in countries affected by years of war-education really suffers, and so you need to look at how you can bundle basic skills such as literacy with other services such as extension and financial services. CARE in its VS&L work, often bundles literacy, and increasingly we are looking at how to include market literacy as well-with specific programs including our USAID PSNP-Plus program in Ethiopia, rolling out VS&Ls in the same communities as which we are working in three to four agriculture value chains, offering a more holistic solution that still relies on market mechanisms for scale.

CARE's Gender Empowerment Framework-offers some useful insights on how best to target women, based upon the three factors that affect their ability for participation more broadly, specifically: agency (the capacity of women as individuals to take action); relations (building relationships, coalitions and mutual support to expand agency and alter structures); and structure (societal norms and institutions that codify and reinforce gender relations at every level of society).

Currently CARE is testing this framework to look at how to engage women in different agriculture VCs, with very tangible linkages to economic productivity at each level-and therefore the ability to participate more effectively in VCs. For example at the level of agency a woman's awareness of property rights, can enable her to undertake more risky investments, if she knows that she will be able to maintain access to her land. At the level of structure, understanding women's specific needs in terms of accessing new technologies, farming inputs, etc. offers women the ability to leverage these inputs more effectively. And all of these interventions pay off economically-we have anecdotal evidence of this in some of our VC programs in sesame and livestock in Africa and Asia. And, this is confirmed empirically by a recent study conducted by the ICRW on women's role in agriculture, which found that when given access to technologies and information, the returns in terms of productivity from activities women engaged in were higher than for men. (Mehra, Rekha. & Hill-Rojas, Mary. Women, Food Security and Agriculture in a Global Marketplace. International Center for Research on Women (ICRW). 2008.)

Thus, it's fair to say that there is not only a moral imperative in terms of poverty reduction by targeting vulnerable groups via value chain development, but that it can make good sense in terms of economic growth-particularly for vulnerable groups such as women. However, where I think we in the field still need to learn is how we can more effectively take some of these more complex interventions to scale.

Post by: Luis Ernesto Osorio-Cortes

Hi Tracy:

Thanks for your contributions to Speakers Corner these days. I found your email below very interesting. We are particularly interested in CARE's Gender Empowerment Framework. It seems that it could give us very good insights and lessons about how to promote empowerment of marginalised and vulnerable actors before they engage with other market actors in participatory market development processes.

Is it possible to access it via the web?

Post by: Ekanath Khatiwada

Subject: RE: Day 1 Topic: Involving Vulnerable Populations

Hi Ben et al,

Thank you for organizing this exciting event which is very need of the real ground.

Thanks Tracy bringing of the issues what has been already documented so far so that we are not reinventing the wheel again but we can at least take good lessons from our previous work. I am always using this document as a guiding frame work on my work especially addressing the issues of post conflicts situation and vulnerable community at large.

Now I would like to bring the very general issues around the vulnerable community. Before the VC intervention, do we understand the causes of Vulnerability and causes of poverty? Some time general approach is not sufficient to address the complexity of vulnerability. Generally vulnerable community need safety net package like insurance and health net on economic development activities. Otherwise there are high chances of being more vulnerable---. Pure financial services some time dose not applicable in such community and they may need the kind investment package as well.

To mainstream the conflict affected / vulnerable community we weed to have the holistic approach. We should not work in isolation it can create more isolation and conflicts in the community. I totally agreed with the Sunimal,s approach. We also practiced the same approach and able to address the issues of Ultra poor with in UNDP/ SAPAP programme in Nepal.

Post by: Sunimal Alles

Hi everyone,

We have analyzed and found that the private sector (mainly the whole sale vendors of essential goods) thrive by selling to retail ambulant traders or persons having small boutiques in areas where the vulnerable live and in RRA (Remote Rural Areas). Retailing of essential goods is a VC that is a primary activity of the very poor and vulnerable. We have seen vulnerable women in RRA sending their caretakers/or neighbors to buy goods in town, stock it in their homes and display it on a small table in front of their homes. We also started processes with the private sector to develop RRA by offering franchises.

This can be further enhanced if the villagers got together and established a wholesale cooperative shop where retailers could buy goods (from wholesalers or have franchises) for resale and the shop could also collect local produce to be sold in distanced markets by keeping a small margin. These shops can also stock seeds and tools just before the planting season and even give them on credit to the vulnerable and recover their money after the harvest.

Post by: Mary McVay

Congratulations on a very interesting and important discussion. Sorry to chime in late. I concur with man of the comments and wanted to highlight a few issues:

1) Poverty assessment and understanding: much recent work on poverty assessment has focused on measuring whether a household lives above or below the \$1/day threshold. While useful for some purposes - it is amazing for me to hear the detailed description of conversations Sunamal and others have. The rich information you get through participatory approaches is so much more helpful for designing services and interventions tailored to motivate and support a specific population. People are vulnerable for a reach, so our poverty assessment needs to help us understand these reasons ... can we use such tools to track progress over time as well? The SEEP Network's poverty outreach working group is exploring such issues.

2) Holistic and graduating approaches: the SEEP Network's Guidelines on ME and HIC propo! se a model for designing and delivering holistic services in a graduated manner. In addition, the model accounts for diversity of status and goals in any community. The model proposes that in communities with vulnerable people, the goal should be to achieve economic security and a sustainable safety net in which people who are better off support more vulnerable people over the long run. The model assumes that households will move up and down the ladder of economic security depending on growth and crisis. The practical suggestion is that organizations need to partner to make a range of microenterprise and livelihood security services available in a coordinated manner with other development services ... Have a look ...

<http://communities.seepnetwork.org/hamed> or more specifically:

<http://communities.seepnetwork.org/hamed/node/766>

3) The SEEP Network has also just released the Minimum Standards for Economic Recover y after Crisis guidance. IT's exciting to see so many resources - we will gather and post these on the SEEP Network's Enterprise Development Exchange.

<http://communities.seepnetwork.org/edexchange>

4) In terms of value chain development more specifically, a working hypothesis we are using in the SEEP Network's Value Initiative (advancing urban value chain development) is that very vulnerable people have demand for a comprehensive package of services. So, we are looking at models in which traders/brokers/community level sales agents package inputs training technology and access to

markets, and programs develop sustainable business services markets that support the brokers and encourage new sales agents to enter the market. This is based significantly on the ECDI Pakistan experience that links homebound, rural women embroiderers to urban markets via a network of women sales agents. This is documented and integrated into MEDA's market development toolkit. <http://communities.seepnetwork.org/edexchange/node/232>

I hope these resources are useful. Great conversation! I especially appreciate the very specific examples and references to case material.

DAY I: SUMMARY

Post by: Ben Fowler

Hi all,

I realize that there are likely to be some more posts this evening, so don't want to end the discussion prematurely with this summary. If you have additional comments on the discussions to date please post them and I will incorporate them into the final summary piece.

Overall, there was an impressive amount of participation in answering the two questions which posted.

The first question asked what the primary barriers are to participation by vulnerable groups in value chain projects. Some highlights were:

- i) Suminal identified poor self-image, resulting from very trying circumstances, as a key barrier to participation.
- ii) Beatrice pointed to the varying nature of vulnerability. It is not static, and people in different stages of illnesses such as HIV/AIDS will be vulnerable in different ways. Programming needs to understand and reflect this. Stigma in the community of an infected person is an important factor that can limit participation.
- iii) Linda noted that access to resources by vulnerable populations can often be even more constrained than for the poor generally.
- iv) Radha pointed to limited mobility and insecure legal status.

The first question also elicited the following responses on methods to mitigate the challenges that are faced:

- i) Suminal pointed to the establishment of groups that then focus on building on existing skills and talents, and the importance of overcoming the self-doubt that can cause vulnerable people to believe their situation is hopeless. It was observed that until this confidence and hope is present, it is extremely difficult to encourage activities and investments with a medium to long-term orientation.
- ii) Luis identified subsector selection, sensitivity to psychological trauma, and expected results that will be achieved as necessary adjustments when working vulnerable populations.
- iii) Beatrice noted that with some populations, meeting their basic needs may be required as a 'foundational step' prior to integration into value chain programming.
- iv) Linda pointed to the need to address social support issues, such as has occurred among HIV/AIDS-affected groups in Rwanda through mutual support initiatives.
- v) Beatrice pointed to the effectiveness of demonstrating success cases to build the confidence of impacted populations, and the need to use a phased approach that gradually builds on successes to start more complex activities.
- vi) Adina mentioned how relationships, linkages, and trust could all be affected by sources of vulnerability and may impact the types of value chain programming that is effective. On this same note, Zaki discussed how apprenticeships and trade fairs can help to build the trust where it is lacking.
- vii) Tracy talked about how literacy training or other basic skills that are often lacking can be bundled with other interventions.

viii) Jared mentioned a project that is using microfinance and value chain methodologies simultaneously to address the needs of working children.

ix) Ekanath brought out the issue of how access to insurance and health services may be required to ensure that vulnerable populations engaging in VC activities are not made more vulnerable by the risks that they are taking. Financial services alone are usually not sufficient.

The second question was focused on the use of subsidies when working with vulnerable populations, and whether demand-driven solutions to encouraging their participation are adequate.

i) One approach was to cover transport costs to attend meetings on the condition that savings were established and groups were formed.

ii) Abdur pointed to targeting subsidies to analyzing the market and identifying the critical issues that specifically prevent the participation of the vulnerable.

Other important points that were made and questions that were made included the following:

i) Radha considered whether including vulnerable populations might require the use of a broader-based approach than is typically used by VC programs.

ii) Jason questioned the use of market readiness approaches, including confidence building, peer support, and market exposure, as strategies to ensure the suitability and timing of VC interventions.

iii) Tracy challenged us to think about how we can take value chain activities for vulnerable populations to scale.

I think that this summary indicates the real richness of contributions that have been made today. Thank you to all who participated for bringing these issues forward.

It is exciting that Luis (Lucho) is going to be facilitating tomorrow's session given the clear tie-in to today's topic. He raises a series of questions relating to politics - questions that are perhaps missed in standard VC analysis. The extent to which vulnerable populations can engage in and benefit from VC projects is very affected by these issues.

DAY TWO: THE POLITICS OF CRISIS

DAY 2: INTRODUCTION

Post by: Luis Ernesto Osorio-Cortes

Hello everyone!

I am Lucho Osorio, the International Coordinator of the Markets and Livelihoods Program at Practical Action and facilitator of the Market Facilitation Initiative (MaFI).

I have the pleasure and honor of being the facilitator of the second day of this fascinating discussion on VC for Vulnerable Populations. The focus of this day is **THE POLITICS OF CRISIS**. Thanks a lot to Ben Fowler for promoting such a productive discussion during day 1.

Imagine the following conversation in one of the South Asian countries affected by the Tsunami. Reconstruction work is being funded by international donors and one of their officials are talking to representatives of the affected communities:

- We are very interested in working with your community to help you rebuild your houses. We can contribute with building materials and technical expertise. Would you like to contribute with your labor?

- That is very good but can you pay for our work?

- I am afraid that we have a limited budget and we are trying to use make sure that people feel that these houses are part of their efforts too; not just something that was dumped here by us.

- Sorry, we have heard that other NGOs are also offering cash for labor... we will wait for them to come around here or will get in touch with them.

This conversation, though real, is a caricature of very complex processes, but it shows some of the issues that can emerge in crisis contexts when a wide range of actors with their own agendas (sometimes hidden) and different levels of power interact: shifting power balances, negative impacts on accountability and governance of value chain development processes, and value chain actors adapting to crisis.

Could you share a moment when you noticed shifts in power balances caused by crisis (both within the households and in the public sphere)?

What negative impacts on accountability or governance have you seen? Have you seen positive impacts (e.g. people coming together to put pressure on government agencies to be more responsive to their needs)?

Can you share your insights on how value chain actors adapt to crisis and "play the game" to get the best out of it?

How do you consider that these issues affect value chain development and how vulnerable populations participate and benefit from it?

ALSO VERY IMPORTANT: If you have other questions or you are currently facing challenges that you would like to share with others please go ahead; the answer to your problems may be just around the Speakers Corner... ;-)

The "Corner" is all yours...

DAY 2: THE POLITICS OF CRISIS

Post by: Sunimal Alles

Subject: Re: Day 2: The Politics of Crisis

Hi everyone,

We faced such a crisis when we were carrying out a project design workshop in Liberia to seek the advice of communities on the best way we could develop systems to provide vocational and business training and reinstate Children and Women Affected by fighting forces (CAFF/WAFF). As we did not wish to continue the "hand out" spirit and dependency syndrome, we requested communities to save and provide loans to entrepreneurs to purchase tools to re-establish their workshop and start training CAFF/WAFF. We informed that we were ready to provide grants matched to their savings to enhance their revolving loan funds. At first the communities were very hesitant to save and provide loans. When we researched for reasons, by questioning them "You ran away when war came, but why do you not run back and restart your lives", they declared that they were unsure of their future, as they had been uprooted many times. However, the real reason surfaced when a Liberian declared, "Hunger has not hit us as yet". (NGOs were still handing out food and non-food items while some Liberians were in and out of refugee camps, and did not have time settle down, and focus on their future) The lesson we learned her was that all agencies should be coordinating their relief and development interventions and give up handing out food and other items as soon as calm and security has been restored, in order to challenge returnees to reorganize themselves, establish VCAs, save and invest in local enterprises and restart lives. We informed communities that we would not be able provide them grants if the enterprises were not organized and CAFF/WAFF had started training. This challenged returnees to resettle, save, pool resources and provide loans.

The current challenge we are facing is in Eastern DR Congo: The civil society and future "would be" partners developed a proposal to establish village level committees for better living (CBL) that will promote the establishment of VCAs (Value Chain Associations) that would save and invest and establish CMP&SC (Community Managed Production and service centers). The centers would establish pre and primary schools and health centers (if needed) to provide essential services and also establish a Micro Finance unit to provide loans to the VCAs. The civil society has already negotiated with the authorities and military to provide security and protection in order that communities move forward. They are also optimistic that they can convince any militants to lay down their arms and join VCAs and enter the mainstream. (as they would see income being earned) The private sector can also be convinced to offer franchises to open community managed shops. However, we find that donors continue to invest in "Hand outs" rather than in processes that would lead to durable solutions. What else can we do? The program is to be started in 10 villages around Bukavu and be extended in to other villagers in year 2.

Post by: Luis Ernesto Osorio-Cortes

Dear all: Sunimal's message is very interesting because it confirms some issues and raises some questions. Let me try to summarize:

1- If we want VCD to work for Vulnerable Populations, coordination amongst development agents and market actors is **FUNDAMENTAL**. Why do you think that this simple message is so difficult to interiorize in development agents? **What are the rules and incentives that are keeping donors and NGOs from moving into a more coordinated approach in contexts of crisis? What can we do about it?**

2- This is linked to the preliminary processes of empowerment that need to happen before productive and sustainable engagement with other market actors (including policy makers) takes place.

3- Having said this, and recognizing that it is a useful mental model, we need to be aware that this is not a linear process (i.e. after VPs are empowered, then they can engage). Instead, engagement with other market actors contributes to that empowerment. It is a synergic process and I think that we need to understand it better and take advantage of it to make our facilitation and intervention processes more cost-effective, sustainable and scalable.

4- You have given interesting examples of development agents "challenging" in very strong ways the VPs to take ownership of the process of change in their lives. To what extent do you think that you can do this because of the "NGO" or "donor" status? Can peers challenge one another with similar success? **My hypothesis is that there is a power relationship there that makes this challenge effective. If so, this would be a positive side of the power dynamics in crisis contexts.**

What do you think about these questions?

What other anecdotes do you have that show bright and dark sides of power dynamics in crisis contexts?

Thank you very much,

Lucho Osorio

Practical Action

Post by: Sunimal Alles

Dear Lucho,

Let me try to answer some of your questions:

1) What are the rules and incentives that are keeping donors and NGOs from moving into a more coordinated approach in contexts of crisis? What can we do about it?

In my view, we are not able to provide the services and guidance that the vulnerable need in the shortest possible time, in order that they become "Not Vulnerable", as we are either blocked in our thinking as we were never vulnerable, or we are limited and bound by processes our organizations have preconceived and determined. As humanitarian and development workers on the ground we should get into the shoes of the vulnerable, analyze their challenges and challenge our organizations and supervisors to change the way they look at the vulnerable and development in general. We have come to a stage that we know through experience that VCs

are able to enhance the income of the vulnerable. If we did what we do correctly and in a refined manner, constantly being mindful that the vulnerable suffer every second we delay, we would rapidly move forward in implementing the strategies and systems to enable the vulnerable overcome the challenges.

What we need to do is to advocate for changing our own mindsets to become more human and efficient. We should learn from the experience of others rather than try to brand any interventions as “ours”, and reinvent wheels. If we have not done the best for the vulnerable on a particular day, we should also feel guilty every time we eat or sleep as the vulnerable did not sleep or eat as we did. If we do not feel guilty, then we need to analyze why and take steps to do the best we can by coordinating efforts, as it is not human to ignore the plight of the vulnerable for extended periods of time.

4) You have given interesting examples of development agents “challenging” in very strong ways the VPs to take ownership of the process of change in their lives. To what extent do you think that you can do this because of the “NGO” or “donor” status? Can peers challenge one another with similar success? My research from 1986 to 1988 indicated that it was only 5% of us that were in the professions that we were really talented in delivering. It is the same in the humanitarian and development professions. Only that unlike other professions, we are dealing with human beings and lives that are in peril. Would it not be noble if we rapidly designed a way out for those who are vulnerable?. I don't see a formula where peers can challenge each other in order to become successful as it is the conscience of each and every one of us that should be speaking to us that either “we did the best” or could not do the best. If we are conscious that we have been leaving the vulnerable fend for themselves while we are pondering on solutions, we would start learning from others and challenging ourselves to excel in our work.

Post by: Mike Albu

One of the things that is being discussed is how to build the capacity of development organizations to promote VCD in crisis situations.

With this in mind, I would like to mention the work Practical Action is doing with Oxfam, IRC-UK and InterAction support to develop a Toolkit for market-system (value-chain) analysis in emergencies. This is specifically aimed at practitioners who are new to 'markets' approaches and need help to break out of humanitarian delivery-led mindsets.

An introduction and overview of EMMA is attached. The full EMMA Toolkit will be published later this year by Practical Action Publishing.

A training programme is being developed as I write with initial training events in Washington (June) and London (August).

Please contact me for more information or join our DGroup at <http://dgroups.org/dfid/EMMA>

Post by: Beatrice Kinyanjui

Subject: RE: Day 2. Politic of Crisis: the bright side of power imbalances?

On Lucho's message below:

The question was on donor coordination in the context of crisis, but wanted to mention that it might be useful for programs working with vulnerable populations to explore opportunities for collaboration with other economic growth programs. Especially those that are working to improve sectors that may have opportunities for vulnerable populations or where they are active or have been active in the past. In certain instances, we are finding that both programs (those focused on vulnerable populations and more general ones) may be working to address similar constraints or even the same target areas.

Post by: Luis Ernesto Osorio-Cortes

Subject: RE: Day 2. Politic of Crisis: coordination within our own organizations

Dear Beatrice: When I was reading your comments about coordination between donors, NGOs and other development agents, I thought also about the **challenges that sometimes we face in terms of coordination WITHIN our own organizations.**

We are facing this challenge within Practical Action now. We are organized around four programmatic areas or “aims”. **Aim 1 is called Reducing Vulnerability** and **Aim 2 is called Markets and Livelihoods.** We have been reflecting for some months about the need to improve the coordination between us and these are the insights we have gained from this process so far:

Communication with stakeholders: It is important to use compatible messages and principles when we interact with the stakeholders. For example, hand-holding, subsidised inputs, food aid, etc. can be used in crisis contexts but people must be clear about the long term vision of all of those approaches and their rationale in terms of future engagement with market actors. They need to know that subsidies and hand-holding will end and at what rate.

Rights vs. opportunities: There is an important tension between rights and opportunities. Programs working with vulnerable populations tend to use rights-based approaches, whereas programs working on VCD tend to favour opportunity-based approaches

SLA vs. M4P: The same tension seems to exist between Sustainable Livelihoods Approaches and M4P approaches. Though I think that this is more a problem of perception than a real problem.

Intervention scope: Focus of the *Vulnerability Program* is more on the “community” whereas focus of the *Markets Program* is on the market system, despite the fact that both programs want to contribute to sustainability and resiliency of livelihoods of marginalised people.

Diversification vs specialization: Both programs want to promote resiliency but the *Vulnerability Program* goes more for diversification of livelihoods whereas the *Markets Program* goes more for specialization within the market system and diversification of relationships with other market actors.

Definition of territory: the *Vulnerability Prog* draws the boundaries of the territory around the communities whereas the *Markets Prog* does it around the value chains (local, national, international)

These insights are very stylized and need to go through much debate still. However, I wanted to share them with you because we would like to know if you have the same challenges within your organizations and how you are addressing them.

Thanks a lot for helping us with our reflection process,

Post by: Ben Fowler

Hi Beatrice and others,

You raise several interesting points. In research that I was doing a few years ago in East Africa, I met many examples of organizations that had tried to transition from a 'handout' approach to working with vulnerable populations to more of a facilitation role. This initiative was often 'pushed' by the impending end of donor funding and realization that their budget was going to decline significantly. The organizations that I met had found this to be an extremely difficult transition to make, in large part because of the perceptions and expectations that had been created among the clients that they work with (staff capacity was another issue). Effectively explaining a major change in approach was difficult for many organizations and not accepted by some clients.

In contrast, leveraging partnerships with organizations that were using a facilitation approach had been relatively more successful. This typically took the form of less vulnerable clients transitioning to participate in economic growth initiatives. The key challenge in making this effective is for clients to believe that at least equal benefits will be gained by working with a facilitating organization as continuing to receive handouts. Not easy, but in some cases an approach which can address the issues of coordination which have been raised.

Post by: Luis Ernesto Osorio-Cortes

Dear Ben: You say that MEDA's PPIC-work in Egypt "has found ways to address issues of [children's] exploitation through market mechanisms". Could you tell us more about this please?

Post by: Christian Pennotti

First off, thank you to everyone for the comments so far. It is encouraging to see the number of people engaged and the perspectives and examples are incredibly valuable.

To Lucho's question regarding the rules and incentives that are keeping donors and NGOs from moving into a more coordinated approach in contexts of crisis and what we can do about it, I am wondering what examples people have of successful coordination either between donors or NGOs in these types of programs.

During a trip to Cambodia a few years ago, I helped organize and run a donor coordination workshop to improve enterprise development strategies across agencies. Most of these institutions had been working in the country for decades and had every opportunity to collaborate. Despite that, mapping their various activities by value chain and region illustrated the degree to which they were literally stepping on top of one another – something many of them had not fully realized until that workshop. A common complaint there, as it is in many places, was that donors were actually undermining one another by taking dramatically different approaches to economic development (reflective of Lucho's opening scenario today).

I raise the point not to get into a broad discussion on donor coordination but, more closely with today's topic, to ask whether there are examples of donors doing this effectively when working with vulnerable populations and how this has or hasn't changed political dynamics between VPs and programs.

Regarding the incentives at play that keep donors and/or NGOs from working more closely and what we can do about it. One thing we have supported over the past two years has been the development by SEEP of a set of Economic Recovery Standards (to be launched next Friday in DC and online - <http://communities.seepnetwork.org/econrecovery/node/1203>). To Sunimal's point on being able to challenge one another, the standards are designed to establish a common "do no harm" floor from which to build interventions and to which we could all be held accountable by our peers, outside observers (and perhaps even those we aim to support?). Ideally, they will also establish some rules of the road which enable practitioners to better engage and identify when, where and how to work together.

Post by: Zaki Raheem

Dear Participants,

Thanks again for a fruitful start to the second day of this e-conference.

I think Luis' scenario about an aid agency trying to promote a more demand-driven approach to post-emergency service delivery and Ben's comments about trying to move past handouts highlights yet again some of the needs for coordination. As a result, it reminded me that when discussing vulnerable populations in post-conflict or post-disaster situations, a reflection on the pros and cons of the UN's cluster approach should be discussed. As many of you are surely aware, the UN cluster approach - which is being implemented in places like Bosnia, post-earthquake Pakistan, Cote d'Ivoire, Northern Uganda, Timor Leste, etc. - is an attempt at more structured humanitarian coordination.

See: http://www.actionaid.org/docs/un_cluster_approach.pdf.

Most of these settings have at least one cluster - such as the Early Recovery or Livelihoods Cluster - where organizations working on VCD could add value, highlight contradictions, inform humanitarian agencies about VCD, establish some good practices, promote some coordination, and possibly promote dialogue about how to address the struggles of transitioning away from handouts.

In my most recent field work in Northern Uganda and Timor Leste, the possibilities and pitfalls of the cluster approach to promote innovative VCD were clearly highlighted. While UN agencies usually lead the cluster meetings, NGOs and other development organizations often attend and are encouraged to share their experiences, while attempts at coordination are established. However, clearly the following examples highlight some of these struggles:

- In cash-for-work programs, some NGOs were paying locals different daily wages.
- In various vocational training workshops some organizations were paying participants (particularly targeted youth) to engage in the training while some were not.
- Some training programs provided tools to graduates, some provided large amounts of cash, some provided small amounts of cash, some provided cash to individuals, some provided cash to groups, others facilitated formations of savings groups, others tried to link beneficiaries to MFIs and others gave participants a certificate of completion but no other support.
- In various livelihoods programs targeting agribusinesses, some organizations would subsidize all inputs (fertilizers, seeds, tools, etc) and some would not.

- Some organizations would play an implementation role by meeting with input suppliers and traders on behalf of small farmers and micro-enterprises, while others played a more market facilitation role and would try to foster business relations to be built through dialogue and market interaction.

- Some programs working on food security issues and agriculture training, were met with the political realities of imported food distribution usually promoted by a local and national politicians, which would often distort the local markets for these products, disincentive targeted participants, and lead to less coordination amongst relief and development agencies.

These are just some of the struggles where service delivery mindsets of relief organizations often contradicted with the market-driven approaches by organizations working on VCD. Also, another struggle was that at the cluster meetings, organizations would possibly share with each other what they were doing, what target populations they were working with and their methodologies, but there would not be a mechanism to turn the dialogue into a regulatory framework to ensure real coordination.

I think one of the most innovative organizations I saw that was trying to tackle some of the struggles with incorporating market-integrated relief efforts into their programs was the Economic Recovery and Development (ERD) Unit of the IRC in Northern Uganda. Since IRC has been on the ground providing emergency relief for many in the IDP camps, there was clearly credibility that had been built. However, because the ERD unit was indeed a different branch of the organization with a VC framework it could not only inform its humanitarian staff and provide input into a number of different cluster meetings on such issues, but also approach the communities they were working with differently by making a clear distinction from the beginning that they were not engaged in direct emergency relief. From trade fairs, to demonstration farms, to negotiations with agro-processors based in Kampala looking to invest in the north, to negotiations with Uganda army to allow IDPs to work on these projects and build relationships with such market actors (because of the credibility that had already been built with other emergency relief divisions of the organization), ERD projects were targeting some of the most vulnerable populations in the region, but engaging them in real value chain development projects.

Post by: Mike Albu

Zaki - thanks for this post.

The practical examples you give of the challenges of coordinating and coherence in emergency responses are very REAL. I would like to use them in our training materials for the EMMA toolkit, under development - see this resource

http://www.microlinks.org/ev_en.php?ID=38407_201&ID2=DO_TOPIC

DAY 2: THE POLITICS OF CRISIS- APPROACHES AND TOOLS

Post by: Luis Ernesto Osorio-Cortes

Dear all:

Thanks to all of you who have been contributing and following the second day of this Speakers Corner. It is interesting for me to see how important but also how abstract this topic of politics in crisis situations (and its implications for VCD for Vulnerable Populations) can be. Do you think that it is because of the nature of the topic (perhaps too complex or not prone to simplistic formulations); or because of the way the original questions were framed?

Maybe I am wrong and maybe there are concrete tools and frameworks that you are using to deal with power issues. Some of you like Sunimal Alles, Tracy Gerstle and Mike Albu have shared concrete tools and approaches to promote VCD for VPs. However, I would like to encourage you today to share with us those components in your tools/approaches that specifically address issues of power imbalances or power abuse, or that use power-related issues to promote VCD in these challenging contexts.

Thanks a lot,

Lucho Osorio, Practical Action

Post by: Jason Wolfe

Lucho, one of the most used and abused methods of addressing power imbalances is forming groups of vulnerable households for collective action -- to garner market power in buying inputs and selling outputs, to build political power in advocating for all manner of policy and governance reform, and to employ social power / peer pressure to protect the most vulnerable and mutually guarantee pooled capital (e.g., VSLAs).

What are the pros and cons, the good practices and potential pitfalls of this kind of an approach to power imbalances? What are some other alternatives? Do vulnerable populations face more unique challenges with power imbalances than less vulnerable folks?

Post by: Luis Ernesto Osorio-Cortes

Dear Jason: Thanks for your comment. The following is the response from Stuart Coupe, International Project Manager of the Reducing Vulnerability Program at Practical Action. He had problems logging in and he asked me to post it on his behalf.

"The trick is not to organize the groups directly to confront power but to organize them for very immediate livelihood gains, to get a livelihood boost. If the vulnerable groups are going to be drawn into addressing conflict issues it may have to be addressed through existing informal kinship groups rather than any newly formed group. It is just that the practical group formed to pursue the very micro improvements like more eggs or better tomato production allows confidence building and it is below the radar of the powerful and doesn't get interfered with. The idea here is to draw the vulnerable groups into wider community discussions with a bit of self confidence in problem solving and tangible improvements. Rights and governance discourse is inappropriate for vulnerable groups embroiled in patron-client relations, often within their own kin groups."

Post by: Samina Jain

Hi all - once again, this is such a great discussion that is pulling out a lot of nuanced points. My comment is also geared towards bringing it back to the big-picture - especially in relation to one specific strategy - formation of collective action groups:

1) I was really interested in Jason's assertion that the most "used and abused" method of promoting market readiness or just market engagement in general is the creation of groups of vulnerable populations for collective action throughout the value chain. I think this has been addressed through some of the case examples, but I still am curious as to why exactly this is an abused strategy. Doesn't it make sense to create groups for better bargaining power? Is there something about vulnerable populations that leads this process to either be "co-opted" by elites or otherwise create distortions not that may create more harm than good?

2) If so, which of the categories of vulnerabilities that Sunimal outlined so well earlier would be most susceptible for "co-option" or "corruption" (for want of better words).

3) In other non-conflict or non-emergency contexts, do collective action groups function better in VC development? What are some of the key enabling factors that make these groups work better (either for economic efficiency or social profitability)?

Thanks to everyone - I have really enjoyed this Speaker's Corner. Thank you to the organizers for picking great conversation-starter questions and to everyone else for sharing so much rich experience.

Post by: Andrew Baird

Sorry for the late addition here. Jason, my thoughts on "collective action" echo some of those made by Stuart Coupe yesterday with a few caveats. I agree that organizing groups for livelihoods development is a practical and often prudent manner to build confidence and move toward addressing political imbalances through collective action. However, there are several potential pitfalls when groups of vulnerable populations are formed to address livelihood issues or to develop more bargaining power in a value chain. Two that I will mention here include the potential to stifle innovation, and the danger to the groups participation on the value chain if the group openly addresses power imbalances.

It goes without saying that most vulnerable populations, whether post conflict, disaster or otherwise tend to be extremely risk adverse. Forming groups for collective action (non-political) can be very attractive for this reason. Safety in numbers, not standing out, etc. While this is an understandable survival instinct it can limit innovation and dynamism in the value chain. Leadership can be

hard to identify or reticent to step forward and often very few will be willing to take the risk necessary to achieve significant gains along the value chain. Taking the step to political action, or to address imbalances of power along the value chain can be even more difficult and present many potential risks to the collective. As groups achieve certain levels of success, their confidence will certainly grow. However this confidence must remain in balance with the group's actual or perceived (from the outside) power or ability to effect change. If those in power feel threatened the livelihood gains could swiftly be lost. The desire and decision to wage battles on power imbalances must come from within the vulnerable groups as they are prepared to do so and not promoted from the outside – the stakes are simply too high.

Post by: Ekanath Khatiwada

Dear all,

Thanks for the interesting postings so far

Now the Multi Stakeholders Forum (MSP) is becoming a popular tool in VCD approaches. We can adopt this tool in the context of VP as well. It will help us to generate the minimum common solutions. In this case the MSP should be facilitated in the particular issues or it should be for local issues based solution.

Post by: Luis Ernesto Osorio-Cortes

Dear Ekanath: We share your interest in the so-called multi-stakeholder forums. In Practical Action's Markets and Livelihoods Programme we use multi-stakeholder forums very frequently. We call them Interest Forums but the essence is the same: a space for market actors to collaborate/coordinate to identify blockages and opportunities in the market system and unlock them or exploit them.

Understanding better how MSFs (IFs) work, their success factors and strategies to maximise the participation of the most marginalised producers therein are important questions in our research agenda. In order to do this, we have been trying to learn about the Interest Forums we are promoting in different countries and very interesting lessons and insights are starting to come out. A working draft of our findings can be found at: http://practicalaction.org/?id=pmsd_IF_ia2

Your comments and criticisms are more than welcome! We know that these are just preliminary results that we need to fine-tune with the help of others.

Two of the most important lessons for us so far are:

1. Maintaining neutrality-the forum should not aim to be pro-poor; it should be a space for ideas and to create equal conditions for all members.

2. A focus on "life-or-death" threats or "golden opportunities" (e.g., livestock taxes or quality of water in cheese production) that can only be addressed through collaboration. The first one was for us like a slap in the face and it raises questions about the appropriateness of using the "pro-poor" label when trying to hook a wide variety of market actors who may not be interested in being "pro-poor" but in making business.

One of the most challenging things so far has been getting extremely marginalised producers to effectively engage in the forum, though we are making some progress.

This links very well with the discussions we have been having about empowerment processes prior to engagement with other market actors (including policy-makers). IT WOULD BE GREAT IF YOU CAN SHARE LESSONS, EXPERIENCES, TOOLS OR INSIGHTS that could help us to overcome this challenge.

DAY 2: THE POLITICS OF CRISIS: SUMMARY

Post by: Luis Ernesto Osorio-Cortes

Hello everyone!

It's been a great second day of interesting discussions around "the politics of crisis" and their implications on VCD for vulnerable populations. The kick off-questions of the day referred to:

Power dynamics: when power balances change due to crisis (both within the households and in the public sphere)

Negative and positive impacts of power imbalances or abuses on accountability or governance

How value chain actors adapt to crisis and "play the game" to get the best out of it

In general, I found this discussion extremely interesting. The following are the **insights** that called my attention the most throughout the day:

It is common to hear stories about negative impacts of power imbalances on vulnerable people's attitudes and engagement in VCD processes; however, as shown by Sunimal's examples, these imbalances can also contribute to positive effects; for example, NGOs can use their relative position of power to challenge vulnerable populations' attitudes.

Subsector selection in VCD for vulnerable populations need to take into account criteria that may not be necessary or crucial in non-crisis contexts. For example, the possibilities of a subsector to build self-esteem in these populations.

There seems to be a generalised frustration about the difficulties to coordinate strategies and activities between development organisations using humanitarian approaches and pro-poor market development approaches. There are also coordination challenges within organisations. This coordination is fundamental to maximise cost-effectiveness of VCD for vulnerable populations. However, it is not totally clear how power relations affect this coordination. More research is required.

Frustration is also significant around the slow pace at which donors seem to be adopting some of the key principles of VDC, despite their apparent simplicity.

Not only technical skills are important in VCD but also "soft" skills such as time management, leadership, honesty, professionalism, communication, and punctuality (Zaki)

"Market readiness", "work-readiness", "empowerment for engagement" are all terms that mean the same: vulnerable populations need a preparation time before engaging with others to improve how market systems work. However, a systemic vision is necessary: vulnerability can be caused by factors that are outside of the vulnerable. Also a synergic vision is necessary: empowerment and engagement with other stakeholders and institutions feed one another. Also, a flexible approach is needed to allow VPs to move at different speeds

Avoid group formation with the explicit aim of challenging incumbent powers. This will automatically generate resistance or retaliation. It seems to be better to use VCD as a means to empowerment VPs through a low profile process and in ways that will allow them to engage or challenge incumbent powers in the future (when it may be too late for the incumbents to resist).

The following is a list of **concrete tools and approaches** that were mentioned:

Village-level Committees for Better Living; Value Chain Associations for savings and investments, production and service units; PPIC-work in Egypt by MEDA; dual purpose loans, apprenticeships for young workers, micro-franchises that target vulnerable youngsters, Economic Recovery Standards, Multistakeholder Forums or Interest Forums or Platforms (spaces to bring market actors together), UN Cluster Approach, groups or associations of vulnerable populations, Market Opportunity Groups (associations of vulnerable producers to engage with other market actors), EMMA tools.

Special thanks to all of the following speakers who contributed to day to with great ideas, insights, experiences and feedback:

Samina Jain- Freedom From Hunger

Jared Penner – Grameen Foundation

Ben Fowler - MEDA

Sunimal Alles - CGAP

Jason Wolfe – USAID

Ekanath Khatiwada –SNV @ Zambia

Zaki Raheem – Eco Ventures Int'l

Radha Rajkotia – IRC

Christian Pennotti – IRIS Center

Stuart Coupe – Practical Action

Beatrice Kinyanjui

Mike Albu _Practical Action

Thanks also to those of you who have been silently following the discussion. We know you are there! ;-)

Good luck to Chris Pennotti who will facilitate the third and last day of this fascinating Speakers Corner, called **Adjusting Practice to Context** . It promises to be a very practical and exciting discussion. Looking forward to it...

Lucho Osorio-Cortes

Practical Action @ UK

Markets and Livelihoods Program

DAY THREE: ADJUSTING PRACTICE TO CONTEXT

DAY 3: INTRODUCTION

Post by: Christian Pennotti

Dear All,

Welcome to Day Three! I know the pace has been rapid over the past two days but hope we can all keep it up for one more.

I am excited to be coming in to help stimulate today's discussion, doubly so because I'm joined by Beatrice Kinyanjui, EMG's Program Director for the Value Girls Program.

Over the past two days, we've had robust discussions looking at how we can best engage vulnerable populations in value chain development projects, what role politics plays in our ability to do this effectively and what tools and experiences different participants have that can inform and support others working in this area.

In his introduction to this Speaker's Corner, Ben noted, "A clear distinction has traditionally existed between the type of programming considered appropriate for microentrepreneurs and micro and small enterprises (MSE) and that for vulnerable populations impacted by natural disasters, conflict, or HIV/AIDS. Whereas the former has focused on incentives, markets and value chain approaches, the latter has more typically consisted of relief efforts and liberal use of direct subsidies."

As we go into Day Three, we've clearly seen by the volume of dialogue this week that those lines are indeed rapidly blurring. What we'd like to do today is to drill down a bit to explore what that means in practical terms across different vulnerability contexts. A couple of questions to get us started:

- Question 1: What are the primary differences in vulnerability across populations affected by conflict, natural disasters and pandemics?
- Question 2: What are the primary differences in markets subjected to conflict, natural disasters and pandemics?
- Question 3: How should our approaches be adapted (or not) in the face of these issues?

We look forward to hearing what people have to say and, to reiterate Lucho's message, if you are currently working through some of these issues, please do raise them. We've got a lot of experience gathered here, let's take advantage of that.

DAY 3: ADAPTING PRACTICE TO CONTEXT

Post by: Sunimal Alles

Hi Everyone,

- Question 1: What are the primary differences in vulnerability across populations affected by conflict, natural disasters and pandemics?

My experience is that there are different scenarios in all of the three settings you have mentioned. I give below the scenarios related to my experience and will write the differences in vulnerability during the day and send them:

- Conflict but remaining in same village/area/country:
- Conflict but has been displaced in country – living in camps or host families
- Conflict and has had to leave country – in refugee camps
- Conflict and has had to leave country – living with host families
- Post conflict/disaster – refugees and displaced have returned to original villages\towns.
- Natural disasters and remaining in same village\town in same country
- Natural disasters and has been displaced in country - living in camps or host families
- Natural disasters and has had to leave country – in refugee camps
- Natural disasters and has had to leave country – living with host families
- Pandemics – HIV – Living in home\village\area
- Pandemics – HIV – Living with a host family
- Pandemics- HIV – Living in care centers

Post by: Sunimal Alles

Hi Everyone,

As promised, I have started writing my experience for the different scenarios. I have grouped some that are similar. I respond to the first question and will continue to write and send my inputs for the second and third questions:

- Question 1: What are the primary differences in vulnerability across populations affected by conflict, natural disasters and pandemics?

a) Conflict but remaining in same village/area/country:

b) Natural disasters and remaining in same village\town in same country

The vulnerable living in the above two settings have to undergo similar hardships, such as lack or limited of access to water, food, shelter, health services and inability to practice economic activities. However, if there is ongoing conflict where he/she is living, there is added risk of getting caught in the crossfire, rape and pillage of assets and household goods.

c) Conflict but has been displaced in country – living in camps or host families

d) Natural disasters and has been displaced in country - living in camps or host families

In the above two scenarios, the vulnerable are better off than the above and will have access to basic services after a few days (when the camp is organized). However, they may have limited opportunities to carry out economic activities at the start of the displacement. If they have not been able to bring their assets/goods with them, they will not be practicing any activity. If the displacement is long, some agencies will provide loans for purchase of assets/goods to restart economic activities.

e) Conflict and has had to leave country – in refugee camps

f) Natural disasters and has had to leave country – in refugee camps

After a few days/weeks the vulnerable in camps will have access to all basic services if the host country has welcomed them and has also allowed humanitarian agencies to carry out assessments and provide services. However, they generally do not have assets/goods and are unable to practice any economic activities immediately after they arrive. Here again, if the displacement is long, some agencies will provide loans to purchase assets/goods.

g) Conflict and has had to leave country – living with host families

h) Natural disasters and has had to leave country – living with host families

If the host family is living above the poverty level and have spare room the vulnerable will have access to all services. If they are not, the host family will have to make requests for assistance from UNHCR and other agencies. It may take long for the assistance to be provided, as the priority of agencies will be focused in camps. However, they have more opportunities to carry out economic activities.

i) Post conflict/disaster – refugees and displaced have returned to original villages\towns.

In many countries, the vulnerable and poor have been neglected in relation to restarting economic activities, when they return to their original villages, as they have not been able to voice their needs and approach agencies. However, if there are local organizations that have social service units, they have a better chance to obtain basic services. Some programs that target the vulnerable may be available to provide services, but they have been hesitant to give loans, as they are not sure of their ability to reimburse.

j) Pandemics – HIV – Living in home\illage\area

This is very rare as generally there is a lot of fear and the person who is HIV+ve is marginalized, cannot touch people, even her own children. Generally the husband will banish the wife and take another to look after the children. (as he suspects that she has been infidel when he was traveling)

k) Pandemics – HIV – Living with a host family

Some HIV+ve persons, when marginalized, banished and their children taken away from them, are able to live with friends or other HIV+ve persons. Once they are there and if they come across an agency that can provide trauma counseling and provide loans, they are able to re-commence their lives.

l) Pandemics- HIV – Living in care centers

My experience here is that the HIV+ve living in centres where care is given are depressed and have the impression that they have started their “Journey to death” or are “Waiting to die”. When I visited such a center in Liberia, I was warned against speaking about their capacity to carry out economic projects “Until they were ready to die”, as they had talents/strengths and could get loans form different programs.

Post by: Sunimal Alles

Hi everyone,

My responses to • Question 2: What are the primary differences in markets subjected to conflict, natural disasters and pandemics?

a) Conflict but remaining in same village/area/country:

The poor and vulnerable will find it very difficult to move around or travel to larger towns to replenish their stocks of goods, they may have little amounts of cash but due to conflict prices of commodities would have increased. This would reduce the goods they could buy. Even though they can purchase goods for resale there will constantly be the risk of pillage.

b) Natural disasters and remaining in same village\town in same country

If the natural disaster has not destroyed assets and goods, the poor and vulnerable can restart their economic activities rapidly. However, the next stock of goods will be higher in price and reduce their profit margins, as they may need to spend more for transport. If their assets and goods have been destroyed, they will not be able to re-start activities, and would remain very vulnerable until some agency provides them a loan or they are able to get “goods on credit” from wholesale traders.

c) Conflict but has been displaced in country – living in camps or host families

d) Natural disasters and has been displaced in country - living in camps or host families

If the vulnerable have been able to travel with their stocks of goods (I always refer to “goods” as the activities of the vulnerable are generally retail sales of essential items – matches, soap, candles, tea, sugar, flour, seasoning cubes, etc) they will be able to restart activities rapidly. If they have not they may be able to borrow some money and restock and start repaying in installments..

e) Conflict and has had to leave country – in refugee camps

f) Natural disasters and has had to leave country – in refugee camps

In some countries refugees are not permitted to carry out economic activities outside the camps. However, they are able to carry out petty trading within the camps. One issue is the high cost of transport to be able to re-stock when they are in camps, as in most areas the camps are far from town centres. If they are able to carry out trading or sell items such as small wooden items outside the camps, they may be able to earn more income.

g) Conflict and has had to leave country – living with host families

h) Natural disasters and has had to leave country – living with host families

The vulnerable here will be able to carry out their economic activities as they were doing in their own villages/towns. However, they will need cash or loans for purchase of raw materials or goods if they have not been able to transport their stocks.

i) Post conflict/disaster – refugees and displaced have returned to original villages\towns

The vulnerable that have been able to save during displacement can rapidly restart their economic activities if other returnees too have saved and have cash for purchasing essential goods. If the vulnerable are farmers, they would need to be assisted with food aid until they are able to harvest their crops.

j) Pandemics – HIV – Living in home\village\area

Those that have been carrying out economic activities when they were pronounced as HIV, receive counseling for trauma, may be able to restart their activities rapidly. If they do not receive counseling they may go into depression and be unable to carry out activities.

k) Pandemics – HIV – Living with a host family

The vulnerable would be comforted by the host family and may be able to obtain a loan to re-start their economic activities.

l) Pandemics- HIV – Living in care centers

Here, the economic activities they are able to carry out and access to markets are limited.

Post by: Sunimal Alles

Hi Everyone, Here is my response to

• Question 3: How should our approaches be adapted (or not) in the face of these issues?***

The vulnerable and poor continue to exist as there are very few socially minded democratically governed and strong local organizations in villages and areas where they live (see below), to organize special programs, labor donation days to build their houses and cultivate, and provide caretakers of the vulnerable loans and other needed support to organize economic activities, If we need to assist the vulnerable transcend to become “not vulnerable” rapidly, we need to establish new organizations (or restructure existing ones) to develop VCs and also have sub-committees for better living (SCBL) which will establish strategies and systems to overcome all the challenges.

The most number of economically poor and vulnerable people live in the following areas and communities: a) urban quarters/pockets in towns. b) In tiny spaces between railway lines and parapet walls c) remote rural areas (RRA) d) communities in conflict e) communities in post conflict f) refugee/displaced camps and host communities. g) Centres where the HIV+ve live h) leper colonies i) marginalized communities due to race or tribal origins j) Communities prone to insecurity as there are mineral reserves in the area k) Communities where many children and adults were abducted and forced to join fighting forces. (There is a tendency that they do not reintegrate willingly, remain at large after the end of conflicts, and pillage and aggress communities)

l) disaster and post disaster areas m) the homeless and stateless.

Having implemented and drawn lessons from relief, transition and development programs, for many years in different countries, in all of the above settings, we have started establishing VCAs (Value Chain Associations) and CMP&SCs (Community Managed Production and Service Centres) in East Africa, and propose the following generalized approach for developing them, in remote rural areas (RRA), while the poor and vulnerable are in their villages before disasters/conflict, in refugee camps and host families during the conflict/disasters and among communities that return, to reduce vulnerability and poverty: A similar program can be read at: http://communities.seepnetwork.org/me_hiv_conference/node/1782

1) Select the area where the interventions are to be carried out. (Or community in camps)

2) Call a meeting of a cross section of the community/village representing all tribes, ethnic and religious groups, children and youth of both genders.

3) Facilitate sessions to define what vulnerability is, and why they are vulnerable. (If there are those who can be active, but remain vulnerable due to spiritual, mental, emotional and minor physical disabilities, visualization and counseling sessions need to be carried out to challenge them to become active)

4) Facilitate sessions to document the number of vulnerable, needs of the vulnerable and general happiness levels of community members, challenges to be overcome and the interventions needed to increase happiness levels to 95%. My experience in the worst case scenarios has been that the community will list the following services as needed and challenges to be overcome to enhance their happiness levels: (We have stopped using “poverty levels/scorecards” as a measure as it has a negative impact on positive visualization sessions and is un-inspirational)

http://api.ning.com/files/yZPljRL2V5Xntzk2aQm9x7*Z403d-EKcNhV9K*aF8Yb7yonMH5MgCFwvR0ychBza8g9hGtrn2gE8hSbuO4S7Wp9WgN5I NOA0/HappinessLevelAwereUg29I208.JPG

- a) Foster homes for orphans, the elderly, differently abled and blind.
 - b) Programs to assist the vulnerable construct houses and cultivate land
 - c) Security and protection of children (especially recruitment/abduction to be child soldiers and to be laborers in mines and plantations)
 - d) Protection against domestic and community violence. (i.e.GBV and instigators of conflict)
 - e) Clearing of mines and skeletons
 - f) Recovery and reintegration of child soldiers and ex-combatants
 - g) Access to potable water
 - h) Housing or money to reconstruct/repair houses
 - i) Schools in vicinity
 - j) Food and school fees payments until income is earned.
 - k) Seeds and tools including tractors and heavy machinery.
 - l) Access to water for irrigation
 - m) Health clinics
 - n) Roads.
 - o) Markets in vicinity.
 - p) Materials and equipment to restart or upgrade enterprises and workshops
 - q) Youth and the unemployed needing guidance to select vocations to practice.
 - r) Lack of knowledge and vocational and business training for self-employment.
 - s) Access to loans for purchase of household and business assets and raw materials
- 5) Suggest to the community that it would facilitate their overcoming the challenges and also taking care of the vulnerable, if they were able to identify and nominate honest community members who are knowledgeable and concerned about the above challenges, and were ready to organize Committees for Better Living (CBL) (If there are other associations or committees that exist, recommend that they nominate a representative to the CBL that is being formed-as it is a neutral group)
- <http://api.ning.com/files/yZPljRL2V5UwwcSpiGdvrVegimAadLF-cZZZbGb2-nDslyEoJsvdgi06hoADdDdkVhg2gFBmqeraWSlcEDROtClj8I V8KpT9/SubCommitteeforBetterLiving.JPG>
- 6) Verify if those nominated for the above tasks are talented/are really concerned, knowledgeable and are ready to take the lead to resolve them.
 - 7) Organize a meeting and guide them through the process to better organize themselves.
 - 8) If your agency or program deals only with VC, MicroEnterprise and MicroFinance development, suggest to the CBL to meet, discuss the unresolved challenges, prepare advocacy documents and meet with local authorities, military and other departments to advocate to have essential services and safer communities.
 - 9) Guide the CBL to prepare proposals to carry out programs and projects to overcome all the other remaining challenges.

10) For promoting MicroEnterprise and MicroFinance development among the community (including the vulnerable) start either Savings and Investment (S&I) groups or VCAs of five to maximum fifteen members. (As their houses do not have space for larger numbers-it is not recommended that they meet under trees to transact money, as communities may have unlawful elements) (If the vulnerable are unable to carry out any economic activity, a family member or caretaker needs to be sensitized and coached on the manner an economic activity could be carried out, profits made and the vulnerable person assisted)

11) The VCAs/S&I groups save and provide loans to members either individually or to the group to carry out MicroEnterprises and IGAs (Income Generating Activities)

12) The VCAs need to be coached to keep accurate and transparent accounts and records that will encourage members to save frequently and on an ascending scale. (They need to be visualized to understand that saving and investing larger amounts can enable them to become “Richer” faster). A simple cash transaction record-keeping format needs to be introduced after the coaching sessions. (They need to be sensitized of the advantages of keeping accurate accounts- prevention of embezzlement- to facilitate audits- enhancing confidence of members to save)

13) After around 12 weeks, the VCAs will nominate an honest and trustworthy member to form the board of directors of CMP&SCs. (In Uganda there should be a minimum of 30 members to be registered as a cooperative in other countries it is either less or more) If there are less than 30 VCAs in the community the VCAs should nominate two persons from each VCA.

14) The board members will be coached to maintain records and accurate accounts. There should be at least two internal auditors to verify transactions frequently.

15) The board members of the CMP&SC will establish a talents/strengths identification unit, vocation and business skills coaching with master trainers and other sub-committees and units such as reintegration of child soldiers, assistance to HIV+ve and GVB affected, agricultural department and heavy machinery hiring, cooperative shop, marketing department etc.

16) The CMP&SC will also have a MicroFinance unit that will verify the cash transaction record books of VCAs and consolidate accounts, open bank accounts, deposit savings and access larger loans. (If there are no banks in the vicinity or the community is hesitant to trust banks, an existing MFI can be introduced to the community and requested to open a branch in the community)

17) If there is no MFI willing to establish branches, the VCAs could form a MFI.

18) The board members of the CMP&SC will be coached by agency staff to write narrative and financial reports, carry out impact evaluations and write success stories to be submitted to donors and investors.

19) If there are any other communities that would like to set up VCAs and CMP&SCs, exchange visits could be arranged.

Some of the challenges we have been facing during implementation have been:

a) Unwillingness of the very poor and vulnerable to engage themselves in the process: We established an “assessment and pre-engagement to attain goals/impact” format to challenge them to engage by demonstrating the change they could bring about in their lives, and requested all those who were hesitating to fill them out with the help of their church or association:

<http://spmconsortium.ning.com/photo/ccmv-assessment-and?context=user>

http://api.ning.com/files/746dhKa5FLIKfjjNGPqKlhVkJNarHqmVPRDzA9VI2pA2OkLRufd7p8cuOMUSH28xI7QyqAvAeGhrT-94tT5d-gH3zjBQIV*/CCMVAassessmentandPreEngagementforimpactGoalspg1.jpg

b) Low literacy levels preventing the maintenance of accurate accounts and audits: We challenged them to become literate by visualizing the manner smooth talkers and the literate had embezzled funds in other countries, as there was no rigorous verifications and audits.

As the target group are the vulnerable and the poor that are to be assisted, and it is unfair that they remain vulnerable and poor long after this online discussion, I implore that all donor representatives that read these posts, seek ways in providing funds rapidly to consortiums of implementers, taking into consideration their experience and capacity, rather than provide grants to individual agencies/NGOs, as it does not foster coordination of interventions in the field and the emergence of innovative programs to transcend the vulnerable and poor to become not poor. When interventions are carried out and reported separately, there have

been many instances of duplication, fraud (i.e. same family obtaining the same assistance from different agencies) and waste (Examples where wastage could be minimized are: joint baseline surveys, sensitization sessions and impact evaluations, joint intervention visits to same areas saving fuel and eliminating need of multiple vehicles, one representative representing the consortium reducing time spent by many individuals at meetings-increasing time for implementation) when interventions are carried out and reported separately. Donors should insist that there be one lead agency and analyze the capacity of that agency to manage umbrella/sub-grants and provide accurate narrative and financial reports on time that cover all interventions. It would also be ideal if donors could form consortiums and allocate funds to carry out interventions according to their priorities and aspirations.

We plan to start training programs to design and implement the above program soon.

Please understand that the vulnerable, destitute and poor too have talents/strengths (Thoughts, Drive/Will/Entrepreneurial traits and some Skill) that can be identified and refined to enable them to wipe away their tears.

Please read the root cause of existence of OVCs at:

http://communities.seepnetwork.org/me_hiv_conference/node/1514#comment-646

Thanks to everyone who participated in this on line discussion and provided innovative and creative insights, I wish you all the best,

Post by: Diana Rutherford

Subject: RE: Day 3: Adapting Practice to Context

Hi Sunimal,

As I read the post below, I thought "And all of this (that you describe below) because the responsible institutions do not exist or failed/are failing." Is VCD the answer? Is it a local "fix" only? How long can these community groups work and thrive? Do they replace local government?

Thanks for the interesting array of thoughts these last few days.

Post by: Sunimal Alles

Hi Diana,

The first time I saw the vulnerable was in 1972 (stateless persons being exploited by rich purchasers of local produce In Buttala, Sri Lanka). I continued to see them being exploited in many countries. The worst was in Eastern DR Congo where there were rapes, killing of the able bodied to recruit women and children to mine for exploiters. In EDR Congo, there are buyers of minerals who pay authorities, customs officials and local government commissions to transport the minerals out of the country. There are many agencies, there that do many programs to try and correct the situation. However the exploitation continues, as the demand for minerals (especially Coltan) is high. Many programs are in place to improve local governance and civil society. However, civil society who are "hungry" and without a way of earning income is powerless, as they will always be enticed either to be miners or supporters of exploiters, and in the process ignore law and good governance. Please see some references below.

<http://www.un.int/drcongo/war/coltan.htm>

<http://www.l.american.edu/ted/ice/congo-coltan.htm>

Now, if the local villagers were able to identify and refine their talents/strengths (Everyone is either a leader to organize/manage institutions or a cog in a Value Chain), organize themselves within VCAs (Value Chain Associations) and establish CMP&SC (Community Managed Production and Service Centres) in every village, carry out production and become rich, link themselves and become a network that has money to either pay security forces or have their own security, establish norms for mining, they will be able to break through the cycle of chronic poverty that prevails in the region. I give this example as I know the area very well and have discussed the options with civil society. I also feel that EDRC is an area that needs to be cleared. So long as the "Exploiters" have the capacity to pay commissions, and are more powerful than the villagers, vulnerability will exist.

Yes, I think VCAs and larger organizations emerging through VCAs is the answer. There is no restriction for civil society members and local government to be board members in VCAs and CMP&SC. The difference is that they would be earning money (legally) for their efforts and will start rejecting the bribes of “Exploiters”. We even enticed child soldiers to lay down their arms and join the process through a CCMV/ASBL (Centre de conseil pour Mieux Vivre-Advisory Centres for Better Living) in Kongolo, north Katanga EDRC.

<http://www.changemakers.net/files/CCMV%20and%20TIDY%20Centres%20Scan%201.jpg>

Eastern DR Congo is an area where the local MFIs were destroyed and very few MFIs are willing to restart. However, if there were Committees for Better Living (CBL) in every village, that organized VCAs that established apexes/CMP&SCs, assured security, and wanted loans to expand their VC activities, the MFIs will be reorganized or new wholesale MFI will emerge. The private sector will be willing to give “Goods on Credit” to shops organized by CMP&SCs as they would be democratically governed institutions that maintain transparent accounts and have bank accounts. The first step however is to sensitize the local population to change their mindset to realize that they do not have to live in destitution, believe in their capacity, visualize the vision, establish objectives, a strategy and work plan and start the process.

We can do the same in any area in the world. The main issue is that people are not given the option to identify and refine their talents/strengths and select the VC they belong to. If they do they will start excelling in their lives.

http://www.dailymirror.lk/DM_BLOG/Sections/BlogCentral/frmBlogComments.aspx?BLOGID=308

When can we start the process to eradicate all forms of poverty and vulnerability? We can guarantee that there will be results and impact in six months through this process, as I don't believe that people wish to remain vulnerable or poor if they have an option to become rich.

Post by: Beatrice Kinyanjui

I agree with Sunimal that there different scenarios in all of these settings, which certainly makes it more difficult to develop program strategies that address the various needs. For example, in one of EMG's program, we were focusing on households affected by HIV/AIDS when we came across a significant number of child headed households. This category is faced with a different set of challenges than those facing households headed by an adult. Some were in school, others had dropped out of school, etc. While working with a target group, wherever possible, we have been trying to broaden the target group since the VC approach to be effective needs to have a broad group of people since it is really about crowding people in rather than focusing on a specific group/subset. However, in this case, we developed strategies specifically focused on child headed households. I was wondering what other thoughts were around dealing with some of the key differences within a specific category!

Thank you Mary for pointing out the resources from SEEP. From their descriptions they seem very relevant to some of the work we are now working on.

Post by: Mugova Alex

Dear colleagues in VCD:

Sorry for coming in on the last day of the discussion. I was bogged down with some tight deadlines over the last two days. I however followed most of the contributions and enjoyed them a lot. Here are my thoughts on the questions raised by Christian.

* Question 1: What are the primary differences in vulnerability across populations affected by conflict, natural disasters and pandemics?

The differences in vulnerability, if any, are very blurred. By their very nature, conflict, natural disasters and pandemics all impose significant strains on the coping mechanisms of vulnerable populations. In many cases, conflict leads to destruction or loss of the few assets that the poor may have (livestock, housing, food reserves). Similarly, the same happens when natural disasters strike (e.g. floods or droughts). Finally, pandemics often undermine the ability of the poor to cope and the poor are always the biggest losers. This is because the few assets they have are sold to cope with the pandemic and thus emerge out of the pandemic worse off than

before. In some cases, pandemics affect demand of food commodities (pork under the current swine flu) and again the poor are the heaviest losers if they had depended on supply of such a commodity to the market.

**** Question 2: What are the primary differences in markets subjected to conflict, natural disasters and pandemics?**

We all know that markets are very sensitive to any level of uncertainty. Conflict, natural disasters and pandemics all create uncertainty and anxiety and thus worsen the vulnerability of poor populations. Uncertainty and anxiety disturb markets mainly by sending negative signals on prices and supply and demand of commodities. This has been graphically illustrated by the impact of swine flu (a potential global pandemic??) this week. There are already indications that demand and sales of pork products in some countries are on a downward trend due to fears and uncertainty among consumers. So, pandemics can easily depress demand of food products and if vulnerable populations are involved in production of the food products, they become heavy losers. Conflict often disrupts economic activities and the immediate impact is to negatively affect supply of commodities (especially food). Inequilibrium between supply and demand pushes up prices. Vulnerable populations are double losers here: they are least prepared to increase production during conflict (because their assets are wiped out or eroded) and are least able to cope with increasing prices (because of little or no income). Natural disasters (droughts, floods, etc.) invariably have the same impact on markets as conflicts. The difference is mainly one of timing and intensity. The impact of disasters on markets can be instantaneous and catastrophic whereas that of conflict is gradual although the long term results can be equally catastrophic.

*** Question 3: How should our approaches be adapted (or not) in the face of these issues?**

As facilitators of VCs for vulnerable populations, we need to have a deep understanding of how conflict, natural disasters and pandemics affect markets so as to make our interventions relevant and deliver high impact. Facilitating VCs under any of these conditions is not easy because of the fluidity involved (uncertainty and anxiety referred to earlier). There is therefore no substitute for a deep understanding of the local context and the needs of vulnerable populations so that the VCs we support help poor people to cope during the crisis and more important, move to a better situation in the aftermath of the crisis. In short, there are no easy answers; every intervention will need to pay special attention to the context and the specific needs and priorities of vulnerable populations.

Alex Mugova - Practical Action

Post by: Beatrice Kinyanjui

Markets are constantly changing even without any of these major events taking place. I agree with Alex's points on how some of these events can truly complicate matters. In Western Kenya, we were recently exploring an opportunity to link a group of young women to a fish processor working close to Lake Victoria. While our discussions were progressing well, these plans were never realized since the factory was badly vandalized during the recent post election violence. A program's ability to respond to changes in the market can be a critical factor towards success.

Also, Jennifer, the market driven nature of your work is relevant to this discussion especially since your programs is addressing social issues. It also illustrates the importance of understanding relationships and incentives.

Post by: Christian Pennotti

I agree with Alex's comment that "differences in vulnerability, if any, are very blurred," to the degree that the overarching result is often the same - loss of assets, increased vulnerability and fragmented/destroyed markets. Both Sunimal and Alex note though that the drivers of that asset loss and the positions in which vulnerable populations end up as a result can differ vastly and that as facilitators, we need to have an excellent understanding of those issues and how to affect them.

This gets at question three quite a bit. What examples do people have of tools or approaches you've used in different contexts to gain that understanding and act on it? How have you retained the flexibility that has been consistently noted here as critical to success? And, if you've worked on these issues in different contexts, what differences have you found in what works and/or what you need to consider?

Post by: Laura Meissner

Hi Christian, Alex and all,

I agree that while conflict/disaster/pandemics can all result in the loss of assets and increased vulnerability, there are some important differences. In conflict situations, value chain programs will need to be more sensitive to power and conflict dynamics in order to address any potential to exacerbate conflict with the new/proposed program.

What can also differ is how groups respond to this loss of assets and increased vulnerability. The Standards for Economic Recovery's Common Standards section advocates monitoring households' use of coping strategies and differentiating this by gender, age, ethnicity, and location. People react differently; a good value chain response should take into account what the exact market failures have been, and the ways in which people respond. This would be similar with populations affected by HIV and AIDS; as we know and as the HAMED guide describes (<http://hamed.seepnetwork.org>), people in the same household, or even the same person over time, experience vulnerability differently, and so value chain responses must take this into account.

Post by: Jared Penner

Hello everyone,

The challenges facing communities made vulnerable by conflict, natural disaster or pandemic indeed raise questions about the appropriate level of subsidies needed to best serve the target populations. Relief, partial subsidies and full market based price structures each can be applicable within various contexts of vulnerability. However, when these lines get blurred, or when one organization offers relief with one hand and market subsidies with another, it can lead to real confusion amongst beneficiaries on the ground.

One area where MEDA has experienced this challenge is in our mosquito net distribution project in Tanzania. Originally, we had worked with the Government of Tanzania at setting up a distribution network for Insecticide Treated Nets (ITNs) that used a voucher scheme in an effort to create a sustainable market for nets in the rural areas of the country. People could pick up a voucher from district health centers and redeem them at local supply stores in order to receive an ITN that would protect themselves and their family from malaria. The vouchers were valued at about 40% of the market price for an ITN. This allowed a market to be created for the distribution of mosquito nets in these vulnerable communities.

Recently, the Government of Tanzania has changed its policy on ITNs in response to their belief that not enough poor children were getting access to ITNs under the market oriented approach. They have now moved to a free distribution system in order to ensure that all citizens have the opportunity to receive a net. They say that once they have achieved certain outreach figures they will return to a market based, voucher system approach. This does not appear likely and illustrates the difficulty of combining a subsidized market based approach with a charitable, free distribution approach to getting health care products in the hands of vulnerable communities.

This also raises a question over which products are appropriate for each of these different approaches to distribution. Is it easier to justify a voucher based system for productive/income generating products like drip irrigation units, water purifiers or even training sessions than it is to justify a similar system for health products like ITNs or Anti-retroviral medication? I would be interested in hearing some of the thoughts of the Speaker Corner participants on this question.

DAY 3: MEASURING VULNERABILITY

Post by: Christian Pennotti

Thanks to everyone that's been feeding in today. Very useful comments. In reading through these, I cannot help but be pulled toward the question of monitoring and measurement.

Alex and Bea noted early on in the day that one of our goals is to ensure the VCs we support improve the ability of poor people to cope with crisis and allow them grow more secure in the aftermath. That's a challenge AED has been grappling with (along with a whole range of partner organizations) through a program called STRIVE. Our challenge has been determining what indicators we need to monitor to understand the effects of economic strengthening interventions on vulnerable populations (in this case youth and children affected by a range of issues from conflict in Afghanistan, to food insecurity in Liberia, to HIV in Mozambique) . One of the reasons STRIVE was launched was a recognition that many economic strengthening projects designed to support vulnerable populations were actually having only marginal economic success and that even among those that were successful, the distribution of

benefits within households was often unclear. In response, STRIVE has used a common set of principles - including ensuring interventions are responding to market demand, designing with an exit strategy in mind and many of the other tenets of VCD - to develop interventions that specifically align with the vulnerability context of children/youth but are often not working with these populations directly. The indicators we seek to track, therefore, sometimes have only loose links to the project's actual activities.

So, for instance, one country-level project under STRIVE is focused on improving food security by enhancing agricultural value chains but is tracking (and hoping to affect) school enrollment, health, diet and the use of children's time, even though none of the project's interventions work with children themselves. Another is working to increase incomes in the target region using a facilitation approach with lead firms in the seaweed value chain. In that instance, they are monitoring both increased income at the household level and child school attendance, food security and health care use.

Designing indicators that align with the particular vulnerability situation of children in each of STRIVE's country-level activities (and then figuring out how to track and use these cost-effectively!) has been and continues to be a challenging process. We continue to work on this but expect the outcomes to give us a much better sense of not only whether our economic intervention was successful, but also what implications this had for the well being of the vulnerable populations we are targeting (children and youth).

How have others approached this challenge?

Post by: Margie Brand

Subject: RE: Day 3: Adapting Practice to Context

All,

Sorry to only be joining the discussion now. My post goes across a number of the issues raised so I'm somewhat arbitrarily adding it to today's mix.

When it comes to vulnerable populations and value chains the interventions in the field continue to shock me. It is amazing how good and promising practices are swept aside for subsidies without purpose, targeting resulting in exclusion or market distortion, short term goals without any effort to longer term sustainability - all ultimately resulting in unsustainable programs and a market where legitimate market actors (often vulnerable by another definition) are crowded out because of our interventions. And we wonder what went wrong when we stand back and see a market more broken than when we started, when initially there were simply vulnerable populations.

So much of our work with 'vulnerable' populations shows that there is a certain inherent trust by people that are more vulnerable that due diligence has been done around market research before an option is put forward to them. Programs offering certain economic opportunities and links into certain value chains, MFIs offering loan products for certain technologies - all of these are received with trust by the more vulnerable, a trust which is seldom warranted. I believe strongly that we should take even more deliberate care to assess markets, understand challenges, design solid, culturally and vulnerability-relevant programs, etc. - as we can waste so much money, destroy so much hope, waste so much time, and do so much harm to people already vulnerable to even the smallest shock.

A key learning for us at EVI, which we never used to do, is for example: when we assess youth livelihood opportunities in certain value chains, especially in post natural disaster and post conflict situations, we start by assessing youth's health situation and their life situation. If they are ill and have low energy or skin disease, this instantly dictates or narrows economic opportunities available and what value chain functions they can undertake. If they are head of household to a many other siblings or youth, this immediately dictates how much time they can spend away from home, how far they can travel, or how immediate their source of income needs to be. I believe that more cross-cutting situational issues become even more important to consider for more vulnerable populations in comparison to these that have more safety-nets to protect them from shocks.

Interesting too, is when there are funds available, how the term 'vulnerable' can become very broad, and the activities way less questioned...

Just by-the-way, we are focusing most of our efforts to understanding and preparing to work in vulnerability caused by climate change, such as climate migration, etc., which I strongly believe will be the center of our discussions in the near future, and will break through even more of the stove pipes between the developing and developed worlds as we all face this poverty and vulnerability challenge.

Post by: Radha Rajkotia

Thanks Margie and Christian, I think both of those postings bring us back to many of the points that have been raised through the course of the three days. It seems to me that much of the discussion that has taken place addresses the following two questions:

1. How can we ensure that vulnerable populations are able to engage in VCD programs?; and
2. How can we ensure that VCD addresses issues of vulnerability?

I think that these are quite different in their nature and speak specifically to the different kinds of objectives that projects or longer-term programs may have. However, from my experience (which I must admit is limited in VCD, and more focused on livelihoods), I often see that objectives are conflated so that an intervention that is intended to address vulnerability through VCD (or other economic strengthening initiatives), in practice, makes assumptions about whether those vulnerabilities are addressed based on the participation of the vulnerable population. That is to say, the mere fact that those who are deemed to be vulnerable (whether women, youth, people living with HIV or others) are engaging in economic strengthening activities is used as an indicator that their vulnerability is being addressed. This counters the lengthy discussion that was held on the first day about the different causes/ influences of vulnerability and the different levels to which individuals may be considered as vulnerable.

Christian's focus on measurement is an important reminder about the need for good monitoring of both economic strengthening and vulnerability indicators, but the need for evaluation of the linkages between those two components. We are currently looking at the linkages between economic strengthening initiatives and incidents of gender-based violence, and are hoping to expand this focus to linkages to child protection too. I think that these two projects will help explore question 2 above and I am excited by the potential for us to explore more rigorously the linkages between economic strengthening initiatives and different facet of vulnerability. However, I am also cautious of the conflation between the two questions, and the tendency to in practice, focus on the first when we are really thinking about the second.

I would love to hear if others feel the same or differently about this. And if there are any other ways to think about or expand upon the two questions that I have suggested above.

Post by: Victoria Francis

I have finally had a chance to read through some Day 3 postings and have found them very interesting. On Margie's point, I just wanted to agree wholeheartedly that the early analysis required in a economic strengthening program with vulnerable populations is so critical. While a broad market assessment and then a targeted VC assessment may be sufficient to uncover the constraints that need to be addressed in a traditional value chain program, EMG has found as has ECV, that any design process for vulnerable populations has to start with the population itself. In the Nike Foundation program, we conducted what turned out to have a very long name - Girls' Situation Analysis and Omena and Tilapia Value Chain Assessment with a girls lens - because the latter was simply not enough when considering designing a program for this population. It was critical to explore in a deep way the lives of the girls we would be working with.

That said, while I am a true believer in good design, it is important for practitioners and funders to keep in mind that with market-based programs, even the best research will not give you the three year or five year guide to every element of the program. It is very tempting however to look at the findings and lay out a comprehensive and very directive program but one does so at the cost of the program's market responsiveness and flexibility as well as long term sustainability. As Margie said last year at the Youth Conference, we tend to forget or throw out best practices in value chains, when we introduce the word youth (paraphrase) and I think it is sometimes true when we introduce the word vulnerable.

This has been a terrific speakers blog. I'm only sorry I only had a chance to catch up on the discussion fully and participate today.

Post by: Ekanath Khatiwada

When I was working in Nepal during political crises, the most of the communities were suffered by the market access. Most of the time there were road blockages s/ strikes. Due that situation, most of the seasonal and perishable product could not reach in the markets resulting that producers were becoming more vulnerable day by day. Our cardamom value chain program also affected due to such situation. In that situation we integrated the peace building and collective negotiation tools at farmers and local businesses associations.

When I was working in south Sudan, we experienced on about the inter tribal conflicts as well as cross boarder trade conflicts like cattle raiding and so on. In that situation our Livestock value chain and other value chains were greatly affected. To minimize such risk, together with other partners we also integrated a peace building activities as a cross cutting issues in Value chain. And It was very effective model in south Sudan.

There is an interesting tool called Appreciative Inquiry (AI), we customized this tools and used at community level. This tool is looking always positive side of coin. Vulnerable community needs a lot of encouragement and appreciation. First of all they have to understand and realize their inner strengths and skills to motivate them to entrepreneurship. Especially this tool was customized and applied successfully for community based tourism enterprises selection process in Nepal. If any member interested I will share more

Post by: Andrew Baird

Some excellent discussions on these topics! Several of the posts have noted the need for flexible responses in a value chain approach. Indeed a key for success when dealing with populations whose circumstances can and certainly will change rapidly. In a number of the VC project I have been associated with or observed however there has not been this flexibility. To the contrary, once the course was set - based on the best information and with the best of intentions - it has been hard to change course quickly enough to respond to the needs of the population.

To continue the discussion of Question 3: How should our approaches be adapted (or not) in the face of these issues? I'd like to describe one experiment we are undertaking with groups of out-of-school youth in Senegal, Niger and Sierra Leone. All with varying degrees of vulnerability and include several of the drivers being discussed.

Briefly stated our premise has been that VC projects are much better at addressing the needs of a specific vulnerable populations than they are at meeting the needs of an individual within that population. Decisions made for the benefit of a particular "community" may or may not be the decisions that will benefit a specific individual within that community.

That said, the lenses through which one looks at the economy, social and political relations, etc, when employing a VC approach can be extremely valuable and informative even for individual decision-making about where to invest scarce human and capital resources. Thinking back to some of the comments made on earlier posts about relationship between actors on the value chain, what motivates them, risk factors, etc. These are all extremely important concepts programmatically but also individually.

Our experiment (through a Plan International project) has been to teach Value Chain Analysis and Market Assessment to these groups of girls. Our hope was that with a keener sense of: specific value chains; how they are structured; relationships between various players; and how market signals are transmitted, they will be more attuned to opportunities available to them and better able to position themselves to benefit from the activities of a VC project. Further, as their circumstances change, they will be equipped to re-assess their positions in the value chain and adjust accordingly.

From the perspective of the project we hope that their increase understanding and awareness will make them stronger participants as individuals and collectively in the project. That they can serve as a sort of "early warning system" for example as changes begin to occur, or to gather information. While training mostly illiterate girls how do conduct value chain analysis may sound absurd at some levels, we feel that we have been successful at breaking down the concepts to manageable, but useful pieces.

At this point I can only comment on the results of the training as that phase of the project is just wrapping up. It is clear that the girls have a much increased understanding of their local economies including in rural, urban, or post-conflict settings. They are better equipped to recognize opportunities in various value chains, and they are aware of how to gather market information.

What remains to be seen is whether this will make them "better" partners in a CV project, whether they are better able to take advantage of the opportunities, and whether they can become better informants to the project.

I would be most interested in hearing similar undertakings and welcome comments and/or criticisms of this one.

Post by: Sunimal Alles

Andrew,

Our research revealed that everyone including children are either leaders to develop institutions, service providers or members of value chains (some are suppliers of raw materials, some workers, some managers, some transporters, some wholesalers, some retailers). Therefore we need to first identify the talents/strengths/likes of each and every person and orient them to the value chain where they feel the most comfortable. They then become creative and dynamic as their minds and hearts will be thinking of their VC 24/7. When they sleep with a challenge, they will have resolved it when they wake up. It is the lack of creativity that is limiting development. Today we have very few "Specialists" who can resolve challenges in a jiffy, as most people are in the wrong professions or VCs.

Our Talents/Strengths and VC development process started in Niger in 1991: Please see a format we used to identify the strengths of villagers in the Maradi department and orient them to professions to create employment at:

<http://www.changemakers.net/files/Form%20for%20creating%20employment%20-%20French.JPG>

Post by: Mary McVay

Thanks for offering this specific example for discussion, Andrew. It brought to my mind the challenge of being participatory vs the challenge of scale. I feel challenged to transfer good value chain analysis skills to educated, experienced professionals, so I am curious about the version of value chain analysis that can be effectively transferred to this population. Strategies for simplifying this would be very valuable to many, I'm sure.

Having said that, I am encouraging practitioners to design pilots initiatives with market up-take, sustainability and scale in mind. Having trained one group of girls, what's next? How does training this group help establish a system through which thousands of girls gain access to sustainable livelihoods? As I encourage program designers to think large-scale from the beginning, the resulting approaches seem to heavily involve a small group of the target population and businesses up and down the value chain in the initial pilot; then, once some profitable business models have been tested and are showing results, traders, local private training institutes, input suppliers etc. are then the main drivers for reaching more people (target vulnerable people).

So, for example, one emerging program (AMPATH/FPI in Kenya) is targeting HIV+ women whose health has stabilized, but who have no source of livelihood, are estranged from family and have no access to land. The model is to help them start microprocessing of passion fruit juice. The program will test a business model in which stable/middle class women "sell" a start-up package (equipment, packaging, inputs, training, help with premises/access to water, etc.) and ongoing support services (inputs, quality control, marketing support) to vulnerable women. We are still working on the financing mechanism with an area bank and an MFI. The input from the vulnerable women in this design so far has been relatively minimal, although the practitioners have 7 years of experience helping this "demographic" to start businesses and so have a deep understanding of their strengths and vulnerabilities. The program's next step is certainly to engage a sample of target women in dialogue with trainers, equipment and fruit suppliers, and to test business models, to adapt a package that meets their needs. But, I don't see a need to "burden" these women with value chain analysis. Is this patronizing and disempowering? I also think it is more cost-effective to invest value chain training in our partner (AMPATH/FPI in this case) so that they can identify a range of different value chains that would offer lucrative and stable opportunities. In this case, there will be several "replication/uptake" strategies in place:

- 1) AMPATH health services and community outreach promoting the opportunity;
- 2) the women "sales agents/service providers";
- 3) the MFIs through which word spreads informally about new business opportunities and

4) "natural" copying in the market. Again, all to be discussed in focus groups and tested before scaling up, but designed with scale-up in mind.

One challenge I see is that very vulnerable populations often need access to a range of services - all the "empowerment" and "creativity" and "eye-opening" work referred to in this dialogue, for example. How does this get scaled up when we are looking at market-based models? For example, FINTRAC (a partner in this program) in Kenya incorporated what appears to be a very effective "farming as a family business" approach when working with small-scale farmers that brings women and youth into dialogue with male heads of households about how the farm is run, how the family might adapt to more intensive investment and work on cash crops, and how the family should spend the money afterwards. This strategy appears to shift the balance of power toward women and youth and to transfer knowledge in case the father gets ill or worse (again, areas heavily impacted by HIV). IN the chili value chain, the sustainable "uptake" strategy was for the program extension agents to be transferred to a chili processing company who now has them on staff and is hiring new ones to expand its geographic outreach. From a market outreach point of view, it's been very successful, but the "farming as a family business" component of the extension was dropped in the process. I imagine this scale-up strategy then has less positive impact on the family as a result, particularly for women and youth who are more vulnerable family members. How can we scale-up the vital social elements of business services that we see working for more vulnerable populations?

What other models are there for stimulating widespread outreach, market up-take, sustainable scale-up in efforts to reach the vulnerable?

Post by: Linda Jones

Great posts and interesting discussion.

With regard to the need for VC work to be flexible when working with vulnerable populations, I agree. In fact, value chain development work should always be flexible. Markets are constantly shifting, standards change, consumers are fickle, new competitors enter the market, etc. etc. Good value chain work results in dynamic not static chains, and with value chain businesses that are able to respond to a changing situation. However, with vulnerable populations, depending upon the type of vulnerability this situation is exacerbated. I describe two situations below where the key to a flexible system is different - an intermediary model in Afghanistan and a group model in HIV impacted communities in Sub-Saharan Africa. I have been working with Zardozi in Afghanistan for some years. Our goal has been to adapt the successful women's embroidery project model (USAID \$600,000 - more than 9000 doubling incomes in three years) that I was part of with MEDA in Pakistan. There were many similarities amongst the target groups - women, segregated, poor, good skills, no access to markets, low access to inputs etc. In Afghanistan, we have the added situation of post-conflict/conflict, greater disruption in networks of all kinds, a different type of purdah (more severe for the most part), and ongoing (ethnic) tension. In Eastern Afghanistan the project is focusing on returnees, many of whom are still living in refugee camps, In Kabul, we are working with Hezara ethnic communities on the edge of the city. A primary objective is to create a system that can survive shocks - although perhaps not all out conflict if it were to return. By using an intermediary model, of more educated, entrepreneurial women, who reach producers in the communities (as in Pakistan), and who are literate and easily trainable, the project is developing well. As women producers/ conditions change, the intermediary is usually able to maintain contact, let them come in and out of the system, pass on knowlege etc. Because the intermdieary is connected to a network of producers, there is less pressure for individuals to be active at any one time in order for the system to flourish and grow. A colleague is currently undertaking a review of these two project sites, and more information will be forthcoming.

On the other hand, with other types of vulnerabilities the approach is different. SEEP is just wrapping up a PLP for economic strengthening in HIV and AIDS impacted communities (I am the technical facilitator). In some communities amongst the partners, value chain approaches are taking hold (especially partners WISE/Mercy Corps in Ethiopia, CHF/AEE in Rwanda and EMG in Uganda). Here, the group model is much more important for the flexibility of the system. When one member is sick, others can cover, When there are not enough resources, efforts are pooled. The group provides moral support, and also an avenue for gaining knowledge and treatment for HIV and AIDS. The group itself allows the needed flexibility and support to adapt to the specific situation and the shocks that are a result of the particular vulnerability.

Both intermediary and group approaches have benefit among less vulnerable communities. These examples demonstrate how the two approaches are adapted to meet the needs of vulnerable populations, providing flexibility at the production level. (Flexibility is needed in other ways too....)

Thanks for this great discussion and the opportunity to contribute.

Post by: Christian Pennotti

Linda,

Thanks so much for these practical examples. One of the range of points that I found really interesting was how both were able to identify the capacities of different actors, all of whom could be deemed "vulnerable" by any measure, and align these with roles that reflected their varied strengths and opportunities to participate in the market. Engaging more entrepreneurial, educated and presumably more mobile women to play the role of intermediary allows the system in Afghanistan and Pakistan to operate while still benefiting (and benefiting from) women in more vulnerable (and more conservative) positions. That this system can easily expand and contract in response to demand and absorb production ebbs and flows at the level of individual producers also gets at one of the points from earlier in the day - how do you design a market-oriented approach that is capable of a) incorporating the vulnerable and b) resisting current or future shocks. The group approach used with HIV affected women appears to be a perfect counter-point and perhaps illustrates that, though "oft abused," there are real situations in which group formation can make real business and social sense at the same time. The challenge is knowing when, why and how to develop these.

Thanks again for adding these important issues and examples to the dialogue!

Post by: Mary McVay

Congrats to all for a very lively, interesting and resource-full discussion.

As I learn more about "conflict" I have had two "aha" moments - perhaps obvious to those with more experience, but new to me (and perhaps others):

1) Where there is violence, there is usually longer-term "conflict" before and after violence erupts. So, thinking about "conflict" as it is played out in markets and as it affects markets is helpful in many circumstances. If we pay more attention to it in tense situations (before conflict) we may be able to be part of avoiding violence? Or at least exacerbating. Also, after violence, conflict continues so paying attention to the ethnic and power structures is important I think we still have a lot to learn about what "paying attention" means. For example, in western Kenya, many traders/agricultural wholesalers of one ethnic group were chased out of some areas, so in "reconstructing" markets or building them back better, how should a program approach this ethnic issue? Supporting more ethnic diversity in trading? Supporting re-entry of former traders? Some of each? What do you do when no one wants to talk about that aspect of the program much less put any of it down on paper?

2) Where there is conflict, there are peace builders. In our market development, can we link with the peace builders and integrate them and their approaches into our market development strategies?

Also two questions:

3) What about "conflict" related to "mafias" ... i.e. druglords, gangsters, slumlords, human trafficking (bonded labor) ... where there is not an "outbreak" of violence, but a baseline of criminality and violence that perpetuates market distortion and exploitation ... any suggestions here? We are working in urban neighborhoods controlled by drug traffickers, and in informal markets where laborers are brought in by "traders" who lend money to rural families and then bring their sons into the city for "training" where the sons work until the debt is paid off. Sometimes it's smooth, but other time, the lenders keep lending money and the debt is not paid for years after the son is trained, but still not receiving fair wages ... the sons are in cities with no papers, far from home, don't speak the language or have any spending money ... Any examples or thoughts on how to approach these situations?

4) Does anyone have experience at commercial model of integrating public awareness or social services into market development work? In terms of working with the very vulnerable in situations where mainstream markets are chugging along, but the very

vulnerable are "excluded" , particularly in HIV impacted areas for example, but probably also relevant for gender and ethnic discrimination?

Post by: Sunimal Alles

Hi ,

Let me answer your questions from my experience.

1. How can we ensure that vulnerable populations are able to engage in VCD programs?;

Every human being on earth including children are either leaders, service providers or has the capacity to be a member of one or more value chains. Even the physically handicapped and blind have thoughts that can contribute to developing value chains. Everyone (including the poor and vulnerable) have Talents/Strengths (Thoughts, Drive/Will/Entrepreneurial traits and Skills) that are needed to develop Value Chains. Therefore, we need to first identify what the individual talents/strengths of a vulnerable person is and orient her/him to the most appropriate value chain (A supplier, fabricator, cultivator, packer, finisher, transporter, seller etc.) However, to engage a vulnerable person in a VC we need to first change the mindset to believe that she/he has at least one talent/strength.

2. How can we ensure that VCD addresses issues of vulnerability?

This will automatically happen when a vulnerable person realizes that she/he has talents/strengths/likes that she/he can identify, refine and market to develop VCs. In our experience nobody remains vulnerable once she/he starts being in a VC where she/he belongs and is contributing to its development.

Post by: Mahawa Wheeler

Dear Christian,

I wish I could have sent these thoughts to earlier. I have read through the discussion threads and have enjoyed the learning from various experiences and forward looking suggestions. Here are a few thoughts and I hope they will not disrupt ongoing discussions. Thank you.

-VCD needs to be supported by skills and attitudes that are fostered through educational systems and social networks. In many of the countries we work in the current systems do not favor entrepreneurial behavior , independence of thought and action and solution seeking. Most communities invest in social networks to deflect risks yet these networks are generally founded on collectivistic behaviors and also adversarial towards entrepreneurial spirit (generally viewed as an individualistic behavior). As a result risk taking beyond investments in social capital is not promoted culturally and few options are provided outside of social networks to deal with the many risks associated with doing business in these environments. Therefore, there is an opportunity to make a difference during reconstruction phases if VCD, government and relief organizations collaborate more closely in redesigning systems, including educational and financial that are more supportive to private enterprise development.

-While during the early stages of an emergency life saving operations take precedence over other types of intervention, when communities become more stable and the emergency enters into a protracted phase, more should be done to involve VCD actors. While I recognize that governments place various restrictions on the movement of goods and people in certain environments like in refugee camps, relief organizations sometimes don't recognize the need to identify and provide a different type of assistance for people who were formerly entrepreneurs by for example engaging them in a wider and more independent range of private sector initiatives. Most private sector activities in these contexts are confined to traditional crafts (tie -dye, soap making) income generation schemes with little or no VC assessments involved. In addition, greater efforts also are required to engage entrepreneurs who live in less affected parts of the country. They could source various goods and services hence keeping linkages with more affected areas.

-The definition of security has many implications for how soon VCD can resume and where. Furthermore, it also has implications for local populations as far as resuming investments and the level of risk they are willing to take. Therefore while security is a pre-condition to VCD, the politics surrounding its definition can sometimes be a deterrent to enterprise development.

-There have been several remarks made on the dependency of beneficiaries to relief items. There is also habit formation for many private enterprises who during periods of emergency have no other major clients but relief organizations. Consequently, just like

small holders are hesitant to invest in their farming activities, we see the same sort of hesitancy we these firms especially since many of them have developed business models around relief organizations. Again the question of how relief organizations can build VC business models into their approach becomes relevant.

DAY 3: SUMMARY & FORUM CLOSING

Post by: Christian Pennotti

Everyone,

Wow! It's been an incredibly packed 3 days and the last few hours have really been blistering with new, very interesting questions and comments continuing to come in. I expect there will continue to traffic through tomorrow so, don't mean to cut off discussion here - please continue to post any thoughts that you have.

I did want to put up a brief summary of the discussion we've been having over the past day though. We started off Day Three with the questions:

- What are the primary differences in vulnerability across populations affected by conflict, natural disasters and pandemics?
- What are the primary differences in markets subjected to conflict, natural disasters and pandemics?
- How should our approaches be adapted (or not) in the face of these issues?

Some of the key ideas and answers we saw come through were that:

- Vulnerability contexts and drivers are incredibly varied and eventually unique in each instance even though there may be common attributes across them (HIV = pandemic, slow onset, potentially catastrophic; Swine Flu = pandemic, rapid onset, potentially catastrophic - there will not be a single pig in Egypt by the end of this week!). (Alex, Suminal, Laura, Jared)

- Vulnerability, however, is often characterized by common challenges - loss of assets, inability to cope with further shocks, limited capacity to engage in market activities, lack of access to resources. (Alex with multiple concurrences)

- Detailed understandings of the particular vulnerabilities of the people you are trying to support (and causes of those vulnerabilities), along with flexibility responses were consistently noted as the critical ingredients to designing and implementing value chain interventions capable of ultimately benefiting vulnerable populations. (Rioting in Kenya destroys a promising lead firm relationship, adjusting to a new strategy or partnership opportunities becomes critical to your ability to support the women with whom you are working - Bea. Women in Afghanistan and Pakistan are able bodied but home bound so you link them with women intermediaries capable of brokering between buyers and women working from their homes - Linda. Youth are the head of a household and therefore have a range of responsibilities beyond income generation and are highly limited in the types of activities in which they can engage, calling for a unique market structure for them to achieve stability/security - Margie.)

- Being clear about what we are "doing" (which is often focused discretely on improving economic status) and what we are hoping to "achieve" (which tends to be focused much more broadly - a la the sustainable livelihoods capitals) and finding ways to track the effectiveness of both is an important issue and one we seem to be only beginning to really be able to address. - Radha, STRIVE.

- Finally, throughout all of our initiatives, being respectful and mindful of our own power in the situation and how it can support or work against our ultimate objectives is vital. Reflecting on yesterday's conversations and comments today, vulnerable populations often (not always) place trust in the ideas/plans/strategies/approaches we bring to the table. We can never take that trust lightly, making it critical that we are clear with ourselves and others about what we are doing and what (we think) it can (and cannot) accomplish. (Margie, Lucho & a number of comments on Day 2.)

This quick summation in no way addresses all the points raised or questions that remain outstanding. Mary's questions related to urban challenges, drug trafficking, slavery, peace building and social services could easily take us through another week of discussion on their own.

I wholeheartedly welcome the pursuit of that discussion. But alas, it's past midnight here and I must draw my piece to a close (at least for now).

As I do that, a few acknowledgments are in order. A quick tabulation shows that over three days we've had:

- 75 posts!
- 97 participants!
- 25 contributors!

To put this another way, I was pulling posts into a Word document to review them and make notes throughout the day. Today alone we generated over 20 pages of comments from contributors across the globe!

A special note of gratitude to all those that added their voices today:

- Laura Meissner - SEEP
- Mary McVay - SEEP
- Linda Jones - Independent
- Jared Penner - MEDA
- Alex Mugova - Practical Action
- Sunimal Alles - Freedom from Hunger
- Samina Jain
- Radha Radjkotia - IRC
- Margie Brand - AED / EcoVentures
- Beatrice Kinyanjui - EMG
- Diana Rutherford - The IRIS Center
- Andrew Baird - Making Cents
- Eknath Khatiwada
- Lucho Osorio - Practical Action

A final thanks goes to my fellow facilitators, Ben, Lucho, and Beatrice, and the team at microLINKS - Brandon Szabo (IRG) and Anna Van der Heijden (IRG) for an engaging and successful three days!

Post by: Brandon Szabo

Dear all,

On behalf of the microLINKS team, I'd like to thank our excellent [facilitators](#) for this discussion forum— [Ben Fowler](#), [Luis Osorio](#), [Beatrice Kinyanjui](#) and [Christian Pennotti](#)— for their dedicated support. Thank you also to all of our participants! As Christian pointed out in his Day 3 wrap-up, we had 97 participants, 75 posts from 25 different contributors over the course of our three day discussion. Thanks again for your incredible participation!

The discussion forum will remain open throughout the weekend, so please feel free to continue the conversation and add any questions or comments that you may still have.

The messages and related resources shared in the forum will continue to be available at www.microlinks.org/sc/vulnerablepopulations, and in about 2 weeks we will add to those resources a document that includes all the postings in one easy-to-search document. The summary will also be posted in that resource section.

Also, look forward to our next **Speaker's Corner on May 26-28 focusing on Lending at the Intersection of Micro- and SME-Finance**. Visit the [discussion page](#) for more information, or [sign up here](#).

If you are interested in future activities on microLINKS, USAID value chain research activities, or other information related to microenterprise development, please consider signing up for our monthly electronic newsletter, *Connections*, at www.microlinks.org/connections.

Thanks again to everyone. I hope you enjoyed it and we look forward to seeing you online (or in person) again soon.

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