

LIVELIHOOD SUPPORT in POST-WAR contexts



Briefing Note No. 5 - ILO and the World Bank working together for Post-War Livelihoods, May 2007

Post-Conflict: A Local Economic Recovery Opportunity

Demand-driven support for livelihoods in war-torn areas is conducive to sustainable local development and reconciliation among communities, and increases the effectiveness of external interventions through inclusive local planning, fostering empowerment and improving social capital. The World Bank, the International Labour Organization and other international stakeholders have gained through their respective experiences an increasing awareness of the specific strengths of bottom-up, demand-driven processes in post-conflict contexts and beyond. The WB and ILO have recently teamed up to lay the foundations of a common conceptual platform for a **common understanding and framework for collaboration** among major stakeholders in support of livelihoods and empowerment in post-war contexts.

The ILO-WB initiative in support of post-war livelihoods

To increase the effectiveness of participatory, demand-driven livelihoods programmes in post-war contexts, the ILO and the WB are joining forces through streamlined approaches and collaboration in the field. In the first part of a two-phased initiative, the WB Conflict Prevention & Reconstruction and Community Driven Development anchors and the ILO Crisis Response and Reconstruction unit led the preparation of the "ILO-WB operational study in support to post-war livelihoods", published by the World Bank in October 2005*. The study distilled operational principles that are being tested in the second phase of the initiative through concrete collaboration in post-tsunami and post-peace agreement interventions in Aceh province, Indonesia.

* Goovaerts, Piet; Gasser, Martin and Belman Inbal, Aliza: "Demand-driven Approaches to Livelihood Support in Post-War Contexts: A Joint ILO/WB study", the WB Social development papers, Conflict prevention and reconstruction series - CPR no. 29. The study can be found at: http://www.wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000160016_20051129164513

The joint ILO-World Bank study, "Demand driven Approaches to Livelihood Support in Post-War Contexts"

Building on the organizations' knowledge and experience of participatory development in post-war contexts, the study defines a **set of core principles** for post-war livelihoods operations. The study draws more specifically from the Community-Driven Development (CDD) and Local Economic Development (LED) approaches of the World Bank and the ILO, respectively. CDD is a demand-driven and participatory approach that gives control over development resources and decision making to the community. The ILO LED approach centres on involving local private and public actors in prioritising, selecting and implementing projects to foster economic activity and employment through community-led dialogue.

Through experience, these approaches have demonstrated that community participation supports solutions that reflect local needs and capacities and increases the sustainability of the development process. CDD and LED approaches organise community members and interest groups and enable them to voice their needs; energies and assets are marshalled to find solutions to their development challenges; and the means to transform these needs into tangible results are provided. This common inspiration and rationale of CDD and LED relates at the operational level to different methodologies and areas of focus. The CDD approach addresses a wide range of community priorities, while LED specifically focuses on local economic enhancement. Both may ultimately support income generation, livelihoods, or job creation; however, CDD as a communal mechanism that seeks benefit for the entire community has been less directly focused on the business level. Synthesising these converging approaches allows to substantiate an inter-agency operational platform to foster economic recovery in conflict-affected communities.

The study provides an analysis of common social and economic contextual factors in conflict-affected communities; a brief description of what demand-driven approaches entail; and an identification of the likely benefits and challenges of applying these approaches. It also defines, on the basis of the above context, a set of core principles for action, as a contribution to a common conceptual platform for international collaboration. Eight "operational principles," useful not only for the ILO and the WB but also for other international and local stakeholders, are identified for demand-driven approaches for livelihood support in conflict contexts. The Bureau for Crisis Prevention and Reconstruction of UNDP (UNDP-BCPR) and the Reintegration and Local Settlements Section of the UNHCR (UNHCR-RLSS) contributed to the work by providing their perspectives and specific comments.

Lessons from the field: supporting postdisaster and post-conflict livelihoods in Banda Aceh

In October 2005, as the study was published, the pilot phase to test its findings was launched by the ILO, the WB and the Kecamatan Development Programme (KDP) of the Indonesian Government, through the signing of a **Memorandum of Understanding for Aceh province**. Livelihoods in Aceh had been severely affected by the December 2004 tsunami and earthquake, but also by the lingering armed conflict pitting the Free Aceh Movement (GAM) against government forces. After the tsunami, on 15 August 2005, the Helsinki peace agreement ended this 30-year long conflict; the local economy could then start rebuilding from the tsunami and emerge at last from the war's shadow. The KDP programme is implemented by the Ministry of Home Affairs and the Aceh and Nias Rehabilitation and Reconstruction Agency (BRR), through the funding of the World Bank. It adopts the WB community-driven development approach to alleviate poverty in rural communities in Indonesia. It also improves local governance by helping communities plan their own development, develop basic community infrastructure, and enhance social development and livelihood opportunities. Currently covering nearly 30,000 village across Indonesia, KDP has been operational countrywide since 1998. The programme is currently operating in all 7 postconflict provinces and, in particular, has expanded operations in Aceh Province and Nias to address post-tsunami reconstruction and post-conflict reconciliation and reintegration. ILO's intervention in the Aceh Province, as part of the wider international and United Nations (UN) response to the tsunami and post-peace agreement reintegration efforts, covers a broad reconstruction and rehabilitation programme to pave

the way for inclusive Local Economic Recovery and Development (LER/LED). Within this long-term vision, the ILO provides short-term support to livelihoods and businesses through its local economic recovery activities. The LER component of the programme restarts, in a transparent and participatory manner, basic micro-economic activities in the tsunami-affected areas. LED/LER as a whole aims both to rapidly relaunch economic activities (short-term objective) and to enhance local capacities in identifying, selecting, prioritising, implementing and monitoring viable and profitable economic sectors (medium-term objective). The collaboration undertaken in Aceh between ILO's support to local economic recovery and development and the World Bank's community based social and economic development provides the setting to apply,



From the operational study to a training tool

The implementation by ILO of a short-cycle capacity-building project in the Aceh-Besar subdistrict is the first component of the pilot initiative, as provided for in the MoU. This project comprises the development of a set of training modules on livelihood support to strengthen the KDP toolkit, as well as capacity building through training for relevant stakeholders. It will build the capacity of KDP staff and governmental and civil society representatives at the provincial, district, sub-district and village levels to maximize KDP's impact on economic recovery and strengthen links between community level investments and support to businesses and livelihoods. The tools and training are being developed on the basis of relevant ILO products and knowledge tools in prioritised technical areas. An author of the operational study and two local consultants, with ILO local and international backstopping, lead this activity. On the basis of the ILO/WB study outputs, the following key principles guide this capacity building project:

- Comprehensive and systematic consultation with community groups and stakeholders at the different

operational levels;

- Establishment of local institutional capacities and networks;
- Local ownership of capacity building processes;
- Institutionalization of training within existing national and local structures;
- adoption of action-oriented, pragmatic and contextualised training content and method;
- Development of synergies between the KDP training program and ILO's Technical Cooperation activities in Banda Aceh. ILO's activities benefit from strengthened local counterparts, while KDP's impact on livelihoods is improved. Furthermore, the ILO has conducted a rapid training needs assessment for the KDP, through consultations with the World Bank, KDP staff and beneficiaries. An analysis of the KDP structure and job descriptions of its staff has also been performed. The rapid assessment found in particular that perceptions and knowledge of business development could be upgraded and that business and livelihoods opportunities were not thoroughly explored and identified. The assessment furthermore found the existing KDP tools on economic issues too theoretically oriented and not adequately contextualised. This assessment informed the design of the training package. As a result, ILO produced 4 training modules

1. Accounting, transparency and empowerment
2. Capacity building for Microfinance
3. Community Participatory Monitoring and Evaluation (CPM&E)
4. How LER can integrate the Community Driven Development approach

Three of these four tools have been tested during a validation workshop, namely Accounting, transparency and empowerment, Capacity building for Microfinance and Community Participatory Monitoring and Evaluation. The planning involved the participation of KDP RMU in the definition of the appropriate dates, in the selection of the 13 participants from KDP, and in the identification of further 13 participants from other local institutions (NGOs and Micro finance institutions).

An internal ILO evaluation of the work was done, and as a first result, an additional "Get Ahead for Women Entrepreneurship" training of trainers of KDP facilitators for early 2007 was programmed.



Training and tools testing Working together in the field

A validation workshop for the three above mentioned trainings gathered 20 KDP staff from Sub-District to National units of Indonesia. During the workshop, KDP indicated that the material was useful but needed further tailoring. In parallel, ILO Aceh with the support of the World Bank Aceh received a funding from CIDA CANADA were used to finance further activities designed to strengthen the capacity of KDP facilitators. This PIP specified how ILO worked with KDP to field test ILO tools on business management and gender equality in selected villages in the district of Aceh Jaya. These activities were implemented during November 2006 – February 2007. A training module on business management and gender equality was finalized and used in the training of KDP trainers that took place in March 2007.

Through the KDP's active engagement in the implementation of CIDA-funded work component, the following results were expected:

- KDP technical team are gender sensitised and exposed to gender-specific issues and needs for consideration in enterprise development
- A set of practical tools tested and recommendations for the finalizing of the training module on business development and gender equality jointly identified by ILO and KDP technical team.

A new Training Package : How LER can Integrate the Community-Driven Development (CDD) Approach

A new training package is under development, it focuses on *How LER Can Integrate the CDD Approach*. The eight-day pilot training package is, composed of 12 complementary modules. The training comprises theoretical elements on the basics of Local Economic Recovery in post-crisis contexts as well as practical guidelines and simple tools that can be used in order to plan and implement LER strategies and programmes within WB community-driven development. LER modules complement the CDD WB approach to alleviate poverty in rural communities, especially by local governance by helping communities plan their own livelihood development, develop basic community infrastructure.



Expanding Aceh collaboration

As a follow up to this successful collaboration, ILO developed a proposal for CIDA Canada. The proposal aims at further strengthening the Kecamatan Development Programme's (KDP) facilitators' capacity to implement its entrepreneurship development component in Aceh through:

1. *Implementing a skill building programme* for KDP personnel: and the relevant PMD staff, at the provincial, sub-district, and community levels in the areas of gender and enterprise development
2. *Integrating localized entrepreneurship support tools into KDP's in-house training programme:* group management including accountability and transparency, facilitation techniques, financial management at household level
3. *Knowledge sharing on the enabling environment:* BDS, MFIs, market access
4. *Monitoring, evaluation, and documentation:* collecting baseline information, identifying indicators, processing and reporting, good practices and lessons learned. Its implementation will be based on an active partnership between ILO, KDP, and the PMD with linkages to other ILO and BRR programmes, as relevant. The ILO proposes expanding the current ILO-KDP work in Aceh Jaya to a provincial coverage for additional 12 months and a budget of USD 502,047.

Under its LER program in Liberia, ILO is currently exploring ways of collaboration with Liberia CDD WB program.

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