

'Use to Own' (UTOP) for Sustainable Livelihoods



A practical 'how to' guide in 8 steps

Based on the approach of the Family Health and Sustainable Livelihoods programme in Sri Lanka

January 2012

Funded by: Big Lottery Fund Code: ICB1010308815

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Preface

APT Action on Poverty is a UK based charity working to reduce the poverty of the most poor and vulnerable people in Africa and Asia by helping them get skills and knowledge to have a sustainable livelihood. We aim to provide opportunities for vulnerable people to improve their quality of life and address the root causes of their poverty.

Our target groups include people living with HIV/AIDS, disabled people and vulnerable women and youths, as well as people facing harsh environmental conditions, or rebuilding their lives following conflict or natural disasters.

This “how to” guide is intended as a practical handbook for organisations working with vulnerable people and/or on livelihoods development on how to set up and implement a “use to own” programme.

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Contents

Abbreviations	05
Introduction to the UTOP approach	05
The 8 steps in implementing the UTOP approach	06
Step 1: Conduct rapid appraisal surveys and community meetings	08
Step 2: Formulate beneficiary selection criteria and select beneficiaries	09
Step 3: CBO leader selection and capacity building	13
Step 4: Beneficiary business skills capacity building	16
Step 5: Beneficiary technical skills training and apprenticeships	18
Step 6: Assess proposed enterprise ideas, identify assets/inputs required and sign MOUs with beneficiaries	21
Step 7: Hand over assets/working capital, monitor use and ensure beneficiaries keep records and make savings	24
Step 8: Run business counselling sessions and monitor well	25
Annexe 1: The UTOP programme in Sri Lanka	27
Annexe 2: Sri Lanka project beneficiary business feasibility form	28
Annexe 3: Beneficiary memorandum of understanding	29

Abbreviations

ADRA	Adventist Development and Relief Agency
APT	APT Action on Poverty
BC	Business Creations
CBO	Community based organisation
GYB	Generate your business
ILO	International Labour Organisation
IYB	Improve your business
MOU	Memorandum of understanding
NGO	Non-government organisation
PWD	People with a disability
SLC	Sustainable livelihood committee
TOT	Training of trainers
UTOP	Use to own programme

Introduction to the UTOP approach

This guide shows you ‘how to’ design and implement a ‘Use to Own’ Programme (UTOP), focussing on some of the most vulnerable and at risk groups in society.

After being piloted with 150 families (ADRA Life project), the Use to Own Programme was used as the basis for increasing the incomes of 2,500 poor and vulnerable Tsunami affected families as part of the three year Family Health and Sustainable Livelihoods project run by a partnership between Business Creations, Sri Lanka and APT Action on Poverty UK from 2009 to 2012.

Many beneficiaries were showing signs of aid dependency and there was evidence of cash and in kind grants being misused. The UTOP approach was deliberately designed to counteract this dependency and misuse of aid by making beneficiaries personally responsible for the selection of inputs and ultimately for the cost should they fail use them well or productively. By working through and strengthening village level CBO/SLCs (sustainable livelihood committees) the UTOP approach aims to ensure that communities are empowered to sustain the benefits achieved beyond the project life.

Thus UTOP is a tool for increasing the incomes of poor and vulnerable families. It may be particularly useful in post disaster and post conflict situations when there are very limited assets and capabilities/capacities for individuals and communities to develop and access income generating activities.

**Using the
UTOP
approach the
project
increased the
incomes of
2000 families
by over 30%.**

U T O P

involves the following key aspects:

Establish a core group of strong and well trained community leaders that are able to:

- help identify beneficiaries and assess their business ideas;
- advise beneficiaries on ways to strengthen their businesses and livelihoods;
- run small savings and loan schemes.

Build the capacity of beneficiaries to be:

- **able to keep good business records** and calculate profits and losses, as well as to find new markets, understand ways of getting better prices and reducing costs;
- **able to 'Generate' and 'Start' new business ideas or 'Improve' existing businesses** through specialised business training packages designed by the International Labour Organisation - Generate Your Business, Start Your Business and Improve Your Business (GYB, SYB, IYB) – delivered by ILO qualified master trainers;
- **trained in new and improved skills in their chosen livelihood**, such as tailoring, fish processing or food production etc.

Provide beneficiaries with business assets/inputs e.g. equipment and stock

- successful UTOP applicants have assets and other inputs which they specified in the application purchased for them to enable them to either start up a new business or expand/ diversify an existing enterprise;
- progress of the UTOP beneficiary enterprises is closely monitored by the CBO and project staff, whilst beneficiaries make regular instalments into a CBO savings account. If, after six months, the items purchased are considered to have been 'used well', then the beneficiary is allowed to keep/own the assets/ inputs and have access to their savings.
- BUT, if the assets/inputs purchased have not been used productively, then the savings are kept by the CBO and the inputs are not given to the beneficiary but rather purchased by the beneficiary having paid regular instalments in the form of savings with the CBO.

In the Sri Lanka project, the average cost of the assets and inputs transferred was £93 per beneficiary

The 8 steps to implement the UTOP approach

- Step 1** Rapid appraisal surveys and community meetings
- Step 2** Formulate beneficiary selection criteria and select beneficiaries
- Step 3** Select livelihood committee leaders and build their capacity
- Step 4** Build the business skills of beneficiaries
- Step 5** Provide beneficiaries with technical skills training and apprenticeships
- Step 6** Enterprise ideas are assessed by CBOs and project staff
- Step 7** Hand over business assets/inputs, monitor their use and ensure beneficiaries keep records and make savings
- Step 8** Run livelihood/business counselling sessions and monitor well.

Implementation timeline

A large UTOP project with upwards of 2000 families benefitting would be expected to take 3 years to implement. The chart below gives an indicative idea of the timing of the 8 steps shown above.

STEPS	YEAR 1				YEAR 2				YEAR 3			
1	█	█										
2	█	█	█									
3		█	█	█		█		█		█		█
4				█	█	█						
5				█	█	█	█	█	█	█		
6			█	█	█	█						
7				█	█	█	█	█	█	█	█	
8				█	█	█	█	█	█	█	█	

STEP 1

Conduct rapid appraisal surveys and community meetings

STEP	YEAR 1				YEAR 2				YEAR 3			
1												

1.1 Rapid Appraisal surveys

Good practice to follow

- Consultation with government officers from across different sectors.
- Start in a small number of varied 'pilot' locations to trial the approach and then roll out in stages.
- Display selected village lists widely alongside criteria for village selection and gather feedback.

Things to avoid

- Don't avoid the most challenging villages, but consider starting there in the second round of villages.
- Don't take on all the responsibility for village selection, involve government officers, religious and district level leaders.

1.2 Community meetings

Description of key features

The main aim of the community meeting is to better understand the types of vulnerable and wealthy groups in the community. Participatory community mapping, livelihood zoning and wealth categorisation tools can be useful to help guide this.

A secondary aim is to observe who are the trusted leaders, opinion formers and consensus builders amongst different types of community members. Existing or traditional leaders are not necessarily very representative or trusted by their communities! In a 'Use to Own programme', the leaders of the CBOs should be respected people who can set a good example in business and livelihoods development also.

Good practice to follow

- If a trusted CBO already exists; 'Use it or improve it' in preference to establishing a new one.
- Set minimum target levels for women's or other target group representation on committees, and explain the reasons why.

Things to avoid

Often community leaders are not really representative of their communities. They can sometimes be from the wealthy, well-educated elites and might not understand the needs of the poorest. So always try to cross check what they say with the people from the more vulnerable groups. Remember, sometimes community leaders are very proficient at capturing the benefits of programmes. Be clear from the very start that the aim of the programme is 'poverty alleviation with sustainable livelihoods' and that the local leaders won't necessarily be the ones that gain from the programme.

STEP 2

Formulate beneficiary selection criteria and select beneficiaries

STEP	YEAR 1			YEAR 2				YEAR 3			
2											

2.1 Formulate beneficiary selection

Description of key features

If you or another agency have run successful programmes in the area previously, try and use the same or slightly adapted criteria.

Some criteria are best left open (such as 'high dependency to breadwinner ratio') and some clear specific groups (like disabled, widowed, elderly etc) help to guide the community in their selection.

Identify key vulnerability groups and set realistic target rates for representation in the programme, given a realistic evaluation of the number of those able to run businesses and livelihoods or small income generation initiatives. Never underestimate what vulnerable people can achieve. Even the most elderly frail old person can gain hugely (psychologically as well as income) from a small enterprise like poultry keeping or rope making.

Consider setting 'anti duplication' criteria to avoid duplication with other agency programmes.

Consider a restriction on the number of beneficiaries per household but take care not to disadvantage very large extended households who may belong to certain ethnic groups. You may choose to consider such households as separate families. Also be careful not to exclude the enterprises run by women by restricting to one application per household.

Good practice to follow

- In general it is best to encourage livelihoods people are already involved with. Starting entirely new enterprises is much more challenging. It is sometimes necessary to support beneficiaries in identifying adapted or diversified ways of working when circumstances change or to find entirely new occupations when circumstances make previous livelihoods unprofitable. The challenge is to identify something reasonably familiar and within

Things to avoid

- Be realistic! Your target rate for inclusion of specific vulnerable groups needs to reflect the actual number of people within the community in that group and who are likely to be able to start a new enterprise.
- Don't avoid new businesses or livelihoods entirely, but do spend more time researching their potential and guiding and supporting their entrepreneurs (perhaps through finding them a more experienced mentor' in the same type of livelihood or business).
- Don't necessarily avoid group businesses or livelihoods altogether but do be realistic about the additional difficulties involved. You and they will need to spend more time on agreeing roles and terms and expect to spend a great deal more time training in profit sharing between different levels of skill types as well as guiding/supporting these group enterprises.

the skills and capacity of the individual. Nothing too radically different unless there is good reason. ***Use ILO Generate Your Business Idea Training (GYB) to select best business ideas for new enterprises.***

- Make sure vulnerable beneficiaries are aware that they can benefit through family representatives or trusted nominees. Local health staff may help let chronically sick or people with HIV/AIDs know about the programme for you.
- Display selection criteria in local languages. ***Keep a box to collect any suggestions or complaints and giving a chance to consider appeals.***

Beneficiary selection criteria used in Sri Lanka included:

Low income households

Households must have been directly or indirectly affected by the tsunami

Households with high dependant to breadwinner ratios

Priority to special vulnerable target groups

Not already in receipt of assistance for the enterprise or misused assistance in the past

Only one beneficiary enterprise per household

Examples of specific vulnerable groups to consider including:

Children or orphans

Vulnerable youths

**Female headed households: single or unmarried mothers; divorced or abandoned women; women with absent husbands; widows
prostitutes**

Elderly people

People with disabilities

Carers (of orphans elderly or chronically sick people)

Chronically sick people or people living with HIV/AIDS

Specific livelihood types such as pastoralists or fishing households etc.



The importance of wide and clear vulnerability targeting and the success of identifying trusted family representatives or nominees for those unable to work (PWD, mentally ill, chronically sick etc.).

2.2 Initial beneficiary selection

Description of key features

Existing community leaders form an initial list of 'vulnerable groups' (not family names, just groups such as 'disabled' or 'pastoralists' etc) with government officers, key informants, religious leaders and other stakeholders, to help inform discussions at the community meeting.

When individuals have been identified to stand for election to the programme CBO, they may then begin to help identify a list of 'potential named beneficiary households' amongst the poorest of the poor based on the findings of the community meetings.

- Cross check lists with other agency lists to avoid duplication.
- Go back and cross check this initial list with a few community members.
- Display beneficiary lists and ask local leaders to read them out.
- Welcome feedback and have a good appeals procedure in place.

Good practice to follow

- A good communications strategy which includes lots of staff time in the communities during the beneficiary selection process is worth its weight in gold to get a programme off to a good start.
- Be prepared for disagreements! Make sure your CBOs are trained in dispute resolution beforehand. Have your appeals procedures ready and have this backed by local community/religious leaders and backed by government officers.
- Consider a complaints box, hotline phone/text number or complaints book. Give the beneficiary a record of the time and date they made the complaint. Make sure you monitor that complaints are followed up on.
- Remember some beneficiaries are too vulnerable to work, and may have no representatives to take part. Consider in advance what you will do. Are there other programmes or government services that these people can be referred to?

Things to avoid

- Don't rush beneficiary selection. It's probably the most important step to get right.
- Don't take on all the responsibility for beneficiary selection, involve government officers and other stakeholders and community level leaders.



The importance of well defined, well displayed criteria and appeals and grievance procedures in addressing beneficiary selection challenges.



Case Study 1

Inspirational Women CBO leader and business person

Mrs Simira is an inspirational local business woman and president of a CBO. She is the main breadwinner as her husband is chronically sick. She restarted her tailoring business soon after her husband's injury, helped by a local NGO consortium. Through UTOP she purchased a sewing machine which has helped her to increase output and quality. Advice from the project field officer encouraged her to promote her business using professionally printed leaflets and with a large bill board on the road outside her home. She thinks she has got at least a hundred new customers as a result of this. All in all she thinks she has managed to more than double her income from tailoring. Her increased income has allowed her to make many improvements in her home including building additional rooms to take in boarders from whom she makes more additional income.

STEP 3

CBO leader selection and capacity building

STEP	YEAR 1			YEAR 2			YEAR 3		
3									

3.1 Hold community meetings to inform about the programme and help identify potential community leaders

Description of key features

CBO leaders (and beneficiaries) should understand that leaders should stand for re-election regularly, and can be called to do so should problems arise. It is helpful to make sure that communities understand that it takes a lot of time to train a good community leader and therefore they should try not to change too often or without good reason.

Good practice to follow

- Ensure leaders understand the importance of transparency and the beneficiaries understand their right of access to information
- You may need to hold meetings with women or other marginalised groups separately)
- Work with established and traditional leaders and observe who are the other consensus builders and opinion formers in the community
- Encourage consensus builders & opinion formers to stand for election from a wide diversity of target group types and interest groups
- Hold CBO leader elections. Ensure women are equally represented on the committees (Consider setting minimal targets for inclusion)
- Pay special attention to the selection of treasurers (numeracy skills)

Things to avoid

- Try and avoid selection of leaders that are all men/women, or all from one linguistic, ethnic or religious group.
- Avoid leaders with a bad history of CBO operations/ credit programs

CBOs in Sri Lanka were trained in:

Leadership

Being a treasurer including book keeping

Field counselling

Team building

Conflict resolution

Participatory monitoring and conducting social audits

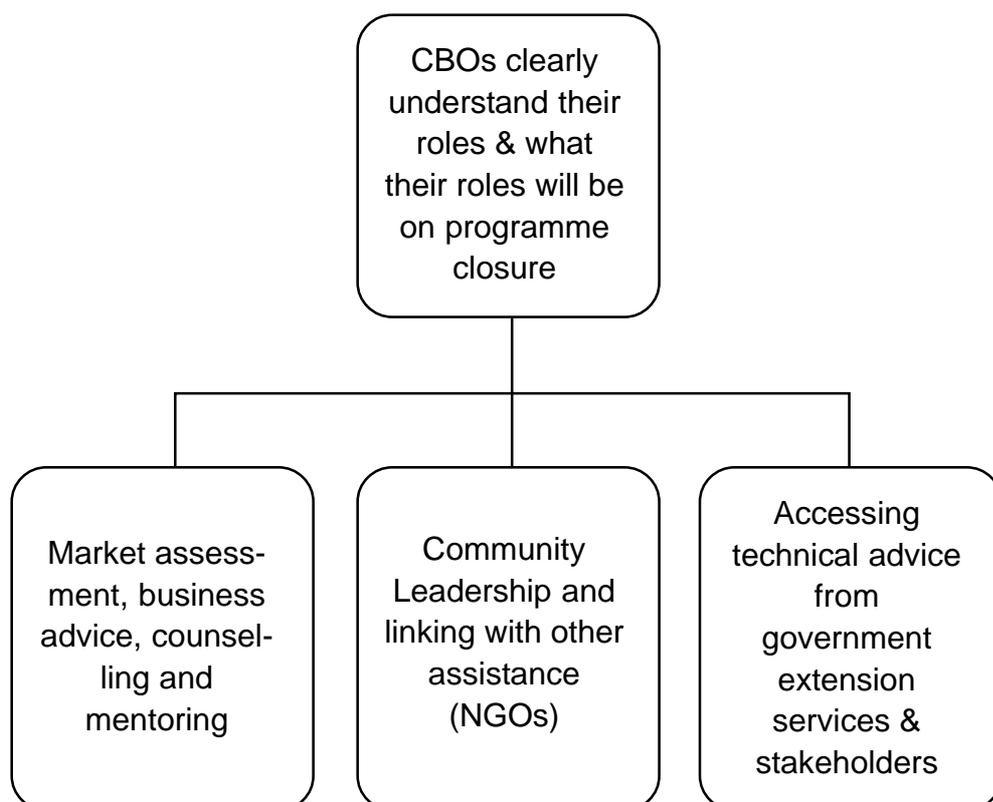
Action plan preparation

ILO – business courses SIYB etc.

3.2 – Start CBO capacity building & building of community trust through participation.

Description of key features

Although the formal trainings and leadership skills are a vital part of the approach adopted, a key element should always be to ensure the trust of the community in their elected CBO leaders. Participatory approaches should be used, not only to obtain community opinions and ideas, but also to promote confidence in the leadership and ownership of the project through these committees. Leaders should be elected only when 80% of the community take part in the elections. Gender, ethnic group, age, disability and other factors should be taken into account in selecting these committee leaders to ensure the representation of a range of people from the community.



It is never too early to indicate to the community and the CBO that the programme staff and assistance will not be present forever and that to gain benefits in the long term, the leaders backed by community members will need to go on to take over the supporting, guidance and stakeholder networking tasks of the programme staff in the long term.

Formal training should always be followed up by staff visits to monitor, counsel and help support leaders with committee management and when guiding beneficiaries. Capacity building activities such as leadership training, team building exercises, dispute & conflict mitigation, book keeping, social audit, participatory monitoring, and planning skills should be undertaken according to the needs of particular CBOs.

Part of the objective of the ILO business training is to build the capacity of the CBO leaders to assess local market situations and make recommendations to local businesses as well as to build their capacity to influence other members of the community and local stakeholders. CBOs should be linked with government and other relevant agencies to maximise their involvement in alternative programmes such as government service provision and trade fairs to increase market opportunities.

Good practice

- Building a CBO constitution in a participatory manner, that leaders and members sign up to.
- Importance of displaying financial records and particularly handing out the joint bank book to reassure beneficiaries.
- Explain leadership roles clearly & their roles beyond the end of project.
- Build the capacity of CBOs through targeted training such as that conducted in Sri Lanka.
- Building a CBO that is open to all of the community, not just those in receipt of grants, so that more people gain from the business advice services available.
- Good communications based around 'what your CBO can do for you' in terms of ensuring the wider community understand the business advice and other services available through the CBO.
- Early exit planning at this set up stage. Be clear with CBO leaders and the community about the poverty alleviation and targeting ethos of the programme and also about the long term business advice, guidance and stakeholder linking role to be performed by the CBO. Ensure they understand their role on programme closure.



The importance of a good communications strategy and community based monitoring and evaluation from an early stage.

STEP 4

Beneficiary business skills capacity building

STEP	YEAR 1			YEAR 2			YEAR 3		
4									

Beneficiary training needs assessment and business skills training

- It is important to assess the needs of individual beneficiaries. Some may be in livelihoods that do not require the same level of business record keeping or technical skills of others.
- Some beneficiaries may benefit from access to basic literacy and numeracy training in order to access the other business training themselves.
- Beneficiaries participate in 'Generate, Start and Improve Your Business' Trainings (**GYB, SYB, IYB by ILO for beneficiaries and SLC leaders also**).

Description of key features

If the entrepreneur doesn't have a concrete business idea they should undergo the GYB- 'Generate Your Business Idea' training program to finalize the most appropriate business idea.

A business plan will be prepared by the beneficiary with the guidance of a SYB – Start Your Business training program.

The training should include good accounting and record keeping as well as market identification.

Good practice to follow

- Consider providing pre-printed profit and loss account records, at least to start with.
- Allowing illiterate people to nominate trusted family members to access trainings on their behalf, though there are sustainability and potential fraud issues that could arise.
- Consider basic literacy/numeracy training, provision of calculators and try to identify local partners to deliver the training



Case Study 2

A disabled female head of household supporting five people

Chalet is a lovely disabled lady who after the death of her father and her sister's husband (in the tsunami) through UTOP training and support became the main breadwinner of her family.

Chalet attended two 10 day long tailoring and embroidery training courses and learnt how to keep a record of the progress that her business is making. She was advised by field staff how to re-use her off cuts and has been able to increase the quality and range of the products she sells. UTOP support helped her to purchase a machine and some materials. This has enabled her to double her income allowing her to pay for family medicines and doctors visits. She has invested most of her profits back into her business and is now training up one of her nieces.

STEP 5

Beneficiary technical skills training and apprenticeships

STEP	YEAR 1				YEAR 2				YEAR 3			
5												

5.1 Beneficiary technical skill training

Description of key features

The table below shows the types of training identified in the training needs assessment in Sri Lanka

Beneficiary Technical training in Sri Lanka		
Machine maintenance	Food preservation	Mobile phone repairs
Rice based products	Embroidery	bakery
Curtain making	Snack making	Tailoring
Fruit products	Shoe making	Batik making
Beauty salon training	Soap production	Handicrafts
Cattle management	Home gardening	Dress /jacket making

Good practice to follow

- It may be worth looking at the training needs of specific vulnerable groups such as the 'Youth unemployed' or 'elderly' for example.
- Business clinics and visits are useful.

Things to avoid

- Timing training when specific groups cannot attend or at busy times of the day, year or seasonal calendar.
- Try not to run training all at once, for many consecutive days or weeks as this has a tendency to exclude certain vulnerable groups like women or carers. Ask what works best for your beneficiaries.

5.2 Set up Apprenticeships, identify training needs and monitor risks

Description of key features

Select apprentices and identify any training needs.

Select apprenticeship providers, set a specific time period and sign an MOU with the provider. Consider a nominal fee to cover any costs they may have.

Link apprentices to providers providers and inform them both of the commitment involved and sign MOUs.

Follow up/monitor apprentices carefully (check for low pay and poor conditions).

Good practice to follow

- Consider a rapid risk assessment around protection and health and safety issues.
- Be clear about the commitment involved by both parties and make clear agreements.
- Consider providing basic adult literacy and numeracy courses for the most vulnerable, to enhance the capacity building aspects and sustainability of the existing new skills developed and livelihood enterprises.

Things to avoid

- Child labour and putting young people and young girls in particular in vulnerable positions with people of influence and power.
- Low pay and poor health and safety conditions.

Case Study 3

Elderly widow and her daughter

This case study is of an elderly woman from one of the poorest livelihood sectors - production of Coir rope - and her daughter who it is believed has moved to occasional sex industry work. It indicates the importance of including female headed households as a way of protecting them from the need to revert to long term damaging coping strategies of this type. The very elderly widow's and her young daughter's (with two further dependent daughters) coir rope making livelihood was severely affected by the tsunami (loss of coir raw material and markets). They used UTOP support to purchase enough bulk coir (at a cheaper bulk price) to make rope on a small wooden coir spindle. She attended book keeping training with her daughter as she is illiterate and her daughter benefitted from understanding how to calculate profits and losses. They particularly benefitted from the advice that staff gave them to join together with other coir workers to hire transport to go to purchase raw materials at a better price in bulk in a distant town. They also now get a better price for their rope through joining with their neighbours to transport their products to the wholesaler rather than when they sell at the door to a middle man (resulted in a 46% increase in profit).

STEP
6

Assess proposed enterprise ideas, identify assets/inputs required and sign MOUs with beneficiaries

STEP	YEAR 1				YEAR 2				YEAR 3			
6												

6.1 – CBOs and staff assess enterprises proposed by beneficiaries

Description of key features

CBO leaders and project staff should meet to assess viability of proposals including:

Whether the proposed enterprise is likely to be viable given the capacity of the individual (after the planned capacity building and training). Will the beneficiary have the resources, market and other skills and capacities required to make the enterprise sustainable?

Whether the beneficiary will be able to generate sufficient profit from the enterprise to generate a return on the investment. That is, will they be able to build savings amounting to the cost of the asset or input within the time period agreed.

Beneficiaries are expected to work on an enterprise they already know or are familiar with and which is preferably their main income source.

Things to avoid

- Don't start the UTOP or revolving loans before the CBOs are ready, strong and skilled enough in record keeping, leadership and dispute solving, and just as importantly, are trusted by their communities.

6.2 - Identify Assets & inputs required and Sign MoUs with Beneficiaries

Description of key features

Beneficiaries are supported by well trained CBO leaders and staff to draw up short business plans after having received the 'generate your business idea' training (ILO). This SYB training is delivered by licensed SYB trainers to help prepare the business plan with the beneficiary.

Identify assets and inputs requested by beneficiaries. Through the business planning training process (GYB & SYB), items required by the business will be identified and the specification prepared jointly by the beneficiary and project staff.

Signing of a standard MOUs prior to provision of UTOP support to the beneficiary (see annexe 2).

When common assets or materials can be purchased more easily or cheaply in bulk for a number of beneficiaries, the project team procures them. Bulk purchasing with tenders and with warranties undertaken where necessary. Two guarantors should sign the MOU before the equipment/assets is issued to the beneficiary.

Good practice to follow

- Ensure that CBO leaders and beneficiaries understand the higher start up costs and difficulties involved in starting up entirely new businesses.
- Avoid beneficiary selection criteria that are too strict or that put the emphasis on enterprises that are unlikely to fail. Be prepared to accept a degree of risk from the targeting of higher proportions of poorer and more vulnerable individuals. Otherwise impacts are likely to be skewed too far towards 'low to middle income' households rather than the poorest of the poor.
- Consider holding back some UTOP support in case some very needy individuals are identified later. E.g. a family bread-winner may fall chronically sick and their partner may need training and support to undertake or expand a livelihood business.
- Make sure procurements are cross checked with beneficiaries to ensure the quality and technical specification is what is required.



Key UTOP learning - the guidance of well-trained community leaders, peer support and peer pressure are fundamental to the success of UTOP.



Case Study 4

Young man from agricultural household

Mr Kumara is a young man, on a CBO livelihood committee who lives with a large number of his extended household. He was selected for a UTOP grant which he used to purchase a water pump and piping to irrigate his land. He is now able to irrigate 6 times more land and produce six times more crop. This has resulted in a 40% increase in income, the profits from which he has largely re-invested in a tractor which also helps to pump water and perform other agricultural tasks. He also re-invested profits in renting and planting a paddy field with young banana plants. He has been able to access two further loans from banks. He passed on all the training in book keeping and profit calculation to his younger brother who also works on the farm. Employment knock on benefits of the UTOP grant have resulted as he now regularly employs a local man 5 or 6 days a month.

STEP 7

Hand over assets/ working capital, monitor use and ensure beneficiaries keep records and make savings

STEP	YEAR 1			YEAR 2				YEAR 3			
7											

Description of key features

Assets and working capital requested are handed over to the beneficiary after signing the MOU. This will include commitment to run the business properly and save continuously at the pre-agreed rate. Initially any equipment will be 100% owned by the project agency for a 6 month period. Ongoing monitoring will be undertaken by field staff to ensure satisfactory use of the equipment and to ensure savings are recorded and the bank book is displayed regularly to promote trust.

If savings are not received by the required date, field staff and community leader representatives visit the business to investigate the situation, seeking advice from a business counsellor and if appropriate, giving some grace period with the approval of the field officer, for a maximum of three months.

In a case of failure to adequately follow counselling advice for business improvements, the beneficiary's savings deposit can be frozen. According to the MOU signed between the agency and the beneficiary, the assets or inputs can be withdrawn. If this particular beneficiary is a receiver of working capital their savings money can be kept as collateral - including that of the other group members. Community peer pressure is thus established encouraging the community to support the individual to overcome any difficulties of a 'struggling or failing' member to stop misuse.

If the beneficiary sells the assets or the assets are used/misused by a non beneficiary the case will be referred to the Local Mediation Board (in Sri Lanka). This consists of local officials from both government and volunteers in positions of authority (e.g. police officers, priests). The board is intended to support the settlement of local disputes.

The board will support mediation and aim to reach an amicable agreement between the project and the business owner regarding their assets.

If the mediation board is not successful, as a last resort any equipment and savings will be reclaimed.

At the end of the 6 months the businesses will be evaluated and if the performance is satisfactory, the ownership of all the tools/equipment or inputs will be permanently handed over to the beneficiary. A regular follow up and counselling programme will continue afterwards though in addition to the vocational and business management training programs already indicated.

Good practice to follow

- On-going monitoring to be undertaken by field staff along with the SLC leaders to ensure satisfactory use of the equipment and the business operation.
- Disputes procedure in place before the start.
Claw back of equipment as a last resort.

STEP 8

Run business counselling sessions and monitor well

STEP	YEAR 1				YEAR 2				YEAR 3			
8												

Description of key features

Use the 'human graph' (see below) to identify struggling enterprises and link with successful ones.

Identify market linkages, cost saving and price increasing strategies.

Identify specific topics to explore further (cooperation, publicity, packaging etc.).

Visit beneficiaries to monitor savings and improve record keeping (twice monthly to start with).

Conduct promotional campaigns such as 'best entrepreneur youth entrepreneur'.

Group certain livelihood or business types, such as 'retailers' or 'food processors', together to help staff to provide business specific counselling advice. Some beneficiaries may require additional individual one on one counselling for their particular difficulties.

Good practice to follow

- Consider a weekly 'one-stop-shop' for business advice with CBO leaders, staff and with key local business advisers or technical experts from government departments present so people can come for specialist help. This can become monthly as demand decreases.
- Encourage the use of good participatory community based monitoring and evaluation methods such as the 'Human graph' This will allow CBOs to identify:
 - enterprise types and individual beneficiaries that are struggling and ways of supporting these.
 - enterprise types that are doing well, so that others may consider replicating the business idea.
 - entrepreneurs that are doing well in specific livelihood or business types, to allow them to mentor other similar but less effective businesses
 - entrepreneurs that are doing well with specific aspects of business, such as publicity or cost reduction, cooperation, etc. so that they can mentor and advise others to do similarly.



How to use the 'Human Graph' – community participatory monitoring tool

- A. Place five cards or sheets of paper on the ground in a line marked:
1. 'Income the same'
 2. 'Income increased by about a quarter'
 3. 'Income increased by about a half'
 4. 'income increased by about three quarters'
 5. 'Income doubled or more'
- B. Explain what is written on the papers, particularly for those people who are not good with fractions or reading. You could even draw a picture.
- C. Ask beneficiaries to go and stand in a line behind the card or category that best describes how their business or livelihood income has changed.
- D. Ask the people in the lowest income categories:
- a. What types of business are you running? This will help you to see if certain types of businesses are struggling or need support. It may help you identify unsustainable livelihoods that may need diversification or other advice
 - b. What are the problems you are facing? Doing this in the group can help others give advice as well. It may help you identify particular types of problems (E.g. high raw materials prices) or technical difficulties that you may be able to get government or other technical advice for (E.g. pests, diseases, and vaccinations).
- E. Ask the people in the highest income categories:
- a. What types of business are you running? This will help you to see what types of businesses are doing well and might be areas where others could replicate. It may help you identify particular entrepreneurs who can advise others in less successful businesses of the same type.
 - b. What are the problems you are facing, if any?
 - c. What do you think is making your business so successful?
Discussing these topics in a group will help others gain ideas and advice for how they can become more successful.
- F. Keep a record of the number of people in each category, which will help you monitor and evaluate programme progress throughout your project
- G. Repeating this at regular intervals throughout the programme will allow you to stay informed about who is struggling and why and help you to identify the most successful who can give advice and mentoring to others.



Annexe 1

The UTOP programme in Sri Lanka (An Outline UTOP programme proposal).

The Family Health and Sustainable Livelihoods programme was a three year (March 2009 to Feb 2011) Big Lottery funded project (ICB1010308815) and was the first in which the UK based 'APT Action on Poverty' has worked in direct partnership with Business Creations Sri Lanka

Overall Aim To contribute to rebuilding the livelihoods and improve the quality of life of vulnerable people affected by the Tsunami.

Overall Objective The project will help 2500 poor and vulnerable households:

- Recover sustainable livelihoods and
- Improve the health and living conditions of their communities.

The project targeted 2,500 poor and vulnerable/disadvantaged households (including households headed by widows and people with disabilities) in the southern coastal region of the Hambantota District in Sri Lanka. This region was heavily damaged by the 2004 Tsunami and is one of the poorest districts in the country, with 32% of its people living below the poverty line. The project aimed to help tsunami affected people obtain sustainable livelihoods, and improve the health and living conditions of their communities.

Specific Objectives (by the end of the project):

- 24 existing or new community based organisations (CBO) formed and their capacities strengthened to:
 - Manage effective meetings, keep good records and resolve community disagreements.
 - Advise and support beneficiaries with their new businesses (publicity, promotion, improved access to markets and suppliers, reducing costs etc)
 - Manage UTOP beneficiary instalments and subsequently a small revolving loan fund to help meet the working capital requirements of target beneficiaries.
- An upgrade in the technical livelihood skills of 80% of beneficiaries through training to improve the quality of goods produced and services provided.
- Capacity building of 80% of beneficiaries to keep good business records and accounts.
- Existing or new businesses or livelihoods formed that will show an increase in business income by 30% for at least 80% of the targeted households (2000 families).

End of project Outcome:

80% of the targeted households (2000 families - approximately 10,000 people) will have access to livelihoods with a 30% increase in their household income, consequently reporting improvements in year round food intake, housing improvements or access to other basic needs (education, medicines etc), by the end of the project.

Annexe 2
Sri Lanka
project
beneficiary
business
feasibility
form

Name:	Business:
Address:	Years of Experience:
1. Motivation Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Market Links Existing: New: No. of competitors: Share: % Daily/Weekly/Monthly sales: Rs.
2. Risk taking abilities Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Product/Service Quality: Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/> Process:..... Technology:..... Skills:
3. Ability to deal with crisis Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Place Reach ability: Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/> Suitability: Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>
4. Family support Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Promotion Packaging: Yes <input type="checkbox"/> No <input type="checkbox"/> Need to be improved <input type="checkbox"/> Name boards & other: Yes <input type="checkbox"/> No <input type="checkbox"/> Need to be motivated <input type="checkbox"/>
5. Initiative Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Price Costing: Yes <input type="checkbox"/> No <input type="checkbox"/> Need to be improved <input type="checkbox"/> Market price: Yes <input type="checkbox"/> No <input type="checkbox"/> Reasonable: Yes <input type="checkbox"/> No <input type="checkbox"/>
6. Ability to reconcile family & business Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Record Keeping Yes <input type="checkbox"/> No <input type="checkbox"/> Need to be improved <input type="checkbox"/>
7. Decision making ability Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Sustainability Market saturation: Diversification: Yes <input type="checkbox"/> No <input type="checkbox"/> Need to be improved <input type="checkbox"/> Raw material availability: Yes <input type="checkbox"/> No <input type="checkbox"/> Business Registration: Yes <input type="checkbox"/> No <input type="checkbox"/>
8. Ability to adapt biz. Needs Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	Comments
9. Commitment Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	
10. Negotiation skills Very Good <input type="checkbox"/> Good <input type="checkbox"/> Bad <input type="checkbox"/>	No. of criteria matched:
Total count :	Total count :
Recommendation:	
Reviewed by :	Date :

Annexe 3

Beneficiary Memorandum of Understanding of the Family Health and Sustainable Livelihood Project

1. Introduction

This memorandum of understanding (known as MOU from this point) is for the Family Health & Sustainable Livelihood Project (FHSLP) implementing by the Business Creations (Gte) Ltd, in partnership with APT (Action on Poverty) with the funding assistance of the National Lottery Fund-UK. Objective of this MOU is to be a legally valid agreement with the selected beneficiaries of the FHSLP to improve the efficiency and effective usage of the deployed grant through the FHSLP in related to the Sustainable Livelihood Committees-(SLCs). Valid period for this MOU is one (01) calendar year from the MOU signing date.

2. Parties

Parties of this MOU are, the Chairman, for Business Creations (Gte) Ltd, No 09, Medaketiya Road, Tangalle (Here after known as BCG) and Mr/ Ms. Beneficiary number BCG/FHSLP/...../..... of Sustainable Livelihood Committee in Grama Niladari Division (Here after known as the applicant).

3. Time period.

This MOU is valid fromDD/MM/YEAR (The date of MOU signed) toDD/MM/YEAR (The date one year after from signing date)

4. Benefits

- a) BCG agrees to provide the (name of assets/ machinery/ equipment or as working capital worth of rs....., to Mr/Ms.....(Name and address of beneficiary) of SLC to start/improve his/her (name of business venture) activity. This grant has been issued to him/her in accordance with the application submitted & the business plan prepared by him/her self.

b) Details of the Grant

Grant asset/property	Brand	Batch/Serial Number	Date of purchased	Purchased place

- c) BCG will provide continues follow-up, guidance and necessary technical/ management knowledge for the effective use of particular grants.

5. Conditions

- a) This grant provides according to the detailed assessment of the business/ business idea, beneficiary application and the, business plan prepared.
- b) Applicant should be participated all SLC meetings, small groups meetings & training programs conducted by BCG under the FHSL project.
- c) Applicant should have reached a minimum level savings of rs..... in the SLC common account.
- d) The grant must be used only for the applied business purposes.
- e) Applicant must be used the grant for his/ her business & he/she has no any right to sell/ misuse/ idling or to transfer the ownership to other party during the agreed period.
- f) The ownership of the particular grant with BCG during the agreement period. Therefore, BCG has full power to acquire that grant/assets/ equipment/machinery or charge the value for working capital or to compensation the savings money if the applicant violates this MOU.
- g) In case of violating this MOU, the applicant cannot withdraw the savings from the common SLC account until he/she recovers the value of the grant.
- h) Two members from the same SLC must be signed as guarantors of this MOU.
- i) During the agreement period BCG will continuously follow-up the usage of the grant and the business progress/records & applicant should give the fullest cooperation/ assistance to BCG staff.

6. Termination of the agreement.

The agreement will be terminate automatically after end date of this MOU. If the applicant used the grant in his/ her business in a proper manner, active participation in the SLC, the ownership of the grant will transfer to the applicant. There is a right to progress with his/her own business, participate in SLC meetings/activities and to give the fullest cooperation/ assistance to the FHSL Project in a civility.

7. Signed

For Business Creations (Gte) Ltd:	For Beneficiary:
Chairman:	Beneficiary's name:
Signature Date	Signature Date
Project Field Officer:	Guarantor 01:
Signature Date	Signature Date
	Guarantor 02:
	Signature Date