issues

DFID Department for International Development

Sustainable livelihoods:
Lessons from early experience

Caroline Ashley and Diana Carney

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Contents

Foreword vii

Executive Summary 1

1 Sustainable livelihoods: Origins, principles, definitions 4
- 1.1 Roots of SL approaches 4
- 1.2 What is 'sustainable livelihoods'? 6

2 Uses and usefulness of SL: Early experience 10

3 Practical applications 14
- 3.1 Designing new projects and programmes 14
- 3.2 Using SL at policy level 17
- 3.3 Cross-sectoral teamwork 22
- 3.4 Which methods to use and when? 26
- 3.5 Monitoring and evaluation 27
- 3.6 Costs and efficiency 29

4 Partnership 31

5 Gaps and challenges 33
- 5.1 'Sustainable' in what way? 33
- 5.2 Power and politics 35
- 5.3 Poverty focus 35

6 Internal institutional issues 37

7 Conclusion 41

Appendix 1 SL concepts and framework 45
- A1.1 Core concepts 45
- A1.2 The framework 46

Appendix 2 Uses, strengths and weaknesses of SL approaches 48

Endnotes 53

Further sources of information on SL 55

Figures and tables

Box 1	DFID core SL principles	7
Box 2	Questions about the implementation of SL approaches	13
Box 3	From holistic analysis to focused interventions	17
Box 4	Using SL approaches to highlight policy issues	18
Box 5	Khanya's approach to institutional analysis	20
Box 6	SL as a common language across disciplines	22
Box 7	SL in an urban context	25
Box 8	CARE's livelihoods monitoring system	28
Box 9	What can SL learn from past development approaches?	29
Box 10	Secure or sustainable livelihoods?	34
Box 11	How do SL approaches fit with decision-making at project, country and policy level?	39
Box 12	Summary of ten key issues on the application of SL approaches	42
Figure 1	CARE framework for analysing the social, economic, political and environmental context	21
Figure 2	Achieving a balance in promoting SL	40
Figure 3	Sustainable livelihoods framework	47
Table 1	Summary of NRAC 99 case studies	12

Acronyms

CSP	Country strategy paper (DFID)
DFID	Department for International Development
FS	Farming systems
GIS	Geographic information systems
IDT	International development target (OECD/DAC)
IRD	Integrated rural development
IUDD	Infrastructure and Urban Development Department (DFID)
LEEP	Livelihood enhancement through empowerment and participation (DFID, Zambia)
M&E	Monitoring and evaluation
NGO	Non government organisation
NR	Natural resources
NRAC	Natural Resources Advisers' Conference (DFID)
NSSD	National Strategy for Sustainable Development
PRA	Participatory rural appraisal
PROSPECT	Programme of support for poverty elimination and community transformation (CARE, Zambia)
PUSH	Project urban self help (CARE, Zambia)
RLED	Rural Livelihoods and Environment Division (DFID)
SL	Sustainable livelihoods
SWA	Sector wide approach
TSP	Target strategy paper (DFID)
TS&P	Transforming Structures and Processes (in DFID SL framework)
UNDP	United Nations Development Programme

Preface

The main purpose of this publication is to update readers on DFID's progress in implementing Sustainable Livelihoods (SL) approaches to poverty eradication. Much of the material upon which we draw comes from the 1999 Natural Resources Advisers' Conference (NRAC 99), held at Sparsholt Agricultural College from July 11-14 1999.

This is not, though, a record of the conference. It is an attempt to present a realistic assessment of the strengths and weakness of SL approaches so far. In compiling it we have gone beyond the conference material itself and we therefore hope that it will be of wider interest than a 'normal' conference report. However, for those who are concerned with the very informative papers presented at NRAC 99, these can be obtained from the DFID website (www.dfid.gov.uk, RLED homepage) or by email from m-durnford@dfid.gov.uk). They can also be accessed on the new livelihoods website (www.livelihoods.org), which includes various other useful material on SL approaches.

This publication is part of a process of sharing and learning lessons about SL approaches. For that reason, it seeks to be frank about both the challenges and progress that have emerged. While helping those implementing SL approaches in practical ways, the discussion here should also further stimulate the exchange of ideas. Readers wishing to respond to any of the issues should send a message to livelihoods@dfid.gov.uk. In the longer term it is anticipated that part of the livelihood website (www.livelihoods.org) will be dedicated to an exchange of views on implementing livelihoods approaches.

A range of experience is synthesised and interpreted in this paper. We are very grateful to all presenters, authors and participants at NRAC, and hope we have not misinterpreted their material and views. If we have done so, we take full responsibility for the errors.

Note on the authors

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Foreword

The 1998 conference of DFID's Natural Resources Advisers discussed the part the livelihoods approach might play in the battle against world poverty. I contributed the Foreword to the book on that conference, "Sustainable Rural Livelihoods: What contribution can we make?".

Over the past year, we have moved rapidly in adopting livelihoods principles in our programmes. We have established a Sustainable Livelihoods Support Office. This provides advice and seeks to learn lessons and develop best-practice. In July this year livelihoods practitioners met to discuss their experiences at DFID's 1999 Natural Resources Advisers' Conference.

Experience over the past year has shown that the livelihoods approach can improve the quality and relevance of programmes committed to poverty reduction. We have responded to the lessons learned. We have dropped the distinction between rural and urban populations and now speak simply of 'livelihoods'.

This publication summarises DFID's experience to date. It is honest in acknowledging the successes and in highlighting the challenges. We are building on success and addressing the challenges. I am confident, therefore, that the livelihoods approach can play an important part in achieving the International Development Targets, particularly that of halving by 2015 the proportion of the world's population living in absolute poverty.

Clare Short
Secretary of State for International Development

October 1999

Executive Summary

Sustainable livelihoods (SL) is a way of thinking about the objectives, scope and priorities for development, in order to enhance progress in poverty elimination. SL approaches rest on core principles that stress people-centred, responsive, and multi-level approaches to development.

Although SL approaches are relatively new within DFID, they have already been applied in a variety of ways. Both new and existing development activities have used SL approaches to focus more clearly on the priorities of the poor. The approaches have been applied flexibly, in contexts ranging from project and programme preparation, to research and sub-sector reform. Key ways in which SL approaches have been used and found useful include:

- supporting systematic analysis of poverty and its causes, in a way that is holistic – hence more realistic – but also manageable;
- promoting a wider and better informed view of the opportunities for development activities and their likely impact; and
- placing people and the priorities they define firmly at the centre of analysis and objective-setting.

SL approaches appear to offer a practical way of bringing together a variety of concepts, lessons and ideas. They help reinforce best practice and focus on core development issues, though they are neither a cause nor a panacea.

Several practical applications of SL approaches were discussed at DFID's 1999 Natural Resources Advisers' Conference. Useful guidance – as well as challenges – emerged, including:

- Holistic SL analysis can provide an invaluable basis for design, but should lead to focused entry points. Projects guided by SL approaches may be anchored in a single sector, but the contribution to livelihoods and links with initiatives in other sectors should be clear.

- The SL framework is just one tool for livelihoods analysis. A wide range of other methods – including elements of poverty, stakeholder and institutional analysis – is required to implement SL approaches.
- SL analysis can contribute to the process and content of policy dialogue; other tools/skills are needed to understand the complexity of structures and processes and to build momentum for change.
- SL approaches can be used in any sector and as a common language for cross-sectoral teamwork. Perceived differences between various development 'approaches' are greater in language than in practice.
- The SL framework is a useful checklist for the design of monitoring systems. However, measuring change in livelihoods is difficult. Participatory approaches to monitoring and evaluation are essential.
- While increasing the effectiveness of development activity, SL approaches can also increase costs. These need to be kept in check through mainstreaming SL and by managing information effectively.
- SL principles are more important than the SL framework. When working with partners, it is important to avoid over-emphasising SL and SL vocabulary and to proceed gradually by demonstration.
- Partners in overseas governments are likely to be sectoral ministries. Their ability to embrace the holism of SL may be limited. SL approaches can, nevertheless, encourage a focus on livelihood impacts, not sectoral outputs, and help build cross-sectoral links.
- Use of SL approaches does not necessarily ensure that sustainability is addressed. Environmental, social, economic and institutional aspects of sustainability all need to be addressed, and negotiated among stakeholders.
- Some issues – such as power relations – may be under-emphasised by SL approaches. Integrating various perspectives is therefore key.
- Any organisation adopting SL approaches is bound to face internal challenges. It will be important to review internal institutional procedures to ensure compatibility with SL. Staff will require support to develop new skills and to learn by doing.
- Use of SL approaches must be underpinned by a commitment to prioritising the needs of the poor, as the concepts are themselves distributionally neutral.

These are preliminary lessons. Nevertheless, they reflect considerable optimism that SL approaches can enhance the effectiveness of development activity, and that the challenges raised can and should be addressed in a constructive manner. They also reflect an openness to identifying and sharing lessons. Effectiveness will be maximised by continuing the learning process, rather than through theorising. Practical application of SL approaches – combined with time and support for reflection and dialogue – represent a positive way forward.

1 Sustainable livelihoods: Origins, principles, definitions

After decades of limited success in eliminating poverty, new ideas about development are emerging. DFID and several other agencies are revising their development strategies and placing greater emphasis on the elimination of poverty. Sustainable livelihoods approaches represent one way of doing this. This publication explores how they have been used in practice, starting with a brief summary of where they come from and what their essence is.

1.1 Roots of SL approaches

Conceptual roots

Poverty is now recognised to go well beyond a lack of income, and to have multi-dimensional characteristics and causes.

Sustainable livelihoods approaches are based upon evolving thinking about poverty reduction, the way the poor live their lives, and the importance of structural and institutional issues. They draw on three decades of changing views of poverty. In particular, participatory approaches to development have highlighted great diversity in the goals to which people aspire, and in the livelihood strategies they adopt to achieve them. Poverty analysis has highlighted the importance of assets, including social capital, in determining well-being. The twin influences of the policy framework and governance, which have dominated much development thinking since the early 1980s, are also reflected in SL, as is a core focus on the community. Community-level institutions and processes have been a prominent feature of approaches to natural resource management and are strongly emphasised in SL approaches, though in SL the stress is on understanding and facilitating the link through from the micro to the macro, rather than working *only* at community level.

Practical roots

SL approaches also stem from concerns about the effectiveness of development activity. Despite stated commitments to poverty reduction, the immediate focus of much donor and government effort has been on resources and facilities (water, land, clinics, infrastructure) or on structures that provide services (education ministries, livestock services, NGOs), rather than people themselves. SL approaches place people firmly at the centre; the benchmark for their success is whether sustainable improvements in people's livelihoods have taken place. It is anticipated that this refocusing on the poor will make a significant difference to the achievement of poverty elimination goals.

Other concerns about development effectiveness that have fed into SL approaches include that: many activities are unsustainable (environmentally and in other ways); isolated sectoral initiatives have limited value while complex cross-sectoral programmes become unmanageable; and success can only be achieved if a good understanding of the household economy is combined with attention to the policy context. It may be ambitious, but SL approaches try to address all these concerns and thereby to improve the effectiveness of development spending.

Organisational roots

SL approaches are not linked to any single organisational type. They have developed within research institutes (e.g. the Institute of Development Studies), NGOs (e.g. CARE and Oxfam) and donors (DFID and UNDP). In the UK, the Government's *White Paper on International Development*, published in 1997, marked a period of changing thinking and renewed emphasis on poverty elimination. Commitment to the International Development Targets – including the aim to halve the proportion of people living in poverty by 2015 – has been reaffirmed, giving impetus to the DFID's adoption of SL 'approaches' and use of the SL framework.

DFID is committed to supporting '*policies and actions which promote sustainable livelihoods*'.

Debate following the publication of the *White Paper* centred on how to achieve the new policy directions and goals, including the commitment to support '*policies and actions which promote sustainable livelihoods*'. This led to intensive consultation – spearheaded by the then Natural Resources Policy and Advisory Department of DFID – about how to operationalise the concept of 'sustainable livelihoods'.

In 1998, DFID's annual Natural Resources Advisers' Conference (NRAC 98) first discussed sustainable livelihoods approaches. There

was much enthusiasm for the new ideas, though also some misgivings about change and the dangers of adopting unproven ways of operation. A particular concern was to avoid 'faddism', throwing out the old to make way for the new in place of gradual building on lessons learned.

Within DFID, implementation of SL approaches has been supported through the recent establishment of the Sustainable Livelihoods Support Office and the publication of the first *Sustainable Livelihoods Guidance Sheets* (Sections 1 and 2 produced in April 1999).

Different people took different ideas away from NRAC 98 and began using these to influence their work, while others inside and outside DFID continued to develop their own thoughts and practices around SL. So what was the situation – the knowledge of, attitudes to and practices with – SL approaches by summer 1999 when NRAC 99 took place?

- *Knowledge: growing but very uneven*. Some staff – particularly the newer ones – had had no formal introduction to SL approaches. Lack of awareness and/or ownership of SL amongst partners (both inside and outside DFID) was noted as a particular challenge.
- *Attitudes: varied from interest and excitement to wariness and caution*. Some, particularly those who had had some success in initial application, were committed and enthusiastic about the potential of SL approaches. Others remained sceptical about whether the ideas could be effectively implemented or saw SL as 'window dressing'. All raised pertinent questions about practical challenges (see Box 2, page 13), and all cautioned that SL is not a panacea.
- *Practice: varied and very informative*. Many had not yet applied SL approaches in tangible ways. However several had, allowing us to draw early – certainly not conclusive – lessons about the application of SL approaches in widely varying contexts with correspondingly varied results. This paper draws on these early experiences.

1.2 What is 'sustainable livelihoods'?

Principles and concepts

Sustainable livelihoods is a way of thinking about the objectives, scope and priorities for development, in order to enhance progress in poverty elimination. SL aims to help poor people achieve lasting improvements against the indicators of poverty that they define. The premise is that the effectiveness of development activity can be improved through:

- systematic – but manageable – analysis of poverty and its causes;
- taking a wider and better informed view of the opportunities for development activity, their likely impact and 'fit' with livelihood priorities; and
- placing people and the priorities they define firmly at the centre of analysis and objective-setting.

Box 1 DFID core SL principles

Poverty-focused development activity should be:

- **People-centred**: sustainable poverty elimination will be achieved only if external support focuses on what matters to people, understands the differences between groups of people and works with them in a way that is congruent with their current livelihood strategies, social environment and ability to adapt.
- **Responsive and participatory**: poor people themselves must be key actors in identifying and addressing livelihood priorities. Outsiders need processes that enable them to listen and respond to the poor.
- **Multi-level**: poverty elimination is an enormous challenge that will only be overcome by working at multiple levels, ensuring that micro-level activity informs the development of policy and an effective enabling environment, and that macro-level structures and processes support people to build upon their own strengths.
- **Conducted in partnership**: with both the public and the private sector.
- **Sustainable**: there are four key dimensions to sustainability – economic, institutional, social and environmental sustainability. All are important – a balance must be found between them.
- **Dynamic**: external support must recognise the dynamic nature of livelihood strategies, respond flexibly to changes in people's situation, and develop longer-term commitments.

SL approaches must be underpinned by a **commitment to poverty eradication**. Although they can, in theory, be applied to work with any stakeholder group, an implicit principle for DFID is that activities should be designed to maximise livelihood benefits for the poor.

The core principles that underpin DFID's SL work (Box 1) can be applied to any type of development activity. It is not necessary to make use of any given analytic framework, though there are advantages to doing so. DFID's SL framework is one such analytical tool. It provides a structure to help build the understanding of livelihoods that is necessary to ensure that external support is congruent with people's livelihood strategies and priorities. It stresses the importance of understanding various livelihood components and factors, including:

- the priorities that people identify;
- the different strategies they adopt in pursuit of their priorities;
- the institutions, policies and organisations that determine their access to assets/opportunities and the returns they can achieve;
- their access to social, human, physical, financial and natural capital, and their ability to put these to productive use; and
- the context in which they live, including external trends (economic, technological, demographic, etc.), shocks (natural or man-made), and seasonality.

These factors all feature in DFID's SL framework. This is presented in Appendix 1, with further description of the core concepts underlying it.

Approach, objective or framework?

The term 'sustainable livelihoods' is interpreted in a variety of ways.

- Some use it to describe *a tool*. For DFID staff this tends to be the framework mentioned above that was presented at NRAC 98 and is detailed in the *Sustainable Livelihoods Guidance Sheets*. The framework is used as a checklist of issues and a way of structuring analysis.
- At the other extreme, some treat 'sustainable livelihoods' as an operational *objective* and see their mission as improving the sustainability of livelihoods.
- Some value SL as a set of *principles* that can be applied in almost any situation, but others view it as a call for specific SL *projects* or SL *programmes*.
- Many view it as an *approach* to development, combining various of the elements above. The NGOs, CARE and Oxfam, use SL frameworks and SL principles to guide programme development towards goals that are defined in terms of improved livelihoods.

Differences in interpretation cause confusion, as was illustrated by discussions of the country case studies presented at NRAC 99. Developing a shared understanding of what is meant by SL is therefore a priority.

- The essence of SL is captured in a set of core principles (Box 1). These need to be genuinely shared and commonly understood.
- Use of the framework on its own, without the principles, will not necessarily enhance development activity.
- The principles, on the other hand, can do this but they are not very practical. Fortunately they are backed up by a range of tools (of which the framework is currently the only one unique to SL) to assist users in implementation.
- The framework provides a way of thinking through the different influences (constraints and opportunities) on livelihoods, and ensuring that important factors are not neglected. But the framework cannot – and does not attempt to – capture everything that is important to poverty elimination.
- Users must therefore employ a range of other tools, most of which should already be familiar to them (e.g. stakeholder analysis, social analysis, institutional analysis, see Section 3.3).

Sustainable livelihoods approaches refer to a way of thinking about development priorities based on SL principles, and drawing on a range of tools including the SL framework.

This paper discusses broad applications of '*Sustainable Livelihoods Approaches*' – meaning a set of principles, backed up with a set of tools. The plural ('approaches') is deliberately employed to highlight the fact that there is not a single way forward for SL; there are many ways of addressing problems while remaining true to the underlying SL principles. However, the word 'approaches' remains imperfect if it is taken to mean something self-contained that might conflict with other development 'approaches' (participatory approaches, the rights based approach, etc.). This is not what is intended. SL principles incorporate and complement key tenets of other development 'approaches'.

2 Uses and usefulness of SL: Early experience

What have SL approaches been used for?

SL approaches have already been used for identifying, designing and assessing new initiatives (projects and programmes), re-assessing existing activities, informing strategic thinking, and for research. The eleven country case studies presented at NRAC 99 demonstrate the variety of uses by DFID staff and partners.

- In Zambia and India, existing infrastructure and watershed project proposals were reassessed and substantially altered when viewed through an 'SL lens'.
- In Kenya and Pakistan, multi-sectoral scoping studies were conducted in order to identify a range of suitable entry points for DFID interventions.
- In Nepal (community forestry) and Indonesia (livestock), long-standing sub-sectoral programmes that pre-date SL have used and implemented many key SL principles.
- In South Africa and Zimbabwe, SL approaches have been used to guide research on policies and institutions.
- In several cases (e.g. Latin America, Russia) SL principles have been used explicitly in project design. In Latin America they have also been used implicitly in the development of country strategies and programmes and in monitoring on-going activities.

In addition, SL approaches have been used for: developing and reviewing NGO projects (e.g. Oxfam, CARE, Africa Wildlife Foundation); guiding participatory planning processes and prioritising human development (UNDP); analysing sectoral programmes (e.g. tourism development, wildlife management); conducting in-depth field research (e.g. on diversification, institutions); and for developing other emerging DFID initiatives (including new work in Cambodia).

How were SL approaches used and what difference did they make?

This variety of uses demonstrates that SL approaches have been used with flexibility. It also begs the question: what can such diverse applications have in common? At least four common elements can be distinguished within this small sample. In most cases:

- Some form of 'livelihoods analysis' of poor people (or different poor groups) was incorporated into the process. The SL framework has generally been used as a checklist of issues that merit exploration. People's own priorities for development were explored through participatory methods. Improved understanding of livelihoods was then used to help select or adapt activities or policies to 'fit' with livelihood priorities.
- Livelihood issues were brought up-front. Expected links between development activities and impacts on people's lives were made explicit, and in many cases objectives were defined in terms of enhancing livelihoods.
- Inter-sectoral collaboration was involved. While many of these initiatives were led by Natural Resources Division (now Rural Livelihoods and Environment Division) staff, they all included a range of disciplines for holistic analysis. In several cases links were established between activities in different sectors.
- Macro and micro issues, and the links between them, were considered. Practitioners working mainly at the grass roots identified ways in which policies, structures and processes affect livelihoods and activities on the ground, and in some cases they adopted strategies for policy-level action. Those working more at policy level used livelihoods analysis to inform their dialogue about the need for policy and institutional change.

SL is not a magic bullet – it is a discretely defined way of working that is distinct from, and contrasts with, other approaches. It is evolutionary rather than revolutionary. This means that it is sometimes difficult to ascribe benefits – or difficulties – specifically to the use of SL approaches, rather than to good development practice. It is also too early to identify with confidence the impact of SL approaches on progress towards poverty elimination. Nevertheless, practitioners have ascribed a range of positive impacts – and new challenges – to use of SL approaches. The strengths and weaknesses of SL approaches that they identified are summarised in Table 1 (and presented in full in Appendix 2).

Table 1 Summary of NRAC 99 case studies

Case	Use of SL	Strengths of SL approaches	Weaknesses of SL, gaps
India	Design of new and follow-on projects	❍ Way of structuring existing lessons ❍ Highlighted importance of power relations and conflict	❍ Risk loss of technical expertise ❍ Little help with prioritisation
Pakistan	Programme identification	❍ Promoted multi-disciplinary work ❍ Extended scope of analysis and prevented omissions	❍ Took a long time ❍ Raised a huge agenda ❍ Insufficient on power relations
Nepal	Refocusing existing project	❍ Helped understand project context ❍ Highlighted micro-macro links ❍ Supported learning focus of project	❍ Need other tools for planning project activities ❍ Government may get left behind
Kenya	Identification of new programme activities	❍ Provided a framework for seizing opportunities	❍ Risky, hard to persuade other sectors ❍ Effectiveness limited by policy context
Zambia	Refocusing planned project	❍ Shared language for team-working ❍ Forced analysis of social and power structures	❍ Risk of being too multi-faceted ❍ Need to reduce costs ❍ Unclear relations to sector approach
Russia	Design of new project	❍ Reflected multifaceted thinking of local civil society organisations ❍ Identified innovative areas of work	❍ Difficult to bring government along ❍ Translation problems ❍ Consultants not fully aware
Indonesia	Strengthening policy reform project	❍ Value of linking micro/macro ❍ Mainstreaming SL approaches in govt. has potentially massive return	❍ Difficult for all involved to understand – know when to stop
Southern Africa	Research on the role of government	❍ Highlighted need for institutional analysis	❍ Difficult to promote holistic approach in government ❍ Need to 'unpack' TS&P
Bolivia	Design of new project, appraisal of existing project	❍ Opened up new opportunities ❍ Forced questioning of assumptions ❍ Rural/urban links highlighted	❍ No translation into Spanish ❍ Less useful for analysing TS&P ❍ Risk of NR by another name
Brazil	Loose use in evaluation and redesign	❍ Systematic description of dynamic whole ❍ Helped comparison across projects	❍ Too broad – anything goes ❍ Underestimates history ❍ DFID agenda not shared
Mexico & Central America	General framework for design of country programme	❍ Helped assess entry points ❍ Useful for monitoring outputs ❍ Intelligible & easy to communicate	❍ No translation into Spanish ❍ No clear replication mechanism ❍ No help with weighting factors

TS&P = Transforming structures and processes

Discussion of these case studies prompted several questions about SL, summarised in Box 2, and addressed in other sections of this report.

Box 2 Questions about the implementation of SL approaches

- Is it an approach, a framework or objective? What are the differences, and implications of each?
- Where do we start? With so much represented in the SL framework, what should the entry point be?
- Are SL approaches equally applicable at project, programme and country level, including for policy reform and sector wide approaches?
- What tools should be used for SL assessment, planning and review? At what stage?
- SL approaches require working with other disciplines and sectors. How can this be done most effectively?
- Are SL approaches efficient? Is the cost of holistic approaches too high or can it be justified by improved outcomes?
- How should livelihoods impacts be monitored?
- How can SL approaches be mainstreamed, rather than just replicating specific initiatives?
- How can SL be shared with partners, particularly with policy-makers?
- How do we deal with intractable political issues?
- How do we ensure that SL approaches do not lead to a loss of technical expertise?
- How can we be sure that SL-guided activities will benefit the poorest?

3 Practical applications

Early applications of SL approaches have taught us a lot. They have generated a range of questions but in many cases also provided indications as to where the answers might lie.

3.1 Designing new projects and programmes

"*SL opened up options when considering possible project interventions – either working directly with the poor or at policy level – and ensured rural/urban linkages and migration were not forgotten.*"
Bolivia paper: NRAC 99

SL approaches have generally proved useful in the early stages of programme and project design. The SL framework, in particular, pushes users to question traditional assumptions, prevents neglect of important issues (e.g. micro-macro links, non-physical assets), generates a broad selection of entry points and helps in planning the sequence of development activities. More generally, SL approaches provide a means of integrating differing perspectives and structuring existing lessons.

- In India and Zambia, SL analysis was used to appraise an *existing idea* leading to the identification of complementary activities. In India, this resulted in a 'watersheds plus' project, with a greater variety of activities to meet the needs of the poor (compared to previous watersheds projects), more careful sequencing, and an emphasis on policy influence. In Zambia, redesign was so substantial that the proposed Programme for Improvement in Rural Infrastructure became Livelihood Enhancement through Empowerment and Participation (LEEP) which combines infrastructure improvement with empowerment and micro-finance.
- In Pakistan and Kenya, SL scoping studies started with a relatively *blank sheet*, aiming to identify new activities within an SL programme or theme. The studies identified many potential entry points, though there was some concern that SL *does not tell you where to start* – what should be tackled within the complexity of livelihoods?

The case studies raised several important issues for project/programme design.

"*The all encompassing nature [of SL] means that 'anything goes.' It does not tell you what works best*".
Brazil paper: NRAC 99

"*At both project and country strategy paper level, the SL framework helps generate a wide range of potential entry points, in a rational and transparent way, broadening the vision of our partners and ourselves. It does little to help prioritise them, but this is not necessary. Other tools are available to do this.*"
NRAC 99 working group

i A variety of tools is required to prioritise entry points: Use of a broad framework in project design will tend to lead to an array of options. Unless options are effectively prioritised and sequenced there is a danger of ending up with over-complex projects (perceived in Zambia) or a situation in which 'anything goes' so nothing changes (perceived in Brazil). The SL framework helps users to identify key 'pressure points' that are likely to have a significant livelihood impact. However, resources are usually limited and the framework itself may be of little help in determining which of the many 'pressure points' should be addressed and how.

It is therefore vital to draw on a range of existing methods and tools – including various forms of cost-benefit analysis – for prioritisation and design. It is also important to adapt priorities during implementation as more is learnt about livelihoods. This means drawing on existing experience in designing projects with 'process approaches'.

The case studies showed that a variety of tools have been used to identify target groups and prioritise activities. For example, in Pakistan, southern Punjab was chosen as a focus area on the basis of existing quantitative data on poverty. In Nepal, once the need to address structures and processes was identified, further disaggregation of micro-macro links was necessary to help plan specific activities. The 'Fowler Framework' was employed for this task.[1]

ii Opportunism can be effective: SL principles are likely to be more effective if combined with 'strategic opportunism'. Several cases showed the value of active (strategic) pursuit of opportunities to apply SL approaches and to identify activities and partners that can make a difference to the livelihoods of the poor. A key requirement for this is flexibility. In Indonesia, Pakistan and India, a shift inside government provided an opportunity – seized by DFID – to pursue SL approaches.

- In India, a new ministry initiative to scale up watershed rehabilitation using participatory approaches provided an exciting opportunity to influence government and ensure a better fit with livelihoods.
- In Pakistan, a change in leadership at state level meant that the Punjab administration was more receptive to a new approach and was identified as a partner for SL-guided initiatives.
- In Indonesia, a fundamental change in the political environment

accelerated acceptance of concepts such as participation and decentralisation, which are central to the DELIVERI project.

"*One of the strengths of CARE's livelihoods approach was use of the relatively simple conceptual model in the roll-out of the new approach to field staff. The basic concept drew on experience and best practice from many different fields and was welcomed by staff who felt it captured the multiple dimensions of poverty without abandoning tried and tested programming approaches.*"
CARE paper: NRAC 99

iii History matters – build on strengths: Adopting SL approaches does not mean throwing out everything that has gone before. Rather, it is a case of building on strengths, whether these are skills in using particular tools, credibility and experience in particular sectors/technical areas, or productive working relationships that have developed over time. This became clear in a number of the NRAC 99 papers, and especially in the case of the India 'watersheds-plus' project. This project built on decades of experience in supporting natural resource management and poverty reduction. Many lessons had been learned (e.g. about farming systems, the role of civil society, the importance of participation, etc.). SL approaches added value by providing an organising framework to feed the lessons into the design of the new project.

iv There is no need to abandon a 'sectoral anchor': A common concern amongst staff is that SL approaches will always require over-ambitious cross-sectoral responses, possibly without defined sectoral anchors. However, experience indicates that this fear is misplaced. The vehicle for SL approaches to poverty elimination is very often a project with a clear focus – perhaps water supply, policy reform or food security – linked to the wider concern of livelihood improvement. The link is reflected in:

- the way in which project focus areas are *identified* as priorities;
- how they are *designed to fit* with livelihoods;
- the *outputs* for which they aim (contributions to livelihoods not just kilograms, kilometres, or herd size) (see Box 3); and
- the amount of effort put into *developing a dialogue* with other sectors about shared goals and how these can be achieved.

In Indonesia, the DELIVERI project aims to change policy or the 'rules of the game', though it is anchored in one ministry – agriculture. It uses a 'bite-sized entry point' – livestock services – to demonstrate how interventions can respond to the holistic nature of people's livelihoods, and from there it aims to spread its influence to other sectors and higher up in the ministry.

Nevertheless, SL analysis can lead to a widening of project scope beyond a single sector. This happened in the India watersheds project, where several complementary activities unrelated to watersheds or natural resources were identified through SL analysis.

Cross-sectoral approaches can be facilitated through the pro-active development of extra-sectoral partnerships. Sometimes, though, institutional realities are such that a sectoral anchor *will* constrain the degree or effectiveness of cross-sectoral collaboration. In such circumstances, although not ideal, a partnership with a sectoral ministry may still represent the most practical route forward. This is a realistic

response to the fact that, in current government structures, sectoral ministries are often more effective implementors than multi-function agencies.

A key lesson is that holistic analysis does not require holistic intervention.

- Focus on specific manageable entry points. Do not try to intervene everywhere.
- Keep in mind the contribution that your entry point will make to the whole. Even if 'old' entry points are identified, it is important to think about them in new ways.

Box 3 From holistic analysis to focused interventions

'A frequent misconception concerning the livelihoods approach is that holistic analysis must necessarily lead to holistic or multi-disciplinary projects … Although projects with a strong livelihoods approach may often work across a number of technical disciplines, applying a livelihoods approach does not preclude projects being largely sectoral in nature. What is important is that a holistic perspective is used in the design to ensure that cross-sectoral linkages are taken into account, and that the needs addressed in project activities are really those which deal with the priority concerns of households and build upon the experience and traditional coping mechanisms they have evolved.' (CARE: NRAC 99)

A useful analogy is the '*acupuncture approach*': a good acupuncturist uses a holistic diagnosis of the patient followed by very specific treatment at key points. Holistic diagnosis does not mean needles everywhere! (Oxfam: NRAC 99)

In Ghana, DFID is contributing to a Livelihoods Programme in two ways: through the agriculture sector investment programme and through a project that supports District Councils to investigate livelihood opportunities.

v SL approaches do not require 'SL projects' or even programmes: Sustainable livelihoods are more likely to be supported through *SL-guided* sectorally-anchored projects, as indicated above, than through 'SL projects' *per se*. A project – a discrete funding package with an agreed budget and manager – is too narrow to take on the whole SL agenda. Various projects focusing on different levels or sectors may be grouped together within an SL programme, though SL-guided projects may equally well fall under other existing programmes. Establishing a labelled 'SL programme' is likely to be counter-productive if the label itself is off-putting to partners.

3.2 Using SL at policy level

There is a perception that SL approaches are more often used at programme and project level than at policy level. In fact, several SL-guided projects have incorporated policy dialogue and used SL to highlight policy issues (see Box 4). Nevertheless, there are questions as to whether SL approaches really help users to understand the policy process or address structures and processes.[2]

Usefulness of SL approaches at policy level

There are several ways in which SL approaches can add value at policy level. They can:

i Help ensure that policy is not neglected: SL analysis should provide essential information on how prevailing structures and processes affect livelihoods. The need for policy reform is often identified (as in the Nepal forestry programme and India watersheds project).

Box 4 Using SL approaches to highlight policy issues

- In the southern Africa, Pakistan, Nepal and India case studies, SL approaches clearly demonstrated the need for policy and institutional change.
- In Zimbabwe, SL approaches helped illustrate the impact of policy at local level. They facilitated dialogue about how the promotion of modern maize varieties caused a fall-off in planting of millet and sorghum, increasing poor people's vulnerability to drought.
- In Mexico and Central America, SL approaches helped identify the inter-relatedness of two DFID foci at local and policy level: developing capital assets for the poor and enhancing the enabling environment.
- In India, the SL design process helped feed an improved micro-level understanding of poverty into the policy process, leading to the re-orientation of an existing government watersheds initiative. It also highlighted the need to engage with political issues if inequality was to be addressed.

ii Provide a common language for policy-makers from different sectors: The SL framework and terminology can be useful for discussing the approaches of different sectors, or discussing cross-cutting issues such as poverty, decentralisation, rural development and public sector reform, which have clear – if indirect – impacts on livelihoods. It should also provide a framework for discussing the role of the private sector (a key component of 'transforming structures and processes') although this generally-neglected area requires further attention.

iii Encourage a more people-focused approach to policy: SL approaches can help policy-makers move beyond sectoral concerns to viewing policy change from a people perspective. This includes highlighting the need for broader consultation on policy issues, particularly with the poor. The SL framework can inform programmes of policy reform by illustrating the current and likely future effects of policies on people's lives (see the example of maize in Zimbabwe in Box 4).

Whether policy can be influenced by SL approaches depends, of course, on the extent to which SL principles are shared by partners in government (see Section 4), and on other obstacles to policy reform. However, the DELIVERI project in Indonesia has shown that structures and processes can be amenable to change in the right

environment. The project focuses explicitly on 'changing the rules of the game' in the livestock services area. Initially, government staff (and some project/donor staff) could not see the point of a non-physical project. However, three years in, there is widespread support amongst senior management for the new ways of doing things and enthusiasm about 'replicating' the approaches beyond the sub-sectoral entry point. Nevertheless the approaches have yet to be fully mainstreamed.

It is important that financing donors fully understand and support policy-oriented projects. The DELIVERI project suffered initially: its discrete livestock services entry point and 'NR label' reduced its levels of cross-sectoral support within DFID.

Lessons on policy reform from DELIVERI include:

- Success at micro level generates credibility at macro level. It is important to select micro-level activities that deliver fairly quickly and demonstrate the value of broad-based, participatory approaches.
- A technical ministry can be an effective partner for working on macro-micro linkages. Such a ministry can facilitate work at various levels and feed lessons from decentralised activity into policy. However, it is also important to be part of a wider constituency for change. DELIVERI on its own cannot address issues of civil service reform, privatisation, decentralisation, etc.
- New ideas need to be proactively marketed to policy-makers, through advocacy, persuasion, negotiation and 'look-see' visits.
- Internal champions and leaders are very important. They buy time for a project and provide space to develop messages.
- To be effective, project staff require new skills – particularly in social and institutional analysis – and an ability to sell ideas and manage change.

Recognising the limits of SL at policy level

While SL approaches can be useful in the ways outlined above, they do have their limits in the policy arena. Notable limitations include:

i Livelihood analysis for a nation is impractical: It is seldom feasible to undertake a detailed analysis of livelihoods across an entire country/region to support national policy-making. This is especially problematic when there is a high degree of heterogeneity. Nevertheless, broad-brush SL analysis can highlight key gaps in existing information.

"*Transforming structures and processes are considered critical to both programme and project implementation, but the framework/approach is weak in understanding and interpreting this aspect.*"
NRAC 99 participant

ii Difficulty of unpacking and understanding 'structures and processes': While the SL framework points the way to more detailed *household* level analysis, using the assets pentagon and highlighting links between components, it provides no similar direction for *meso or macro* issues. These do not come to life in the SL framework – they remain in a

'grey box' that some find too broad and all-encompassing to be useful, particularly given recent insights about the 'messiness' and complexity of the policy process. It has been suggested that markets, government policies and local institutions may be too diverse, and each too important in its own right, to be grouped under one broad heading.

Practitioners have dealt with this limitation by adapting SL and combining a range of tools to 'unpack' the grey box.

- In its research in southern Africa, Khanya[3] analysed how government structures and processes at four levels – people, district, province, centre – affect livelihoods (see Box 5).
- The CARE livelihoods framework clusters economic, cultural and political influences in the 'context'. A second figure unpacks these contextual factors, dividing them into three broad groups – markets, governments, and civil society – each of which is considered at local, national and international level (see Figure 1).

In the Indian watersheds project, it was felt that the SL design process identified the structural causes of poverty, but did not make these any easier to change.

iii Problems in overcoming obstacles to change in policies, structures and processes: Even if SL approaches highlight the need for change in structures and processes, they may not help bring about this change. The challenges of addressing inequality, conflicting socio-economic interests, or lack of implementation capacity remain enormous,

Box 5 Khanya's approach to institutional analysis

Khanya's research on government institutions starts from the assumption that livelihoods need to be supported at four levels:

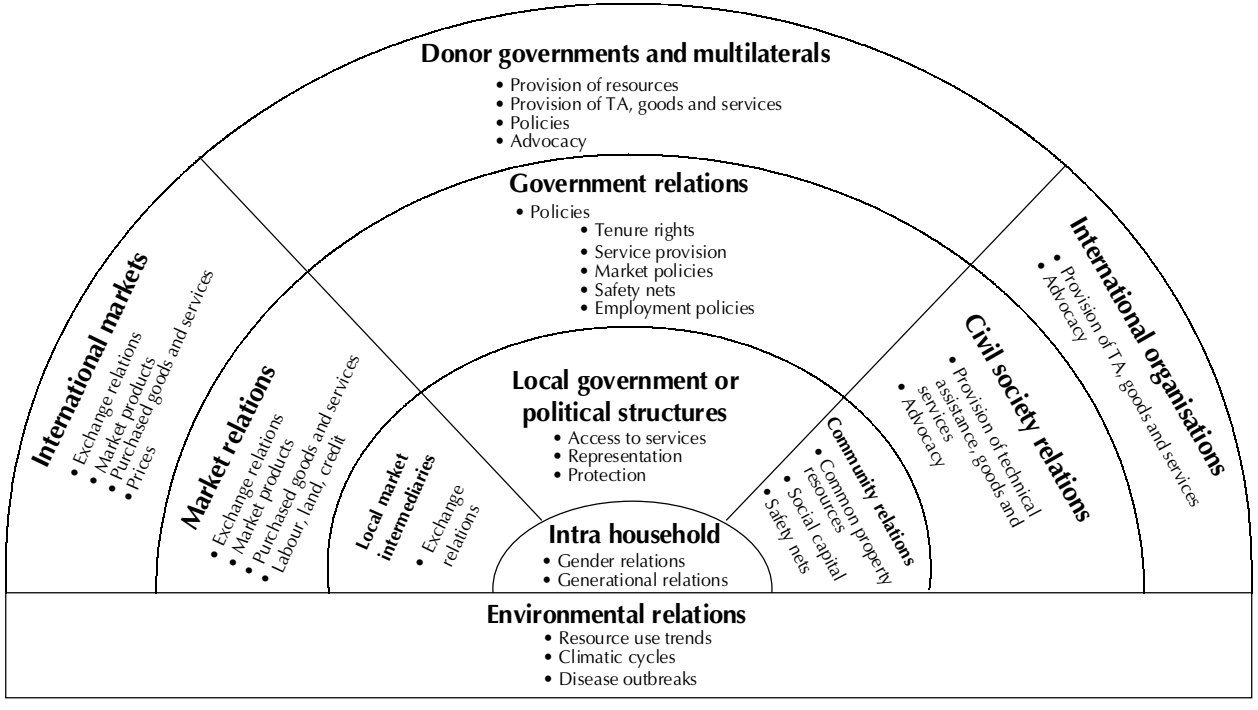
- *Rural people* must be active and involved in managing their own development.
- *District* service providers must be effective and responsive.
- *Provinces/regions* must support and supervise districts.
- The *centre* (national level or, in South Africa's federal system, provincial level) must provide strategy, redistribute, coordinate and control.

Findings from research at the various levels, in South Africa and Zimbabwe include:

- *People level*: PRA is a poor substitute for a proper planning system with bottom-up drive.
- *District level:* the degree and nature of decentralisation is critical. Decentralisation increases districts' responsibility but this seldom leads to a rethink of core processes or structures. Development programmes often erode institutions at this level by bypassing them.
- *Regional level:* there is much confusion about the role of this level. It should support not control.
- *Centre*: In Zimbabwe, policy-making is dominated by the World Bank. This results in swings in direction and a loss of indigenous views. In South Africa the centre is strong on policy formulation but weak on implementation. Public sector reform should be client-focused not limited to increasing efficiency.

All four levels play a critical role in supporting livelihoods, though Khanya found that making the people and district levels function is particularly important. Decentralisation helps, but it has its own problems. It can lead to wasted resources and a lack of flexibility and responsiveness.

Figure 1 CARE framework for analysing the social, economic, political and environmental context



TA = technical assistance

Source: Frankenberger and Drinkwater, 1999

with or without SL. A range of other skills in governance, institutional reform, conflict resolution, capacity-building and negotiation are certainly needed.

There may sometimes be little prospect of reforming policies or governments that are inimical to the broad achievement of sustainable livelihoods. This can place a fundamental constraint on SL work. For example, the SL scoping study in Kenya concluded that geographically-focused projects are unlikely to feed effectively into central policy. It is important to be honest about this when making decisions about project design and finance. It is also important to set SL initiatives in the context of the bigger challenge faced by poverty-focused donors: influencing governments to become more concerned with poverty elimination. This is a priority area of work for DFID's Governance Department.

3.3 Cross-sectoral teamwork

"*SL most closely approximates the experience/outlook of primary stakeholders. It is a crucial framework for interdisciplinary co-ordination.*" NRAC 99 participant

SL approaches demand collaboration between sectors, even if detailed interventions are sectorally-anchored. No single discipline or expert can understand all aspects of livelihoods. Fortunately, a reported strength of SL is that it *promotes* inter-disciplinary working, in many cases providing both a common language and a common goal (see Box 6). Nonetheless, cross-sectoral teamwork can be difficult.

- How should tensions between SL and other 'approaches' be resolved?
- How can SL be extended beyond rural areas and a natural resources focus?
- Who should be involved? How and when should they be brought 'on board'?

Box 6 SL as a common language across disciplines

The design of the Orissa Watersheds project comprised four studies – technical, institutional, economic and social.

- Technical analysis identified the anomaly of potentially highly productive natural resources in an epicentre of poverty.
- Institutional analysis found causes of poverty in the lack of rights and entitlements of the majority, combined with weak government services and political marginalisation.
- Social analysis went further to root power imbalances in the nature of social relations, and particularly the practice of 'untouchability'.

SL approaches were brought in after all four studies were done, to synthesise them: the principles provided the common language and the framework structured information from the studies to help answer the central question: why are the livelihoods of the poor in Orissa continually under threat – and how can they be enhanced?

Overlap and tension between SL and other approaches

There is some confusion as to how SL fits with, complements, or differs from other 'approaches' that are prominent within DFID at the present time. Experience on the ground suggests the differences may be greater in language than in practice.

"*Do we worry too much about boundaries with other (best) practice?*"
NRAC 99 participant

i SL and sector wide approaches: The question of how SL approaches relate to sector wide approaches (SWAs) has been repeatedly raised.[4] *In principle* the two should be broadly complementary. Both SWAs and SL approaches lay a strong emphasis on structures and processes, and the need for reform, while bringing contrasting but not necessarily conflicting perspectives. At the heart of SWAs lies the principle of integrating government and donor approaches within a single planning, management and budgeting framework. A sector strategy should be developed within this framework and built on an understanding of the contribution of that sector to the livelihoods of the poor, as well as of the importance of linkages between sectors. One way of developing such an awareness is through livelihoods analysis. Employing SL approaches could help avoid some of the pitfalls common to SWAs by enhancing responsiveness to diversity in local needs and encouraging cross-sectoral ministerial participation as well as the involvement of private institutions and other 'structures and processes'. SL analysis of an emerging sectoral strategy can encourage sectoral goals to be defined and designed in terms of human outcomes: impacts on people not simply direct output.

Despite this apparent complementarity, SL approaches and SWAs do *appear* to many to be in conflict. SWAs are seen as being concerned with centrally driven agendas (e.g. national curricula, national health services, etc.) and overly focused on the needs and capabilities of the public sector. In contrast, SL approaches are seen as emphasising decentralised, people-focused change, more oriented towards the development of smaller scale, often area-based, projects, with little relevance to sector-wide issues. This perceived gap between the two will be most effectively narrowed through practical efforts to integrate SL approaches into SWAs. This is an area that will be explored by a new working group established by DFID's SL Support Office to explore 'transforming structures and processes' within SL approaches.

One of the starting points for the Working Group might be the experience of the Indonesian DELIVERI project. This has applied SL principles to the livestock sector, providing an indication of how

DELIVERI supports reform in the livestock sector, such that livestock services become a more effective *means to support livelihoods* rather than an end in themselves. This requires a rethinking of activities and staff approaches to ensure that they contribute to people-focused objectives.

SL can contribute to sector reform. It is not an SWA in the sense that it does not integrate government activity with multi-donor support, but the ideas it is promoting could certainly be used within a 'genuine' SWA.

ii SL and rights issues: Promoters of 'rights issues' or 'rights-based approaches' stress the importance of empowering poor people to claim and secure their rights – including rights to assets, to participation, and to equitable treatment by governing institutions. SL and rights approaches seem to share many underlying principles. Although empowerment is not explicit in the SL framework, the principle of empowering poor people to secure more control over assets, over structures and processes and over other livelihood components, is intrinsic to the approach. Indeed, Oxfam has pressed for ten 'basic rights' congruent with its SL approach as well as with its emphasis on rights *per se* and on gender equity.

When practical priorities are identified, there is often convergence between SL approaches and the empowerment focus of those concerned with rights. This is evident in a number of current case studies. In both Russia and Cambodia[5], SL analysis identified unclear property rights as major constraints to livelihood security. Helping to resolve the tenure issue fits well with both SL approaches and with rights issues. Indeed, SL analysis can help to identify issues of inequality and rights that might be neglected by narrower sectoral perspectives. For example, in both India and Pakistan, SL approaches deepened understanding of poverty through exploration of skewed access to assets and power imbalances. They highlighted the fact that 'natural resources only' interventions would not address the power deficit of the poor.

DFID's Social Development Division and Sustainable Livelihoods Support Office are currently planning joint pilot projects to assess complementarity between SL approaches and rights issues.

It seems that the problem – if there is one – lies more in the *perception* of tensions between different approaches, than in either the concepts or practicalities of implementation. Perceptions can be changed through cross-sectoral collaboration to explore how various approaches complement and support each other.

SL as more than just an NR-initiative for rural areas

At this point, some see SL as little more than a natural resources initiative. This is largely because the major institutional impetus behind SL has come from the natural resources side of DFID and, relatedly, because the initial focus was on sustainable *rural* livelihoods. Not surprisingly, therefore, much of DFID's current experience with SL is in rural areas.[6]

Box 7 SL in an urban context

Livelihoods approaches were introduced to an urban food-for-work programme (PUSH) that was established by CARE in Zambia in 1992. Following livelihoods-oriented participatory appraisal in 1994, phase two of PUSH shifted from food-for-work to empowerment and livelihood improvement. The project combines three key elements: personal empowerment (e.g. training), social empowerment (e.g. developing the capacity of Area Based Organisations, ABOs) and infrastructure development (urban upgrading, water systems controlled by ABOs). The same three-pronged approach has since been developed in CARE's PROSPECT project which targets 600,000 people in high-density areas of Lusaka.

This perception that SL is just 'NR by another name' remains powerful, despite the fact that there is nothing intrinsic to SL which means that it cannot be applied in other sectors. In fact some other DFID departments are already working with SL approaches. Furthermore, SL approaches do not necessarily lead to NR interventions. In Pakistan, for example, the SL scoping study came up with a range of options, from which the non-NR activities were approved first. Over time, therefore, applications of SL approaches outside the NR sector and rural areas will become increasingly evident in DFID.

DFID's Infrastructure and Urban Development Department (IUDD) has recently established an urban livelihoods working group.

Other organisations using SL approaches have used holistic SL analysis across a range of situations. CARE has successfully applied livelihoods approaches in urban environments (see Box 7) and across the full spectrum of their work from emergency relief to long-term development. The NGO distinguishes between livelihood protection in emergency situations, short-term livelihood provisioning and long-term livelihood promotion as a tool for development. All are based on the common principles of understanding and supporting people's complex livelihoods.

Who to involve, how to get them 'on board'?

One of the strengths of the Pakistan scoping study was that it was non-sectoral and involved various disciplines (including social development, economics, small enterprise, engineering, and governance) all working towards a common goal. However, experience in Kenya suggests it may be better to involve those most interested, rather than seeking to bring everyone on board at once. Kenyan experience also suggests that it is important to let momentum build *over time*, and that when aid is restricted or declining it is more difficult for advisers to think beyond their own sectors to untried initiatives. In general, over-zealous use of the SL vocabulary and representation of SL as something entirely new may be unhelpful for building inter-sectoral support.

The initial Kenyan SL working group involved all sectoral advisers. On reflection, it was felt that this was probably too wide.

3.4 Which methods to use and when?

Discussions at NRAC emphasised that SL approaches could and should be used iteratively throughout the project cycle. There are no specific methods or tools prescribed for 'doing livelihoods analysis', though the livelihoods framework is useful for structuring analysis and as a mental checklist. This framework can be altered for different uses and situations, so long as the underlying principles are not compromised.

In the Orissa Watersheds project (India), the SL analysis drew on the findings of four sectoral studies: technical, institutional, social and economic (see Box 6). The variety of methods used by each discipline helped provide an overview of livelihood options and priority strategies for addressing poverty.

Invariably other methods and tools will also be required. Indeed, the importance of *methodological diversity* cannot be stressed enough. There were several instances at NRAC 99 when SL approaches were criticised for 'not being enough' or not adequately taking into account particular considerations such as power relations (see Section 5). But this suggests that expectations of SL are excessive, and/or that it is misunderstood as devaluing other tools. SL approaches offer a systematic way of building upon best practice in other areas and getting the key issues 'on the same piece of paper'. There is no substitute within SL for effective social, political, institutional and stakeholder analysis; these methods should be built into the very core of SL approaches.

It is important to think of ways in which existing tools and information should be adapted to answer the questions posed by SL approaches. For example, cost benefit analysis is unlikely to be able to accommodate all intangible livelihood priorities, but could be adapted to take account of key economic livelihood variables such as risk. In general, while most methods relevant to SL already exist, more guidance is required on their use in the SL context. To help address this need, Section 4 of the SL Guidance Sheets, which is currently being drafted, will focus on methods.

Participation is one of the underlying principles of SL approaches. Most practical applications of SL approaches use participatory field work, whether for informing policy research (as in southern Africa), designing projects (as in Zambia and India) or helping communities do their own livelihoods analysis (as in a new DFID project in Namibia on wildlife use and livelihoods). Indeed, one advantage of SL is that it can help legitimise 'soft' methods, such as participatory indicator development, by placing them in a credible and comprehensive framework (though the continuing importance of quantitative data was noted by several practitioners at NRAC 99).

The SL framework itself does not offer direct help on how the participation of stakeholders can be enhanced, but SL principles

indicate that participatory approaches must go beyond just information collection. This will require a process of *negotiation* with beneficiaries, drawing on a range of participatory and partnership-building techniques.

3.5 Monitoring and evaluation

Projects seeking to enhance livelihoods, such as LEEP in Zambia, have quickly encountered the question of how to assess impact – how to measure improvements in livelihoods and how to link these to progress in meeting the International Development Targets.

SL approaches require on-going learning throughout implementation, and therefore highlight the importance of monitoring and evaluation (M&E). But the strengths of SL approaches pose additional challenges for M&E. The focus on non-income aspects of livelihoods – reduced vulnerability, access to assets, etc. – is more representative of the priorities of the poor, but these things are also more difficult to measure. The same is true of progress in reforming structures and processes.

Experience so far indicates that it is important to:

- *Negotiate indicators with the poor and other stakeholders*. There is already considerable experience in participatory indicator setting, and participatory M&E more generally, on which to draw. CARE uses negotiated 'well being variables' to chart progress in projects (Box 8).
- *Monitor a range of livelihood impacts* – not just the direct objective of a project, such as employment or access to food. A balance must be found between the holism of SL and the feasibility of M&E systems. It is seldom possible to monitor change in all components of livelihoods, but SL analysis can help identify the priority second-round effects – both positive and negative – to be monitored (e.g. impact on other assets, activities, structures and processes).

SL thinking can add value to on-going monitoring processes. For example, in Mexico, it has strengthened annual output-to-purpose reviews by checking the validity of assumptions, the wider impacts of pilot projects, and the relationship of outputs to critical livelihood factors.

- *Monitor assumptions.* The SL framework can help clarify which exogenous factors are likely to influence the outcomes of a project/programme. These then need to be monitored.
- *Conduct socially differentiated monitoring*. It is important to ensure that differences both within and between households are not neglected.
- *Combine process and impact indicators of policy change.* Where reform of structures and processes is an explicit objective, the selection of indicators will depend on the anticipated lag between policy/institutional reform, and a wider process of change. Measures of process and organisational change should be linked, where possible, to local indicators of effects on the ground (e.g. case studies of practical effects of changes in service provision, changes in awareness or behaviour of users/clients).

- *Be modest and realistic*. Changes in livelihoods take time to become evident. Building partnerships and incorporating partners' views is as important as arriving at definitive measures of change.
- *Acknowledge the trade-offs*. SL approaches can help to improve the effectiveness of poverty elimination efforts, but aggregate results may be less tangible than when the focus is on income alone. Qualitative data may exceed quantitative data.
- *Manage expectations*. Ensure that talk of livelihoods does not result in inflated expectations of what the changes might be and what should be monitored.

Although progress has been made, more work is required on monitoring and evaluation. A request was heard for a greater focus on vulnerability, what this means and how we should measure changes in it. There are also questions of how to balance negotiated indicators

CARE's PROSPECT project was subject to a DFID economic appraisal that examined three components: social empowerment, personal empowerment and infrastructure development. Costs per participant were estimated to be £3, £10 and £17 respectively, which was deemed to be good value for money. CARE staff nevertheless acknowledge the need for more work to assess rates of return in other projects and to quantify the benefits of livelihoods approaches more generally.

Box 8 CARE's livelihoods monitoring system

CARE livelihood projects draw on PRA techniques to establish 'well being variables'. These are defined by local people who then ascribe themselves to particular categories (see below for an example from CARE's PROSPECT project). Additional information is collected on issues such as: savings and income; intra-household and community relations; and changes in social and gender relations. These same variables are then used over time to track changes in the livelihood status of project participants (movements from one category to another). Such a system has been accepted by DFID as a critical indicator of success.

Wellbeing variables used in CARE's PROSPECT project

Indicator	Category 1	Category 2	Category 3	Category 4
Family size	3-4 Children	6-7 Children	7-10 Children	3-4 Orphans
Children in school	Can take all children	Can take two children	Children are registered but cannot pay fees	Can't even register children
Food	3 or 4 meals/day Beef 4x month Chicken 2x month	2 meals/day Beef 2x month Fish 2x month	1 meal/day usually eat nshima with vegetables and kapenta at times	Only eat when food is available
House ownership	Owns a house and rents out rooms	Owns a house, does not rent out rooms	Rents a house	Rents or may own a very small house
Business	Has a shop and sustainable business	Rent a shop and sells perishables	Sells perishable goods usually from home; very small business	None
Assets	Beds, sofa, radio, table, cupboard	Bed, chairs, kitchen utensils	Stools and kitchen utensils	A few kitchen utensils
Husband	Works or is a businessman	Works but income not enough	Does piece work but is a drunkard	Widow and/or husband is drunkard

with the need to show accountability to the taxpayer and how best to combine more technical data (e.g. from use of GIS) with data gathered through participatory analysis. Generic M&E questions, not specific to SL – such as how to ascribe causality – also need to be addressed within an SL context. At present there are few forums for bringing together different types of information and discussing diverse monitoring requirements.

DFID's SL Support Office expects to convene a working group on monitoring and evaluation towards the end of 1999.

3.6 *Costs and efficiency*

SL approaches are being adopted to increase the *effectiveness* of development activity, but there is also concern that they increase the *costs*. Any new approach requires more effort to adopt at the outset, but SL approaches seem to demand more time and resources throughout the project cycle, from diagnosis/needs assessment to M&E. A particular worry (expressed, for example, in Zambia) is that projects informed by SL will become increasingly complex and difficult to manage. This resonates with experience from both integrated rural development projects and farming systems approaches (see Box 9).

Suggestions to ensure cost effectiveness include:

- consider cost-effectiveness over the long term, using indicators developed with partners rather than short-term economic calculations (Nepal);

Box 9 What can SL learn from past development approaches?

SL builds on a number of past development approaches, including Integrated Rural Development (IRD) and Farming Systems (FS). SL is likely to encounter problems similar to those faced by its precursors. It is therefore important to take account of lessons already learnt, for example:

- SL and IRD share a breadth of vision. Problems in IRD indicate this breadth must be translated into activities that are carefully sequenced, needs-responsive and well-monitored.

Lessons from FS include:

- *Building in too many complex variables can be counterproductive*. It makes analysis too costly and alienates people.
- *Ownership is critical*. FS was perceived as very 'donor led', making it difficult to institutionalise. In addition, setting up specialised 'FS units' removed responsibility from the wider group of scientists to incorporate the new ideas.
- *Over-zealous promotion is not effective*. FS was built up in almost 'religious' terms – one had to be either 'for' or 'against'. This made it very exclusive.
- *Identifying key changes is important*. With FS there was a tendency for staff to say that they were 'already doing it' without thinking critically about what exactly 'it' was.
- *Get on with practicalities:* FS took too long to move on from inward-looking debate about concepts, and into the practicalities of identifying interventions that were appropriate for large numbers of households when only limited resources were available to conduct needs assessments.

- changing structures and processes can be a very efficient use of money, generating large impact for relatively little investment (DELIVERI, Indonesia);
- for long-term effectiveness, assess how to *mainstream* SL approaches, not just replicate field projects;
- prematurely disengaging from current activities is counterproductive and will not maximise the value of investments;
- use SL approaches throughout the project cycle and share information between projects, partners, and other donors; and
- make do with adequate information – do not always strive for perfection.

4 Partnership

A common reaction to SL approaches amongst overseas staff is: 'This is fine, but how can I share it with my partners? And does it build upon partners' accumulated experience?' Certainly, SL will not be effective as a DFID initiative imposed on host governments and other donors. How then can a shared commitment be developed?

Sharing the framework

Some parts of the framework and approach are easier to share than others. Newcomers often start with the five assets (for example, easily adopted by consultants in Bolivia) before addressing other components.

The SL framework is a useful tool for summarising several concepts, but it can be difficult to introduce it to partners. Experience suggests that it may be best to build up the framework in pieces, verbally and visually, before presenting the whole thing. This will be more powerful if it can be done using examples and experience from the field that are common to audience members. In some cases, a simplified version of the framework has been used. Another option is not to introduce the framework at all, but to keep it 'in one's back pocket' as a mental checklist.

Sharing the principles

Whether or not the framework is aired, partnerships are unlikely to prosper without a shared commitment to underlying principles. And without partnerships it is impossible to get beyond the question of aid effectiveness to address the fundamental causes of poverty.

However, from early on, the potential difficulty of achieving acceptance of an holistic approach within sectoral line ministries has been noted. Another problem is that the key SL concepts are particularly difficult to explain in other languages when there is no easy translation of the word 'livelihoods' and no SL materials are available. Nevertheless, current experience of working with partners on SL approaches is generally – perhaps surprisingly – positive.

DFID's *SL Guidance Sheets* are being translated into French and Spanish to help in sharing SL approaches.

- In South Africa and Zimbabwe, Khanya worked with several research partners, including government bodies, in applying SL analysis to institutions. Partners enjoyed and embraced the new approaches.
- In Latin America, there is clear concern not to impose a DFID SL agenda. Nevertheless, following incremental adoption of SL approaches, the Mexican Environment Ministry (SEMARNAP) expressed interest in using SL in its development of process and impact indicators. Elements of a Central American Regional Unit for Technical Assistance (UNDP) have expressed interest in learning more about SL approaches.
- In Russia, SL approaches were found to fit well with the ideas of local people and hence the approaches of local NGOs, though it was more difficult to find partners in government.

Strategies for sharing elements of SL approaches within government, developed by the Indonesian DELIVERI project include: personal contact and accessible information, leaflets, field trips, meetings, taking farmers into government, glossy reports, film, PowerPoint, website, CD-ROM – a change from earnest development communications on recycled paper! More explicit explanation of SL approaches is planned at a forthcoming national workshop on future rural development policy.

In general, the most difficult relationships are with overseas governments (which are also amongst the most important partners). In Pakistan, there was no obvious institutional home for the SL programme, and livelihood-oriented changes in the Nepal forestry project may have left government behind at some points. Khanya researchers in South Africa pinpointed the problem as follows:'*poverty is not the priority in many cases, particularly at the top – what then?*'. Nevertheless, in several countries (Nepal, South Africa, India, Indonesia), partnerships with government bodies have been combined with the introduction of SL approaches.

Overall strategies suggested in the partnerships area were:

- ➢ Avoid a hard-sell on the livelihoods approach. This can be threatening for partners, particularly if they are unsure of the meaning of some of the livelihoods vocabulary. Gradual adoption and sharing through demonstration seem to be working in several cases, though there is still a need to remain proactive and strategic.
- ➢ Be opportunistic and realistic: find a balance between promoting people's priorities through SL approaches and developing effective partnerships, often with sectoral ministries.
- ➢ Focus on the principles underlying SL approaches, rather than on DFID-specific tools such as the framework.
- ➢ Seek closer collaboration and exchange with other donors using SL-type approaches.

An inventory of different frameworks and livelihoods approaches is being developed to facilitate communication with other organisations using SL.

5 Gaps and challenges

Sharing information on how SL approaches have been useful is important. However, it is also essential to learn where the difficulties lie: where the approaches have not yet proved useful and what aspects are more difficult, or have so far been neglected. This will help guide the work of DFID's SL Support Office and others. Some challenges have already been mentioned above. Others identified include:

- Sustainability: Despite the words 'sustainable livelihoods', relatively little attention is paid to integrating sustainability with other concerns.
- Uneven emphasis and neglect: Some issues that are important to development are not explicitly mentioned in the SL framework or receive insufficient attention when the framework is 'unpacked' and operationalised. In particular, power, gender, markets and the private sector can get lost within 'transforming structures and processes'.
- Poverty: Some confusion remains about the relationship between sustainable livelihoods and poverty elimination.

5.1 'Sustainable' in what way?

"*The 'S' in SL is marginalised.*" NRAC 99 participant

SL has been welcomed by some as a way of integrating environmental sustainability issues into mainstream thinking. Indeed this was one of the driving forces behind Oxfam adopting SL approaches. Oxfam saw SL as a way of moving beyond the early 1990s focus on Primary Environmental Care and Environmental Impact Assessment – a way of focusing on the positive rather than attempting to limit the negative. However, a review with those who had participated in Oxfam staff training workshops on SL indicates more learning about PRA than the environment. Where 'sustainability' stuck in people's minds, this

was not environmental sustainability, leading to the conclusion that *'SL may be too broad for improving practitioners' understanding of the links between poverty (creation and alleviation) and environmental change'*.

NRAC 99 case studies showed a similar concern: environmental management and protection issues appear to have received little attention in many SL initiatives and the importance of *environmental* sustainability within overall livelihood sustainability is not clear. 'People-focused' projects emphasise the environmental perspectives of poor people, which may vary significantly from donor perspectives on the environment. The extent to which environmental issues are addressed in SL-guided initiatives will therefore depend on the priorities and choices of participants, partners and staff, and is not necessarily assured through use of SL approaches.

The 'gap' on environment is particularly noticeable in Brazil. Here the environment has generally been the entry point for donor intervention, but the SL framework was found to pay inadequate attention to global environmental issues.

There is, however, no unanimity on the environment. Some see the problems to be quite different: they find the word 'sustainable' off-putting because it suggests excessive environmental concern. One option, embraced by CARE, is to focus on livelihood 'security' instead (see Box 10).

Box 10 Secure or sustainable livelihoods?

The idea of livelihood 'security' places social and economic elements to the fore. Advocates see security as a more appropriate concept at the household level than sustainability. Both words add value: households need to be secure, while the basis of their livelihood and that of others needs to be sustainable (environmentally, economically, institutionally and socially). But doubling up can confuse, so DFID has opted to emphasise all four elements within its use of 'sustainable'.

A second problem related to sustainability lies in defining *what should be sustained?* SL approaches embrace economic, social, institutional and environmental elements, all of which are components of sustainability. But the framework suggests that combinations of assets and activities change in order to maintain a variety of outcomes. There is no single component that must be sustained. It is as if the platform on which people stand and the strength of the shelter around them should be maintained, while the construction materials and design may alter. However, this appealing idea is difficult to translate into action; defining and measuring progress remains a challenge. Resolving this requires analysis of trade-offs and the extent to which assets can be substituted. It is something that will have to be negotiated with stakeholders who may well have differing views among themselves and from the donor.

This is an area in which it will be important for the SL Support Office to work closely with DFID's new unit for National Strategies for Sustainable Development (NSSDs). NRAC 99 identified significant complementarity between SL ideas and DFID's approach to supporting the development of NSSDs.[7] Both emphasise participatory, process approaches of decentralised development that balance the needs of people and the environment.

Consultancy work has already been commissioned to explore how environmental sustainability is best addressed within SL approaches.

5.2 *Power and politics*

SL puts forward one approach to understanding poverty – an approach that many see as comprehensive, realistic and built on existing lessons. It synthesises many issues into a single framework, but inevitably cannot capture every strand of development thinking. In particular, although transforming structures and processes feature prominently, the SL framework overall can convey a somewhat cleansed, neutral approach to power issues. This contrasts starkly with the fundamental role that power imbalances play in causing poverty. Power imbalances within the household are also not explicitly addressed, though differences by gender and other variables should emerge from analysis of access to assets and strategies, and prevailing social institutions.

DFID staff in Latin America felt that SL approaches do not necessarily lead to a better understanding of social formations/institutions and political processes, and that without this, they risk becoming mechanistic.

In practice, any attempt to enhance poor people's access to assets and to transforming structures and processes will rapidly confront political issues. SL analysis can be used to highlight the critical influence of power imbalances, as in the design of the India watersheds project. But some SL-driven initiatives have probably paid insufficient attention to these issues so far, while those DFID initiatives that highlight political issues have not been explicitly using SL approaches. One response is to try to adapt the framework (for example, inclusion of 'political capital' as a sixth asset has been suggested and may well be useful in some cases). But the key principles are to recognise the limits of any single framework, to draw on a range of tools (including analysis of social relations and power) and to ensure that use of SL approaches is rooted in wider perspectives on the need to address entrenched obstacles to poverty elimination.

5.3 *Poverty focus*

This brings us to the question of poverty elimination itself. SL approaches have been adopted for the contribution that they are expected to make to durable poverty elimination and the achievement

of the International Development Targets. There is, though no explicit mention of poverty in the SL framework. Like many other tools, it can be applied equally to activities that involve richer and poorer people.

Some people find this problematic, because they fear that work in the name of sustainable livelihoods will not be adequately poverty focused. This is what makes it so important to keep in mind the principles that underlie the SL framework. Implementing the principles means drawing on a wide range of skills in understanding and addressing poverty. Most fundamentally, nothing can substitute for a commitment to poverty elimination; simply including the word 'poverty' in any approach is not sufficient for achieving this commitment.

Two caveats need to be borne in mind when considering SL's contribution to poverty elimination. First, SL approaches are being further developed and implemented on the *assumption* that they will contribute to poverty elimination, by enhancing the effectiveness of development activity (not only donor activity, but also that of NGOs and developing country governments). This assumption must be continually tested and the approaches revised to take findings into account. Second, addressing poverty at the scale of more than 1 billion poor people in developing countries is an enormous challenge. It is not likely to be achieved without some broader changes in global trends, such as in the consumption patterns of richer people and in international financial, trade and industrial arrangements. These changes go well beyond issues of enhanced development effectiveness *per se*.

6 Internal institutional issues

Any change in development practice will imply changes in how organisations operate. The SL agenda raises several internal issues for DFID, including the need to:

- extend awareness of SL approaches throughout the organisation;
- support the process of adapting to change while not imposing it from the centre;
- develop new skills and capacity among staff to apply SL approaches, while maintaining and valuing traditional technical expertise;
- adapt project cycle procedures to make way for the flexibility, process-orientation and lesson-learning implicit in SL approaches, and to monitor changes in livelihoods;
- build complementarity between SL approaches and strategic decision-making at country and international level; and
- facilitate greater cross-sectoral collaboration.

Many of these issues were highlighted in CARE's presentation at NRAC 99, as well as by DFID staff at both NRAC 98 and 99. They are likely to be relevant to any organisation adopting SL approaches.

"*In our experience adopting a livelihoods approach is not a simple transition involving a few changes to project monitoring systems – it requires a real shift in emphasis, training and management style.*"
CARE paper: NRAC 99

Difficulties in adapting to change

There is no doubt that large institutions and the people within them will encounter difficulties in adapting to change; force of habit, existing procedures and disciplinary training are powerful influences. For example, the team designing a 'livelihoods' project in high valley areas of Bolivia encountered tension between more traditional technical approaches to NR management and SL approaches. It therefore failed to use SL tools to the full. Conversely, in the Indian watersheds project use of inter-disciplinary SL approaches led to a concern that traditional technical expertise was being sidelined and under-valued.

Even if SL approaches inform thinking in the field, it will inevitably take time for them to influence decision-making criteria and resource allocation procedures within DFID. For example, in Pakistan, holistic SL-based analysis identified a range of potential activities. When these were submitted for approval other factors came into play: new and more discrete areas (women's micro-finance, fair trade) received preference – reluctance to approve new and diffuse NR projects remained.

Addressing the challenges

Such internal challenges cannot readily be 'solved'. The first step is to recognise them and plan ways to accommodate them. Lessons and suggestions that have emerged so far are:

i Review decision-making procedures and consistency with SL: The interface between SL approaches and DFID decision-making procedures and systems is not always clear. As SL approaches are implemented, they throw up new issues and require more flexible procedures. NRAC discussions emphasised the importance of ensuring that SL approaches fit with DFID decision-making at three levels (explained further in Box 11).

- Project/programme level decisions (e.g. planning, approval, review)
- Country level decisions (e.g. Country Strategy Papers, partner government programmes)
- DFID policy level (e.g. Target Strategy Papers, inter-departmental and international agendas)

ii Review how SL fits with other approaches to development: The importance of ensuring that SL, rights-based, sector wide and other current DFID approaches are complementary, rather than competing, was noted above. A review of the interrelationships between the various approaches would help reduce confusion and contrary perceptions.

iii Do not impose: help staff develop their own SL approaches and skills: Over-emphasising SL as a new way forward can be counter-productive. In CARE's experience, attempts to superimpose SL approaches on existing projects often led to extensive information gathering and analysis exercises which overwhelmed staff with data, but resulted in little change in actual project implementation. It proved more useful to develop skills among existing staff, particularly around participatory approaches, before attempting to introduce new livelihoods jargon and frameworks. It was also crucial for SL not be seen as a headquarters-driven initiative.

"*SL is a useful addition to DFID's analytical tool-kit. But there is a danger of it being overblown/oversold/overused.*" NRAC 99 participant

Box 11 How do SL approaches fit with decision-making at project, country, and policy level?

Project/programme level decisions: SL approaches require a *process approach* to respond flexibly to livelihood concerns and opportunities. They may suggest a need to re-focus ongoing projects, sometimes in unfamiliar areas. But DFID decision-making and fund allocation procedures may not dovetail with this or support 'strategic opportunism'. The conventional three year project cycle is too short and the budgetary cycles of both donors and partners too inflexible. A review of project cycle procedures is needed.

Country Strategy Papers (CSPs)**:** there are contrasting views on this subject.

- Some argue that *SL approaches are useful for CSPs.* SL analysis can provide an improved understanding of poverty, an SL review can help identify which sectors should be included in a country programme, and the framework facilitates a consistent, more rational, and transparent dialogue. The principles of adapting to livelihood priorities can strengthen CSPs, even if details of livelihood interventions cannot be dealt with at country level. For example, in Mexico, SL was useful for articulating and inter-relating DFID objectives at local and policy levels.
- Others maintain that *SL approaches are not useful for CSPs.* SL analysis does not work at the level of a large country where there is enormous variation in livelihoods. SL approaches cannot be used effectively in CSP discussions until they are more widely accepted in DFID.
- There is more general agreement that *the CSP process provides a good opportunity to extend awareness of SL approaches.* If SL approaches are useful in CSPs they could gain wide acceptance and help with team-building at the country level.

Target strategy papers (TSPs) are intended to provide a framework for DFID's contribution to the achievement of the International Development Targets. They will lay the basis for country and regional strategies as well as collaboration with multilaterals. Since the idea of TSPs has only recently been introduced, many DFID staff are unclear as to the role they will play in day-to-day activities and, in particular, their relationship to SL approaches.

Most, if not all, of the TSP subjects are addressed within the SL framework. Sustainable livelihoods is not a target strategy in itself, but SL approaches are being used in several TSPs to outline how targets are to be achieved. As momentum grows behind TSPs, it will be important for the SL Support Office to assist staff in developing complementarity with SL approaches.

iv Learn by doing: The importance of learning by doing must be recognised. This means that staff should be supported in trying out new approaches, and in finding space for reflecting on the lessons.

This publication represents one effort to share information and lessons with partners.

v Work with other donors using SL approaches: Efforts are being made to ensure that DFID staff are aware of and can draw on the lessons and materials of other donors using SL approaches, and *vice versa*. It will be easier for staff overseas to adopt SL approaches if DFID is not working in isolation, but collaborates with other donors in gathering information and promoting new ideas.

vi Find a balance: The need to build understanding of SL across DFID was emphasised at NRAC 99, but so was the need to be realistic rather than perfectionist. Variable levels and types of understanding are to be expected. While 'internal champions' are needed if SL approaches are to be developed and refined, it is more important that

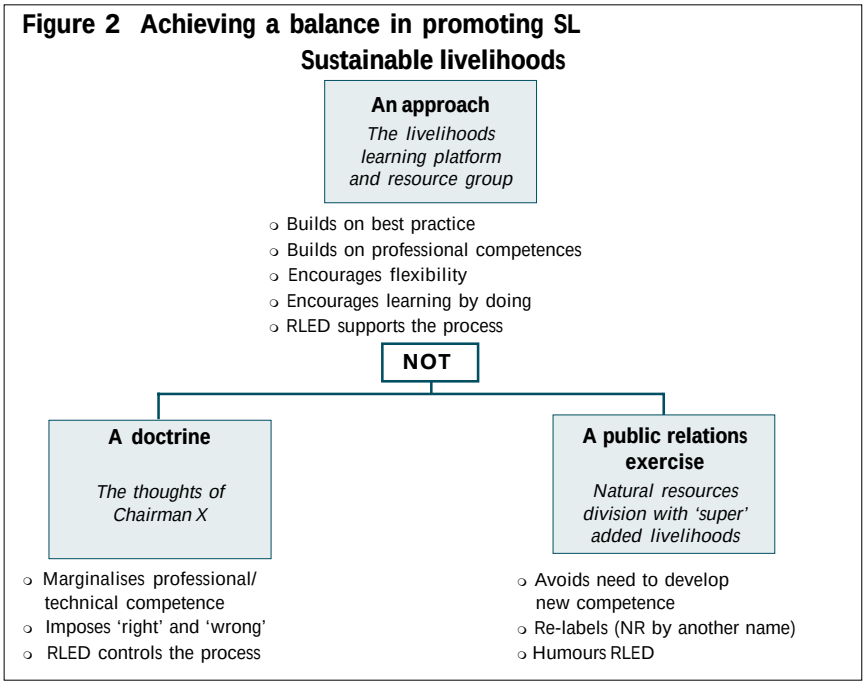
"*Even though PROSPECT has been tremendously successful at operationalising all the key tenets of CARE's livelihoods approach, if you were to ask most staff about our livelihoods framework they would not be particularly interested in entering into discussions on the subject. This conceptual idea which underlies the project is of little real import to either the project staff or their partners. What seems to matter most is the changes which are happening on the ground, in terms of people's confidence in themselves and the institutions which represent them …*"
CARE paper: NRAC 99

the majority of staff embrace the key principles that underlie SL, than that they can all reproduce the SL framework. Oxfam and CARE noted that even though the SL framework may be neatly compatible with the holistic experience of operational staff, these same staff may find it too abstract to be of use to them.

A balance must be found between merely re-labelling (same practice, new name) and over-promoting or imposing SL (expecting all activities to conform strictly with SL 'rules'). The challenge is to ensure that people-centred principles infuse all work, without imposing upon staff a straitjacket of analytical tools and labels (Figure 2).

The six ideas listed above underpin the work of DFID's Sustainable Livelihoods Support Office. The office is already sponsoring initiatives to address several of the challenges including: joint work on linking SL with rights issues; the establishment of working groups and commissioned research on more problematic areas (e.g. structures and processes, environmental sustainability, monitoring and evaluation); analysis of SL-related training needs; the establishment of a web-based 'learning platform' to encourage reflection and exchange; and workshops to discuss and share SL approaches with northern European donors (1999) and multilateral organisations (early 2000).

Figure 2 Achieving a balance in promoting SL



7 Conclusion

"*SL reinforces 'best practice', which we thought we had adopted years ago but have probably got sloppy and complacent about.*"

"*It brings together best development practice in a 'lesson-learning manner'.*"

SL is:
"*...a good way of refocusing on core development issues.*"

"*...a useful tool – but not a cause.*"

"*....part of the story. Useful, and the scope (and limits) of its application are becoming clearer.*"

NRAC 99 participants

There has already been substantial progress in applying SL approaches, and a welcome openness to reflecting on initial lessons. The approaches have been used in a variety of ways and circumstances to enhance the focus on the priorities of the poor. They have been found to offer a practical way of bringing together existing concepts and lessons with newer ideas about the nature of poverty and how best to address this condition at the large scale required for achievement of the International Development Targets. Many users have expressed the view that SL approaches represent a useful contribution to their work, a way of reinforcing best practice and focusing on core development issues.

There is no single characteristic common to the different initiatives that have used SL approaches, nor a specific outcome commonly attributed to SL (though greater success in poverty elimination would be the hoped-for outcome in the long term). However, key ways in which SL approaches seem to have contributed to development effectiveness are by:

- placing people and the priorities they define firmly at the centre of analysis and objective-setting;
- supporting systematic analysis of poverty issues in a way that is holistic – hence more realistic – but also manageable, and which synthesises issues across sectors and levels; and
- achieving a wider and better informed view of the opportunities at all levels for making an impact on poverty, and how external support can be tailored to fit better with livelihood priorities.

Useful guidance as well as challenges have emerged from those who have applied SL approaches. Ten key areas of lesson learning can be identified; these are presented in summary form in Box 12.

Box 12 Summary of ten key issues on the application of SL approaches

What is 'Sustainable livelihoods'?

'Sustainable livelihoods' (SL) is a way of thinking about development. SL approaches are underpinned by a set of core principles, draw on many tools (including the SL framework) and can be applied in different ways.

Lesson learning about the application of SL approaches

1. Designing new projects/programmes

SL approaches are useful for identifying projects/programmes. They encourage holistic analysis, bring sectors/lessons together and identify complementary actions. However, other tools are required for prioritising amongst the vast array of possible entry points to ensure that holistic analysis leads to well-focused development activity. It is not necessary to establish an SL project or programme in order to implement SL principles.

2. Using SL approaches for policy change

SL approaches are useful for highlighting the importance of macro-micro links and the need for policy change. They demonstrate how policies can have a profound effect on livelihoods and highlight the need for policy reform to be informed by people-centred goals. They are, however, less useful for understanding the details of transforming structures and processes. Various organisations that use SL approaches have employed different methodologies to 'unpack' the TS&P box, though analysis in and of itself does not make entrenched TS&P any easier to change.

3. Working with other sectors/disciplines

SL approaches can, in principle, be used in any sector. There is no need to abandon sectoral anchors when using the approaches. However, multi-sectoral collaboration is very important to SL approaches. Indeed, the SL framework and principles can provide a valuable structure for the integration of different activities and development actors. There are, though, remaining concerns that SL is NR-driven and that SL approaches might clash with other development ideas. Experience suggests that the differences are greater in language than in practice, but more work needs to be done to identify commonality and overcome doubts.

4. What methods to use?

There are no hard and fast rules about which methods to use and when they should be used. Certainly, the SL framework is just one amongst a variety of tools and will not be effective on its own. Stakeholder analysis, institutional analysis, social analysis and other components of poverty analysis are all important and a balance must be found between the use of qualitative and quantitative information. There may be a need for the development of new tools, or to combine and adapt old tools to meet new challenges.

5. Monitoring and evaluation

Monitoring and evaluation of SL-guided projects is a challenge, but cannot be ignored if ongoing learning is to be effective. The SL framework and principles provide something of a checklist when considering the impacts of projects on the poor but they do not make it any easier to measure changes in livelihoods that result. It will be important to negotiate indicators with various stakeholders, and there is much to be learnt from existing work on participatory monitoring and evaluation. At the same time it is important to avoid undue complexity, spending too much time/money on monitoring and requiring project-level staff to take responsibility for outcomes that are well beyond their control. This will be counter-productive in the long run.

6. Costs and efficiency of SL approaches

SL approaches are expected to increase development effectiveness, but there is also a concern that they will increase costs. There are various ways to enhance efficiency including: using SL approaches iteratively throughout the project cycle; taking much more care to 'borrow' and 'share' information; not seeking perfection but learning what information is essential; maximising the value of existing development efforts; and aiming to mainstream SL thinking, rather than simply replicating SL projects.

7. Sharing SL with partners

A common worry amongst staff is that it is difficult to share SL approaches with partners. But those who have already employed the approaches have often found that partners have responded positively to the new ideas. Nevertheless, there remains some concern about sharing SL ideas with governmental partners, particularly when they are drawn from one sectoral ministry. A general rule is not to be over-zealous in advocating SL approaches to partners but to act strategically, seeking opportunities to come together and to compromise. Overall, it is more important to share the SL principles than the SL framework which may alienate some.

8. Where is sustainability?

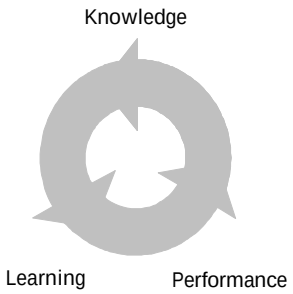
Despite the title, there is some concern that in implementing SL approaches too little attention is being paid to sustainability, particularly environmental sustainability. Others take the view that in the long term the idea of 'sustainable livelihoods' will be too environmentally driven; they prefer the concept of 'secure livelihoods'. Certainly, sustainability is difficult to measure and it is hard to assess trade-offs between different categories of assets and types of sustainability. It will therefore be important to continue to work in this area to ensure that social, economic, institutional and environmental aspects of sustainability are all addressed through the use of appropriate tools and methods at different points.

9. Where are concepts of power?

Some important concepts seem to be under-emphasised in the SL framework and are not made explicit in the underlying principles. Current areas of concern include power relations and gender issues. It is clearly important to remember these 'missing' ideas and to use different tools to ensure that they feed into development planning and the overall understanding of the driving factors behind livelihoods and poverty reduction.

10. Internal change

Any organisation implementing SL approaches is bound to face internal challenges, such as resistance to change and conflict between internal procedures and new approaches. Within DFID there is a need to assess the complementarity between SL approaches and decision-making at three levels: project level, country/programme level and strategic level. It is also important to build staff capacity to implement SL approaches, to create space and opportunities for learning-by-doing and to avoid advocating uniformity. A balance must be found between wholesale promotion of a new development paradigm and simply re-labelling existing activities to fit with the new vocabulary.



Some find SL approaches threatening, while others perceive little new. This is probably because SL approaches are evolutionary not revolutionary. They are one more tool that be can employed in order to achieve the International Development Targets, though they must certainly be underpinned by a commitment to prioritising the needs of the poor if they are to make a significant contribution to poverty reduction.

It is too early to draw conclusive lessons about SL, and views on their effectiveness vary. Nevertheless, there is considerable optimism and a good degree of consensus on the way ahead.

- The contribution of SL approaches will be maximised by learning from experience and finding ways to tackle problems as they arise.
- NRAC 99 and this publication are just two elements in an ongoing process of open dialogue about how to make best use of SL approaches.
- Learning must not mean theorising. Practical application in the field – combined with a learning attitude and appropriate back-up support to learning – represent a positive way forward.

Appendix 1 SL concepts and framework

Core SL principles are described in Section 1 of the main report. This appendix provides further description of the key concepts that underpin SL approaches, and includes DFID's SL framework.

A1.1 Core concepts

People-centred

A livelihood comprises the capabilities, assets and activities required for a means of living.

SL approaches put people at the centre of development. In practical terms, this means:

- starting with an analysis of people's livelihoods and how these have been changing over time;
- fully involving people and respecting their views;
- focusing on the impact of different policy and institutional arrangements upon people and upon the dimensions of poverty they define;
- stressing the importance of influencing policy and institutional arrangements so that they promote the agenda of the poor – drawing on political participation by the poor; and
- working to support people to achieve their own livelihood goals.

People – rather than the resources, facilities or services they use – are the priority concern. This may translate into providing support for resource management or good governance, for example, but the underlying motivation of supporting livelihoods should determine the shape and purpose of such support.

Holistic

SL approaches recognise that people do not live in discretely defined sectors (as 'fishermen' or 'farmers') or isolated communities. It is important to identify livelihood-related constraints and opportunities regardless of the sector, level or area in which they occur. This means:

- applying livelihoods analysis across sectors, areas, and social groups;

- recognising and understanding multiple influences on people;
- recognising multiple actors (from private sector to national ministries, from community based organisations to international bodies); and
- acknowledging the multiple strategies that people adopt to secure their livelihoods, and the multiple outcomes that they pursue.

Dynamic

SL approaches seek to understand the dynamic nature of livelihoods and the influences on them, in order to support positive patterns of change and mitigate negative ones. This calls for ongoing learning to understand complex two-way cause and effect relationships and iterative chains of events.

Building on strengths

SL analysis starts with people's strengths not needs. This implies a recognition of everyone's potential, and calls for efforts to remove constraints to the realisation of this potential.

Macro-micro links

Development activity too often focuses either at the macro- or the micro-level. SL approaches attempt to bridge this gap. The influence of macro-level policy and institutions over livelihood options and outcomes is emphasised. The need for higher level policy to be informed by insights from the local level, and by priorities of poor people, is also highlighted.

Sustainability

Sustainability is important if progress in poverty reduction is to be lasting not fleeting. Sustainability of livelihoods rests on several dimensions, including environmental, economic, social and institutional. Livelihoods are sustainable when they:

- are resilient in the face of external shocks and stresses;
- are not dependent upon external support (or if they are, this support should itself be economically and institutionally sustainable);
- maintain the long-term productivity of natural resources; and
- do not undermine the livelihoods of, or compromise the livelihood options open to, others.

A1.2 The framework

The SL framework helps to 'organise' various factors which constrain or enhance livelihood opportunities, and to show how they relate to each other. It is not intended to be an exact model

of reality, but to provide a way of thinking about livelihoods that is more representative of a complex, holistic, reality, but is also manageable. It is an analytical structure that can be used to enhance development effectiveness.

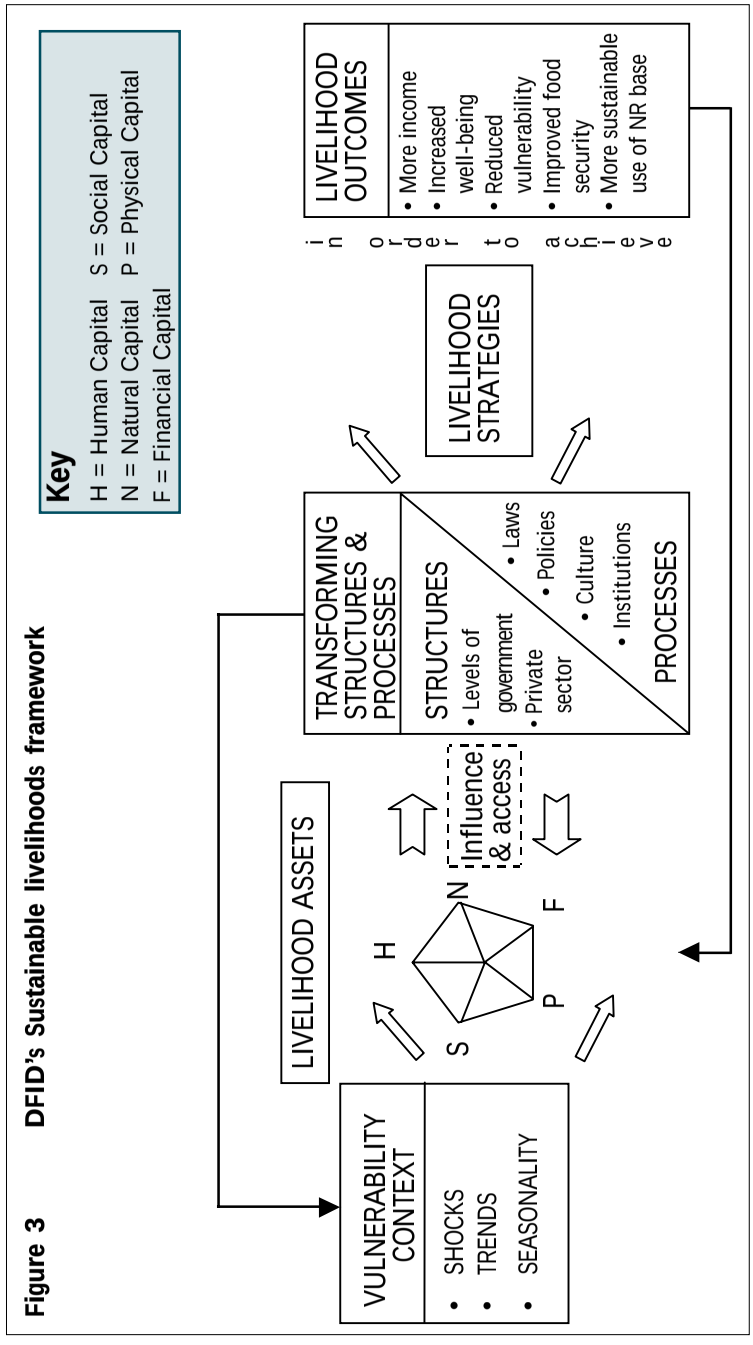


Figure 3 DFID's Sustainable livelihoods framework

Appendix 2 Uses, strengths and weaknesses of SL approaches

The case studies presented at NRAC 99 cover an array of practical experiences in using SL approaches. The reflections of practitioners on the strengths and weaknesses of SL are shown in the following table.

Country	How used SL	Strengths of SL approaches	Weaknesses of SL approaches	Lessons learnt on:
India	More 'sophisticated' diagnostic process in designing new investment in 'watershed plus'	Good framework for integrating perspectives and structuring lessons learnt previously Furthered understanding of poverty through focus on people (not resources), on (unequal access to) assets, and on inter-relationship/ conflict between livelihood strategies Identified how to strengthen a government initiative to make it more relevant to the poor: - raised menu of options: sectoral, institutional, spatial, etc. - made external linkages beyond the project area (migration) - related entry points to the bigger picture – who is addressing other issues? 'Connected' micro-level activity to macro-level policy issues	Prioritisation difficult with an open-ended agenda of activities Analysis tends to reflect the background of those involved Risk of technical expertise getting lost Lack of capacity in government to implement SL approaches	Linking sectors through SL Using SL for strengthening macro-micro links
Pakistan	Diagnostics and programme identification for new 'NR and non-NR' initiatives in country that did not previously have much NR programme	Quality, scope, breadth of holistic analysis Framework for effective multi-disciplinary team work: common goal for advisors Drew in findings from range of projects and research	No obvious institutional home for SL interventions Risk of going for holistic solutions Raised huge agenda: so entry points likely to depend on history and people than priorities Took a long time, delays Needed other tools for identifying target groups Continuing obstacle of difficult political problems: e.g. land tenure	Using SL for diagnostic process and programme identification Integrating it with other tools
Zambia	To change a rural infrastructure project into a livelihoods project	Facilitated multi-disciplinary work: common language Forced analysis of social and power structures, and assets and vulnerability of the poor Highlighted need for complementary interventions (beyond water & roads)	Problematic relationship with sector-wide programmes Risk of being too multi-faceted, so expensive & unmanageable How to minimise overhead costs and ensure efficiency?	Impact of SL in reappraisal

Country	**How used SL**	**Strengths of SL approaches**	**Weaknesses of SL approaches**	**Lessons learnt on:**
Indonesia	Project to transform the transforming structures and processes: change the rules of the game to support SL Designed prior to 'DFID SL approach' but congruent	Potentially massive return from mainstreaming SL approaches in government Value of linking micro and macro: pilot field projects strengthen macro change 'Bite-sized' entry point from holistic analysis	Paradigm paralysis because contractors, partners, DFID spending departments couldn't get head round SL Challenge: knowing where to stop Need to mainstream SL approaches, not just replicate initiatives – but more difficult	Strategies for policy level reform, promoting livelihood approaches with sectoral government partner
South Africa, Zimbabwe	Incorporated into research framework focusing on roles of government at different levels	SL highlighted need for institutional assessment Combined SL framework with more detailed analysis of levels of TS&P Analysis identified problems of institutional degradation Helped develop indicators/guidelines for TS&P that would support livelihoods	Holistic approach is difficult to promote in practice in government Need to unpack TS&P and address each level, to avoid risk of institutional destruction at one or other level	Levels within TSP Roles of supportive TSP Adapting framework
Bolivia	Analytical framework used in project identification and design: exploratory study to identify future entry points in lowlands; design of an explicit livelihoods project in two high valley areas; appraisal of a UNDP project Limited use of concepts in monitoring and output-to-purpose review	Opened up options when considering possible project interventions. Can be either working directly with poor or at policy level Forced assumptions about entry points to be questioned Use of five capitals adopted easily by others Ensured rural/urban linkages and migration not forgotten	No good translation in Spanish, makes sharing difficult Less useful for analysing TS&P Risk that assumptions are not really questioned and SL is just NR by another name	Challenges of translation Which elements are easy to share and use, which are not
Brazil	Used loosely in evaluation and redesign of the Brazil Programme (principles informed expansion into new areas). Specific use in two project designs	Guided systematic description of interdisciplinary and dynamic context of interventions Conceptual framework and language facilitated comparisons across projects and effective communication with (English-speaking) stakeholders	All encompassing natures means 'anything goes' Does not tell what 'works best' Institutions require definition: both narrow (formal) and wider (informal) Underestimates importance of history Does not explain why the poor are poor, so may fail to tackle root causes Imposition of DFID agenda, loss of local ownership	Fit with environmentally-driven programmes Understanding what it's not useful for

Nepal	Assist in refocusing forestry project on poverty, specifically to address issues of 'access' and TS&P, in conjunction with 'Fowler' framework on micro-macro relations	Helped to understand context in which the project operates For thinking beyond physical assets only Focused attention on macro-micro links, and opportunity to address access and TS&P via forestry Supported project focus on 'learning environment' and creating opportunities for empowerment	Not so useful for planning project activities – other more detailed approaches needed May have left government behind at some points	Remaining rooted in a sector, not expanding into IRDP Integrating SL with other frameworks Need for long time frames and staff capacity
Kenya	New look at potential programme activities using SL scoping study	SL perspective can help to seize opportunities (e.g. National Poverty Eradication Plan)	Risky – value not proven Meets some resistance among other sectors. Can be seen as NR-dominated Thinking beyond our own sectors can be difficult, particularly if budget is limited Macro-micro links need supportive governance environment for maximum effectiveness. Area-based projects need effective macro-micro linkages to influence policy	Working with cross-sectoral group Combining opportunism with building on experience of the past. Identifying entry points through scoping study Building over time Area-based versus policy-level dilemma
Russia	Design and establishment of new project	Holistic approach fitted with rural Russians' concerns Helped identify innovative options (e.g. non-timber forest products) Links with rights based approach	Difficult to include government bodies. Limits to what can be achieved without enabling actions by government Had to rely on consultants, not always sure how knowledgeable they were	Importance of working with both government and non-government partners Recognising slow pace Adapting SL to specific context
Mexico and Central America	General framework for development of country programmes. Specifically: reviewing impact of activities, identifying future entry points, articulating DFID objectives and inter-relatedness of 'capital development' and 'enabling environment'	Facilitated assessment of entry points and outcomes at all stages of project cycle In monitoring, useful for checking relation of outputs to obstacles to SL, validity of assumptions and potential wider impacts of pilots Approach is comprehensive, intelligible and easy to communicate Has created interest among government and other donor partners	Lacks explicit reference to ensuring replication mechanisms How to weight/rank different factors in SL analysis Lack of Spanish materials impedes uptake Policies, processes and institutions not conducive to uptake of SL/poverty focus Institutional, financial and personnel reward structures not conducive to adoption of SL/poverty focus	Obstacles to uptake Other complementary approaches needed

Endnotes

1 The 'Fowler Framework' disaggregates macro-level change into reform of the international order, public services and political economy. It disaggregates micro-level change into empowerment of communities and individuals, strengthened capacity of local institutions, and sustained improvements in well-being, and illustrates some links between them. It is adapted from Fowler, A. (1997) *Striking a balance: A guide to enhancing the effectiveness of non-governmental organisations in international development*. London: Earthscan.

2 The SL framework uses the term 'transforming structures and processes' as the structures and processes that transform people's assets into options and options into outcomes. For simplicity and ease of reading, we generally refer simply to 'structures and processes'.

3 Khanya is a research and consultancy organisation based in South Africa. Khanya's project on Institutional Support for Sustainable Rural Livelihoods was funded by DFID.

4 A paper was presented on this subject at NRAC 98 (see Carney, D. (ed). (1998) *Sustainable rural livelihoods: What contribution can we make*? London: DFID).

5 The recent SL-scoping study in Cambodia was not an NRAC case study, but it is a relevant DFID initiative.

6 It may be that SL approaches are particularly appropriate in rural areas, because of the need for a decentralised people-centred approach to natural resource management, and the extreme diversity of livelihood portfolios among the rural poor.

7 Implementation of these strategies by 2005 is an International Development Target.

Further sources of information on sustainable livelihoods

Sustainable Livelihoods Guidance Sheets
DFID (1999) Sections 1 and 2 available from DFID Support Office (livelihoods@dfid.gov.uk) or from the livelihoods website (www.livelihoods.org).

Sustainable rural livelihoods: What contribution can we make?
Carney, (ed). (1998) Papers presented at DFID's Natural Resource Advisers' Conference, July 1998.

Sustainable livelihoods in practice: Early applications of concepts in rural areas.
Farrington, J., Carney, D., Ashley, C. and Turton, C. (1999) Natural Resource Perspectives No. 42. London: Overseas Development Institute.

Country case studies presented at NRAC 1999, and *Proceedings of NRAC 1999*.
Available from DFID (m-durnford@dfid.gov.uk) or the livelihoods website (www.livelihoods.org)

Mixing it: Rural livelihoods and diversity in developing countries.
Ellis, F. (forthcoming), Oxford: OUP.

Sustainable rural livelihoods: A framework for analysis
Scoones, I. (1998) Working Paper 72. Brighton: Institute of Development Studies.

UNDP livelihoods website (www.undp.org/sl)

In 1998 the UK Department for International Development (DFID) began exploring the meaning and practical application of sustainable livelihoods approaches to development and poverty elimination. Experience with using these approaches is already highly varied and informative. This volume aims to update readers on what has been achieved by DFID and others during the past year and to summarise early lessons that are emerging.

It is written in a spirit of openness about both the challenges and the potential advantages of sustainable livelihoods approaches. The hope is that these lessons from early experience will be useful to those implementing such approaches, while also stimulating further reflection and discussion among a range of organisations committed to poverty elimination.

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Sustainable livelihoods: Lessons from early experience. London: Dept. for International Development.Google Scholar. Assan, J. K., & Kumar, P. (2009).Â A practical summary of experiences after three decades of community-based wildlife conservation in Africa â€˜What are the lessons learnt?â€™ (No. CIC Technical Series Publication No. 5.). Italy: FAO and CIC.Google Scholar. Policy conclusions Early experience in implementing a sustainable livelihoods approach suggests that it: â€¢ helps to bring together different perspectives on poverty and integrate the contributions to eliminating that poverty different skills and sectors can make, in for instance designing projects and programmes, sector analysis and monitoring; â€¢ makes explicit the choices and possible trade-offs in planning and executing different development activities; â€¢ helps to identify the underlying contraints to improved livelihoods and the means of overcoming these; â€¢ helps to link improved micro-leve