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Operational Guidelines on the Minimum Criteria for Livelihoods Programming

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1. Purpose

These Operational Guidelines outline the Minimum Criteria for Livelihoods Programming that UNHCR and partners in the field should fulfil when planning, implementing and monitoring livelihoods programmes aligned with the *Global Strategy for Livelihoods (2014-2018)*. These Minimum Criteria are intended to help Operations achieve and measure greater impact in livelihoods programming.

2. Scope

The Minimum Criteria for Livelihoods Programming apply to all Operations implementing activities in this area. For 2015, the Minimum Criteria should be used by Operations to *inform* planning and budgeting. As of 1 January 2016, compliance with the criteria will be *mandatory and a prerequisite* for any livelihoods programming. This will be the objective of instructions to be issued in due time.

Compliance with these Operational Guidelines is expected.

3. Rationale

Helping refugees and other people of concern achieve self-reliance is an important part of UNHCR's work throughout all phases of displacement. Self-reliance is the ability of people, households or communities to meet their basic needs and to enjoy social and economic rights in a sustainable and dignified way. The Minimum Criteria are designed to ensure that Operations meet basic standards for livelihoods programming, have the required expertise and evidence and are able to demonstrate impact.

In June 2014, the Troika saw the need to "review more critically UNHCR's self-reliance/livelihoods programming . . . including evidence of concrete results of past initiatives."¹ The Operational Solutions and Transitions Section (OSTS) in the Division of Programme Support and Management (DPSM) was tasked with surveying the UNHCR Operations with the highest livelihoods budgets and presenting recommendations for a possible reallocation of resources. While the Troika did not reallocate funds based on the survey, it did note the lack of identifiable impact of livelihoods programming and requested that OSTs provide further guidance to Operations.

The survey highlighted several areas that need improvement for UNHCR to be able to demonstrate impact. These are included in the Minimum Criteria. In these Operational Guidelines, each criterion is followed by a description and a note on available support. Operations are encouraged to use the [*Global Strategy for Livelihoods \(2014-2018\) \(UNHCR/OG/2014/3\)*](#), [*Livelihoods Programming in UNHCR: Operational Guidelines \(2012\)*](#), [*Investing in Solutions: A Practical Guide for the Use of Microfinance \(2011\)*](#), [*Promoting Livelihoods and Self-reliance: Operational Guidance on Refugee Protection and Solutions in Urban Areas \(2011\)*](#), [*UNHCR's Policy on Alternatives to Camps \(UNHCR/HCP/2014/9\)*](#) and the [*UNHCR Livelihoods Strategy Template*](#) for additional guidance.

¹ Global Troika APR conclusions, 12 June 2014, point 7 (internal document).

4. Minimum Criteria for Livelihoods Programming

Criteria		Requirements
1	Baseline Assessment	Specialized partners or experts must conduct a socio-economic baseline assessment. This will provide the basis for selecting interventions, targeting and determining indicators to measure impact.
2	Market Assessment (and Value Chain Analysis where relevant)	<p>Specialized partners or experts must conduct a market assessment to assess the potential for growth, profitability, and employment in local economic sectors.</p> <p>Where there are a number of viable opportunities, specialized partners or experts should conduct value chain analyses to explore the inclusion of persons of concern in the local economy.</p>
3	Targeting	Operations must use information from the baseline assessment, market assessment and value chain analysis, together with qualitative data, to target interventions.
4	Context-Specific Livelihoods Strategic Plan	Operations must develop a 3 to 5 year context-specific livelihoods strategic plan, which clearly indicates long-term livelihoods objectives with impact indicators and benchmarks, and includes a detailed outline of project interventions, partners, well-defined target groups and a logical sequencing through the planning timeframe.
5	Partners	<p>Operations must conduct an assessment of the capacity and impact of current livelihoods partners, to ensure that partners have experience and expertise in economic development.</p> <p>Operations must complete an institutional mapping to find other potential partners, especially from the development community and private sectors.</p>
6	Expertise	Operations must have a dedicated livelihoods expert where the livelihoods programme budget is above USD 1,000,000 (OL).
7	Expenditure	Operations may not spend less than 70 percent of their initial OL livelihoods budget for two consecutive years.
8	Microfinance	Operations must partner with accredited microfinance institutions, if implementing microfinance activities.
9	Impact Measurement	Operations must use indicators in the UNHCR Results Framework to monitor performance and impact. Operations must report on at least one Results Framework impact indicator, in addition to the Livelihoods Global Strategic Priority (GSP) indicator, and use appropriate <i>proxy indicators</i> to measure context-specific impact.

4.1 Baseline Assessment

Baseline assessments provide information on the existing socio-economic situation of refugees and, when possible, the surrounding local population. They should describe the full economic picture of a range of refugee households. Baseline assessments gather quantitative and qualitative data on assets, income level, education, work experience and capacities. They should also gather information on the interest and motivation of refugees to find employment or self-employment, including factors that hinder participation in certain areas of work. They should detail household expenditures, coping mechanisms and financial risk management strategies, such as when and how refugees borrow money or receive remittances.

Baseline assessments are used to inform targeting and planning and serve as the reference point for assessing future changes and impacts resulting from livelihoods interventions. Such assessments must be conducted *before* targeting and planning, but may be carried out at the same time as market assessments. They should be carried out by a specialized partner to ensure against bias in programme planning. Baseline assessments should clearly identify the individuals and families surveyed to enable follow-up data collection and monitoring.

Baseline assessments must incorporate short and medium-term indicators that will be used to monitor the impact of livelihoods programming. Baseline assessments should use the indicators from the UNHCR Results Framework as well as context specific *proxy indicators*.² The assessment methodology should combine self-reporting and observation, as self-reported income has been frequently proven to be unreliable. Baseline assessments should survey a representative number of both refugee and host community households divided into socio-economic groups (typically, four wealth groups ranging from the “extremely poor” to “better off”).

The baseline assessment should include questions that assess behavioral and skill-based capacity to transition away from food and other forms of assistance towards self-reliance. It should assist the Operation in identifying those people of concern who are most willing and able to benefit from vocational training, apprenticeships, self-employment support and other types of workforce preparedness programmes, in order to help UNHCR appropriately target such support.

Where a baseline assessment is not feasible, Operations must consult with OSTs to determine other possible sources of reliable data that can be used.

Available support

OSTs has established framework agreements with international consultancy firms having expertise in baseline assessments, which UNHCR field offices can call upon at any time. These companies have been selected based on relevant experience, as well as knowledge of refugees and experience in various regions and the ability to work in different language contexts. These firms have the capacity to conduct several assessments per year. Should an office select a local company or research institute, rather than one of those available through the framework agreements, OSTs can support with template Terms of Reference and advice regarding the tendering processes.

² Proxy indicators measure wealth in ways that are context-specific, such as number of animals, landholdings, or other means of demonstrating accumulation or through expenditures.

4.2 Market Assessment (and Value Chain Analysis where relevant)

Market assessments are a tool used to map existing markets and value chains and document the supply and demand for products and services in targeted areas. Information must be gathered from a wide range of sources, including refugees, host community members, business owners, government agencies, non-governmental organizations (NGOs), chambers of commerce, employers associations and other organizations working in the area. Similar to baseline assessments, market assessments should be conducted by a specialized partner or expert. Where a market assessment is not feasible, Operations must consult with OSTs to determine other possible sources of reliable data that can be used.

If the market assessment identifies a number of potentially viable opportunities, an Operation should conduct a value chain analysis of products and/or services that may offer good prospects for employment or self-employment. Value chains are defined as “how value is created from the conception of a product to its final consumption, concluding the different stages of input supply, design, production, distribution, retailing and support services.”³ The purpose of the value chain analysis is to determine how the identified value chain(s) can be developed to include more people of concern in the labour market, whether in self or wage employment. The value chain analysis will lead to value chain development strategies. See the [Global Strategy for Livelihoods \(2014-2018\)](#), p. 36, for more information.

The primary purpose of the market assessment and value chain analysis is to identify and design livelihoods interventions that, if implemented, will increase the employment opportunities and improve the living conditions of refugees and host communities. The secondary purpose is to provide an evidence base and analysis for improving UNHCR livelihoods programmes. A market assessment can assess the potential for growth, profitability and employment in local economic sectors. The market assessment will identify and recommend value chains with high potential for people of concern to UNHCR and members of the host communities.

Available support

OSTs has established framework agreements with international consultancy firms having expertise in market assessments and value chain analyses. These organizations work globally and have been selected based on expertise in these areas, as well as knowledge of refugees and experience in various regions and the capacity to work in different language contexts. Should an office choose to select a local company or research institute, rather than one of those available through the framework agreements, OSTs can support with template TORs and advice regarding the tendering processes.

4.3 Targeting

Targeting is “the processes of identifying the intended beneficiaries of a programme, and then ensuring that, as far as possible, the benefits actually reach those people and not others.”⁴ Proper targeting links people with specific needs or capacities to programmes most appropriate to their situation. Targeting may be needs-based or capacity-based, depending on the goals of the programme. For most livelihoods programming, participants should be targeted on the basis of ability to make sustainable progress towards self-reliance. In other words, livelihoods programmes should target those refugees with the required skills, experience and motivation as identified in the baseline survey, and who are seeking sustainable employment or self-employment. Targeting for food or basic needs is

³ [ILO's Approach to Value Chain Development](#)

⁴ Sharp, “An overview of targeting approaches for food-assisted programming”, Care USA, 2001.

generally based on vulnerability, while targeting for livelihoods programming is defined by the programme objectives and focuses on those who both require support and have the potential to succeed. Unlike beneficiaries of aid distribution programmes, participants targeted for livelihoods programmes may not be the most vulnerable refugees, although they may be included in such programmes as the Graduation Approach⁵ or others designed to prevent depletion of assets.

Appropriate targeting for livelihoods programmes requires knowledge of potential participants, an understanding of market opportunities for employment or self-employment and well-defined programme goals, such as increasing food security, acquiring sustainable employment or developing viable businesses. Targeting criteria must be well-defined, objectively verifiable and communicated and applied in a transparent manner. UNHCR and partners should anticipate the effects of the intervention both on the targeted groups and on other people living in the same area. Operations must clearly define and explain targeting mechanisms and criteria within the livelihoods strategic plan (see Section 4.4 below). The [UNHCR Livelihoods Strategy Template](#) outlines the necessary targeting information.

Available support

Within UNHCR, OSTs, the Public Health Section (PHS), the Cash-Based Interventions Section (CBIS), the Field Information and Coordination Support Section (FICSS) and other units have experience using different approaches to targeting for specific programmatic areas. UNHCR also has experience using a community-based targeting approach to identify the most vulnerable persons in a population. WFP also has extensive experience in targeting and can be approached locally for support.

4.4 Context-Specific Livelihoods Strategic Plans

In line with the [Global Strategy for Livelihoods \(2014-2018\)](#), Operations must have a multi-year livelihoods strategic plan developed by a livelihoods expert. Operations that have a multi-year Solutions Strategy with a strong livelihoods component are not required to have a separate Livelihoods Strategy, if the latter has been incorporated. The multi-year livelihoods strategic plan should be regularly reviewed and updated. It must be informed by a socio-economic baseline assessment, a market assessment and, as relevant, a value chain analysis. The strategic plan must present clear objectives, a detailed outline of project interventions with well-defined target groups and an appropriate timeframe. In most settings the duration of the strategy will be four years. Objectives and related project interventions must have clear benchmarks and impact indicators. Operations should utilize the [UNHCR Livelihoods Strategy Template](#) when developing livelihoods strategic plans.

Livelihoods strategic plans must be context-specific. Region-wide strategic plans that cover more than one Operation typically do not contain the level of detail necessary for implementation, due to differences in the Operational context, target population and market dynamics. If there are various caseloads or wide variation between different regions within one Operation, this warrants either individual strategies or individual chapters describing the Operation's strategy for each caseload.

Strategic planning for livelihoods support does not imply that UNHCR and its traditional partners will carry out all activities. Rather, it ensures that the full scope of needs and potential activities is captured and agreed upon, and that there is consensus on which actors are best placed to implement them. Once the strategic plan is planned and being implemented, UNHCR and key partner staff must

⁵ The Graduation Approach is a poverty reduction model that targets the poor and extreme poor with the goal of assisting them out of extreme poverty in a sustainable and time-bound manner, adapting a method originally developed by BRAC in Bangladesh.

continue to play an active role in livelihoods coordination forums that may be led by government and development agencies.

Available support

All strategies must be shared with OSTs during the drafting process (before publication) for technical review. OSTs will provide support and advice to Operations in developing and finalizing strategies. If the Operation does not have a Livelihoods Officer, a specialized livelihoods consultant or access to a Regional Livelihoods Officer, OSTs can support by identifying an international consultant from the livelihoods expert roster for a short, medium or long-term deployment to support the development of a multi-year strategic plan.

4.5 Partners

Livelihoods partners must have economic development experience and be able to help refugees access and succeed in entering existing or potential markets. They must have the capacity to build links with trade associations, companies and other business-related stakeholders. Where partners do not have these capacities and are unable to demonstrate impact through increased employment and income, the partnerships should not be continued. Partners with a strict humanitarian orientation often do not have the expertise to implement market-oriented livelihoods programmes.

Ideally, Operations will have a variety of partners with complementary skills. They may be local, national or international NGOs, research institutions or private sector companies. They may have technical specialization in, *inter alia*, agriculture, vocational training, entrepreneurship and private enterprise. Livelihoods programmes should involve these partners at different periods of the programme cycle, while ensuring collaboration among all actors. UNHCR should also take care to enable a supportive relationship with government agencies and local stakeholders.

Operations should conduct quick assessments of their current partners to determine if the partner should continue to implement livelihoods with the Operation. This will largely be based on whether or not the partner can demonstrate impact in terms of employment or income generation. Operations should also conduct an institutional mapping exercise to identify new partners as well as other entities in the region that conduct relevant research or implement livelihoods programmes.

Available support

The livelihoods community on [UNHCR Exchange](#) is a source of information about available local and regional partners, processes used to define the choice of most suitable partners and risks and constraints in introducing new partners. OSTs and Regional Livelihoods Officers are also available to support the process of partner mapping.

4.6 Expertise

Operations with a livelihoods programme budget over USD 1,000,000 (OL) must have a dedicated livelihoods expert. Operations with dedicated livelihoods personnel are more likely to deliver impactful and higher quality livelihoods programmes. All Operations that spend a significant amount of their OL on livelihoods programming should have a specialized livelihoods expert, access to a Regional Livelihoods Officer or receive consistent support from partner agencies or others with expertise in the areas concerned. The livelihoods expert will work in cooperation with OSTs and Regional Livelihoods

Officers and follow the common UNHCR approach to livelihoods planning, programming and implementation, as set out in the [2012 Livelihoods Programming in UNHCR: Operational Guidelines](#).

Livelihoods staff should oversee the implementation of all livelihoods programmes and continually monitor progress. They should also contribute to the Operations' learning on best practices for livelihoods development, as well as share experiences with OSTs and other Operations that may learn from them. They will track and document progress, setbacks and significant lessons.

Available support

OSTs must provide functional clearance for all livelihoods staff and can provide generic TORs, job descriptions, written tests and interview questions. OSTs is also available to participate in panel interviews of internal or external candidates. On a case-by-case basis, where it is not feasible to have a dedicated Livelihoods Officer, OSTs will work with the Operation to facilitate access to necessary expertise, including through the livelihoods experts roster which includes candidates for consultancies.

4.7 Expenditure

Operations that have spent *less than 70% of their initial OL livelihoods budget for two consecutive years* will not receive further funding. Exceptions may apply according to context or circumstances.

Available support

If Operations need support to make the case for sustained funding of livelihoods programmes, OSTs can supply presentations outlining the impact of livelihoods programmes. OSTs can provide technical support remotely from Headquarters and through field missions to monitor the progress of livelihoods programmes and make recommendations.

4.8 Microfinance

Providing microfinance services, from grants, loans and saving schemes to micro-insurance and remittance transfers, is a key intervention and should be part of a comprehensive livelihoods support strategy. By facilitating and promoting access to financial services at affordable rates, microfinance helps protect and build the financial capital of individuals and households to expand livelihoods opportunities and support socio-economic wellbeing.

Operations may only partner with accredited microfinance institutions (MFIs) and engage in microfinance if well-established financial institutions are already operating in the area. Once confirmed with OSTs, Operations should establish a revolving fund (a form of lending) partnership with these institutions using the template for a "[Transfer of Ownership Agreement](#)." Operations must consider the consequences of doing both grant and loan activities together as the former often undermines the latter. In addition, populations often require preparatory programmes before being able to actively participate in and benefit from microfinance schemes. Preparatory programmes involve assessment, training and capacity building, such as basic financial education or business training.

Available support

OSTS has a part-time microfinance expert seconded from the ILO, who can provide guidance on partner selection, implementation and programme monitoring. Please also see [Investing in Solutions: A Practical Guide for the Use of Microfinance in UNHCR Operations](#).

4.9 Impact Measurement

All Operations must utilize existing impact monitoring tools to their full potential. This includes reporting on at least one impact indicator from the UNHCR Results Framework linked to the objective *"Self-reliance and livelihoods improved,"* in addition to the GSP *"% of POC (18-59) with own business/self-employed for more than 12 months."* The impact indicator *"% of persons of concern graduated from livelihoods trainings employed after 3 months"* must be reported on for all vocational training programmes. All staff involved in impact measurement must familiarize themselves with the [indicator guidance](#) to ensure consistency and quality reporting.

In addition to measuring Results Framework indicators, OSTs suggests that all Operations formulate and include 1 to 3 *proxy indicators* relevant to the local contexts in their Monitoring and Evaluation (M&E) plans, as defined in the section on baseline assessment. These may not always be measureable at the global level, but will be useful in understanding impact for specific Operations. Recommended proxy indicators include "number of persons employed" or "number of persons who started a small business." Such indicators should only be reported as percentages established by the ratio of the number of persons employed or who started a small business to the number of beneficiaries/participants of a specific livelihoods programme/project. Employment rates at the level of the total population are not relevant to impact measurement. More generally, the denominator of all indicators, including Results Framework indicators, should be the sub-set of the population targeted by the livelihoods programme and not the total population, including those who received and those who did not receive the intervention.

Available support

OSTS is consolidating information about useful proxy indicators and M&E tools. These findings will be made available on the intranet throughout next year. OSTs is also available to consult with Operations on their M&E systems, and Operations should use the [UNHCR Livelihoods Strategy Template](#) and the [UNHCR Livelihoods Monitoring Template](#).

5. Terms and Definitions

Baseline assessment: An analysis of the socio-economic situation of the target population at the beginning of a programme

Cost effectiveness: an analysis of the ratio of measured impact against the cost of a programme

Institutional mapping: a mapping of different organizations which work in livelihoods or livelihoods-related programmes, covering existing programmes as well as previous programmes of relevance

Livelihoods expert: staff or consultant with a specialized background in livelihoods

Livelihoods strategic plan: a document that outlines the context, objectives, programmes, activities, implementation plan, and monitoring framework for livelihoods programming

Market assessment: analysis of market dynamics including “supply and demand for goods and services, the viability of occupations and enterprises, and market capacities and trends in the local community”⁶

Microfinance: the provision of financial services to people with low incomes; broader than micro-credit, encompassing services such as micro-savings, micro-insurance, payment, and remittance transfer services

Microfinance institution (MFI): an organization that offers microfinance services; many are non-governmental organizations committed to assisting some sector of the low income population, however, can be registered in different legal and organizational forms such as banks, credit unions, finance companies, and financial cooperatives

Proxy indicator: context-specific indicators (not indicators found in the UNHCR Results Framework)

Revolving fund: a credit fund that is renewed as its money is lent, where loans are repaid so that new loans can be made with the same fund; theoretically, the fund retains a balance at all times

Self-reliance: the ability of people, households or communities to meet their basic needs and to enjoy social and economic rights in a sustainable and dignified way

Specialized partner: an organization or company that specializes in and has significant technical capacity and experience conducting socio-economic baseline assessments, market assessments, value chain analyses, or impact evaluations

Targeting: “the processes of identifying the intended beneficiaries of a programme, and then ensuring that, as far as possible, the benefits actually reach those people and not others”⁷

Value chains: “how value is created from the conception of a product to its final consumption, concluding the different stages of input supply, design, production, distribution, retailing and support services”⁸

Value chain development: an approach to develop inclusive markets through the analysis of value chains, “addressing key weaknesses that can contribute to their development or improvement,”⁹

⁶ [Women's Refugee Commission, Building Livelihoods: A Field Manual for Practitioners in Humanitarian Settings](#)

⁷ Sharp, “An overview of targeting approaches for food-assisted programming”, Care USA, 2001.

⁸ [ILO's Approach to Value Chain Development](#)

⁹ [ILO's Approach to Value Chain Development](#)

6. References

- [*Global Strategy for Livelihoods \(2014-2018\)*](#)
- [*2012 Livelihoods Programming in UNHCR: Operational Guidelines*](#)
- [*UNHCR Livelihoods Strategy Template*](#)
- [*Investing in Solutions: A Practical Guide for the Use of Microfinance in UNHCR Operations*](#)
- [*Promoting Livelihoods and Self-reliance: Operational Guidance on Refugee Protection and Solutions in Urban Areas \(2011\)*](#)
- [*UNHCR's Policy on Alternatives to Camps \(UNHCR/HCP/2014/9\)*](#)
- [*ILO's Approach to Value Chain Development*](#)
- [*Value Chain Development for Decent Work: A guide for development practitioners, government and private sector initiatives*](#)
- [*Desarrollo de cadenas de valor para el trabajo decente: Una guía para profesionales del desarrollo, funcionarios gubernamentales e iniciativas del sector privado*](#)
- [*Le développement des chaînes de valeur au service du travail décent - Guide à l'usage des praticiens du développement économique, des gouvernements et des entreprises privées*](#)
- [*Besley, T. and Kanbur, R. \(1993\) 'The Principles of Targeting', Chapter 3 in Lipton, M. and van der Gaag, J. \(eds\), Including the Poor, Washington DC: World Bank*](#)
- [*Effective targeting of poverty-focused programmes – how to reach the poorest households*](#)
- Sharp, "An overview of targeting approaches for food-assisted programming", Care USA, 2001.

7. Monitoring and Compliance

The Minimum Criteria apply to all Operations programming for livelihoods.

Monitoring of compliance will be conducted by OSTs through an online biannual livelihoods survey. This survey must be completed by all Operations that budget under the UNHCR Results Framework objective "Self-reliance and livelihoods improved."

8. Dates

The Minimum Criteria for Livelihoods Programming will come into effect from 1 March 2015. In 2015, they should be used by Operations to *inform* detailed planning and budgeting. As of 1 January 2016, compliance with the criteria will be *mandatory and a prerequisite* for any livelihoods programming. This will be the objective of instructions to be issued in due time. UNHCR will review these guidelines no later than 1 January 2019.

9. Contact

For more information or support, please contact the Livelihoods Unit at livelihoods@unhcr.org or the Chief, Operational Solutions and Transitions Section, Division of Programme Support and Management.

10. History

These guidelines incorporate by reference and do not modify any earlier guidelines developed by the Operational Solutions and Transitions Section.