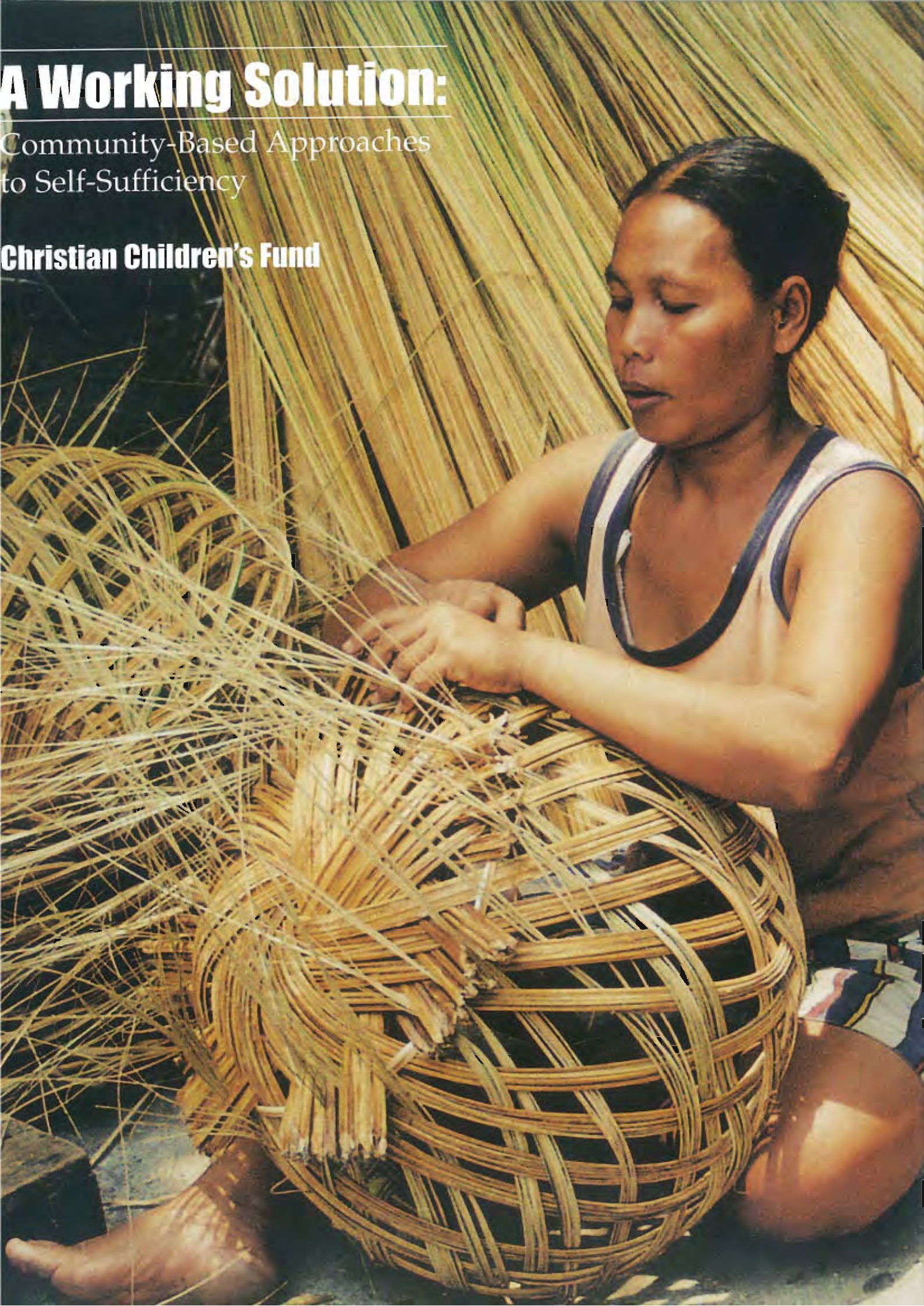


A Working Solution:

Community-Based Approaches
to Self-Sufficiency

Christian Children's Fund



A Hand Up

Freeing children and families from the yoke of abject poverty is a core effort of Christian Children's Fund (CCF), an international child development organization, working in more than 30 countries, helping 4.6 million children and families regardless of race, creed, gender or national origin. Since its inception in 1938, CCF has provided more than \$2 billion in services to children, funded primarily by child sponsorship contributions.

How to break the cycle of poverty is, of course, a burning question for all development organizations. CCF feels that asset building and community development are essential in fighting poverty and in helping the world's poorest children survive and thrive. To help families help themselves,



CCF has implemented a comprehensive Micro Enterprise Development (MED) program, empowering poor families to become financially secure.

MED is at the very heart of CCF's efforts to make lasting and meaningful changes in children's lives. CCF encourages micro-enterprise initiatives through the means of micro-credit, income-generating activities, and non-financial services. Some of the tools employed by CCF's Micro-Enterprise Development program include:

- Providing low-interest loans so families can start small businesses
- Helping people become job-ready through business and vocational training
- Empowering communities to use available resources to fuel a local income-generating enterprise
- Training individuals and families in small business ventures that generate income

All of these tools enable families and communities to work together toward eliminating poverty.

Regardless of the program design, each has the goal of enhancing the well-being of children through increasing family income. MED initiatives



This Guatemalan woman is one of many who have started their own cottage industries with small loans they received as part of CCF's family income generation/micro enterprise programs. With a loan of \$287 (US), Mrs. Lopez started a shirt manufacturing business in her home. As her business prospered, she hired other women to help. With the profits she makes, Mrs. Lopez has been able to pay the food, clothing, health and education expenses for her children.

implemented by CCF allow families to determine their own needs. These initiatives also encourage community responsibility for addressing needs rather than waiting for an external source to meet those needs.

CCF MED activities play an important role in providing a long-term solution to poverty alleviation by teaching families how to help themselves. When poor parents develop an income-generating activity or participate in a vocational training or business management course, they are better able to create a financial safety net for their families, thus reducing the need for ongoing support from an outside organization such as CCF.

As families and communities build and accumulate assets—marketable skills, economic resources, community infrastructure—they become financially independent. This independence allows CCF to move on to other communities in need; equally important is the pride parents feel when they can support their own children.

CCF MED programs often focus on women because research shows that women are more likely than men to spend extra money on their children. CCF micro-enterprise initiatives also target “high risk” or marginalized populations such as youth and ex-combatants. These formerly marginalized populations are then integrated into society as active and productive members. Through emphases on community integration, women, and community responsibility, CCF MED programs have an increased likelihood of sustainability.

CCF takes a three-pronged approach to micro-enterprise development:

- **Micro-Credit.** CCF’s Micro-Credit Program—a specialized and more complex MED initiative—provides small working-capital loans to help poorer members in CCF communities start or expand an economic activity to earn money for their families. The micro-credit programs are implemented through the use of external funding and are closely monitored to ensure quality programs consistent with CCF philosophy. By targeting both CCF families and surrounding communities as clients, the micro-credit programs allow for greater impact. Although operating in partnership with CCF Country Programs, micro-credit endeavors aim to be independent “Micro-Finance Institutions” (MFIs), serving not only CCF families but also

surrounding communities. The programs have independent financing, experienced and trained staff, and proper financial controls to ensure that loans are disbursed and repaid. Like all CCF MED activities, CCF’s Micro-Credit Program is designed to be financially sustainable over a period of time, typically less than seven years. To achieve the goal of financial sustainability, interest paid on loans is enough to cover all related costs of providing the financial services, enabling the services to go on indefinitely without external support.

- **Non-Financial Services.** CCF’s Non-Financial Services include business and skills training and “in-kind” revolving activities, such as heifer and poultry programs. The business and skills training often coupled with a loan program, allows the recipients of the training to utilize their new skills in a productive manner. Training can also, as in the case of Afghanistan, include a literacy and numeracy component, thus affording the clients an even greater opportunity to achieve a successful business. CCF’s Non-Financial Service programs enable families and communities to better provide for their families both through increased income and through nutritious food they raise themselves. Families and communities feel empowered by these programs because they are better able to care for their children.



- **Income-Generating Activities.** Income-Generation Activities allow families to open small family-run businesses through low-interest loans and training, engage in livestock and agricultural endeavors that improve family nutrition and add extra income, or empower them and their communities to use locally available materials for small enterprises. CCF’s Income-Generation Activities are environmentally sound, encourage community development and help teens stay in school.

CCF’s MED program gives families and communities a hand up, not a handout. It helps break the cycle of poverty by building community infrastructure, promoting economic independence, and empowering parents to financially provide for their own children.

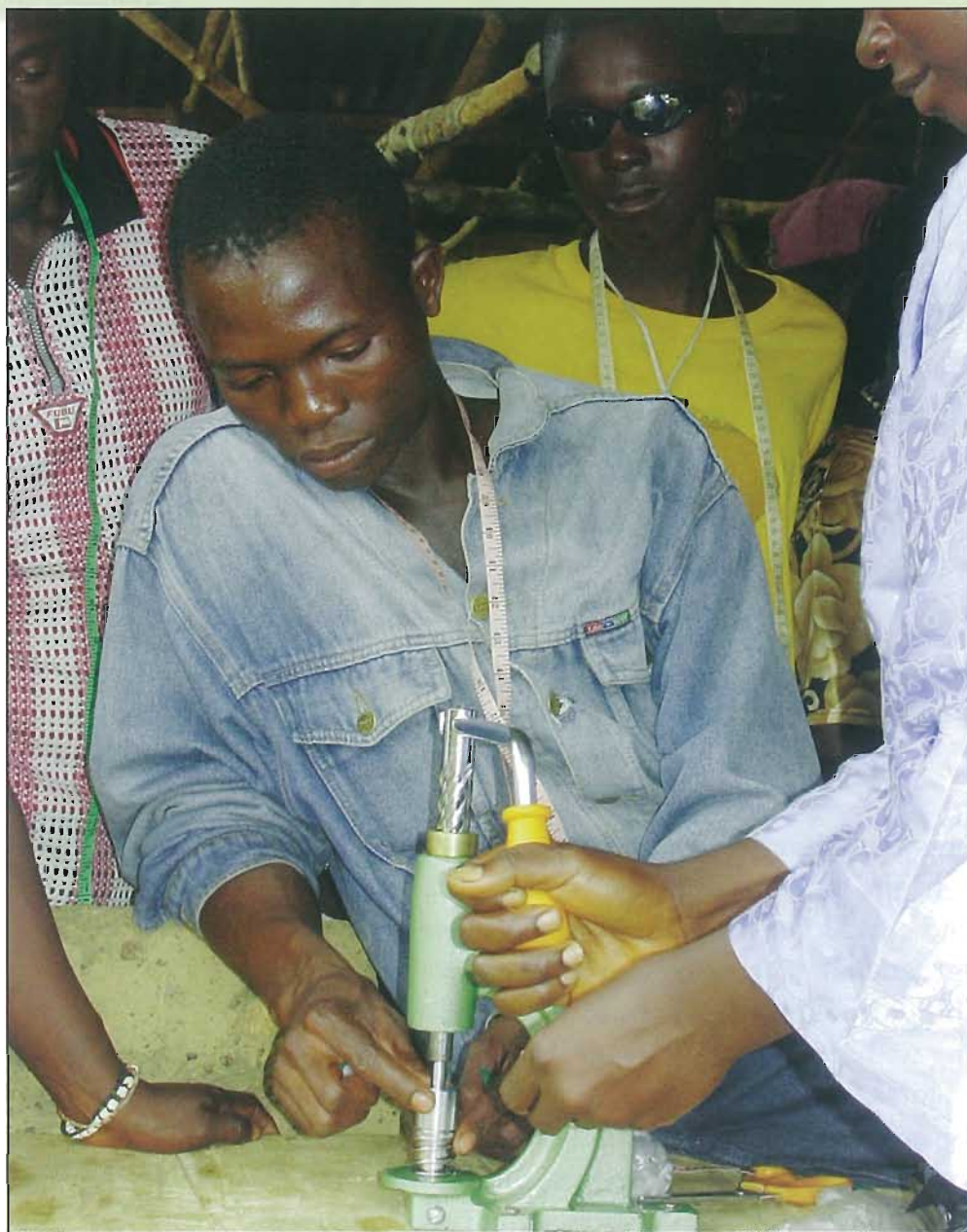
A New Start for Ex-Combatants in Sierra Leone

Saio once made his living in Kondeya Village raising livestock and growing rice, ground-nuts and cassava. In 1994, rebel forces killed four of his neighbors and burned and looted much of the town. Saio responded by enlisting in the civil defense. After the war, he had no skills and no way to be a productive member of his community. But an apprenticeship program with Christian Children's Fund helped him get back on track.

Saio participated in a \$1.3 million USAID-funded CCF program known as Support for Reintegration Skills Training and Employment Generation for Ex-Combatants. It provided temporary employment, job training, and micro-credit to people from the Koinadugu, Bombali, and Tonkolili districts—areas particularly devastated by the civil war. Sixty percent of the participants were ex-soldiers.

As the first of two steps, CCF created temporary employment for 3,400 people, who spent 160 hours performing civic works. They received training in such skills as carpentry and bricklaying to build schools, roads, and health centers, many of which had been destroyed in the war. For his part, Saio helped construct a school and a grain store. While engaging in civic works, workers received a stipend and also benefitted from psychosocial support. Psychosocial interventions and reintegration efforts are a key part of CCF's micro-enterprise development programs in countries recovering from conflict. After completing the civic works, participants continued with the second step. They were given two options. They could join a solidarity group and receive a micro-credit loan to start an individual or

group business, or go on to a six-month paid apprenticeship with a master artisan. Those who chose to take out a group loan have started a variety of businesses including a bakery, a butcher shop, and a palm oil enterprise. Those like Saio who chose the apprenticeship path could learn tailoring, as he did, or car-



penry, tie-dyeing, soap making, blacksmithing, or shoemaking. CCF also provided basic literacy training as needed.

This program has seen tremendous success. To date, the workers have completed 53 civic projects, 650 have become apprentices, and 1,200 have received loans, with a 100% loan repayment rate.

A second \$1.8 million USAID grant has allowed CCF to extend the program in the Koinadugu district, to help over 3,600 new participants.

A New Dairy Enterprise Saves an Andean Forest

Residents of the Andean town of Alaspungo, Ecuador, were so desperate to earn a living that they started burning down trees to make coal—destroying hundreds of acres of an ancient native forest in the process. They had tried raising cattle, making cheese and breeding guinea pigs. But all of those efforts had failed due to lack of training.

But over a decade ago, CCF launched a modern dairy enterprise that has proven to be a success for the town and has saved the environment. Under CCF's direction, 44 families are now earning a living through milk production. CCF teaches the families improved ways to raise cattle, such as building troughs, selecting better pastures, and carving out terraces where the cattle can rest.

Participants also learn how to improve their cattle through crossbreeding, regular deworming and disease control. Local cattle used to suffer from hypertrophy of the thyroid gland, but regular veterinary care has helped eradicate the disease, allowing the herd to grow from 40 to more than 400 cattle. Dairy production has increased significantly, with each cow producing about 2.64 gallons of milk a day—five times as much as before.

In addition to selling the milk, the families use it for their own consumption. They also have family farms. And, through improved farming techniques taught by CCF, they have learned how to cope with harsh environmental conditions (the town is 10,000 feet above sea level). Each family reserves part of its land for the growth of chaparral, or native plants and shrubs, for soil conservation.

CCF works with the community to stop the destruction of the forest. In 1992, CCF arranged for the UN's Food and Agriculture Organization to train residents in forest preservation. The community has since reforested 12 acres of trees and maintained 425 acres of native forest. An additional 86 acres are in the process of recovery.



Income-Generating Activities

Making a living does not come easily in developing countries. Migrant workers in Brazil and Mexico leave their families behind to search for jobs. The typical farmer in much of India works on less than three acres of land, often using rented oxen. In African countries, the crushing HIV/AIDS epidemic has created a generation of orphaned youth who are now the primary breadwinners of their families. In developing countries worldwide, people work hard and tirelessly just to survive day by day.

CCF's Income-Generating Activities provide families with a way out and up from this cycle of poverty. Having a reliable source of income allows parents to secure a better future for their children. And income-generating activities not only help individual families, they also offer long-term solutions to poverty by gradually filtering positive economics throughout entire communities. Because of the long-term positive impact of income-generating activities, CCF is establishing micro-enterprise programs in each of its affiliated projects throughout the world.

Increasing income. Activities are selected that help families increase their income and improve their standard of living. For some, an Income-Generating Activity provides the sole source of income; for others, it is a second income that can help raise them out of poverty. In Indonesia, a women's organization known as the Mandiri Group produces ginger syrup, and runs a side business selling clothes, shoes, sandals, and bags. Other businesses in Indonesia include catfish farming, rubber tree cultivation and processing, and mushroom cultivation.

Improving nutrition. Livestock and agricultural activities support good nutrition. A poultry initiative in the Philippines, for instance, targets families with malnourished children who are in danger of stunted growth. Families receive two hens and a rooster, and four months' worth of chicken feed. Participants supplement their



These women in Thailand have started a sewing business with a small loan and business training from CCF.

children's diets with eggs, and also sell some of the eggs for profit. Eel raising provides a rich source of protein for Indonesians. In Zambia, seed banks ensure long-term food security—even in times of drought.

Promoting responsibility. People participating in CCF's revolving livestock program must return some of the offspring, to be distributed to others in need. Those in other programs must pay back all loans and replenish seed banks. These policies create self-sustaining programs and responsible participants.

Working for success. CCF helps families receive any needed vocational and business training, and guides them in creating sustainable businesses and meeting market demand. For instance, lack of transportation in project areas inspired the start of rickshaw driving businesses in Indonesia and bicycle delivery services in rural Uganda. The bicycle program targets adolescents who have lost their parents to HIV/AIDS.

Environmentally conscious. CCF chooses activities that are favorable to the environment. Through CCF, Ecuadorian farmers learn how to use organic manure for income-generating green gardens and for garbage-recycling facilities. Now the cattle-raising enterprise is thriving and, at the same time is helping to restore a forest.

Using local materials. CCF encourages the use of local, readily available materials. In The Gambia, a juice factory utilizes mangoes and other local fruits. In Indonesia, families raise silkworms. Central Java's dry, rocky landscape is unfriendly to many forms of vegetation, but perfect for growing mulberry bushes, the silkworm's food source.

Non-exploitative labor. Enterprises established through CCF funding offer workers clean and safe environments, fair wages and reasonable hours. For instance, 14-hour days are not unusual in sewing factories of the Chiang Rai Province, Thailand. But the factory established through CCF funding runs strictly from 8:30 a.m. to 5:00 p.m., with the option of paid overtime.

Community Economic Development. Income-generating activities help families improve their lives, and some activities provide communities with new or reduced-cost services.

Troubleshooting. Just as it monitors its health and education programs, CCF regularly tracks its income-generating activities. Profits and losses are reviewed, and families receive any needed support to ensure that their businesses are on the right path. In Ecuador, a clothing factory in the Urcuqui valley was not making a profit due to stiff competition in the area. Under CCF's guidance, the workers began to specialize in school uniforms, and have since achieved success.

Helping Teens Stay In School. In developing countries, many adolescents must work to help their families survive. In these cases, CCF combines income-generation activities with alternative school programs. For instance, at the Grupo de Apoio project in Brazil, needy teenagers work at a bakery to earn extra money for their families. Each day the young people make 2,500 loaves of bread that they sell to the community at a reduced price. They also make 1,000 daily snacks for schoolchildren. The youth must remain enrolled in school to work in the bakery after school.

Transforming a Village

Over the years, cashews and fruits such as mangoes and oranges have provided an additional source of income for families affiliated with CCF's Darsilami Social Service Center in The Gambia. The families each own 10 trees, but for quite a while they've had difficulty getting their fruit to market on time because of poor roads. As a result, families have been forced to sell their fruit at below-market prices.

That all changed when CCF helped the community open a juice factory. Now, instead of hauling their goods to a distant market, the families sell their produce to the community juice production center. Owned by the Darsilami community, the center employs 15 people regularly and up to 50 during peak season. It is managed by CCF-affiliated project staff and the parents committee. Profits from the sales of juice and other products support the community's health and educational programs.

At the factory, a juice-processing machine transforms mangoes, watermelons, pineapples, tomatoes, coconuts, ginger, and sorrel into syrup, juice, and jam.

Each day, the machine can produce a minimum of 528 gallons of juice, 92 gallons of syrup, and 66 gallons of jam. The project hopes to increase production with the purchase of a packaging machine.

The Darsilami juice factory created job opportunities for local families and allowed them to maximize their profits. They are better able to tend to the needs of their children, and the community is growing increasingly independent.

