

Livelihoods Innovations

INTRODUCTION

Save the Children's efforts to strengthen food security and economic viability of families are characterized by rapidly changing ideas about how to ensure livelihoods and break the cycle of poverty. Our challenge is to both expand proven interventions and introduce new activities and strategies with the potential to improve the financial security of low-income households, thereby making a positive impact on the lives of children. When families have greater food security and more reliable income, children see the benefits in terms of better access to health care, nutrition and education.

Save the Children partners with specialized technical providers and research institutions to design and pilot new methodologies and to closely monitor their impact on improving conditions for poor families. Using systematic testing and documentation of innovative, new approaches, we build our evidence base to better implement programs and help families protect and grow their income and assets. In addition, capturing measurable results of new interventions enables us to evaluate their potential for implementation at scale.

CURRENT INNOVATIONS

Group Savings and Social Capital for Improved Food Security

STRIVE Mozambique is a USAID-funded operational research project designed to investigate the impact of household participation in Village Savings and Loans (VSL) groups and *Ajuda Mútua* (“mutual help”) rotating labor schemes on the nutritional status of their children. Initial evidence suggests that VSLs groups provide participants with a mechanism for asset building, income generation and risk mitigation, leading to their purchase of more and better foods. Our early pilot work with *Ajuda Mútua* groups resulted in growth in participants’ household income and demonstrated an increased level of trust among participants and greater belief in collective self-help. We therefore anticipate that the social capital built in the *Ajuda Mútua* groups will create greater cohesion among the VSL members, enhancing the groups’ operations and sustainability. The combination of self-financed savings groups and social capital support is a promising, locally driven, sustainable and affordable approach that could be incorporated in future development projects to improve outcomes for children.



Ajuda Mútua group in Nampula, Mozambique. Photo by Jorge Cacho-Sousa.

Savings Products for Youth

Savings products enable young people to build up resources for their future and acquire positive, life-long attitudes and financial habits. Accumulated savings allow young people to pay educational fees, obtain access to health care services or start and run income-earning activities. Although already widespread in the industrialized world, effective savings products for young people, particularly the poor and/or vulnerable, are virtually nonexistent in developing countries. Most financial institutions in a position to serve this market do not fully realize its potential, and many face institutional challenges to serve it well. To address this gap, Save the Children has teamed up with the Center for Social Development (CSD) at Washington University in St. Louis, CGAP and the New America Foundation (NAF) to design, implement and test personal savings products in four developing countries and document their impact on financial institutions and their young clients. This program is in its start-up phase, focusing on project and research design, and planning for implementation of the multi-country pilot program. We expect that this initiative will significantly advance the development community’s thinking on how to help young people build the basis for their economic future.

Micro Health Insurance

Each year, 150 million people globally suffer financial catastrophe because of the cost of health care. In the world's poorest countries, less than 3 percent of the population has access to health insurance. For millions of families, a single illness can deplete their assets and push them further into a cycle of poverty from which they may never recover. In Nepal – as in many areas where Save the Children works – families may be forced to skip meals or pull their children from school in order to cover medical expenses, while others may choose not to access needed care for fear of putting their families further at risk. As a model for providing health insurance to poor families, Save the Children is leading an international effort to provide affordable, community-designed health insurance in Nepal. Working in collaboration with local microfinance providers, Save the Children and its technical partner, the Micro Insurance Academy, are developing health insurance products for families in two districts of Nepal. This new approach to micro health insurance enhances community empowerment, local ownership and focuses on high-impact intervention. Communities are able to select their preferred health insurance benefit package according to their needs and ability and willingness to pay. The implementation phase of this pilot program is expected to insure approximately 50,000 people in rural Nepal and will include a rigorous assessment of the program's impact on children. It will also assess prospects for scaling-up to reach up to one million more families.

Improving Health and Nutrition in Pastoralist Communities

Although livestock interventions are currently used in pastoral areas to improve animal milk supply, efforts specifically aimed at increasing children's milk consumption and improved nutritional outcomes are scarce. In order to explore this link and build the evidence base for interventions that directly benefit pastoralist children's well-being, Save the Children USA, in partnership with the Feinstein International Center at Tufts University and Save the Children UK have created "Milk Matters." The project seeks to improve the nutritional status of pastoral children through increased access to an adequate supply of milk. Having completed the literature review and operational research under Phase I of the project, we plan under Phase II to test best-bet livelihood interventions for improving children's resilience to drought and malnutrition in pastoralist regions. Interventions will likely include veterinary packages that improve camel and goat health and nutrition, and livestock redistribution or restocking. Another key objective of the program is to contribute to national policy guidance on pastoralist nutrition. Save the Children anticipates that this program will not only improve conditions for pastoralists families in Ethiopia, but will also provide invaluable data to guide the design of effective pastoralist livelihoods interventions in other regions that face similar food security challenges.



Borena girl enjoys her daily dose of milk in the Oromiya region of Ethiopia. Photo by Save the Children USA Ethiopia.

Index-Based Weather Insurance

Drought is a significant problem for farmers in Mali who grow maize and other cereal crops. Farmers need access to capital in order to improve their use of productivity-increasing technologies such as improved seeds and fertilizers. But in addition to causing devastating crop failure, drought places small farmers at risk: unable to sell their harvest, they are also unable to repay loans. As a result, drought has made it difficult for lenders to provide working capital to farmers. Save the Children is exploring ways to reduce the risks to farmers' crops so that capital and technology can be used to promote economic growth for small farmers. We recently completed a six-month project that analyzed the core conditions for developing a weather insurance market in Mali to transfer risk in a cost-effective manner. While the research identified challenges in establishing a strong correlation between rainfall levels and crop yields, the findings leave open the possibility of relying on other index-related approaches to design insurance contracts for farmers. Save the Children plans to continue to investigate and test new products that can be used in rural communities in Mali and elsewhere to protect the assets of small farmers.