

# Starting up income-generating activities for livelihoods recovery



## What are income-generating activities?

Income-generating activities (IGAs) are something that you do to make money, for example starting a business to generate a profit. A livelihoods recovery programme can help community members to start up their own IGAs through providing business training, business grants and business mentoring.

## Why use IGAs to help recover from a disaster?

When a disaster first strikes, providing for basic needs such as food, water and clothing is the most urgent task. Once these basic needs are provided for, IGAs enable community members to rebuild their lives sustainably. If a community member starts a profitable business, their family can eat and their children can go to school even after Tearfund and Tearfund partners have left. The businesses can also provide the wider community with vital goods and services, save them from having to travel to access these, and allow income to circulate more times within the community instead of flowing out to buy goods outside the community.

## How to start up an income-generating livelihood programme

- **Step 1: Market assessment**

The first step is to complete a market assessment. Market assessments are vital to assess if livelihood interventions are appropriate to the context, which types of interventions would have the most impact and to make sure that the interventions will not do harm to existing market participants. The aim is to assess what the current gaps are in the market by speaking with community members, existing businesses and community leaders.

- **Step 2: Business trainee selection**

The next step is to decide who to invite to participate in the programme. The factors to consider are vulnerability, current capacity and business ideas. In the Iraq programme the team asked potential business trainees to submit an outline of the business they would like to start, how much funding they would be looking at to start it and the current needs of the applicants and their families. The Iraq team also used the market assessment information to make sure that the type of businesses being proposed would contribute positively to the market. With younger trainees, this business outline might occur during the training after selection. There is more advice on selection [here](#).

- **Step 3: Running project activities**

Elements of livelihoods programmes to support community members to start up businesses include training, cash grants and business coaching and mentoring. Providing skills and knowledge alongside grants helps to make a sustainable impact.

**Business training**

Starting with business training ensures that everyone who receives a grant has the basic skills and knowledge before receiving a cash grant. By the end of the training, participants should be able to write a detailed business plan and be familiar with topics including budgeting, marketing and bookkeeping.

**Cash grants**

Once business trainees have completed the training, they should submit a business plan and state how much money they are looking for to begin their business. Business plans and amounts that are approved can then be distributed. The Iraq team distributed the grants through using mobile money, which was a safe and efficient way to distribute the grants. There is more advice and guidance [here](#) and information about safely distributing cash during Covid-19 [here](#).

**Business coaching and mentoring**

The aim of the coaching and mentoring is to connect what was learnt in the training with real life. The trainees can identify particular topics that they are struggling with and want to grow in, and have dedicated support to work through these topics. This can be done through one-to-one support or by setting up peer mentor groups. In the Indonesia programme they selected participants who would benefit most from this additional input.

**Case study: Helema,\* Iraq**

Helema lived in a village near Mosul in Iraq. When IS took control she fled to Mosul and lost all of her possessions. After the conflict she returned home to an empty building. Her husband was injured and could not work. Prior to the conflict Helema was a seamstress. She applied to be part of the livelihoods programme and received training, a grant and mentoring. She used the grant to buy tools and equipment and began to make and sell clothes. It turned into a profitable business and allowed her to rebuild her livelihood and to support her family.

\*name has been changed

**Find out more:**

This short guidance document is based on learning from the Iraq and Indonesia livelihoods programmes. We have created a video and a podcast:

[Indonesia video](#), [Iraq podcast](#)

Contact [paola.castiat@tearfund.org](mailto:paola.castiat@tearfund.org) for support to begin your own income-generating project.