

Module 4: How Can We Bring Our Projects To Life?

Learning Objectives

In this module we'll explore financing options available for sustainable livelihood projects. You will map your community's financial assets, identify potential livelihood strategies that could evolve into initiatives, and compare different types of financing based on the scale and prerequisites of your project. This module is designed to provide tools needed to envision and kick-start feasible livelihood initiatives within your community, ensuring you understand the financial frameworks that can support your goals.

Identifying Financial Capital

Finances is a key component to livelihood initiatives and income generating activities, as shared by Norman Rodea:

"[F]inancial capital allows other capitals to be exchanged or appropriated. It represents access to monetary liquidity [how quickly you can access money], direct and indirect monetary income in the community, as well as the opportunities for financing and credit opportunities available to the community. It responds to the following questions:

- *What is the individual, family, and community monetary income in the community?*
- *What are the employment opportunities in the community?*
- *What are the capitalization, financing and/or credit opportunities available in the community?*
- *What governmental programs support financial, environmental, cultural or social processes?*
- *What private organizations are interested in collaborating or already support financial, environmental, cultural or social processes?*

- *What financial tools and platforms are available – bank apps, card machines, crowdfunding?*

Planning and Strategizing

When planning your initiative, you'll need to think through the context, scale, and specific financial needs of your initiative to make a plan for financing the process. Some important things to consider:

- Design your strategy and create an action plan that prioritizes actions with the lowest cost and the highest benefit, taking into consideration short term and long term goals.
- Design and test a small-scale prototype first –this allows you to refine your approach before committing significant resources to a fully developed strategy.
- Co-design and work with others to improve and receive feedback on your ideas, at each stage of design and implementation.
- Study businesses with similar products in your context as benchmarks to analyze the market.
- Assess the financial capital at your disposal and prioritize investments according to the actions you have planned. For instance, determine whether it's more strategic to invest in purchasing specialized tools or machinery, or testing your prototype, or expanding your operations.

Possible financial capital options for accessing seed money:

- **Community-based financial resources:**

Community Savings Groups: "This is an effective method for saving a small amount of money by organizing or joining a saving group of up to 25 people. These people might be colleagues, friends or neighbors coming from the same community...Community savings groups are associations where people agree to

save a certain amount periodically and deposit their savings into a shared account. Some groups offer small loans, too. They're popular all over the world, from West African Sou-sous to Mexican Tandas to Vietnamese Huis.

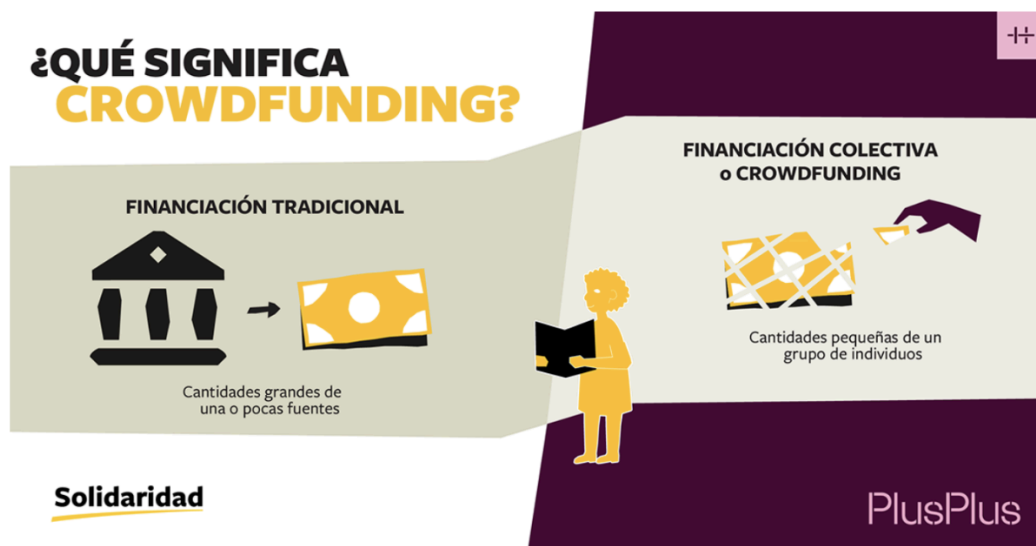
More information here: [What Are Community Savings Groups And How Do They Work?](#)

Crowdfunding – through online platforms: “Collect a large amount of funds from individuals through online platforms. It is an innovative way of obtaining financing, since it means that instead of coming from one or more financial entities, the funds are pooled from a group of people interested in financing a new project, business, idea or cause.” – [Solidaridad](#)

Examples:

KIVA: [Where does Kiva work?](#)

Lend a Hand (formally Plus Plus): [Companies Available for Crowdfunding and Impact Crowdfunding](#) (website in English, Spanish, French)



- **Impact investment funds through NGOs**

Example: RRI: Community Land Rights and Conservation Finance Initiative (CLARIFI)

“CLARIFI complements the existing ecosystem of financial mechanisms for investing in community rights, livelihoods, and conservation, including those that were instigated by RRI (the [Tenure Facility](#) and the [Strategic Response Mechanism](#)) as well as national and regional-level funds being created by Indigenous and community rights holders’ organizations.”

[Website: What is CLARIFI?](#) [available in English, French, Spanish]

- **Government programs**

This largely depends on the government of each country and programs that may exist on a national level and local level. Some examples may include:

- Payment for Environmental Services
- Loans or grants for rural businesses or agriculture

- **Financial services from banking institutions**

National or banks or microfinancing services that may offer the following services:

- Business Loans
- Financial Advice
- Investment services
- Checking and Savings Account
- Credit Cards


- **Private partnerships**

A direct business opportunity to provide products and/or services that a private business can incorporate in their value chain. These types of business partnerships can be regional, national or international, and may vary in size and scale.

Case Study: India Handmade Collective

"We formed India HandMade Collective, to unify and bring all these artisans onto a common platform. By doing this we are able to introduce products that are genuine Handloom, from different parts of the country to the conscious customer. We also intend to educate the consumer about our rich heritage of handlooms and anything handcrafted. Currently, we represent a few set of member organisations, working with around 2500 rural artisans showcasing their products and we hope that with active patronage, these numbers can be increased multifold.

Our aim of this initiative is to help encourage the indigenous weavers, spinners and ethical small textile producers to continue their work in this space and make their ends meet sustainably, by giving their business a boost through this common platform. To expand the market for handmade clothing and creating awareness amongst consumers about the situation of the grassroots stakeholders. We are looking to contribute in some way to bring balance to our natural ecosystem that maintains the quality of life in a sustainable and holistic way through good clothing habits with minimum creation of wastage."

 Read more about weaving livelihood in India, the platform that brings weavers together and helps them upscale, and the slow fashion business social enterprise model here: https://indiahandmadecollective.com/who_we_are.php

Homework

Activities to complete after the fourth live session.

Group Homework (90 to 120 minutes)

A mapping exercise to identify financial assets available in your country and internationally. And prepare a presentation on an initial strategy to share with a group of participants the following week, based on the human, social, natural, infrastructure, and financial assets you have previously mapped.

