



# ECONOMIC AND COMMUNITY DEVELOPMENT PROJECT STRATEGIES

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# INTRODUCTION TO ECONOMIC AND COMMUNITY DEVELOPMENT

Economic and community development is one of Rotary's six areas of focus.

Unemployment, underemployment, lack of economic opportunity, lack of appropriate training, and the absence of social safety nets lie at the core of poverty. For the poor, labor is often the only asset available to improve well-being. Creating productive employment opportunities is essential for reducing poverty and achieving sustainable economic and social development, and for providing income security and empowerment especially for women, people with disabilities, youth, and the extremely poor.<sup>1</sup>

Like education and health strategies, generating income and creating opportunities for a productive workforce and entrepreneurship are essential for reducing poverty. Consider these facts:

- ➞ Every 1% increase in agricultural income per capita reduces the number of people living in extreme poverty by between 0.6% and 1.8%.<sup>2</sup>
- ➞ Studies find strong evidence that access to microcredit leads to reduced vulnerability, in the sense of a lower threat of fluctuations in income or consumption.<sup>3</sup>
- ➞ In Nigeria, studies show that a mere 1% investment in human resources such as education and training will lead to a more than 66% decrease in poverty.<sup>4</sup>
- ➞ Women in low value-added sectors lack skills to access other higher value-added sectors. As shown in countries such as Singapore, Taiwan, and Malaysia, an increase in vocational training is a precondition for countries to make the transition from low to high value-added production.<sup>5</sup>

Tremendous progress has been made to reduce global poverty. According to the World Bank, 1.92 million people lived on less than \$1.25 a day in 1990 compared to only 1 million in 2011. In 2015, several Millennium Development Goal targets were met. While substantial progress was made in many areas, pressing global needs still remain. With the adoption of the Sustainable Development Goals, an updated development agenda outlines remaining concerns:

- ➞ Almost 202 million people were unemployed in 2013,<sup>6</sup> 74.5 million of whom were young people, ages 15-24.<sup>7</sup>
- ➞ Agriculture is the main source of income and employment for the 70% of the world's poor who live in rural areas.<sup>8</sup>
- ➞ The gender gap in employment persists, with a 24.8 percentage point difference between men and women in the employment-to-population ratio in 2012.<sup>9</sup>

Rotary clubs all over the world work with communities to enhance economic and community development. **Every community has different needs and different opportunities to serve.** This publication is intended to help you ask the right questions, identify real needs, and make the greatest possible impact with the time, energy, and resources you have at your disposal.

# ASSESSING THE COMMUNITY

Determining your community's needs and resources is an important starting point for any community project. Community assessments identify the community's strengths and weaknesses and how Rotarians will be able to work with the community to meet its needs. It is vital to conduct a community assessment, often in conjunction with a cooperating organization, before starting your project. Remember to consider the historical, cultural, and social dynamics of the community with which you wish to partner.

Work with local stakeholders to complete a thorough community assessment. By including the community and local subject matter experts from the start, you'll not only identify the core needs and select the most appropriate project, but will also ensure support and sustainability for your endeavors. Refer to **Community Assessment Tools** for ideas on conducting community assessments.

Avoid going into a community with ideas of what's needed. It's easy to look around and decide what you think a community needs, especially if you live in it or near it. Instead, listen to a variety of community members and hear their community's strengths, needs, and concerns directly. You want to identify activities that respond to felt needs and generate a high level of enthusiasm from community members so that participation and ownership is ensured.

When conducting an assessment, ask open-ended questions to invite answers beyond yes and no. Focus on identifying assets as well as determining challenges and needs. The community assessment should employ some or all of the following methods:

- ➞ Form focus groups of community stakeholders (business professionals, unemployed residents, women, youth, leaders) to identify their strengths and needs.
- ➞ Allow community members to identify the needs they perceive as most critical.
- ➞ Ask each focus group to prioritize their strengths and needs.

- ➞ Host a community meeting to discuss identified strengths and challenges. Have an open discussion about how community members can help address local needs using the strengths they have identified.
- ➞ Gather perspectives from a broad cross-section of the community.
- ➞ Collaborate with community members to identify long-term goals and anticipated project outcomes.
- ➞ Talk with government and official administrations to explore partnership opportunities.
- ➞ Identify existing organizations who may be viable project partners (corporations, nongovernmental organizations, etc.).

Focus on skill-building with the community rather than just discussing needed materials or items of infrastructure. For example, when speaking to community leaders, women, men, and youth, ask questions that focus on identifying broader solutions related to the community. Prioritizing identified needs and collaboratively proposing solutions should help in designing better and more sustainable projects.

Finally, take stock of the community's assets. Communities are often able to meet their own needs. Sometimes all it takes is facilitating a discussion or bringing together different stakeholders to start identifying strengths and addressing concerns. When meeting with a group or one-on-one, ask them to identify community members with a specific skill set or other organizations that are working to address the challenges they've identified. Knowing this can help you avoid duplicating efforts and allow you to focus on the issues they wouldn't be able to address without your help.

High-impact projects begin with a community assessment with active involvement and commitment from community members. Proactive community involvement facilitates accountability, ownership, and clear expectations resulting in long-lasting impact.



# RESPONDING TO COMMUNITY NEEDS

Your community assessment may indicate that the community has prioritized other needs ahead of those related to economic and community development. If that's the case, your efforts were not wasted — in fact, you may have saved a great deal of time, energy, and resources that might have been used on a project that wasn't needed in the first place. And perhaps your assessment revealed some other needs that you can focus on.

If your assessment did reveal economic and community development needs, they likely fall into one or more of the following categories:

- Youth unemployment
- Obstacles to entrepreneurship
- Barriers to agricultural opportunities/livelihood
- Lack of resources to address extreme poverty

We'll examine each of these broad areas of need and provide sustainable strategies and case studies to consider as you develop an intervention plan.

## YOUTH UNEMPLOYMENT

Globally, more than 74.5 million young people (ages 15-24) were unemployed in 2013.<sup>10</sup> Equipping people with skills improves their employment options.

Skills and leadership development is an important component of youth employment and poverty reduction. Youth leadership development can contribute to lifting individuals out of poverty by improving access to work, increasing productivity, and fostering sustainable economic growth. However, ensuring that skills development opportunities are accessible to the underserved communities and translated into livelihood improvements remains challenging. Expertise and leadership development are important in reducing poverty and creating a more productive workforce.

➞ How can we match new skills with employment (internship/apprenticeship, mentoring)?

➞ Avoid teaching skills that aren't needed by the job market.

Graduate-level scholarships funded by global grants may be available to career-minded professionals. See the [Areas of Focus Policy Statements](#) for more information.

### **+** STRATEGY: PROVIDE SKILLS/ LEADERSHIP TRAINING AND JOB NETWORK TO YOUTH

#### **? THINGS TO CONSIDER BEFORE PLANNING A PROJECT**

- ➞ What is the local labor market? Are jobs available?
- ➞ Which educational resources are available locally?
- ➞ What skills do job seekers need to be competitive?
- ➞ Are local Rotary and Rotaract members able to mentor program participants?

Skills development can occur in formal, informal, and on-the-job settings. These trainings should help individuals become fully and productively engaged in employment opportunities or job creation. The trainings should reflect the changing demands and opportunities of the community's economy and labor market. If trainings are being hosted for the purpose of creating jobs, the skills development program should be designed with a local network (apprenticeship, internship, mentoring, etc.) to support the training.<sup>11</sup> During the assessment process, involve major stakeholders when identifying how to overcome traditional and cultural barriers and lack of access to program participation. Trainings should align with trainees' interests, needs, and expectations. They should be flexible and accommodate the community's

settings. Training implementation and materials should be in local languages. Using local experts is as important as involving marginalized community members (disabled people, ultra poor, female heads of household, etc.). Private-sector stakeholders should be involved in developing and conducting skills training programs to ensure trainings are relevant and develop mentorship relationships between the trainers and trainees.<sup>12</sup>

If the skills training involves new equipment, materials, or tools, budget for operation and maintenance costs during the design phase. Establishing a modest fee structure can provide feedback about the value the community places on specific training programs. Girls should be encouraged to participate in discussions about traditionally male-dominated trades, and vice versa.

## CASE STUDY:

# SKILLS DEVELOPMENT AND MICROCREDIT PROJECT, ECUADOR

The Rotary Clubs of Quito Occidente, Ecuador, and Marin Evening, California, USA, along with 64 clubs from seven districts, together raised money, built partnerships, and mobilized local community members to invest in skills training in Esmeraldas, Ecuador. Using the Grameen Cooperative model of village microfinancing and partnering with FUDECE, an Ecuadorian microfinance institution, poor women receive small loans and vocational training so they can start or expand businesses. **This project** empowers women to create self-sufficient families and reduce the cycle of poverty.

Community members awarded microcredits participated in a training needs survey to help identify the specific training needed by the Credit Group participants. A request to create a local training center was identified. Establishing the center became part of the solution to provide a variety of training opportunities that meet the multiple needs of the community.

The cooperating organizations are pivotal to the success of this project. FUDECE and the Grameen Cooperative helped organize the project, provide general supervision of the loan program, and monitor and produce progress reports. FUDECE also manages the training center that was established through this project, including organizing and contracting training organizations to provide classes at the center.

More than 250 microloans have been awarded. The training center provides business management and vocational training, and more than 270 community members have been trained in sewing, baking, plumbing, microcredit, business management, and leadership.



A microloan recipient shows off one of the items she made in her sewing shop.

# OBSTACLES TO ENTREPRENEURSHIP

Nearly 3 billion people living in poverty lack access to resources needed to start a microbusiness and establish themselves as entrepreneurs. Through microloans, millions of struggling individuals with no credit history, collateral, or steady income can get access to basic financial services.<sup>13</sup> These small, low-interest loans provide seed money to start, sustain, or expand an income-generating business venture. Providing basic financial services helps empower people to become economically self-reliant and has proven successful in breaking down the poverty cycles in rural and urban areas. Successful entrepreneurship projects should be a result of community assessments that identify a need for greater business opportunities.

## ? THINGS TO CONSIDER BEFORE PLANNING A PROJECT

- ➞ Identify high-potential entrepreneurs. Create a plan with the community to identify people interested in starting or expanding business ventures.
- ➞ Select a microcredit partner that focuses on skill building, poverty alleviation, and reaching social impact measurements.
- ➞ Address major challenges — technological, financial, or cultural — that the community identifies.
- ➞ Build appropriate networking systems. Will community members gain the greatest value from peer-to-peer learning or mentoring from experienced and successful local business professionals? Consider several options and ask for community input.
- ➞ Select a training approach. Which types of businesses are most needed and would be most successful? What skills do people need to operate these businesses? Has training been done in the past? What worked and didn't work?
- ➞ Consider time and resource commitment. Microcredit projects are complex and generally span multiple years because of risks associated with loaning money and collecting repayments. It's a good idea to work with a trusted cooperating organization to serve as the microfinance institution to ensure project sustainability and accountability.

Can existing local partners assist with loan programs or financial education? Potential partners can include a trusted financial organization such as a bank or existing microlenders, a women's task force that already has strong relationships within the community, or a governmental or nongovernmental organization that offers free courses on financial literacy and financial planning.

## ? APPROACHES TO MICROLOANS

- ➞ GROUP LENDING: Individual borrowers are encouraged to form a group and take responsibility for each other's loans. The sense of community adds incentives to help guarantee repayment.
- ➞ INDIVIDUAL LENDING: These loans are normally bigger and are made to individuals without a collective guarantee and on more flexible terms.

## + STRATEGY: PROVIDE MICROLOANS AND FINANCIAL LITERACY TRAINING TO WOMEN ENTREPRENEURS

Women perform 66% of the world's work and produce 50% of the food, but earn only 10% of the income and own 1% to 2% of the property.<sup>14</sup> Globally, women invest their earnings into their families at a staggering rate of 80%, double the rate of male wage earners.<sup>15</sup> Microloan programs can be beneficial, especially for women, in both rural and urban communities. Entrepreneurs in rural communities may borrow money for cattle acquisition or fattening, dairy farming, agricultural cultivation, bamboo making, weaving, setting up small retail shops in their homes, and so on. Entrepreneurs in urban areas use microloans, for example, to become street vendors, rickshaw drivers, or tailors.

Add the microcredit supplement when applying for a global grant for an entrepreneurship program with microcredit components. If you plan to use Rotary grant funds for loan capital, you're strongly encouraged to contract with a microfinance institution as the permanent lending infrastructure in the community.

## Organizers of good microloan programs:

- Recruit high-potential women entrepreneurs, which may involve partnering with local women-focused organizations, coalitions, and committees
- Provide funding recipients with consulting, training, and education services to build their financial literacy and math skills and help them design business plans
- Mentor throughout the business process to advise on a specific area of expertise, or in areas such as long-term saving or promoting a new business or service

- Invest to provide seed funding with a reasonable interest rate and repayment plan as a catalyst for success
- Encourage saving as an initial personal microcredit system

**SUSTAINABILITY TIP:** Reinforce the value of mentorship and encourage those successful in the program to become mentors to other entrepreneurs.

### CASE STUDY:

## MICROLOANS EMPOWERING RURAL WOMEN IN GUATEMALA

Most of the women living in rural Guatemala do not have collateral to get loans from regulated financial institutions. To address this issue with the help of a Rotary grant, the Rotary Club of Guatemala de la Ermita partnered with the Instituto de Enseñanza para el Desarrollo Sostenible (School of Sustainable Development), or IEPADES, to empower local women through financial literacy courses and basic business classes. About 400 women, organized into 22 groups, received financial literacy training. They have become self-funders of their own microloans, with group members pooling their savings to distribute loans to one another, providing seed funding for profitable businesses.

Working with the Rotary Club of Oakland, California, USA, and IEPADES, the Guatemalan club used a Rotary grant to train some of the women to become financial trainers within their communities. They teach participants basic math and financial literacy, which creates a pool of money to invest in other women's businesses and empowers women to save money and become self-sufficient entrepreneurs by starting their own businesses. The program also creates a network for women, by women, to help break the cycles of poverty.



As the groups expand and their pool of funds increases, they become resources for further community development activities, including networking, teaching mathematics and financial literacy to community residents, and advising on new business development.



# BARRIERS TO AGRICULTURAL OPPORTUNITIES/LIVELIHOOD

In 2013, an estimated 842 million people worldwide suffered from chronic hunger and 98% of them lived in developing regions.<sup>16</sup> By the middle of this century, about 70% of the world's population will live in urban areas (compared to 49% today).<sup>17</sup> Income levels will also increase. In order to respond to the expected demand of this larger, more urban, and generally wealthier population, food production must increase by about 70%.<sup>18</sup> Identifying local barriers and assets, along with appropriate intervention plans, can help communities sustain and accelerate agricultural growth.

## THINGS TO CONSIDER BEFORE PLANNING A PROJECT

Successful agricultural projects result from thorough community assessments and lead to increased and more secure income from agriculture. Community involvement is crucial for sustainable change. Concerted efforts to change the behavior of large numbers of farmers can be essential. If the project creates demonstration plots and a targeted train-the-trainer program, then clear implementation and monitoring plans should be designed.

Ways to achieve and sustain these results include:

- ➞ Increased agricultural investment
- ➞ Increased capabilities in water collection and irrigation
- ➞ Establishment or expansion of cooperative activities
- ➞ Using more effective inputs such as seed varieties, fertilizers, etc.
- ➞ Adoption of new technology and cultivation methods
- ➞ Lower input prices
- ➞ Higher output prices
- ➞ Establishing production systems that reduce risk
- ➞ Improvement of storage containers to safeguard agricultural products

Barrier	Possible interventions
Lack of financial capital	<ul style="list-style-type: none"> <li>• Microloans, savings, local and farmer-owned banks</li> </ul>
Unskilled labor	<ul style="list-style-type: none"> <li>• Skills training (using farming tools/equipment, alternative seeds, fertilizers, or organic fertilizers)</li> </ul>
Outdated practices	<ul style="list-style-type: none"> <li>• Training on new and more productive practices and materials, equipment, and tools</li> <li>• Demonstration plots with modern farming resources</li> </ul>

Barrier	Possible interventions
Land shortage/degradation	<ul style="list-style-type: none"> <li>• Form associations and cooperatives</li> <li>• Improve productivity</li> <li>• Cultivate crops with higher market value</li> <li>• Improve farming practices</li> <li>• Diversify activities (e.g., raising animals, increasing nonfarming activities)</li> </ul>
Lack of access to markets	<ul style="list-style-type: none"> <li>• Build partnerships with neighboring farmers to sell greater quantities to larger markets</li> <li>• Build associations and cooperatives</li> <li>• Preserve and process harvested products for later use</li> <li>• Utilize innovative storage for agricultural products</li> </ul>
Water shortage	<ul style="list-style-type: none"> <li>• Create more efficient water use</li> <li>• Improve water catchment</li> <li>• Supply new water storage facilities</li> <li>• Irrigate from boreholes and wells</li> </ul>
Limited market knowledge	<ul style="list-style-type: none"> <li>• Conduct local feasibility studies, market alternatives, and local opportunity trainings</li> </ul>

Greater long-term sustainability will be achieved by involving all stakeholders and using a combination of the appropriate interventions.

Whatever the solutions may be, avoid stand-alone equipment or infrastructure proposals, or equipment that can't be purchased or repaired locally. Local capacity development and community involvement in the project design, implementation, and evaluation are key to sustainably increasing farmers' incomes.

## CASE STUDY:

# IMPROVING SUSTAINABLE CROP FARMING PRACTICES, CAMEROON

In west Cameroon, high soil erosion and loss of soil fertility have significantly reduced farmers' harvest and their annual incomes. With Rotary grant funding, the Rotary Club of Bafoussam and clubs in Rotary District 7080 (Canada), in partnership with the Sustainable Livestock Foundation, set a goal to increase the net returns of family peasant farmers, especially women and young men. The project took place in Koung-Khi, Menoua, and Mifi in the West Region of Cameroon and focused on improved organic farming practices including:

- Increased soil fertility through the application of poultry manure
- Soil erosion control
- Increased crop yields through the use of improved seed varieties
- Increased earned income through improved marketing of farm produce

After paying a nominal training registration fee, interested farmer trainees were organized in groups of 25. With the help of an agricultural technician, each group learned strategies for improving their crop yield by 30%. Program participants agreed to pay 30% of the cost of farming materials used during the training.

During the second phase of the project, farmers will use peer-to-peer learning in their groups after receiving improved seeds.



Bandjoun residents participate in an agricultural training workshop.

# LACK OF RESOURCES TO ADDRESS EXTREME POVERTY

Extreme global poverty has decreased considerably in the past three decades. In 1981, more than half of the people in the developing world lived on less than \$1.25 a day. This rate dropped dramatically to 21% in 2010. But 1.2 billion people still live in extreme poverty. To help end extreme poverty by 2030, Rotarians need to identify the poor and empower them to make meaningful change and promote their own priorities.<sup>19</sup> Adopt-a-village projects address extreme poverty holistically in communities that lack the resources to meet basic human needs. With active involvement from the community, these projects invest in the leadership skills of community members in one location to implement a multifaceted but coordinated strategy in that community. The ultimate project goal is to increase self-sufficiency of individuals and families and help them revitalize their community by alleviating extreme poverty.

A **Rotary Community Corps** is a group of local activists who are sponsored by a local Rotary club and organized into an action committee as partners in service. Forming an RCC helps partnering clubs have a clear link with the community and provides access to information about the community, challenges, successes, and monitoring and evaluation.

## ? THINGS TO CONSIDER BEFORE PLANNING A PROJECT

An adopt-a-village project can be successful when community members participate in the process and together decide on the final proposal. Before that, clear local or national data should show a lack of opportunity, basic infrastructure, or leadership in the community.

Adopt-a-village projects are for extremely poor and remote communities that have limited opportunities for human capacity building and that lack access to information, basic education, water, and sanitation. Adopt-a-village models aren't meant to be replicated for other communities. The primary project goal is to empower a specific community to become self-sufficient over a well-defined period of time.

## + STRATEGY: ADOPT-A-VILLAGE

After the needs have been identified, the community assets and project outcomes should be openly discussed and activities prioritized. Each adopt-a-village project has to be unique to its community, with the expected results debated in a community assembly.

Adopt-a-village projects are:

- Holistic approaches to complex problems such as extreme poverty, with all activities coming together with no single solution
- Initiatives where all project components take place in the same locality/village
- A community-led process from the design to the evaluation phase
- Collaborative with local government leaders and partner institutions
- Led by local leaders who are chosen by the community to be trained to support the project
- Designed based on the community's needs and priorities
- Chances to connect different sectors of the community to develop focused and innovative ideas

In adopt-a-village projects, the community assumes pivotal roles during the planning, implementation, monitoring, and evaluation stages. Community members are encouraged to review project goals, results, future expectations, and a sustainability plan at least once a year.

A successful adopt-a-village initiative will result in a community-created plan to continue local development and improve lives beyond the project.



## CASE STUDY:

# ADOPT-A-VILLAGE CAMBODIA SUSTAINABILITY PROJECT

In Cambodia, the Rotary Club of Phnom Penh is partnering with Rotary District 9800 (Australia) on an adopt-a-village project in Bosalla and Kroa Boa in Kampong Speu. The global grant project has been designed as a response to community assessment that showed 800 community members starving and dying from cholera and typhoid fever due to lack of clean water, sanitation, food, medicine, and education. The project aims to expand Rotarians' efforts by training teachers and providing school resources, providing safe water and sanitation hygiene education, initiating mushroom and pig farming, and starting a silk weaving venture, leading to economic sustainability.



Community leaders meet to discuss blue prints for a new pig farming enclosure.

# ROTARY RESOURCES

Find information on these resources at [www.rotary.org](http://www.rotary.org).

## **Cadre of Technical Advisers**

A group of volunteer Rotarians who provide technical expertise and advice to Rotary members planning and carrying out Rotary grant projects.

## **Lifecycle of a Project resources**

Find best practices on how to select a project, find resources, work with partners, implement, measure and evaluate activities, and more.

## **Rotarian Action Groups ([www.rotary.org/actiongroups](http://www.rotary.org/actiongroups))**

Autonomous groups of Rotary members and others who are experts in a particular field, such as water and sanitation, and share their expertise by collaborating with clubs and districts on projects.

## **Rotary Community Corps ([www.rotary.org/rcc](http://www.rotary.org/rcc))**

Groups of non-Rotarians who share our commitment to service by planning and carrying out projects in their communities and support local Rotary club projects.

## **Rotary Grants ([www.rotary.org/grants](http://www.rotary.org/grants))**

Funds awarded by The Rotary Foundation to Rotary clubs and districts that support a wide variety of humanitarian projects, scholarships, and training.

District grants fund small-scale, short-term activities. Global grants support large international activities within Rotary's areas of focus with sustainable, measurable outcomes.

## **Rotary Ideas ([ideas.rotary.org](http://ideas.rotary.org))**

Rotary's crowdsourcing tool, where clubs can share their project plans, find partners, and request volunteers, funding, and materials to support their projects. Visitors can browse projects in need of assistance, connect with project organizers, and make contributions.

## **Rotary Showcase ([www.rotary.org/showcase](http://www.rotary.org/showcase))**

Rotary's online social networking tool that enables clubs to share their projects and exchange ideas with people around the world.

## **Vocational training teams**

Groups of professionals who travel to another country to teach local professionals about a particular field or to learn more about their own.

# RECOMMENDED READING

Download these publications at [www.rotary.org](http://www.rotary.org).

## **Rotary's Areas of Focus Guide**

An overview of Rotary's six areas of focus with project examples

## **Community Assessment Tools**

A compilation of eight tools to help Rotary clubs conduct community assessments

## **Six Steps to Sustainability**

A quick overview of planning sustainable projects

## **Manage Your Global Grant**

A guide for carrying out a global grant project from start to finish

# GLOSSARY

## **Adopt-a-village**

A participatory strategy in which members of extremely impoverished communities take a holistic approach to break the cycle of poverty. Characterized by an overarching approach to invest in the leadership skills of community members in one location to implement a multifaceted and coordinated strategy in the community. It can also address water, sanitation, hygiene, health, education, women's empowerment, and other issues.

## **Community assessment**

The process of examining a community's strengths, weaknesses, assets, gaps, and needs to determine which issues should be addressed, existing resources to address identified gaps, and the best course of action to address identified needs.

## **Community meeting**

An informal public gathering that brings together members of the community to discuss issues, voice concerns, and express preferences for community priorities. Also called a town hall or public forum.

## **Cooperating organization**

Any reputable organization or academic institution that provides expertise, infrastructure, advocacy, training, education, or other support for a humanitarian initiative.

## **Cooperative**

An autonomous association of people who voluntarily work together for their mutual interest.

## **Default**

Failure to meet the legal obligations (or conditions) of a loan.

## **Demonstration plot**

A section of land used to demonstrate the value and importance of new or improved varieties of crops, soil management, and soil and climate adaptability to certain crops. It is primarily used for experimentation and training.

## **Extreme poverty**

Severe deprivation of basic human needs including food, safe drinking water, sanitation facilities, health, shelter, education, and information.

## **Financial collateral**

Specific property, such as a home, cattle, equipment, or agricultural products, to secure repayment of a loan, which serves as protection for a lender against a borrower's default.

## **Focus group**

A structured discussion with preselected individuals to collect information or gauge opinion on a specific issue or idea. In economic and community development work, focus groups provide a deliberative venue for learning, trust-building, and creative problem solving, and ultimately serve as a way for community members to influence strategic community planning and development.

## **Microfinance institution (MFI)**

A financial organization, such as a small nonprofit organization or larger for-profit company, whose services include loans, savings, insurance, and remittances, and target low-income clients, particularly women. For microcredit projects, Rotarians should vet local and reputable MFIs before signing a memorandum of understanding.

## **Microloan**

A small amount of money loaned to an individual or a group for starting a business.

## **Nongovernmental organization (NGO)**

A not-for-profit group, principally independent from government, that is organized on a local, national, or international level and addresses humanitarian service, and other issues in support of the common good.

## **Safety net**

A social and economic program that helps mitigate poverty or inequality. Commonly, safety nets are social protection systems, provided by a government or nonprofit organization, such as the transfer of cash or provision of vouchers, food, or other goods that reduce individuals' need to sell vital assets when a disaster strikes.

## **Scaling up**

The process of enhancing the coverage, impact, and sustainability of a project.

## **Sustainability**

The ability to operate a project or program on its own without support from Rotary. Sustainability is often used as a measure of a project's long-term effectiveness.

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