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Addis Ababa, Ethiopia

The Impact of Global Fund on Livelihood of People Leaving with HIV/AIDS (PLWHA) Association members: the case of Robe, Gobba town and Dello district, in Bale Zone, Oromia Region.

**PROJECT WORK SUBMITTED TO THE INDIRA GANDHI
NATIONAL OPEN UNIVERSITY IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
MASTERS OF ARTS IN ECONOMICS.**

I hereby declare that this work has been done by me and has not been submitted elsewhere.

Name : Abdulbasit Muhammed Abdo

Signature _____

Address: wajitu@yahoo.com

Year: 2013

CERTIFICATE

Certified that the project work entitled **The Impact of Global Fund on Livelihood of People Leaving with HIV/AIDS (PLHA) Association members: the case of Robe, Gobba town and Dello district, in Bale Zone, Oromia Region**, submitted by **Abdulbasit Muhammed Abdo** is his own work and has been done/redone in the light of evaluator's comments under any supervision.

Name: Bekabil Fufa (Ph.D)

Designation: Assistant Professor

Signature _____

Address: Addis Ababa, Ethiopia

E-mail: bekabilf@ gmail.com

Study Centre:- St. Mary's University College

Addis Ababa, Ethiopia

Regional Centre _____

Date _____

DEDICATION

I dedicate this thesis manuscript to my mother **Fakiya Ahmed** and my father **Muhammed Abdo** for nursing me with affection and love and for their dedicated partnership in the success of my life.

ACRONYMS AND ABRIVATIONS

DAC	Development Assistance Committee
ODI	Overseas Development Institute
OECD	Organization for Economic Co-operation and Development
MTCT	Mother to child transmission
DFID	Department for International Development
ONRS	Oromia National Regional States
CSA	Central Statistical Authority
Sq K.M	Square Kilometers
PLWHA	People Leaving with HIV/AIDS
HIV	Human Immune Virus
AIDS	Acquired Immune Deficiency Syndrome
OVC	Orphans Vulnerable Children
AWF	African Wildlife Framework model
BOFED	Bureau of Finance and Development Economic
HP	Health Professional
HF	Health Facility
Birr	Ethiopian Currency

BIOGRAPHICAL SKETCH

The author was born in 1980 at Wolta'i Ceffa rural kebele, Goro District, Bale Zone of Oromia National Regional State. He attended his elementary and secondary school education at Wolta'i Mana elementary and Goro junior and senior secondary schools.

After successfully passed the Ethiopian School Leaving Certificate Examination, he joined the then Jimma University in 2003 academic year and graduated with B.A. Degree in Accounting in 2007.

The author has 6 years of progressive working experience both in Government and Non-Government Organizations. He joined the School of Graduate Studies of Indra Gandhi National Open University in the 2009 academic year as a graduate student for the Degree of Master of Arts in Economics.

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ABSTRACT

A clear understanding of the Impacts of the Global Fund Grant helps policy makers and planners formulate new policies that mitigate the social and economic burden HIV AIDS. This study investigated the impact of Global Fund on livelihood of people living with HIV/AIDS association members in Robe and Gobba Towns, and Dello Wereda in Bale Zone, Oromia Region. A two-stage sampling: stratified sampling and systematic random sampling techniques was used to randomly select representative from each three PLWHA associations' in Gobba, Robe and Dello Mena towns and 160 Association members were selected as sample respondents.

To analyze the data, descriptive statistics like mean, standard deviation, percentage, and frequency distribution were used to describe the socio economic characteristics of the sample respondents. In addition, t-tests were used to compare average annual income earned before and after Global Fund grant of sample respondents. The descriptive results revealed that, the average annual income of respondents before Global Fund program support is 3,352.52 birr (184USD) while 5,196.21birr(285USD) after the program intervention

A binary logit model was used to identify the variables contribute to the livelihood level (income) of the Gobal Fund assisted PLWHA association members. A total of six explanatory continuous variables, were included in the empirical model. Out of these five of them were found to be statistically significant. The livelihood status (Income) of Global Fund Beneficiaries was taken as a dependent variable, and the explanatory variables were: Education and Skill level (EDUC) (x_1), Expenditure on food, health and education (EXPFHE), (x_2), Age of the beneficiary (AGE), (x_3), Beneficiary Family Size (FAMSIZE), (x_4), and Expenditure on Income Generating Activities (EXPIGA), (x_5) of sample respondents found to be significantly affect the livelihood(income) of beneficiaries, provided that the goodness of fit in logistic regression analysis is measured by count R2 was 96.87% which is greater than 50%. The sensitivity, correctly predicted beneficiaries not their livelihood improved is 94.1 percent and that of

specificity, correctly predicted beneficiaries their livelihood improved after the program intervention is 98.2 percent.

Thus, identifying, analyzing, and understanding those elements that are responsible for the Global Fund program beneficiaries livelihood level in places like Gobba, Robe and Dello Mena towns needs urgent research undertakings and the results are believed to be imperative to guide policy decisions, appropriate interventions and integrated efforts to combat HIV/AIDS burden at the towns and PLWHA members.

CHAPTER ONE: INTRODUCTION

1.1. Background

1.1.1. Economic Implications of HIV/AIDS: A Crisis in Development

HIV/AIDS has changed from a 'health issue to a development crisis' argues the Secretary-General of UNAIDS (the joint United Nations program on HIV/AIDS) (UNAIDS, 1999). The ability of sub-Saharan African states to increase economic activity and social well-being is threatened. Economic development requires a strong working-age population for agriculture, education, industrial work and other sectors of economic activity. The scale of HIV/AIDS infection in sub-Saharan Africa has economic implications at the levels of households, national budgets, and businesses (UNAIDS, 2000)

At the household level the effects of HIV infection are obvious: the cost of medical care and related areas will increase while the ability for a family to earn income or undertake productive and domestic work is decreased: if the infected person is an adult, then the production and income of the household will be reduced. According to Institute of Behavioral Science on social and economic impact of HIV/AIDS in Sub-Saharan Africa reduction in agricultural production experienced by households in Zimbabwe resulting from the loss of one adult to AIDS (Kwaramba,1997).

The loss of adults in the family has dramatic implications for family well-being. In addition, the growing prevalence of women infected by HIV/AIDS has repercussions for future generations. Women in sub-Saharan Africa frequently are responsible for large portions of household-level subsistence farming and care-taking.

When a rural woman falls ill from HIV, all of the duties that she usually handles may fall upon the younger female children of the family. This often means that girls will not be able to attend school. Childcare, nutrition, tending the sick, and education all suffer when AIDS cuts down an adult in the family. There are also issues affecting children, such as mother-to-child transmission (MTCT), infection of young adults and orphans. A disease-stricken population

of infants and youth casts a gloomy shadow over future economic and social development of a nation.

In addition to the reduction of household food production in these largely agrarian societies, the private sector's ability to compete with large numbers of sick workers has been drastically reduced. The epidemic may affect national economies through the illness and death of producers and the diversion of resources from private and state budgets (and eventually, investment) to care. According to Simon and Rosen (2003) costs to the business sector include:

- * Absenteeism: that workers /students absenteeism for patient caregivers, treatment and funerals is so commonplace and regular now as to be expected and loss its productive time and thereby loss income and to acquire expected skill and knowledge.
- * Replacement Workers: AIDS-related illnesses and deaths to employees affect a firm by both increasing expenditures and reducing revenues. Expenditures are increased for health care costs, burial fees and training and recruitment of replacement employees.
- * Reduced Productivity: firms revenues may be decreased because of absenteeism due to illness or attendance at funerals and time spent on training. Labor turnover can lead to a less experienced labor force that is less productive.
- * Family Pensions: patient treatment cost may be financed either from previous saving or by selling irreplaceable assets that further erodes the elder's pension.
- * Cost of Medical Treatment: household impacts begin as soon as a member of the household starts to suffer from HIV-related illnesses household expenditures for medical expenses may increase substantially.

HIV/AIDS differs from other infectious diseases because it does more than prey upon the elderly and very young. Instead, it is most threatening to the working-age population, ages 18-45. The wiping-out of the working age population means that there are neither people to work in the fields nor the burgeoning industries in these countries. This health crisis in the working-age population has resulted in a weakening of state institutions such as those of governance, the civil service, the armed forces, and other state sectors. In nations where debt crises have

induced stringency measures to be implemented as the behest of Structural Adjustment Policies, many sub-Saharan African countries have to cut health care spending while HIV/AIDS is demanding an ever-increasing proportion of national health budgets.

This loss of life due to HIV/AIDS, in addition to drastically reducing working-age population and shattering the health of young people and their hope of leading full adult lives, hints at the alarming concerns for the economic well-being of families and raises issues regarding the potential development of states. The WHO writes, 'Sustainable development is feasible if countries can tame the infectious diseases that disempowering people. If these diseases continue unchecked, they damage the social fabric; diminish agricultural and industrial production; undermine political, social and economic stability; and contribute to regional and global insecurity' (WHO 2010).

According to a recent report of the Ministry of Health, there are about three million HIV/AIDS infected people in Ethiopia; and of this huge number, roughly more than half is represented by the productive persons, whose age ranges from 15 to 49 years (Ibid). As HIV/AIDS severely affects the working group of the society, it is obvious that productivity will decrease considerably in areas affected by the disease. Besides, the victims may have children and other dependants to take care of. Thus, their withdrawal from the production sector due to the effect of HIV/AIDS would heighten intensely the dependency ratio by decreasing the household productivity and income.

Almost all care and support activities against the impact of HIV/AIDS are funded by the Global Fund to Fight HIV/AIDS having the emblem "Investing in Our Future". The Global Fund is one of the international NGOs which are working against the negative impacts of HIV/AIDS on people leaving with HIV/AIDS at macro and micro levels.

Ethiopia is one of the largest recipients of the Global Fund Grant, receiving around 30% of the total grant. All these grants are directly received from the Global Fund by the Federal HIV/AIDS Prevention and Control Office (HAPCO). The Federal Ministry of Health (FMoH) has decentralized its structure from Federal up to *Woreda* level. Bale Zone Health Office is also one sub-recipient structure of the Regional HAPCO concerned with the prevention of HIV/AIDS, through implementing the Global Fund Grants. The office has been working with

the strategy of fighting HIV/AIDS through organizing people living with HIV/AIDS (PLHA) in the zone in to six PLHA associations such as: Gobba, Robe, Agarfa, Gasera, Ginnir and Dello Wereda, releasing them Global Fund grants, so as to resolve the socio-economic problem imposed by the disease.

1.1.2. Socio-economic Determinants and Impacts

Poverty increases susceptibility to contracting HIV/AIDS through several channels including: increased migration to urban areas; limited access to health care, nutrition and other basic services; limited access to education and information, sexual exploitation and gender inequality. Little recent research explores the influence of socio-economic variables on the risk of contracting HIV. Bloom's (2002) analysis of Cambodian and Vietnamese households is an exception. This study suggests that there are strong correlations between wealth and education on the one hand, and reduced risk for HIV on the other. Wealth and education both appear positively correlated with increased knowledge and behavior.

Several International Food Policy Research Institute (IFPRI) publications investigate the causal relationship between good nutrition and HIV prevalence. For example, Gillespie and Kadiyala (2005) affirm that food insecurity and malnutrition may accelerate the spread of HIV, both by increasing people's exposure to the virus and by increasing the risk of infection following exposure. They draw on a number of previous studies to support this theory, including work carried out by Stillwaggon (2002), which finds falling calorie and protein consumption and increasing inequality to be strongly correlated with HIV prevalence in 44 Sub-Saharan African countries. Moreover, the authors cite a number of medical studies suggesting that improved maternal micronutrient status may reduce vertical transmission of HIV; concluding that one of the main factors determining the risk of mother-to-child transmission of HIV is the health and nutritional status of the mother.

The principal economic impacts experienced by affected households are: loss of available income, as working adults falling ill or dying or having to stop work to look after children and/or the ill; additional expenditure on health care and funerals

(UNAIDS, 2004). Other effects include depletion of household assets (due to increased health expenditure, consumption needs and labour losses), lower productivity of subsistence labour and reduced availability of food. School enrolment may also decrease, as children are forced to dedicate time to labour and care-giving.

In a survey of 771 AIDS-affected households throughout South Africa, Steinberg et al (2002) document the impoverishment and burden of care for family members. They find that poor people in South Africa are the most adversely affected by HIV/AIDS, and that those households worst hit by the epidemic are also those underserved by basic public services such as sanitation and piped water. Furthermore, the epidemic deepens poverty among the already poor through loss of income and medical care costs, which absorb up to 1/3 of household income. Children's schooling is also disrupted, especially among girls, and increasing early childhood malnutrition can be observed. This study also reveals a growing strain on extended family networks: more than 12% of households have sent their children to live elsewhere, most often with relatives.

Another survey carried out in South Africa (Oni et al, 2002) – in the Limpopo Province – provides further evidence of how HIV/AIDS worsens poverty among households already living below the poverty line. One empirical result is that income received by affected households during the year 2000 was approximately 35 per cent lower than that received by unaffected households; per capita monthly income for the average affected household was about 31% lower than that of unaffected households. The study brings to light changes in household expenditure patterns: health and medical care, transportation and funeral expenditure increased among affected households interviewed, while spending on education, housing and remittances was reduced. For example, affected households increased their transportation costs by 4.7% and reduced expenditure on education by 7.3% and housing by 11.5%.

1.1.3. The Changing Nature of Donor Assistance

In response to both public health imperative and unprecedented political pressures, the HIV/AIDS pandemic has resulted in massive increases in donor assistance in recent years,

relative to other global health (and development) problems. According to UNAIDS, global funding to combat HIV/AIDS has more than quadrupled since 2001, from \$2.1 billion to \$8.9 billion in 2006. The three most prominent new initiatives for this funding are the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), the United States' President's Emergency Plan for AIDS Relief (PEPFAR) and the World Bank programs, including primarily the Multi-country HIV/AIDS Program (MAP). The new global efforts to fight HIV/AIDS have brought substantially larger-scale funding to countries and governments for aggressive responses to the pandemic (UNAIDS, 2003)

a) Global Analysis:

The global analysis piece of the project explores how the three funding initiatives address major Challenges in HIV/AIDS program design, implementation and evaluation, and where and when these approaches are successful or less so. Lessons that can be drawn from these analyses provide key evidence to stakeholders and other audiences. By framing the questions as challenges that all three donors confront, we hope to avoid simplistic or overly-politicized interpretations. Data for analyses was drawn from the initiatives' policies, procedures and guidelines; consultations with stakeholders; published budget data; existing research; and other relevant sources.

Currently, the global-level research is focusing on five major areas of research:

1. **Disbursement:** What are the implications of disbursement policies and practices on the transfer of resources from donor to recipient countries?
2. **Procurement and Supply Chain Management:** How can donors ensure the most efficient, and cost-effective flow of commodities through the supply chain?
3. **Funding Decisions:** How are funding priorities established and program activities decided?
4. **Beneficiary Analysis of Vulnerable Groups:** How do donor programs address gender and the Specific vulnerabilities of women, or orphans and vulnerable children?
5. **Monitoring and Evaluation:** How do donors monitor and evaluate their programs?

1.2. Statement of the problem

The impacts of AIDS on households can be reduced to some extent by publicly funded programs to address the most severe problems. Such programs have included home care for people with HIV/AIDS, support for the basic needs of the households coping with AIDS, foster care for AIDS orphans, food programs for children and support for educational expenses. Such programs can help families and particularly children survive some of the consequences of an adult AIDS death that occur when families are poor or become poor as a result of the negative impacts of AIDS.

A lot of efforts have been exerted to mitigate the socio-economic impact of HIV/AIDS in several parts of the country, and also in Oromia Region, Bale Zone, in the six districts (weredas). It is the part of this effort that, the Global Fund, the major international NGO, that channels a huge financial resources working against the negative impact of HIV/AIDS on *Gobba, Robe, Agarfa, Gasera, Ginnir and Dello Wereda* of People Living with HIV/AIDS (PLHA) association members through its intervention strategy, financing income generating activity. During the last five years, in six weredas of the zone people affected with AIDS were organized in PLHA associations receiving money every year from Global Fund and engage in different income generating activities to improve their livelihoods.

Although, several studies have been conducted on the socio-economic impact of AIDS on the livelihood of those affected by the disease at national level, this study is conducted to assess impact of intervention efforts by Global Fund on the livelihood of the beneficiaries, by collecting data from individual subjects.

The impact assessment of Global Fund on the livelihood of PLHA, therefore, becomes essential to evaluate whether the HIV impact mitigation objective is successful or not. However, Global Fund has not undertaken livelihood impact assessment research to indicate the impact of Global Fund financing scheme to know whether or not the intervention leads to change that is different from that would have happened without the intervention. The study was initiated to fill this gap. Thus, it is necessary to assess the impact of Global Fund on the indicators of livelihood of PLWHA of its clients.

1.3. Objective of The Study

- i. Main Objective:* To assess the impact of Global Fund on the livelihood of Peoples Living with HIV/AIDS (PLHA) in: *Robe and Gobba Towns, and Dello Wereda*, Bale Zone of the Oromia Regional State.
- ii. Specific Objectives:*
 - To assess the impacts of GF on income ,education, consumption and employment opportunity of: *Robe and Gobba Towns, and Dello Wereda*, PLHA association members;
 - To identify non income determinants of the livelihood of the PLHA association members;
 - To examine factors that influence the appropriate utilization of income generating (IG) activity fund by the PLHA associations; and
 - To draw possible conclusion and policy recommendations to improve the socio-economic status of Global Fund beneficiaries.

1.4. Significance of The Study

This study will provide information for different governmental units, NGOs, policy makers, researchers and other stakeholders who want to give any financial, technical and supportive action to mitigate the socio-economic impact of HIV/AIDS prevention program implementation.

1.5. Description of the Study Area

Oromiya Regional National State is the largest state of the country, Ethiopia. It is the largest region in terms of area, population, contribution to national economy, etc. The region consists of eighteen administrative zones and 190 districts. The rural part of the region has 10,161 kebeles while the urban part has 564 kebeles in 375 towns (CSA 1994).

The study was conducted in ORNS, Bale Zone, Robe Town, Gobba Town, and Dello Menna district.

The capital city of the zone, Robe, is situated at western of the country, which has a distance of 331 K.M. From Addis Ababa. The zone has 22 districts and organized into 476 kebeles with a total area of 21,980 Sq.K.M. The topography of the zone varies from place to place. The zone is divided into three agro-ecological zones, namely, lowland, medium and highland that cover 20.5%, 50.9% and 28.6% of the total area of the zone, respectively. The economic basis of the zone is agriculture. The majority of the population depends on agriculture for their livelihood. Out of the total area, about 86.51% of land can be used for agricultural activities.

The total population of the zone for the year 2002/03 is estimated at about 1,825,145 of which 749,859 are male and 775,286 are female. About 87.7% of the total population of the zone engages in agricultural activities. Others include those who participate in trading, civil servants and unemployed people.

1.5.1. Geographical Location and Administrative Structure

1.5.1.1. Absolute location

Bale zone is located in the South Eastern part of Oromia Regional National State. Astronomically, it is located between 5022' - 8008' north latitude and between 380 41'- 400 44' east longitude.

1.5.1.2. Relative location

Relatively, Bale zone is located on the South and West part of Genale River, east and north part of Wabe Shabele River. It is also bordered on the Eastern part with Somali National Regional State, in the Northern part with West Hararghe, in the North Eastern part with East Hararghe, in North Western part with Arsi, in Western part with East Arsi and on south and south western part with Guji zones.

1.5.1.3. Area

Bale zone is the largest zone in Oromia National regional States and covers an area of 69,661 km². It accounts about 19.15 % of the total land surface (363,791km²) of the

region, followed by Borena zone which accounts about 17.57%. The zone comprises 19 districts.

Namely; Agarfa, Barbere, Dewa kachen, Dewa Serer, Dinsho, Gasera, Ginir, Goba, Gololcha, Goro, Gura Damile, Harena Buluk, Lege Hida, Meda welabu, Dello Mena, Rayitu, Sawena, Robe and Sinana districts.

The Particular Study Area

The particular study area are Robe, Goba Town and Dello district, which are among the 22 of the districts in the zone.

- i. Robe Town-** Robe town is the capital city of Bale administrative zone of Oromia regional national state located at 430kms from Finfinne along the highway through Shashemene or 460kms through Asela.

In absolute terms, Robe extends from $7^{\circ}3'30''\text{N}$ to $7^{\circ}10'45''\text{N}$ with an approximate extension of $7'15''$ or 13.4kms if the value of a degree along the equator is $(40,000\text{kms}/360^{\circ})$ 111kms. The approximate longitudinal extension of Robe is from $39^{\circ}57'38''\text{E}$ to $40^{\circ}2'38''\text{E}$ for $5'00''$ or 8.2kms. That means the latitudinal or north-south extension of the town is larger by 5.2kms than the longitudinal or east-west extension of the town from the most extreme points.

Robe is entirely engulfed by peasant associations. In the west, it is bounded by the peasant association of Hora Boqa and by the peasant association of Nanno Robe in the remaining directions.

- ii. Area and Shape**

The total proposed area of the town is 8024 hectares according to area measured from the base map of the town surveyed by surveyors of Oromia urban planning institute. The area of the former plan was 1217.5 hectares. The town can be expanded to all directions because of suitability of topography. But because of the presence of air field in the eastern part of the town towards Goro, the expansion of the town to this direction should be checked. The

land use next to the air field to the direction of Robe should also be reserved and then be used as mixed use to increase the potential of the land for different uses.

The population of Robe town in 1994 was 25,516 of which males accounted for 14,462 but females for 11,054 without including the population of the peasant associations included to the town. The population of Nano Robe according to population and housing census of May 2007 was 5,221 of which males accounted for 2,662 and females for 2,559. The population of Hora Boqa, the peasant association bounding the town in the west, in 2007 was projected to be 1820 based on the house hold data obtained from the peasant administration in 2009 which is 2000. The population of Robe town during the same census period was 47,296. The population of males during this time was 24,047 while females accounted for 23,249. Therefore, the total population number of Robe town in 2007 was 54,337.

The population of the town increased to 59,119 in 2009 with an annual growth rate of 4.4%. The existing area of the town according to the past plan was 1217.5 hectares. The density of population for the town is 137 persons per hectares by taking 35.5% (432.2 hectares) of the total area of the town from the past plan. In the planning period the total area to be administered by the municipality will be 8024 hectares of which 51.75% or 4152.42 hectares is proposed for residence.

iii. **Gobba Town**

Goba is located in the North Western extreme parts of the Bale zone. It is bounded by West Arsi zone in the West, Harena Buluk and Mena district in the South, Sinana district in the East and Dinsho district in the north. Goba district is one of the administrative territory of Bale zones with an area of 1658 km² (165,800ha), which ranked the district the 12th largest among the zonal district. The area of the district leads the district to have a share of 2.5 percent from the total area of the zone (69,661km²). The district has a distance of **15 km** from zonal capital called Robe and **445km** from center of the country and the region called **finfine**.

The highest elevation of the district is *Tullu Dimtu* Mountains **and** *Batu* mountains that have an elevation of **4,377m and 4,307m** above sea levels which found along northern part of the

district, where as the lowest point of the district is roughly below **1500m** below sea level which found at *wacho Kebeles* near **Goba town**.

The mean annual temperature of the district is **11.5°C**. The lowest temperature is **5°C** and highest is **18°C** respectively. The mean annual rainfall is **1000 mm** where as the lowest and highest rainfall is **800mm** and **1200mm** respectively.

The district connected with others district and zonal capital through two main route of **Robe - Goba** road and **Goba -Mena** road.

iv. Dello District

Dalo Mena district is one of the administrative territories of Bale zone with an area of **4833 km² (483300ha)**. It has distance of **125 km** from District capital called Robe and **555 km** from center of the country and the region called Finfine.

Dalo Mena is located in the South West parts of the Bale zone. It is bounded by Meda Walabu district in south, Goba district in North, Harena Buluk district in west and south west, Berbere district in North East and Guradhamole in the East direction It has a total area of 4616.65km² which ranked the district from the largest among the Bale zone other districts.

The mean annual temperature of the district is **29.5°C**. The lowest temperature is **21°C** and highest is **38°C** respectively. The mean annual rainfall is **701.5 mm** where as the lowest and highest rainfall is **628mm** and **775mm** respectively.

The district connected with others district and District capital through one main route of Robe -Dalo Mena road.

According to the 2010 population and Housing census of Ethiopia the district has an estimate population of **97,588** in 2002 Ec. From this population about **88 percent** of populations are rural population whereas about **12 percentages** of populations are urban population. This indicates that the majority of population leads their way of life through pastoral Agriculture in rural area.

Residence	Sex	2000	%	2001	%	2002	%
Urban	Male	5,756		5,992		6,237	
	Female	5,379		5,600		5,830	
	Total	11,135	12	11,592	12	12,067	12
Rural	Male	41,191		42,262		43,361	
	Female	40050		41,091		42,160	
	Total	81241	88	83,354	88	85,521	88
Total	Male	46,947		48,254		49,598	
	Female	45,429		46,691		47,989	
	Total	92,376	100	94,945	100	97,588	100

Source Office of Finance and Economic development of D/Mena

As the above table shows that within the district during the past four years (2000, 2001, 2002) the number of population shows an increasing trends from year to year.

According to the project of population of the Bureau of finance and economic development of Oromia, department of population, the population of the district during the past years (1999, 2000, 2001 and 2002) is 89,879, 92,376, 94,945 and 97,588 respectively.

The settlement patterns of the district have a great variation because the physical factors (climate), availability of resources, fertility of soil, land form topography, socio-economic situation and demographic factors of the district kebeles. All this characteristics can be analyzed by population density, which express the distribution of the district population per unit area. According to the project of Bureau of finance and economic development of Oromia during the past four year (1999-2002) settlement pattern of the district is 14.84, 15.27, 11.53 and 11.86 respectively.

1.5.1.4. Topography and Climate

The zone is characterized by different landforms like plains, plateaus, mountains and small hills. There is a great altitudinal variation between the highest and the lowest points. Erosion, volcanic eruption and tectonic movements have occurred over the ages accents for unevenness of the surface in the study region. The surface rises from the lowest point of below 500 meters above sea level (in Southeast Rayitu, Gura Damole, and Mada Welabu districts) to the highest point of 4,377 meters above sea level of the high ranges of mount *Tulu Dimtu* in Goba district which is the highest peak of the Oromia regional national state. Generally, internal and external forces over the past geologic history have created the following physiographic divisions:

1. The high plateaus: - cover areas over 2,500 meters elevation and account about 9 % of the total areas of the zone. This high land plateaus embrace the Sanete plateaus (Bale Mountain National Parks) and Mount Tulu Dimtu.

2. Low plateaus: - cover areas which are located between 1,500-2,500m above sea level and account about 22 % of the total areas of the zone. The area located in the north, central and north western part of the zone (in Gololcha, Gasera, Goba, Sinana, Dinsho, Mena, Harena, Agarfa, Mada Welabu and Lega Hida districts).

3. Lowlands: - cover areas below 1,500m elevation and account about 69 % of the total areas of the zone. The areas include flat plains, river valleys and gorges broken up by hills and ridges. The majority of the lowland is characterized by scar Districts of rain fall and semi-nomadic activities (pastoralist).

Generally, Bale Zone receives abundant and well-distributed rainfall both in amount and season, which is conducive for the growth of vegetation and agricultural activities. On average, the Zone gets a monthly mean rainfall of 200 mm on the low land and 1,200 mm on the high land area. Because of large altitudinal variation of the zone which is over 2,800 meters, there are different types of crops produced. To secure the food security of Bale zone different type of crops should be produced on the basis of the following agro-climatic classifications.

Table 1.1. Thermal Zone Classification of Bale Zone

No	Convectional Description	Altitudinal Range	Annual Mean Tem.0c	Annual Mean R.F	Area Coverage		Typical crops
					In hectare.	%	
1	Alpine(cool)	1 >3300	<10	800-1200	1847	3	Pasture
2	Temperate	2300-3300	10-15		5493	8	Barley, wheat, Lentil
3	Sub-tropical	1500-2300	15-20		11880	18	Maize, Bean, Teff, Enset
4	Tropical	500-1500	20-25		39176	60	Maize, Sorghum, cassava, Sweet Potato, Banana
	Desert	<500	>25	200	713800	11	Cotton, Bulrush Millet, Groundnut, Sesame

Source: the zone profile of Bale Zone

1.5.1.5. Drainage system

Bale is endowed with numerous rivers and streams in nature. It is estimated that there are about 55 Perennials river, 18 Seasonal rivers and 70 springs.

Generally, Bale Rivers are grouped into two major drainage basins. Both of them are flowing out of the zone and the country as well, to Indian Ocean and Somalia desert.

1. **Genale river basins:** The Genale river basin is the largest basin whose catchments area covers about 64.3 % of the zone. Out of its length within Ethiopia (480 kms) about 400kms is within Oromia National Regional State. Though not exploited very well, it has a good potential for irrigation. This basin touches all the districts of the zone except Gololcha, Sawena and Laga Hidha. The basin is not developed except the Yadot mini-hydroelectric power station which is the main source of electric power supply for Mena town.

2. **Wabe-shabele river basins:** The Wabe-shabale river basin catchments area covers the remaining 35.7 % of the eastern part of the zone. It encompasses the whole districts of Gololcha, Sawena, Laga Hidha and parts of Gasera. Currently, it is used as a source of hydro-electric power (Malka Wakena hydro-electric power).

1.5.2. Socio-Economic Aspect

1.5.2.1. Population

Population is the main source of labor force. Thus, studying population is essential for urban plan preparation and implementation. Moreover, studying population number and its characteristics of a region is important for proposing social services required.

According to the data obtained from Population and Housing census of 1994, the total population of Bale zone was 1,217,864 with 603,895 males and 613,969 females. In May 2007, the total population of the zone became 1,418,864 of which 721,679 were males and 697,185 were females. As to the sex composition, a glance on the table blow reveals the number of male in Bale zone is slightly greater than that of females. According to the table 1.2 the number of males and females in 2007 is 721,679 and 697,185 respectively giving an average overall sex ratio of 103. The proportion of males to females is 103/100 (103 males out of 203 total population). In rural areas the sex ratio of the zone is 101 and in urban areas of the zone it was 103.

Table 1.2. Population size of Bale Zone by districts, 2007

Districts	Area (km ²)	Crude Density	All people			Urban			Rural		
			Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
Robe/Town	15.8	589	47,296	24,047	23,249	47,292	24,047	23,249	-	-	-
Gobba/Town	1658		32,916	15,623	17,293	32,916	15,623	17,293			
Agarfa	1258.36	82.97	104,412	53,276	51,136	13,760	6,976	6,785	90,652	46,301	44,351
Barbare	1366.52	66.004	90,196	46,192	44,004	5,693	2,970	2,723	84,503	43,222	41,281
Dawe Kachen	2291.27	13.46	30,856	16,186	14,670	704	393	311	30,152	15,793	14,359
Dawe Serer	5445.25	7.91	43,091	22,762	20,329	-	-	-	43,091	22,762	20,329
Dinsho	635.87	61.51	39,114	19,244	19,870	2,963	1,496	1,467	36,151	17,748	18,403
Gasera	1114.09	70.58	78,639	40,298	38,341	4,793	2,394	2,399	73,846	37,904	35,942
Ginnir	2384.22	59.54	141,967	72,521	69,446	20,980	10,653	10,327	120,987	61,868	59,119
Gobba	1673.67	24.33	40,737	20,603	20,134				40,737	20,603	20,134
Gololca	2175.95	46.51	101,223	51,139	50,084	5,800	2,916	2,884	95,423	48,223	47,200
Goro	1339.07	63.35	84,836	43,387	41,449	9,689	4,880	4,809	75,147	38,507	36,640
Gura Damole	5559.41	5.38	29,919	14,849	15,070	1,268	696	572	28,651	14,153	14,498
Harena Bulik	1933.75	42.13	81,482	41,368	40,114	4,892	2,592	2,300	76,590	38,776	37,814
Lege Hidha	5863.83	10.66	62,509	31,278	31,231	2,011	1,072	939	60,498	30,206	30,292

Meda Walabu	8871.15	11.02	97,813	49,188	48,625	2,987	1,519	1,468	94,826	47,669	47,157
Dalo Mena	4833.35	19.37	93,655	47,577	46,078	13,062	6,778	6,284	80,593	40,799	39,794
Rayitu	7351.46	4.5	33,163	16,872	16,291	3,203	1,665	1,538	29,960	15,207	14,753
Sewena	8289.08	7.94	65,832	32,989	32,843	3,775	1,965	1,810	62,057	31,024	31,033
Sinana	1168.34	102.03	119,208	62,280	56,928	-	-	-	119,208	62,280	56,928
Total	63,554.64	699.194	1,418,864	721,679	697,185	2,901,981.834	5,803,963.668	11,607,927.336	1,243,072	449,315	435,362

Source: C S A, May, 2007

The overall urban population of the zone in 2007 was 175,792. This indicates that about 12.38% of the total population of the zone is urban settlers which are similar to the proportion of urban population of Oromia national regional state which is 12.4%.

1.5.2.2. Agricultural Development

Agriculture is the back bone economic activity of the zone. It provides means of occupation for almost all population of the zone. It mainly comes from traditional rain fed peasant sector and accounts about 6.81% for crop production and 32.19% for grazing land of the total area. In Bale zone sedentary Agriculture is dominantly practiced in the highland and semi highland areas of the zone; whereas animal rearing (nomadic way of life) is in the lowland and boarder area.

Table 1.3 Land use and land cover of Bale zone

Land Resource	Land cover (Hectares)	
Land Under crop	474,609	6.81
Grazing Land	2,242,184.5	32.19
Forest	2,084,956.02	29.93
Swampy /Marshy	247,738	3.55
Degraded Area	583,308.36	8.4
Arable Land	534,929.8	7.68
Others	323,765.36	11.44
Total Areas	6,966,100	100

Source-Bale zone agriculture and rural development office

1.5.2.3. Industry

According to the data obtained from Bale zone trade, industry and transport office, all of the industries existing in the zone are small-scale industries. In 2000, there are about 32 oil industries, 94 Grain mill industries, 37 House and Bureau furniture industry, 2 blocket industries and 10 coffee traction machines.

1.5.2.4. Tourism

Bale zone is endowed with several natural and cultural tourist attraction sites. The zone is endowed with numerous mountain peaks, Natural Cave, Religious pilgrimage and Hot springs. Of these the well known and developed tourist sites are:

1. Bale Mountain National Park

It is found in wide altitudinal range of 1500 to 4000 meters a.m.s.l. and consists of the high mountain parks of Tulu Dimtu, Batu, Worgona and Wasama. It covers the total area of 2,200km² and the largest national park in Africa.

The park is a home of more than 60 species of wild animals of which Mt. Nyala and Ethiopian wolf are endemic species. Moreover, 160 species of birds (of which 16 out of 28 endemic birds in the country) have been found in the park.

There are constraints which hinder the future development of the park. Some of them are absence of proper roads within the park, deforestation in some parts of the park and utilization of some parts of the park as grazing land by the local people.

2. Sof-umar caves

It is located at 530km southeast part of Finfinne and 100km east part of Robe at 6^o 52'N latitude and 40^o 45' E longitudes.

The cave is about 1.5km long and has 50m height and 40m width through which river Weyb flows. It has also a huge chamber of column that has 40 different gets for entrance and exit with more than 20 massive pillars (anchors) which stand firmly towards the arched roof of the bed rock.

3. Dire Sheik Hussein

It is located at about 600km from Finfinne and 170km east of Robe town at 7^o 80'N latitude and 41^o00'E longitude.

It is well known for its historical mosque called Zuqxum Said which had been built by Saint Sheik Hussein himself before 830 years. It is a historical and religious site which existed over 800 years with all its buildings of the architecture of the time. A number

of facilities are available in the place of which the major ones are, all weather road for an easy access to place and adequate guidance mainly the elders. However, there is serious problem of clean water in the area.

1.6 Scope and Limitation of the Study

The zone has eighteen administrative Woredas, and two administrative towns. This particular study is not targeted to cover all the 20 Woredas. From the six (*Gobba, Robe, Agarfa, Gasera, Ginnir and Dello*) PLHA associations located in different wereda, the study will only on the three selected sample Woredas: *Robe, Gobba town and Dello wereda*, which are focus area of the research.

Moreover, the research will focus on mainly to identify the source of income and measure factors that affect the income and livelihood of PLHA association members in the three sample sites, and limited to specific sample individual members of the association. The health and psychological dimensions that can have significant effect on the livelihood of the PLHA association members were not the concern of this study. It is also limited by time, budget and other resource constraints. However, even if the study is restricted in terms of its coverage, its outputs will be used as a spring board for more detailed and area specific studies in the future.

1.7 Organization of The Thesis

The thesis has five chapters. Chapter one is concerned with the introductory part including background, problem statement, objective of the study, significance of the study, limitation of the study and organization of the study. The second chapter of the paper deals with literature review, which comprises the conceptual framework of the study area. Chapter three describes methodology used. Chapter four deals with the empirical analysis and findings of the study. Chapter five describes conclusion and policy implications.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1. Concept and Definition

2.1.1. Definitions of Impact

There are a number of different definitions of impact. For example, impact is ‘improvements in the lives and livelihoods of beneficiaries’ (OECD/DAC, 1997). The following definition by Blankenberg (1995) is particularly helpful because it is related to the key concepts surrounding impact **assessment**:

‘Impact concerns **long-term** and **sustainable changes** introduced by a given intervention in the lives of beneficiaries. Impact can be related either to the specific objectives of an intervention or to unanticipated changes caused by an intervention; such unanticipated changes may also occur in the lives of people not belonging to the beneficiary group. Impact can be either positive or negative, the latter being equally important to be aware of.’ (Blankenberg, 1995.)

The key concepts in Blankenberg’s definition are:

- Impact assessment is about **sustainable change**. This is change that comes about as a result of project or program activities.
- These changes can even be **unanticipated**. A project or program has objectives which it is hoped will be achieved through the planned activities. It may be that through links with other projects or the **catalytic** effect of the project or program additional changes to the ones proposed have come about.
- It essential to remember that **change can be negative**. Negative change can be attributable to an intervention or be due to wider circumstances beyond the control of those managing a project or program.

2.1.2. Definitions of Impact Assessment

'Impact assessment' describes an assessment of the longer term and sustainable changes that are planned to occur from development interventions. The term is relatively new to the development community but has been in use in environmental impact and social impact assessment for many years. Impact assessment has often been confused with the **evaluation** of a project's or program's **immediate objectives**.

The diagram below clarifies the difference between outputs, outcomes and impact.(Fowler, 1997).

Point of Measurement	What is Measured	Indicators
Outputs	Effort	Implementation of activities
Outcomes	Effectiveness	Use of outputs and sustained production of benefits
Impact	Change	Difference from the original problem situation

2.1.3. The Complexity of Impact Assessment

There are three main difficulties in relation to the development of an appropriate methodology for impact assessment:

- Firstly, there is often confusion between the evaluation of a project or program's **objectives** and an assessment of its **long-term impact**.
- Secondly, **evaluation tools** and **methodologies** are often poorly developed. This results in weaknesses in the chain of evidence from data collection through to analysis and conclusions.
- Thirdly, the issue of assessing impact qualitatively is very complex.

2.1.4. Rationale of Impact Assessment

Impact assessment studies have become increasingly popular with donor agencies and, in consequence, have become an increasingly significant activity for recipient agencies. In part this reflects a cosmetic change, with the term IA simply being substituted for evaluation. But it has also been associated with a greater focus on the outcomes of interventions, rather than inputs and outputs. While the goals of IA studies commonly incorporate both "proving"

impacts and "improving" interventions, IAs are more likely to prioritize the proving goal than did the evaluations of the 1980s. A set of factors are associated with the extreme "pole" positions of this continuum and these underpin many of the issues that must be resolved (and personal and institutional tensions that arise) when impact assessments are being initiated.

Behind the shift from "evaluation" to "IA" are a number of factors. These are not explored in any detail in this paper but they form an essential element for the understanding of IA and its potential contributions. Explicitly, IAs is promoted by both the sponsors and implementers of programs so that they can learn what is being achieved and improve the effectiveness and efficiency of their activities. Implicitly, IAs is a method by which sponsors seek to get more information about program effectiveness than is available from the routine accountability systems of implementing organizations. IAs are also of significance to aid agencies in terms of meeting the ever increasing accountability demands of their governments (in this era of "results" and "value for money") and for contesting the rhetoric of the anti-aid lobby. While recipient agencies benefit from this, they are one stage removed, and many are likely to see donor-initiated IA as an activity that has limited practical relevance for program activities. To quote the director of a large Asian microfinance institution that has received substantial amounts of aid financed IA consultancy and internal IA-capacity building "...impact assessment studies keep donors happy... we don't use them very much."

2.2. The Impact Assessment Methods

2.2.1. Approaches to Impact Assessment

2.2.1.1. Conventional Approaches

Conventional project evaluation usually focuses on assessing whether a project has met its stated (log-frame) objectives and contributed to the achievement of the overall project goal. It uses criteria of project relevance, efficiency, effectiveness, impact and sustainability and looks at both intended and unintended impact. Analysis takes place at set points during the project cycle: during project implementation (mid-term review); at project completion; and several years after completion (ex-post evaluation).

Impact assessment is usually conducted by outside experts. The team tends to work with the indicators that were defined at the start of the project, seeking to collect quantitative data to ensure ‘scientific objectivity’, comparability and statistically valid samples (though qualitative data collection techniques and checklists are also used). Conventional methods therefore tend to create a degree of distance between those assessing impact and project participants/beneficiaries.

Impact indicators used in conventional livelihood impact assessment tend focus on cash/economic issues – because these are considered key to creating incentives for socio-economic indicators (e.g. changes in income, education, expenditure and health status) populations).

2.2.1.2. Participatory Approaches

Participatory monitoring and evaluation (PM&E) is emerging as an alternative to conventional approaches. PM&E makes use of a range of techniques, tools and approaches to assess the impact of development activity (Estrella and Gaventa, 1998). It involves ‘local people, development agencies, and policy makers deciding together how progress should be measured and results acted upon’ (IDS1998), allowing intended beneficiaries to contribute to the definition of project ‘success’. Indicators are developed through a consultative process with all actors and all are involved in data collection and analysis. Indicators may be both qualitative and quantitative, but PM&E relies to a great extent on qualitative judgments made by local people and project staff rather than on the interpretation of quantitative data by outside experts. Some feel this does not impart enough neutrality to the analysis as villagers selectively share knowledge and speak for their own purposes and objectives.

2.2.1.3. The livelihoods Approach

The livelihoods approach differs from conventional evaluations in its central focus on people’s lives rather than on resources or defined project outputs. As we have gained an improved understanding of poverty in recent years, three key facts have been highlighted. First, well-being is not only about increased income. Other dimensions of poverty that must

be addressed include food insecurity, social inferiority, exclusion, lack of physical assets, and vulnerability. Second, household poverty is determined by many factors, particularly access to assets and the influence of policies and institutions. Third, livelihood priorities vary; outsiders cannot assume knowledge of the objectives of a given household or group. Project impact assessment must therefore be based upon a prior understanding of people's objectives as well as on an informed view of how their livelihoods are constructed and which factors are the essential causes and manifestations of their poverty.

The sustainable livelihoods (SL) approach to development and poverty reduction tries to take all these concerns into account. It aims to promote development that is sustainable not just ecologically, but also institutionally, socially and economically and to produce genuinely positive livelihood outcomes (rather than concerning themselves with narrow project outcomes, with resources or with output) (Ashley and Carney, 1999). 'A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base' (Carney, 1998).

When it comes to impact assessment, this means that changes in measurable (e.g. cash, yield) must be assessed not in their own right, but in terms of the contribution they make to livelihoods.

That contribution may be direct (e.g. adding to income, health, food etc.) or indirect (affecting their assets, activities and options, and ability to cope with shocks). Changes in the way people live their lives may be just as important as more obvious changes in what they achieve. Both are considered within livelihoods assessments. Other key features of such assessments are the emphasis on cross-checking multiple types of data (qualitative and quantitative, subjective and objective) and on assessing both local-level and higher-level (regional, national, international) influences on livelihoods.

The livelihoods approach draws on aspects of both conventional evaluation and PM&E. As in Conventional evaluation, it employs a variety of methods and data types. As in PM&E, it is people-centered and attempts to assess impact based on people's own perspectives. This

means that it must use participatory appraisal techniques to work with all stakeholder groups. However, unlike PM&E, the aim of the type of livelihoods assessment described here is for outsiders to learn from participants to yield a relatively objective set of information, rather than to enable participants to learn and assess for themselves. The overall framework used to structure data collection and analysis comes from outside, although indicators of impact are developed ‘internally’. The approach is therefore not radically participatory; it does not place empowerment at the centre of the agenda for assessing project impact and participatory tools are used as a means rather than an end.

2.3. A Working Definition of Livelihood

When asked “what is a livelihood”, few would struggle to answer “Making a living”, “supporting a family”, or “my job” all describe a livelihood. The term is well recognized as humans inherently develop and implement strategies to ensure their survival. The hidden complexity behind the term comes to light when governments, civil society, and external organizations attempt to assist people whose means of making a living is threatened, damaged, or destroyed. From extensive learning and practice, various definitions have emerged that attempt to represent the complex nature of a livelihood. This document embraces the definition suggested by (Chambers and Conway):

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base. (Chambers & Conway, 1991)

In order to better understand how people develop and maintain livelihoods, the UK Department for International Development (DFID), building on the work of practitioners and academics, developed the Sustainable Livelihoods Framework (SLF). This framework is an analysis tool, useful for understanding the many factors that affect a person’s livelihood and

how those factors interact with each other. The SLF views livelihoods as systems and provides a way to understand:

1. The assets people draw upon
2. The strategies they develop to make a living
3. The context within which a livelihood is developed
4. And those factors that make a livelihood more or less vulnerable to shocks and stresses

Livelihood assets:

Assets may be tangible, such as food stores and cash savings, as well as trees, land, livestock, tools, and other resources. Assets may also be intangible such as claims one can make for food, work, and assistance as well as access to materials, information, education, health services and employment opportunities.

Another way of understanding the assets, or capitals, that people draw upon to make a living is to categorize them into the following five groups: human, social, natural, physical, financial, and political capitals

Box 1. Livelihood Assets

<i>Human capital:</i>	Skills, knowledge, health and ability to work
<i>Social capital:</i>	Social resources, including informal networks, membership of formalized groups and relationships of trust that facilitate co-operation and economic opportunities
<i>Natural capital:</i>	Natural resources such as land, soil, water, forests and fisheries
<i>Physical capital:</i>	Basic infrastructure, such as roads, water & sanitation, schools, ICT; and producer goods, including tools, livestock and equipment
<i>Financial capital:</i>	Financial resources including savings, credit, and income from employment, trade and remittances

Livelihood context: Livelihoods are formed within social, economic and political contexts. Institutions, processes and policies, such as markets, social norms, and land ownership

policies affect our ability to access and use assets for a favorable outcome. As these contexts change they create new livelihood obstacles or opportunities.

Box 2. Livelihood Contexts

<i>Social relations:</i>	The way in which gender, ethnicity, culture, history, religion and kinship affect the livelihoods of different groups within a community
<i>Social and political organization:</i>	Decision-making processes, civic bodies, social rules and norms, democracy, leadership, power and authority, rent-seeking behavior
<i>Governance:</i>	The form and quality of government systems including structure, power, efficiency and effectiveness, rights and representation
<i>Service delivery:</i>	The effectiveness and responsiveness of state and private sector agencies engaged in delivery of services such as education, health, water and sanitation
<i>Resource access institutions:</i>	The social norms, customs and behaviors (or ‘rules of the game’) that define people’s access to resources
<i>Policy and policy processes:</i>	The processes by which policy and legislation is determined and implemented and their effects on people’s livelihoods

Livelihoods are also shaped by the changing natural environment. The quality of soil, air and water; the climatic and geographic conditions; the availability of fauna and flora; and the frequency and intensity of natural hazards all influence livelihood decisions.

Livelihood strategies:

How people access and use these assets, within the aforementioned social, economic, political and environmental contexts, form a livelihood strategy. The range and diversity of livelihood strategies are enormous. An individual may take on several activities to meet his/her needs. One or many individuals may engage in activities that contribute to a collective livelihood strategy. Within households, individuals often take on different responsibilities to enable the sustenance and growth of the family. In some cultures, this grouping may expand

to a small community, in which individuals work together to meet the needs of the entire group.

Livelihood Vulnerability:

The strength of a given livelihood is not only measured by its productive outcomes, but equally by its resilience to shocks, seasonal changes and trends. Shocks might include natural disasters, wars, and economic downturns. Availability of resources, income-generating opportunities, and demand for certain products and services may fluctuate seasonally. More gradual and often predictable, trends in politics and governance, technology use, economics, and availability of natural resources, can pose serious obstacles to the future of many livelihoods. These changes impact the availability of assets and the opportunities to transform those assets into a “living”. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive.

Livelihood Interdependence

One final important characteristic of livelihoods is their interdependence. Very few livelihoods exist in isolation. A given livelihood may rely on other livelihoods to access and exchange assets. Traders rely on farmers to produce goods, processors to prepare them, and consumers to buy them. Livelihoods also compete with each other for access to assets and markets. Thus positive and negative impacts on any given livelihood will, in turn, impact others. This is a particularly important consideration when planning livelihood assistance.

2.4. What does livelihoods assessment achieve?

There is no set way for conducting a livelihoods assessment, though it is usually important to gain an understanding of three key themes:

- *Current livelihood* strategies, achievements and priorities
- How livelihood strategies and achievements are *influenced by the project*, and what are the key internal and external influencing factors; and
- Differences *between stakeholder groups*

Analysis of this type is not likely to conclude that *a specific project has changed x livelihoods by y percentage in z ways.*

Many livelihood improvements are not amenable to quantification.

Furthermore, small projects may not on their own substantially change overall livelihood security or sustainability (except for a few individuals). Nevertheless, analysis can highlight the incremental effect of a project on livelihoods and the aspects of change that are of greatest importance to different groups. Such an understanding can provide:

- An indication of *positive and negative livelihood impacts* that is more realistic, comprehensive and people-centered than many other approaches (for example cost-benefit analysis);
- An explanation of why and how particular stakeholders *participate* (or fail to); and
- A guide as to how projects might *be re-shaped* to enhance positive impacts, reduce negative impacts and encourage the participation of specific groups.

2.5. Assessing livelihood impact

The aim of a livelihoods assessment is to gain an understanding of the significance of the project to the livelihoods of project participants and other local residents. Such an assessment is based on the premise that the project and project participants shared a core aim: the enhancement of local people's livelihoods.

The livelihood impact assessment is one part, but a major part, of the overall review. Of the 7 questions listed, questions 4 and 5 – livelihood impacts on participants and non-participants – explicitly focus on livelihoods. But the livelihood impact assessment also draws on two other questions – who are the stakeholders and what are the financial impacts (Q 1 and 3). The analysis of livelihood impacts is the main way of drawing conclusions about the development impact

(Q 7) # Of the project.

Within the livelihoods assessment, there are three key themes to explore:

- (i) An overview of livelihood strategies and priorities
- (ii) The various impacts of the project on livelihoods

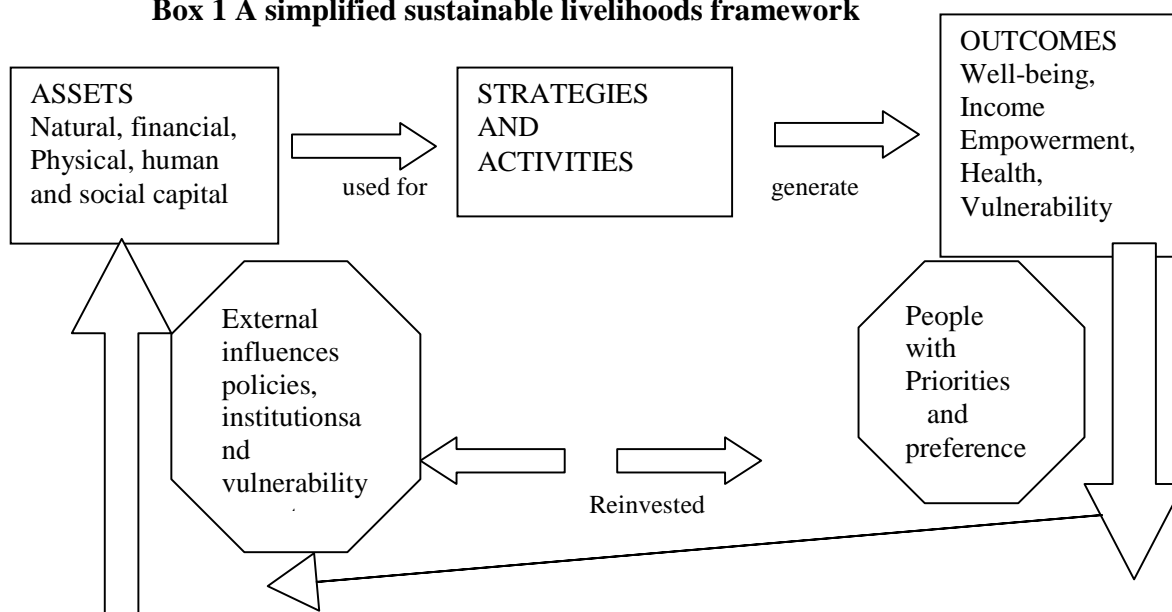
(iii) Differences between stakeholders in livelihood impacts

Table 1 the seven questions of the overall review

QUESTIONS	NOTES
<p>1. Who are the stakeholders in the project?</p>	<p>The distribution of costs and benefits (e.g. between rich and poor, men and women) is an important consideration when judging developmental impact.</p> <ul style="list-style-type: none"> • Identify main groups of people involved in and affected by the enterprise. • Classify those with common interests into stakeholder groups. For example, direct participants (e.g. owners, workers, customers), non-participants affected by the enterprise (e.g. local residents), and those who may influence the project (e.g. government). • If necessary, further divide stakeholder groups, depending on factors such as scale and types of benefits achieved
<p>2. Is the enterprise commercially viable?</p>	<p>This issue is essential to the AWF methodology due to the exclusive focus on wildlife enterprises.</p> <ul style="list-style-type: none"> • Assess past and potential commercial performance. If the enterprise is not flourishing, why? If it is receiving indirect subsidies, would it be viable without these?
<p>3. What is the financial impact of the enterprise on local people?</p>	<p>This is a key concern when assessing developmental impact of a project. Financial analysis should consider the benefits to different stakeholder groups and how significant these are to their overall livelihoods. Estimate:</p> <ul style="list-style-type: none"> (i) Wages earned by workers; (ii) Casual earnings from sales of project-related goods, informal sector activity and casual labour (iii) Collective community income earned from lease fees (which may be distributed as a household dividend); (iv) Profits accruing to enterprise owners (private or the community).
<p>4. What is the livelihood impact for local Participants?</p>	<p>The following types of impact should be assessed:</p> <ul style="list-style-type: none"> • Tangible (e.g. income) and intangible (e.g. empowerment) • Direct (e.g. new services) and indirect (e.g. impact on other activities) • Positive and negative • Intended and unintended
<p>5. What is the impact on non-participating local residents?</p>	<p>The effect of the project on non-participants might be significant in the overall calculation of development and conservation impact. Explore:</p> <ul style="list-style-type: none"> • Positive impact (e.g. multiplier effects of participants' earnings, increased recognition of the area by decision-makers, improved access to market or infrastructure); and

	<ul style="list-style-type: none"> Negative impact (lost access to natural resources used by the enterprise, diversion of resources, increased conflict)
6. What is the impact of – and on – government bodies, NGOs, private sector, & other external stakeholders?	<p>It is essential to consider the role of other stakeholders who can either obstruct or support the enterprise.</p> <ul style="list-style-type: none"> How do external stakeholders benefit or lose from the project and how does this shape their contribution? How do they affect the nature and scale of project impact on local people?
7. What is the overall developmental impact?	<p>Can the enterprise be said to be contributing to development? In what way?</p> <ul style="list-style-type: none"> Drawing on the responses to the previous questions: identify the main positive and negative impacts, their distribution between stakeholder groups, key factors affecting impact, and the significance of those impacts in the development context.

Box 1 A simplified sustainable livelihoods framework



Source: C. Ashley, adapted from DFID (1999) *Guidance Sheets* and Carney (1998)

The key framework components are:

Assets or capital endowments (physical capital; financial assets; natural capital; social capital, human capital). These are the basic livelihood building blocks. Poverty analyses have shown that people’s ability to escape from poverty is critically dependent on their access to assets

(Booth et al., 1998). Both quality and quantity of assets matter, along with the options to convert assets into productive activities.

Livelihood activities: what people do? Poor people usually pursue a diverse portfolio of activities, including on-farm activities, off-farm activities and migration.

Outcomes: components of improved livelihoods or well-being (e.g. good health, more income, reduced vulnerability, empowerment, food security, more sustainable use of the natural resource base). These are what people are trying to achieve through their activities.

External influences. Institutions, organizations and policies that affect the assets and opportunities that are available, and their productivity: e.g. government policy, formal organizations (farmers' groups, local authority) and informal institutions, which include societal rules and norms (market networks, credit systems, discrimination) and access to markets.

Context: the context is the external environment in which people operate. The natural, demographic and economic context shapes people's access to assets, and shocks and trends tend to increase their vulnerability.

People's strategies, priorities and preferences. People's own priorities help shape their livelihoods. 'Strategies' may never be articulated, but they nevertheless influence people's choice of which activities to combine, which outcomes to pursue, and which assets to invest in. For example, reducing vulnerability and coping with drought may be priority strategies for some, investing in family education a priority for others.

The various components of livelihoods are closely inter-related; change in one often leads to change in others. Understanding such dynamic effects is a key challenge of the SL approach that is not adequately reflected in the two-dimensional framework.

The approach taken by the AWF made use of a sustainable livelihoods framework (Box 1) – based on a fuller version of such a framework used by the UK Department for International Development (DFID, 1999). The framework provides an analytical structure, highlighting key components of livelihoods against which project impact can be assessed, and making the complexity of livelihoods more manageable. The assumption is that people pursue a range of *livelihood outcomes* (for example better health, increased income, and reduced vulnerability) by drawing on a range of assets to undertake a variety of *activities*. The activities they adopt

and the way in which they reinvest in assets is driven in part by their *own preferences* and priorities. However, it is also strongly influenced by the *context* (e.g. climate, population and the effects of changes in these) and by *external policies and institutions*. These policies and institutions have a critical influence on people's access to assets and livelihood opportunities.

The livelihoods framework yields up a common set of questions such as:

- What are people's livelihood priorities, and which of these is the project meeting?
- What are the diverse, positive and negative, short-term and long-term ways in which the project activities affect the livelihoods of target groups?
- How are activities affecting – and affected by – the transforming structures and processes that shape people's livelihood options?
- How do the livelihood strategies of different groups affect the way they participate in, or are affected by, the project?
- How can activities be adapted in order to enhance livelihood impacts on target groups while remaining consistent with other objectives?

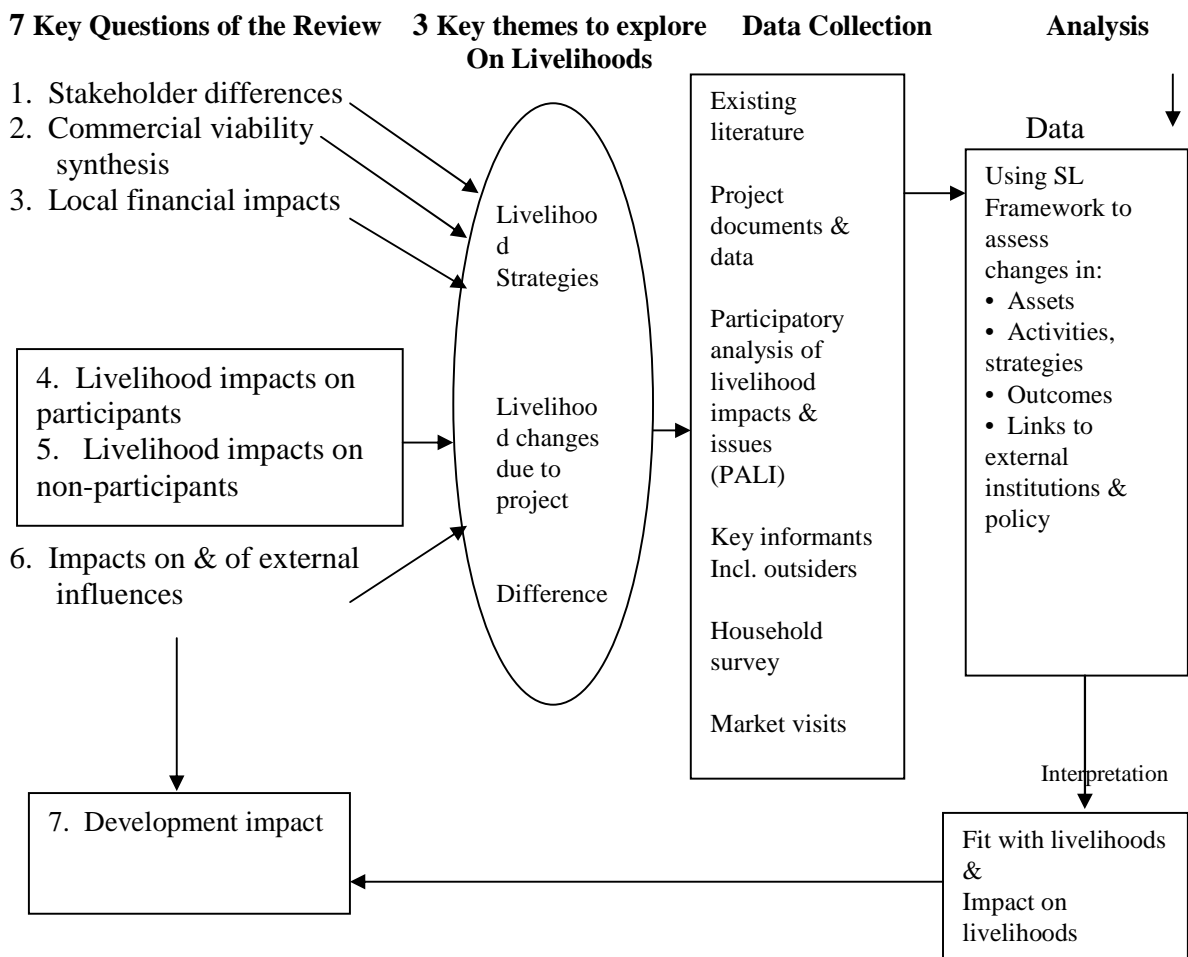
2.6. Background understanding of local livelihoods.

The first step in answering these questions was to gain an adequate understanding of local livelihoods:

- What outcomes do people achieve? What activities do they pursue and in what ways do these contribute to livelihoods? What assets do they have? What are the underlying priorities and preferences that influence household livelihood strategies?
- How do external forces shape people's options, and can people themselves influence the external forces?
- How and why are livelihoods changing? Which changes are due to shocks or externally driven trends? Which changes are short-term 'coping' strategies, and which are long-term 'adaptive' strategies (adapting to either new opportunities or constraints)? (Scoones, 1998).
- Which improvements (in assets, outcomes or activities) do people value most? What changes in the external environment would help? What criteria do people use when judging options? When developing such an understanding it was found to be important to limit

general analysis (which can otherwise become interminable and very expensive). After gaining an adequate understanding of core livelihood components, effort should be made to focus on how livelihoods were changed or influenced by the project. Sometimes this change can be quantified, but more often it is the direction and type of change that are important. There may seem to be little scope for the ‘optimal ignorance’ called for by Chambers (1995) in understanding complex livelihoods, but in fact the principle – of ignoring what you do not absolutely need to know – remains important.

Figure 2 Summary of the process of livelihood impact analysis



2.7. Identifying changes in livelihoods

The next step is to consider project impact on livelihoods. This begins with an assessment of the widest possible range of impacts and who might be affected. The different types of impact can be linked to the various elements of the livelihoods framework such as impact on assets, impact on other activities etc.

Table 2 gives the more detailed questions that need to be addressed in this process and which guided the planning and analysis of the case studies.

Table 2 SL components and key research issues

Key components of SL framework	Issues to explore
<p><i>Assets and capital endowments</i></p> <ul style="list-style-type: none"> - Human capital - Physical capital - Financial assets - Social capital - Natural capital 	<p><i>Impact on assets:</i></p> <ul style="list-style-type: none"> • Does the enterprise affect access to assets, or change their quality or productivity? • If natural resources are used, are they used sustainably? • Does it strengthen or undermine community co-operation and institutions, particularly institutions for common property resource management? • Does it change access to social networks of households or the broader community? • Does it change the community's relations with the outside world, in terms of influence, co-operation or conflict? • Are cash earnings invested in human capital (education, health) or other reserves (financial, physical assets)? Are skills acquired that enhance human capital? • Are assets used up in the enterprise activity? • How significant are these impacts on assets compared to other sources of change/investment?
<p><i>Multiple livelihood activities</i></p> <ul style="list-style-type: none"> - On farm - Off farm - Migration - Etc. 	<p><i>Conflicts and complementarities with other activities:</i></p> <ul style="list-style-type: none"> • Is time spent on this enterprise taken away from other activities? • Do enterprise activities conflict with or complement the seasonal timetable of other existing activities? • Is there competition for inputs (e.g. land, resources) between the wildlife enterprise and other activities (i.e. what is the opportunity cost)? • Does the enterprise develop complementary skills, assets, markets that can enhance other activities? • Does it damage other activities (e.g. wildlife damage to agriculture)?

<p>Outcomes (or components of improved livelihoods)</p> <ul style="list-style-type: none"> - Improved well-being (health, education...) - Increased income - Less vulnerability 	<p><i>Direct contribution to outcomes:</i></p> <ul style="list-style-type: none"> • How does the enterprise contribute directly to improved livelihood outcomes e.g. cash, food, physical security, empowerment, sustainability? • How significant is the contribution compared to other sources e.g. how do cash earnings compare with other sources of cash? What is the value in terms of what can be bought? Is the timing of earnings of any significance?
<ul style="list-style-type: none"> - Empowerment - More sustainable use of natural resources 	
<p>People's strategies, priorities and preferences</p>	<p><i>'Fit' with livelihood strategies and priorities:</i></p> <ul style="list-style-type: none"> • Does the enterprise match the strategies that people use when selecting and combining activities e.g. minimizing risk, coping with drought, diversifying, keeping assets liquid, and maintaining flexibility?
<p>Context</p> <ul style="list-style-type: none"> - Natural, economic and demographic context 	<p><i>Relevance to the context:</i></p> <ul style="list-style-type: none"> • Does the enterprise change people's ability to cope with shocks or capitalize on positive trends? • Does it help people 'cope' with temporary change, or 'adapt' to a permanent change? • How does it relate to long-term trends – does it counter or amplify them?
<p>External influences: organizations, institutions, policies</p>	<p><i>Impacts on and of external influences:</i></p> <ul style="list-style-type: none"> • Does the enterprise affect any of the external forces – organizations, institutions, policies markets, and social norms – that influence local livelihoods? • Does it change policies or behavior of others towards local residents? • Does it change local people's access to institutions and their influence over them? • How does the policy, institutional and political environment influence the project and its impacts? (e.g. what is the role of political culture, power differences, institutional structures?) • How does the policy and institutional environment affect the sustainability of project impacts?
<p>Sustainability</p> <ul style="list-style-type: none"> - Resilience in the face of external shocks - Not dependent on external support - Not compromising the livelihoods of others or the NR base 	<p><i>Impact on sustainability:</i></p> <ul style="list-style-type: none"> • Does the enterprise affect the sustainability of the natural resource base? • Is the activity financially sustainable? • Are people more or less dependent on outsiders? • If dependent, is the outsiders' role sustainable in the long-term?
<p>Links between the components, dynamic</p>	<p><i>Does the enterprise affect how households invest their incomes into assets, or how external institutions influence household</i></p>

<i>change</i>	<i>opportunities? Does it change the underlying household priorities that shape the livelihoods framework? How does it affect livelihood trends and processes of change?</i>

2.8. An Overview of the Global Fund

The Global Fund is a unique, public-private partnership and international financing institution dedicated to attracting and disbursing additional resources to prevent and treat HIV and AIDS, TB and malaria. This partnership between governments, civil society, the private sector and affected communities represents an innovative approach to international health financing. The Global Fund’s model is based on the concepts of country ownership and performance-based funding, which means that people in countries implement their own programs based on their priorities and the Global Fund provides financing on the condition that verifiable results are achieved.

Since its creation in 2002, the Global Fund has become the main financier of programs to fight AIDS, TB and malaria, with approved funding of US\$ 22.9 billion for more than 1,000 programs in 151 countries. To date, programs supported by the Global Fund have provided AIDS treatment for 3.6 million people, anti-tuberculosis treatment for 9.3 million people and 270 million insecticide-treated nets for the prevention of malaria. The Global Fund works in close collaboration with other bilateral and multilateral organizations to supplement existing efforts in dealing with the three diseases.

2.8.1. The Global Fund Mission and Organizational Objectives

The GF works for its vision to make a world free from the burden of AIDS, tuberculosis and malaria and a mission of investing the world’s money to save lives through maintaining values such as:

INTEGRITY: Be consistent, honest and transparent in what we say and do.

RESPECT: Treat ourselves and each other with consideration, dignity and open-mindedness.

PASSION: Sustain our energy and enthusiasm to focus on the people we serve while enjoying our work and our families.

COLLABORATION: Work together and communicate in ways that build a climate of cooperation to leverage our collective talents.

INNOVATION: Find new and creative solutions, challenge each other to be ambitious, and take measured risks.

EFFECTIVENESS: Hold ourselves to the same level of accountability, efficiency and performance that we ask of our recipient

The Global Fund aspires to contribute substantially to international goals by saving 10 million lives and preventing 140-180 million new infections from HIV/AIDS, tuberculosis and malaria between 2012 and 2016. These goals are complemented by disease-specific **targets** aligned with the global targets set by UNAIDS, the World Health Organization, and the Stop TB and Roll Back Malaria partnerships.

2.8.2. The Global Fund at Ensuring Economic Justice

“Our grantees work to Ensure Economic Justice in the following ways “

Promote Just Business and Commerce

- Address local and national policies around fair business and commerce practices, and just management of natural resources.
- Support women’s cooperatives in business development, processing and quality control skills, and marketing.

Economic Literacy

- Provide training and education on the ABCs of economic management and relations.
- Build marketing and skills related to income-generating and small business projects, such as food processing, managing small budgets, and animal husbandry.

Income Generating Projects

- Seed money (grants or microcredit loans) for small-scale production to create income-generating projects, promoting inclusion of vulnerable populations, such as women with disabilities.

Labor and Worker Rights

- Address the rights of women workers in the formal and informal sector, including migrant, domestic and sex workers.
- Advocate for worker rights, safe workplaces and fair wages.

Trade and Globalization

- Engage nationally and internationally to transform harmful and exploitative trade agreements and economic globalization patterns.
- Advocate for fair labor and fair trade practices.
- Mobilize movements to advocate for debt cancellation.

Stop Trafficking and Economic Exploitation of Women and Girls

- Advocate stronger persecution of trafficking rings.
- Support awareness rising of traps of false advertisements for international jobs in poor communities.
- Create local job opportunities and training in countries and communities with high risk of trafficking.

2.8.3. The Global Fund Strategy 2012-2016: Investing for Impact

At its meeting in November 2011, the Global Fund Board adopted a new strategy for the period 2012-2016. The Strategy comes at a crucial juncture in the lead-up to the 2015 Millennium Development Goals deadline. Promising new technologies and interventions are emerging and there is now a real opportunity to significantly alter the trajectory of the epidemics.

The Strategy seeks to capitalize on this opportunity. It commits the Global Fund to work with countries and partners, and transform itself, to sustain and accelerate existing gains in the fight against the three diseases. It defines how the Global Fund will aim to build on past successes and investments, evolve to address challenges, and shift to a new model of “investing for impact”.

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aligned with the global targets set by UNAIDS, the World Health Organization, and the Stop TB and Roll Back Malaria partnerships.

To achieve this, the Global Fund will “invest for impact”, based on five **strategic objectives**:

1. **Invest more strategically** in areas with high potential for impact and strong value for money, and fund based on countries’ national strategies;
2. **Evolve the funding model** to provide funding in a more proactive, flexible, predictable and effective way;
3. **Actively support grant implementation success** through more active grant management and better engagement with partners;
4. **Promote and protect human rights** in the context of the three diseases; and
5. **Sustains the gains, mobilize resources** – by increasing the sustainability of supported programs and attracting additional funding from current and new sources.

The Strategy is the outcome of a process involving the development, testing and refinement of ideas throughout 2011, including through consultations with a diverse group of stakeholders. The consultations included the 2011 Global Fund Partnership Forum in São Paulo, a workshop with past and current Technical Review Panel members and specially-convened meetings in Dakar, Bangkok, Johannesburg, Nairobi, Montreux and Geneva.

The Global Fund Secretariat will now commence planning for the implementation of the Strategy, engaging with partners as necessary. Implementation of some strategic actions is expected to begin rapidly, while others will require further planning or design work before they are ready to be launched.

2.9. Empirical Studies on Micro Finance Impact (MFI’s)

Assessing microfinance impact has been the main concern of development specialists in order to know whether or not providing financial services to the poor has reduced the poverty. The impact may be measured using indicators such as income, wealth, food security, child nutrition, employment, quality of life, or gender relations. Khandker (1999) argued that

the immediate impact of having access to credit from a micro credit program is on employment and income in which these may have impact on other outcomes such as consumption, nutrition, contraceptive use, fertility and education. According to Meehan (2000), there are many supporters of micro credit provision who would agree that well designed lending programs could improve the income of the poor people.

Fidler and Webster (1996), however, stressed the existence of methodological difficulties associated with the measurement of the impact of the program towards poverty reduction.

They proposed the descriptive approach in assessing the impact of microfinance on poverty reduction by comparing the beneficiaries' outcomes before and after loan or outcomes of clients and non-clients.

Joanna Legerwood (1999) stated the three broad categories of impacts of microfinance activities.

(1) Economic impacts (business expansion, income, accumulation of wealth and consumption).

(2) Socio-political or cultural impacts (changes in favor, changes from barter to monetized economy, hope for changes in power, redistribution of assets, nutrition and education).

(3) Personal or psychological impacts.

According to Joanna Lidgerwood an impact from one of these categories can in itself cause an impact on one or more of the others. The poor participate in micro-credit programs in the expectation that borrowing will increase their income and sustain self-employment.

Khandker (1999) argued whether participation in micro-credit programs does in fact reduce poverty in terms of consumption and help increase income and employment on a sustained basis could be measured directly. The benefits of program participation can also be measured indirectly, by measuring changes in socio-economic outcomes. This implies that

the effects of micro-credit programs on participants can be measured in terms of consumption, nutrition, employment, net worth, schooling, contraceptive use and fertility. The study argued that changes in income and employment among program participants might affect the living standard of the poor. There are two important factors that determine the overall impact of the program. These are the growth potential of activities financed by the micro credit programs and the extent of credit market imperfections that are resolved with enhanced availability of credit.

According to AIMS (2000), the purpose of an impact assessment is to answer the question of whether a project leads to change that is different from what would have happened without the intervention, or whether the program increases the probability of that change. In the context of the rapid growth and evolution of microfinance industry, impact assessment is a critical to classify whether or not the changes occur on the livelihood of the clients.

Establishing impact is making a credible case that the program led to the observed or stated changes, meaning that the changes are more likely to occur with program participation than without program participation. It does not imply that the changes always occur from program participation. Rather, it increases the probability that the changes will occur.

The type of change we are looking for can occur for multiple reasons, many of which are not related to program interventions (AIMS, 2000). There are factors that enhance or constrain opportunities for change but are not directly linked to the program intervention such as gender of client, number of household members, price of business inputs and external factors.

According to AIMS, searching for impacts requires lens on the full range of family/household economic activities because the micro enterprise is firmly embodied in the family/household especially among poorer families. How the micro enterprises fit into overall economic strategies depends on the following factors.

- i) The composition of the family, which will vary in different locations and cultures.

ii) Decision-making within the family about investments and the selection of productive activities.

iii) How the family is linked extremely to larger social networks through which it gives and receives resources.

Ledgerwood (1999) argued that most microfinance institutions see microfinance as a cost effective means of poverty reduction, but the detailed intentions and expectations of microfinance programs can differ considerably. Impact of microfinance activities may fall at the level of the economy itself.

Hulme (2000) identified three elements of the framework for the study of impacts. The first is the specification of levels at which impacts are assessed. The second is the specification of the types of impact that are to be assessed. The third is models to be used for the study.

2.9.1. Assessment Levels

Impacts can be assessed at different levels. According to Hulme (2000), the common units of assessment are the household, the enterprise or the institutional environment within which agents operate. Khandker (1999) and Ledgerwood (1999) stated that impact can be assessed at household, enterprise, individual and community levels.

According to Yaron (1997), there are two major schools of thought that are prominent in impact assessment of microfinance programs. The first one purely focuses on the organization or company and its operation. This approach focuses on institutional outreach and its sustainability. The assumption is that if both outreach and sustainability have been enhanced, then the intervention is judged to have a beneficial impact as it has widened the financial market, which in turn extends the choice of people looking for credit and saving services. The second approach is the one, which focuses on the intended target groups or clients. This is the case that is developed by USAID's AIMS project that seeks to assess impact at household, enterprise, individual and community levels.

According to AIMS (2000), the framework posits that impact occurs at the levels of household, enterprise, individual and community. At the household level, microfinance

contributes to net *increase in household income, asset accumulation and labor productivity*.

Income invested in assets such as saving and education increases household economic security by making it possible to meet basic needs. This relationship clarifies paths of impact by which microfinance interventions can contribute to the goals of poverty alleviation and economic growth, and thus, households improve their economic security. To assess changes within this relationship, impact can be assessed in the movement of household's livelihood toward or away from greater economic security.

2.9.2. Impact at Household level

Assessing impact at the participant level requires *adjustments to control for differences* in unobservable household and village characteristics. That is, to measure the credit impacts of programs that are due to variations in individual level participation, it is necessary to control for differences in village level characteristics that attract a program to a particular village.

According to Yaron (1997), the impact of program placement on village level average income, employment and poverty is estimated by fitting a village level regression that measures the differential impacts of program placement at the village level while controlling for observable characteristics of the village. Group-based credit program may be efficient for joint production and consumption behavior of households. It may also be beneficial for such households to borrow from group-based credit program, which charges less than informal lenders, in order to make more efficient use of available resources, mainly family labor. In this case, the evaluation of the effects of program participation on households' resource allocation is based on this efficiency argument (Khandker, 1999).

2.10. Empirical Impact Assessment Model

Different studies in different disciplines used different approaches to assess impact.

Khandker (1999) studied the impact of three micro credit institutions in Bangladesh on selected household levels. The study found that the most important effect of borrowing from a micro-credit program is its impact on per capita expenditure. The study also pointed out that the participation in group-based microfinance shows positive and significant impacts for school enrollment, asset holdings, consumption, nutritional status and household net worth of borrowers in all three programs.

A variety of multivariate statistical techniques can be used to predict a binary dependent variable from a set of independent variables. When one or more of the explanatory variables in regression model are binary, it can be represented as dummy variable and appropriate models are expected to be applied. However, the application of the linear regression model when the dependent variable is binary is more complex and /or even not efficient (Pindyck and Rubinfeld, 1981). The dependent variable, which is dichotomous taking on two values, zero and one, requires the use of qualitative response models. In this regard, the ordinary least squares (OLS), descriptive analysis, multiple regression models, linear probability models, Logit, Probit and Tobit models are the possible alternatives.

However, several estimation problems can be raised from some of these alternatives. As Gujarati (1992), linear models or Ordinary Least Square (OLS) estimation methods have been used to see the effects of independent variables when the dependent variable is continuous. The author noted that using the linear probability models where the dependent variable takes either 0 or 1 is found to have several problems such as non-normality, heteroscedasticity of disturbance term, non-fulfillment of the criteria that the probability of the occurrence within the range 0 - 1 and lower value of coefficient of multiple determinants (R^2) as a measure of goodness of fit. Using linear probability model may generate predicted values outside the 0-1 intervals, which violates the basic tenets of probability. To alleviate these problems Gujarati (1992) argued that the most widely used qualitative response models are the Logit and Probit

models. Comparing with descriptive analysis model Feder(1985) noted that the Probit and Logit models appear to be preferable to discriminate function in analyzing studies involving qualitative choices. An extension of the Probit model is the Tobit model. The Probit model is associated with the cumulative normal probability function, the Logit model assumes cumulative logistic probability distribution whereas the Tobit model assumes censored regression model. Such models including the Logit model are usually estimated by the maximum Likelihood methods (MLM). Since the logistic regression model is non-linear, an iterative logarithm is necessary for parameter estimation (Gujarati 1992). More important, the advantages of Probit, Logit and Tobit models over the linear probability model are that the probabilities are bound between 0 and 1. Moreover, they best fit to the non-linear relationship between the probabilities and the explanatory variables.

Gujarati (1992), Maddala (1988) and Feder (1985) have recommended Tobit model for function forms with limited dependent variables that are continuous between 0 and 1, Logit and Probit models for discrete dependent variables. For this study, therefore, Probit and Logit models are used in addition of descriptive analysis using ratios & percentages.

CHAPTER THREE: RESEARCH METHODOLOGY AND DATA COLLECTION

3.1. Data Type and Sources

This study was based on both secondary and primary data sources. The secondary data was gathered largely from government agencies which are in one way or another involved in HIV/AIDS impact intervention and related activities, while primary data was collected through households survey.

Primary Source: To obtain information on livelihood situation of PLHA members, empirical data was collected through structured questionnaires. The structured questionnaires were distributed to the selected individual PLHA members of the associations. They were provided questionnaires on household socio-economic characteristics (age, sex, marital status, and family size), employment, assets, income, health, education, access to training and supportive supervision by the zone; health office, credit use, remittances, etc. Moreover, structured questionnaires given to association administrative body.

3.2. Data Collection Methods and Procedures

The data was collected through the administration of structured questionnaire. Bale Zone has six PLHA associations located in six wereda's with 2 major ecological Zones (*kolla* and *Dega*). They cover 2 (two) and four (4) wereda's respectively. Taking this in to consideration, two-stage sampling: stratified sampling and systematic random sampling techniques was employed.

In the first stage, the Woreda is stratified into two stratum based on the existing agro – ecological zones; and from the two agro-climatic zones, a total of three wereda's was selected (One wereda from “*kola*”, and two wereda from “*Dega*”) based on their distance from the center and the operational status of the associations. In the second stage from the existing population $N=850$, a sample of size of 160 members was selected from the three associations.

The sampling is based on quota sampling from each three associations by using systematic random sampling from the respective list of the members of the three associations. In the study, a separate but identical questionnaire was distributed to each selected members of the beneficiaries and the responses, therefore, represent an individual's evaluation about the socio-economic impact of Global Fund support of the entire association members.

3.3. Method of Data Analysis

3.3.1 Descriptive Analysis

The data was analyzed using the SPSS computer software. For the purpose of data analysis, both descriptive and econometric analysis methods were employed. The descriptive analysis was used to describe some important socio-economic characteristics of the PLHA association members and draw a general picture of the Global fund impact on the beneficiaries. It applies the percentages, ratios, means, standard deviations, Chi-squares, significance intervals, and t-test methods of data analysis.

3.3.2 Econometric Analysis

The econometric model applied was the logit models which play significant roles for the identification of determinants of livelihood (income) of Global Fund beneficiaries.

a) Specification of Econometric Model

To measure the effect of these factors, binomial logistic regression model was used in which the dependent variable is dichotomous: 1 when the livelihood (income) of PLWHA is improved and 0 when not improved or below the before Global Fund program intervention.

The explanatory variables that are considered in the econometric model analysis are, household demographic characteristics (age and family size), skill (education) level, expenditure on Income Generating Activities (IGA), saving and expenditure on food, health and education.

Logit model is appropriate when we assume the random components of response variables follow binomial distribution & when most variables have categorical responses. Put differently, it is suited when the dependent variable is dichotomous and of the type that have a yes or no response. The form of the Logit model following Gujarati (2006) is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_k X_k + \varepsilon \quad (1)$$

$\beta_i X_i$ run from $\beta_1 X_1$ to $\beta_k X_k$

Where, \hat{Y} = Probability of a PLWHA livelihood being improved or not improved

α = Intercept (constant) term

β_k = Coefficients of the predictors estimated using the maximum likelihood method

X_i = Predictors (independent variables)

ε = Random effect (error term)

Aggregating the value yields

$$\hat{Y} = \alpha + \sum_{k=1}^k \beta_k X_k + \varepsilon \quad (2)$$

In practice Y is unobserved, and ε is symmetrically distributed with zero mean and has cumulative distribution function (CDF) defined as $F(\varepsilon)$. What we observe is a dummy variable y , a realization of a binomial process defined by

$$Y = \begin{cases} 1 & \text{if } y > 0 \\ 0 & \text{otherwise} \end{cases} \quad (3)$$

From equation (2) leaving the constant term and rewriting the model yields

$$\text{Prob}(Y=1) = \text{Prob} \left(\sum_{k=1}^k \beta_k X_k + \varepsilon > 0 \right)$$

$$\begin{aligned}
&= \text{Prob} \left(\varepsilon > -\sum_{k=1}^k \beta_k X_k \right) \\
1 - F \left(-\sum_{k=1}^k \beta_k X_k \right) & \quad (4)
\end{aligned}$$

The Logit model usually takes two forms. It may be expressed in terms of Logit or in terms of event probability. When expressed in Logit form, the model is specified as

$$\text{Log} \left[\frac{P(y = 1)}{1 - P(y = 1)} \right] = \sum_{K=1}^K \beta_K X_K \quad (5)$$

Using equation 4 and 5 can be transformed into a specification of the Logit model of event probability by replacing the general CDF, F, with a specific CDF, L representing the Logistic distribution

$$\text{Prob}(y = 1) = 1 - L \left[\sum_{k=1}^k \beta_k X_k \right] = L \left[\sum_{k=1}^k \beta_k X_k \right] = \frac{e^{\sum_{k=1}^k \beta_k X_k}}{1 + e^{\sum_{k=1}^k \beta_k X_k}} \quad (6)$$

The above equation represents the probability of an event occurring. For a non-event, the probability is just 1 minus the event probability.

$$\text{Prob}(y = 0) = \left[-\sum_{k=1}^k \beta_k X_k \right] = L \left[\sum_{k=1}^k \beta_k X_k \right] = \frac{e^{-\sum_{k=1}^k \beta_k X_k}}{1 + e^{-\sum_{k=1}^k \beta_k X_k}} \quad (7)$$

b) Model Variables Definition and Hypothesis

In this study two main variables are explored: the dependent (regressed) and independent (explanatory). The regressed variable is *livelihood (income) level* of GF beneficiaries

(PLWHA) measured in birr and that of the regressors/explanatory are household socio-economic characteristics, which are thought to have significant role in *livelihood (income) level PLWHA in the study area*. The following section gives highlights to the selected determinants of livelihood (income) *level* and casts some hypothesis.

Dependent Variable: The regressed variable is *livelihood (income) level* of GF beneficiaries measured in and 4500.00 birr which is the average annual income earned by the sample respondents before the program intervention plus some recent percentage of inflation is taken as the bench mark of their annual income earned to decide the livelihood level (income) of beneficiaries (PLWHA members) and by taking the value of 1 if the beneficiaries' livelihood is improved or income of the respondents is above 4500, and 0 otherwise. Finally, the respondents earned below this amount are taken as the beneficiaries with livelihood level (income) not improved and those earning above the stated amount were taken as the beneficiaries with livelihood improved after the program intervention. The Economic and Social status of the GF beneficiaries are also identified by comparing the economic and social characteristics of the beneficiaries before and after assisted with the Global Fund and also by considering a variety of economic and social needs met through the GF assistance.

Independent Variables: Those of the regresses/explanatory are individual PLWHA member's *socio-economic characteristics*, which are thought to have significant role in determining PLWHA member's livelihood status. It is to be noted that a number of explanatory variables could influence the socio-economic status of the PLWHA members directly or indirectly, as a result, only few variables, which are believed to play dominant roles, will be analyzed.

Such as variety of expenditure covered by GF revenue, proportion of IGA return goes to saving, , education and skill level, employment opportunity , health status of the beneficiary, age, sex, family size, marital status, supportive supervision ,life skill training and awareness intervention, procedure and bureaucracy requirement to GF release, access to credit.

- **Education and Skill level (EDUC):** Improvement in skill and education level of the beneficiary is hypothesized to improve economic and social status of the beneficiaries.

PLWHA level of education is a continuous variable measured by the level of grades the beneficiary attained. Reutlinger S. (1997) indicated that education level is important for gauging income earning potential of a household which has significant influence on consumption behavior of the household.

- **Expenditure on food, health and education (EXPFHE):** It is continuous variable measured in birr. The various item of expenditure financed by the GF revenue corresponds to vital role of GF in meeting economic and social needs of the beneficiaries. According to Khandker(1999),the benefits of program participation can also be measured indirectly, by measuring changes in socio-economic outcomes, in terms of consumption, nutrition, employment, net worth, schooling, contraceptive use and fertility. Thus there is hypothesized to have a positive relationship between expenditure on food, health care and education and the livelihood level of the beneficiaries.
- **Age of the beneficiary (AGE):** The beneficiaries aged <65 is either productive labor force or dependent age group which are children consuming more and great economic and social burden. This implies that GF support to this age groups are supporting more economic and social burden. In subsistence economies of the developing world, where children and the elderly are heavily dependent on the ‘productive middle generation’ and their transfers (Barnett and Clement, 2005). Thus, it is hypothesized that support to productive age and the livelihood level of the beneficiary are positively related.
- **Household Size (HHSIZE):-** This is measured by the number of people sharing the same roof. A livelihood status of PLWHA with large economically non-active family members tend to be less improved than those households with small family size, because of high dependency burden. The researchers (Tsegay Gebrehiwot, 2009) have arrived to the conclusion that family size tends to exert more pressure on consumption than the labour it contributes to production. Thus, it is hypothesized that beneficiary family size is expected to have negative effect on the improvement of livelihood status of PLWHA.

- **Expenditure on Income Generating Activities (EXPIGA):** Expenditure on income generating activities is a continuous variable measured in birr. The beneficiaries' expense for IGA creates employment opportunity for PLWHA members and in this study it is hypothesized that there is a positive relationship between beneficiaries' expenditure on IGA and their livelihood level. According to UNADS(2012), seed money (grants or microcredit loans) for small-scale production to create income-generating projects, promoting inclusion of vulnerable populations, such as women with disabilities are the main strategy of livelihood improvement.
- **Beneficiary's saving (BSAV):** The beneficiary Savings measured in birr can be used in case of emergencies, or to finance major purchases, investments or to smoothen out consumption. According to AIMS (2000), at the household level, microfinance contributes to net *increase in household income, asset accumulation and labor productivity*. Income invested in assets such as saving and education increases household economic security by making it possible to meet basic needs. Therefore, in this study it is hypothesized that saving and livelihood level of beneficiaries' is positively related.

3.4. Summary of Definition

For this study 6(six) independent variables were hypothesized to be analyzed by both descriptive statistics and econometric analysis. All of these variables are continuous. Table 3.1 presents code, type, measurement and definitions of independent variables.

Table 3.1 Types, codes and definition of variables in the model

Types	Codes	Definition	Measurement
Continuous	EDUC	Level of education	Attained Grades
Continuous	FAMSIZ	Beneficiary family size	Number of family size
Continuous	AGE	Age of Beneficiary	Year
Continuous	EXPFHE	Beneficiary's' food, health and Education expenditure	Amount in birr
Continuous	EXPIGA	Beneficiary's' expenditure on IGA	Amount in birr
Continuous	BSAV	Beneficiary's saving in birr	Amount in birr

CHAPTER FOUR: RESULTS AND DISCUSSIONS

In this chapter the study results are presented and discussed using descriptive and econometric model analysis. The descriptive analyses used are tools such as mean, standard deviation, percentage, graphs and frequency distribution. The econometric analysis was employed to identify the impact of global fund on livelihood of people living with HIV/AIDS (PLWHA) association members.

4.1. Characteristics of the Sampled Respondents

4.1.1. Sex of the Respondents

From the total 160 respondents 48 (30%) are male and 112 (70%) are female. The number of female is larger than male in all association. The research shows in the study areas the females are more affected by HIV/AIDS victims than male population. From the total sample population 89 (55.62%), 56 (35%), and 15 (9.38%) of them are respondents from Goba town, Robe town and Dello Mena town People Living with HIV AIDS (PLWHA) association respectively (see table 4.1).

Table 4.1 Sex of the respondents

S/N	Name of Association	Male		Female		Total	
		Number	Percent	Number	Percent	Number	Percent
1	Goba town PLWHA	25	52.08	64	57.14	89	55.62
2	Robe town PLWHA	18	37.50	38	33.93	56	35
3	Dello Mena town PLWHA	5	10.42	10	8.93	15	9.38
	Total	48	100	112	100	160	100

Source: Survey result

4.1.2. Age of the Sample Respondents

The survey result showed the mean age of all sample respondents was 35.85 years. The maximum and minimum age of the respondents was 64 and 4 years respectively. The age group of the sample respondents below 15 year consisted 8.75 %, age between 15–40, 51.25%, age between 41-60, 30.62% and age group above 60 amounted to 9.38%. From the sample, 55.36% (62) of female respondents and 41.67 % (20) of male respondents are under age group 15-40. From the survey result the sample respondent's age group above 60 is only 9.38%. The study indicated that in the study area, the young age groups are more exposed to the HIV AIDS than other age group and hence the Global Fund is assisting the right target group, so that HIV burden intervention objective is attained. (Table 4.2).

Table 4.2: Distribution of Sample Population by Age Group

Age Group	Male		Female		Total	
	Number	Percent	Number	Percent	Number	Percent
< 15	6	12.50	8	7.14	14	8.75
15-40	20	41.67	62	55.36	82	51.25
41-60	16	33.33	33	29.46	49	30.62
above 60	6	12.50	9	8.04	15	9.38
Total	48	100	112	100	160	100
Mean age	35.61		36.2		35.85	
Minimum	8		4		4	
Maximum	64		60		64	

Source: Survey result

4.1.3. Respondents Family size

Out of the total sample respondents, the number of household size ranges from one to nine. From the total 50%, 31.3% and 15.6% of the respondents are the house size ranges from 1-2, 3-4 and 5-6, respectively. Only 4 (2.5%) of the respondents have the family size ranges above seven. In a survey of 771 AIDS-affected households throughout South Africa, Steinberg et al

(2002) document the impoverishment and burden of care for family members. Children’s schooling is also disrupted, especially among girls, and increasing early childhood malnutrition can be observed. The average household sizes of the respondents are 3.29; this indicates that the GF assistance have high multiplier effect in the socio-economy of the beneficiaries. (See table 4.3)

Table 4.3: Household size of respondents

Family Group	Family Size	
	Number	Percent
1-2	81	50.6
3-4	50	31.3
5-6	25	15.6
above 7	4	2.5
Total	160	100.0
Mean	3.29	
Minimum	1	
Maximum	9	

Source: Survey result

4.1.4. Marital status of sample respondents

The survey result showed that from the total sample respondents, 50(31.3%) are married, 39(24.3%) are divorced, 38(23.8%) are widowed and 33(20.6%) are single. From the total, the percentage of respondents divorced and widowed is collectively 48.11%.This indicates ,since nearly 80% of the respondents are householders ,the GF assistance is targeting high socio-economic impact. (See table 4.4).

Table 4.4 Marital Status of the respondents

Marital Status	Respondents	Percent
Married	50	31.3
Single/Unmarried	33	20.6
Divorced	39	24.3
Widowed	38	23.8
Total	160	100

Source: Survey result

4.2. Impacts of the Global Fund Support at the Household Level

As the objective of the study is to assess the impact of Global Fund on the livelihood of Peoples Living with HIV/AIDS (PLHA) in *Robe and Gobba Towns, and Dello Wereda*, the impact of the intervention is observed in association mainly with income, household diet, and access to education, and responsiveness for medical care, employment opportunities, and savings. The findings of the study are stated as follows. According to AIMS (2000), the framework posits that impact occurs at the levels of household, enterprise, individual and community. At the household level, microfinance contributes to net *increase in household income, asset accumulation and labor productivity*

4.2.1. Effects on Respondents' Educational Status

From the total sample respondents, 81 (50.6%) are illiterate, 46 (28.8%) are in the range of grade 1-5 and 25 (15.6%) are in the range of grade 6-10 and the remaining 8 (5%) of them are above grade 10 before they joined the association. After they became the member of the association, from the total sample respondents, 48 (30%) are illiterate, 71 (44.4%) are in the range of grade 1-5, 30(18.8%) are grade 6-10 and 11 (6.9%) of them are above grade 10 (certificate or diploma). This implies that the number of illiterate sample respondents are decreased from 81(50.6%) to 48 (30%). In contrast to this, the number of literate sample respondents is increased from 79 (49.37%) to 112 (70%). According to Bloom's (2002) analysis of Cambodian and Vietnamese households study suggests that there are strong correlations between wealth and education on the one hand, and reduced risk for HIV on the other. Wealth and education both appear positively correlated with increased knowledge and behavior. Hence the GF program brought positive to socio-economic impact on the beneficiaries' livelihood. (See table 4.5).

Table 4.5 Educational Status of respondents

Educational level	Before he/she Joined Association		After he/she Joined Association	
	Number	Percent	Number	Percent
Illiterate	81	50.6	48	30.0
Grade 1-5	46	28.8	71	44.4
Grade 6-10	25	15.6	30	18.8
certificate, diploma	8	5.0	11	6.9
Total	160	100.00	160	100.00

Source: Survey result

4.2.2. Effects on Respondents Income

Income may have impact on other outcomes such as household consumption, access to education and medical facilities, etc. Since most of the respondents do not keep records on their business activities, the income figures may not be accurate but the estimate yearly income of the respondents serves for the study. Since the respondents' yearly income may or may not be only from the global fund, income from the other sources of each respondent was collected.

Table 4.6 Annual incomes of the respondents before and after Global Fund support

Annual Income level (in Birr)	Before Global fund support		After Global Fund support	
	Number	Percent	Number	Percent
less than 1200	43	26.9	1	.6
1201-2000	29	18.1	7	4.4
2001-3000	31	19.4	34	21.3
3001-4500	16	10.0	50	31.3
4501-6500	13	8.1	25	15.6
6501-9500	23	14.4	31	19.4
above 9500	5	3.1	12	7.5
Total	160	100.0	160	100.0
Mean	3,352.52		5,196.21	
Std. Deviation	2,930.647		3,184.265	
Minimum	650		1,020	
Maximum	20,000		28,000	
Sum	536,403		831,394	

Source: Survey result

As it is shown in the table 4.6 from the total sample respondents, 43(26.9%) reported that their yearly income is less than 1,200birr before global fund intervention. It is also observed that 18.1%, 19.4 %, 10%, 8.1%, and 14.4% of respondents have yearly income between 1,201-2,000, 2,001-3,000, 3,001-4,500, 4,501-6,500 and 6,501-9,500 birr respectively and only 5 (3.1%) have annual income above 9500birr before the global fund program support. The minimum and the maximum annual income earned by respondents before the program support are 650.00birr and 20,000.00brr, respectively.

After the program intervention, the study revealed that only 8(5%) of the respondents have annual income below 2,000birr, and 21.3%, 31.3 %, 15.6% and 19.4%, of respondents have yearly income between 2,001-3,000, 3,001-4,500, 4501-6,500 and 6,501-9,500birr respectively and 12(7.5%) of the respondents have annual income above 9,500birr. The minimum and the maximum annual income earned by respondents after the program intervention are 1,020.00birr and 28,000.00brr, respectively. The result of the study also suggests that the average annual income of respondents before Global Fund program support is 3,352.52 birr while 5,196.21birr after the program intervention. Thus, from the findings of the study, the effects of Global Fund program on the respondent's annual earned income is positive and have brought high socio economic impact on the livelihood of the beneficiaries.

4.2.3. Respondents Annual Income from other sources

The respondents' income from other sources in this study includes incomes from farm activities, rent, pension and remittances. The survey result showed that 54(33.8%) of the respondents have got annual income less than 500birr and 75(46.9%) income between 501-1,000birr. Only 31 (19.4%) of the respondents have annual income above 1,000birr from other sources of income. According to survey carried out in South Africa (Oni et al, 2002) – in the Limpopo Province -provides further evidence of how HIV/AIDS worsens poverty among households already living below the poverty line. One empirical result is that income received by affected households during the year 2000 was approximately 35 per cent lower than that received by unaffected households; per capita monthly income for the average affected household was about 31% lower than that of

unaffected households. This implies that with no doubt GF program support brought remarkable impact on income of the beneficiary; hence their livelihood is improved as compared to before membership. (see table 4.7).

Table 4.7 Annual incomes of respondents from other sources

Annual Income (in Birr)	Before GF Intervention		After GF Intervention	
	Number	Percents	Number	Percents
less than 500	108	67.50	54	33.8
501-1000	49	30.62	75	46.9
1001-1500	3	1.88	14	8.8
1501-2000	-	-	5	3.1
above 2000	-	-	12	7.5
Total	160	100	160	100.0
Mean	294.45		853.50	
Std. Deviation	267.784		817.107	
Minimum	32		100	
Maximum	1300		5500	
Sum	47,112		136,560.00	

Source: Survey result

The study indicated that even though the sample respondents from the three PLWHA associations have earned their income from other sources, the annual income they obtained from the Global Fund Program is more imperative in supporting their livelihood.

4.2.4. Effects on Respondents Consumption Expenditure

Information on the respondent's food, shelter, close, health and education cost is also collected. Concerning consumption expenditure, it is assumed that the improvement in consumption expenditure leads to better household living condition.

This concept tells us whether the status of household life condition improved or not before and after the program intervention. It is obvious that the Global Fund intervention is expected to support PLWHA associations by reducing the economic and social burden of AIDS in the society.

Table 4.8: Respondents average annual consumption expenditure and saving

Item	Amount in birr	
	Before Program Intervention	After Program Intervention
Annual financial support utilized for food	1232	2731.38
Annual financial support utilized for medical cost	346	854.78
Annual financial support utilized for IGA activity	123	459.44
Annual financial support utilized for Educational cost	32	135.00
Annual financial support save it for the future life	-	76.38

Source: Survey Result

According to the survey result, all the respondents are utilized income from the Global Fund support for food, IGA, medical and educational cost and very few of them also save it for their future life. The study revealed that the total respondents average annual consumption expenditure for food, medical, and education are 2731.39, 854.78, and 135.00birr respectively. The respondents average annual amount of money used for income generating activities (IGAs) is birr 459.44.

The average annual income got from the program and saved for future is only 76.38birr. This is very low amount of money compared to the total respondents' average annual income earned due to the program intervention which is 3,721.16birr.(table 4.6). According to survey carried out in South Africa (Oni et al, 2002) – in the Limpopo Province, the study brings to light changes in household expenditure patterns: health and medical care, transportation and funeral expenditure increased among affected households interviewed, while spending on education, housing and remittances was reduced. For example, affected households increased their transportation costs by 4.7% and reduced expenditure on education by 7.3% and housing by 11.5%.

Thus from the above, it is observed that the Global Fund program has positive impact in improving respondents consumption expenditure which leads to improvement on their livelihood status.

4.2.5. Respondents Attitude towards Working with PLWHA Association

One of objective of study is to examine factors that influence the organizational activities of the PLHA associations. To assess this, respondents are requested the following questions and responded as shown in the table 4.9.

Table 4.9 Respondents view towards the PLWHA Association

Items	Response of the respondents					
	1 = in partnership		2 = Solely		Total	
	Number	Percent	Number	Percent	Number	Percent
Which do you think is the better way to use global fund assistance?	129	80.6	31	19.4	160	100

Source: Survey Result

The survey result showed that 129(80.6%) of the respondents prefer to work in partnership while the remaining 31 (19.4%) of them responded working without being the member of the association. Thus, the study revealed that it is more preferable to work in association for PLWHA to support each other to tackle their social and economic problems.

4.2.6. Societies Attitude towards the PLWHA association Members

As indicated in table 4.10, the result revealed that from overall sample respondents 75 (46.9%) and 71 (44.4%) are responded that the societies view towards being memberships of the association is highly improved and improved respectively. It is only 6 (3.8%) and 8 (5%) of the respondents said that the attitude of the society on the association members is no change and worse than before respectively. Thus, improvement in the attitude of the society regarding the PLWHA association is good opportunity for the association members to perform their IGA well, so that the Programs community awareness improvement intervention impact is positive in improving the livelihood of the association members.

Table 4.10 Respondents response of on Societies view towards the Association

What is societies view towards memberships of the association?	Number	Percent
Improved	71	44.4
Highly Improved	75	46.9
As it is (No change)	6	3.8
Worse than before	8	5.0
Total	160	100.0

Source: Survey Result

4.2.7. Major Problem Encountered the PLWHA Associations

Even though the PLWHA Association organized and supported by the Global Fund Program is performing their Income generating activities in a better way than during pre-program intervention period, yet they encountered different problems in relation with their operations.

Table 4.11 Problems from Association side (Internal problem)

While working in the association what kind of problem did you often encountered?	Number	Percent
weak management	22	13.75
poor cooperation among members	81	50.62
poor health of members	27	16.87
absent from their IGA	30	18.75
Total	160	100.00

Source: Survey Result

As it is indicated in table 4.11, 81 (50.62%) the respondents suggested that the poor cooperation among members are the major internal problems face the association. In addition to this, absence of the members from their work, poor health of members and weak management of the association are also another internal bottle necks encountered the association. According to Bloom's (2002) analysis of Cambodian and Vietnamese households study suggests that there are strong correlations between wealth and education on the

one hand, and reduced risk for HIV on the other. Wealth and education both appear positively correlated with increased knowledge and behavior.

Table 4.12 Problems encountered Associations from external side

While working in the association what kind of external problem did you often encountered?	Number	Percent
Work Place	90	56.4
unfair tax levy	11	6.9
license Issuance	35	21.9
others	24	14.8
Total	160	100

From the total sample respondents, 90(56.4%) of the responded that Work place is the major problems they faced. The study also indicated that 65 (21.9%) of the respondents suggested, the issuance of license as another external impediment to perform income generating activities. The unfair tax levy and the other problems like unconducive work place and license issue are also constraints for the development of the Associations. Therefore these indicate government body administrative intervention is necessary to solve the problem.

Table 4.13 Problems encountered Associations from Global Fund Program side

While working in the association what kind of problem did you often encountered from Global Fund Program?	Number	Percent
Delay on fund release	51	31.88
Insufficient amount of fund release	61	38.12
Too much bureaucratic requirement on the fund release	32	20.00
Releasing Fund without giving IGA skill training and follow up	16	10.00
Total	160	100

Source: Survey Result

As it is shown in table 4.13, the result of the study indicated that 61 (38.12%), 51(31.8%), 32(20%) and 16(10%) of the sample respondents suggested that insufficient amount of fund release, delay on fund release, too much bureaucratic requirement on the fund release, and

releasing Global Fund without giving IGA skill training and follow up are, respectively the major gaps identified by the research from the program side.

Table 4.14 Response of respondents about the level exposition to addiction

Do you drink, chew/smoke?	1 = Yes		2= No		Total	
	Number	Percent	Number	Percent	Number	Percent
Alcohol	6	3.75	154	96.3	160	100
Chat	10	6.25	150	93.75	160	100
Cigarette	8	5	152	95	160	100

As it is observed from table 4.14, from the total respondents only 6 (3.75%), 10(6.25%) and 8(5%) of them drank alcohol, chew chat and smoke cigarette. The survey result showed the majority of the respondents, above 93% of them are free from different addiction and this is good for them to be healthy so that they can easily perform their activities and make them generate income.

4.2.8 Trend Analysis of Global Fund Allocation for the past seven year (2006 to 2011) by Program Activities

According to GF grant series from 1998 to 2004 E.C for Bale Zone, allocated to PLWHA activity is only Br.4,829,535.00 (20.12%), the rest 80% is allocated to other activity like community awareness creation Br 7,433,852.00 (30.97%) ,this indicates that less attention is given to IGA of PLWHA which are highly marginalized groups that exposed to burden of HIV/AIDS. (See Table 5.15)

Table 4.15 GF grant trend analysis over seven years (1998 to 2004)

GF Program Activity	Year							Total	%age
	2006	2007	2008	2009	2010	2011	2012		
Administrative and Coordination		33,600.00	663,600.00	691,180.00	580,164.00	854,264.00	107,990.00	2,930,798.00	12.21%
PLWHA Care and Support			1,658,200.00	2,165,485.00	184,910.00	487,640.00	333,300.00	4,829,535.00	20.12%
Community Awareness Creation		960,164.74	724,534.00	1,401,837.00	907,265.00	891,800.00	1,152,312.00	6,037,912.74	25.15%
HP Training			931,185.00	1,502,340.00	937,497.00	2,859,354.00	1,203,476.00	7,433,852.00	30.97%
Conistruction of HF	1,400,000.00	814,500.00	490,000.00		70,000.00			2,774,500.00	11.56%
Year Total	1,400,000.00	1,808,264.74	4,467,519.00	5,760,842.00	2,679,836.00	5,093,058.00	2,797,078.00	24,006,597.74	100.00%

Source: BaleZoneHealthOffice

4.3. Estimation of Econometric Model and Analysis of the Result

An econometric logit model was employed to measure the effects of variables on household livelihood (income). Before fitting the regression model, the variables included in the model were tested for the existence of multicollinearity (Linear association between explanatory variables), if any. Variance Inflation Factor (VIF) and Condition Index (CI) were used for multicollinearity test of continuous variables. The value of VIF greater or equal to 10 is an indicator of a serious multicollinearity problem and it is important to omit such variables from the model. A condition Index (CI) greater than 15 indicates a possible problem and an index greater than 30 suggests a serious problem with co linearity. As it is indicated in the table below, the problem of multicollinearity was not serious among variables because of VIF value less than 10 and CI less than 15.

Table 4.16: Variance inflation factor (VIF) and CI for continuous variables

Variable	Condition Index (CI)	VIF
EDUC	2.235	1.242
EXPFHE	2.914	1.191
FAMSIZ	3.496	1.528
AGE	4.653	1.492
SAV	6.584	1.113
EXPIGA	13.014	1.259

Source: survey result (2013)

In total, 6 independent variables were used for estimation. To measure livelihood level of PLWHA members before and after the Global Fund Program intervention among hypothesized explanatory variables that are supposed to have influence in the study area,

binary logit model was estimated using a statistical package known as SPSS version 15. The estimates of the logit model are presented below (Table 4.17).

Table 4.17: The maximum likelihood estimates of the logit model

Variables	Estimated Coefficient	Wald - statistics	Odds ratio	Significance Level
EDUC	2.344	9.249	10.428	.002***
EXPFHE	.001	2.752	1.001	.097*
FAMSIZ	-.727	2.783	.483	.095*
AGE	-.103	3.392	.903	.066*
SAV	.008	.442	1.008	.506
EXPIGA	.008	5.905	1.008	.015**
Constant	-.635	.046	.530	.830
Pearson Chi-square		176.241		
- 2 Log likelihood		24.054		
Correctly Predicted (Count R ²)		96.9		
Sensitivity		94.1		
Specificity		98.2		
Sample size		160		

*** Significant at 1% probability level

**Significant at 5% probability level

* Significant at 10% probability level

Source: Model output

The likelihood ratio has a chi – square distribution and it is used for assessing the significance of logistic regression. Model chi – square provides the usual significance test for a logistic model i.e. it tests the null hypothesis that none of the independents are linearly related to the log odds of the dependent. It is an overall model test which doesn't assure every independent is significant. The result is significant at less than one percent probability level revealing that the null hypothesis that none of the independents are linearly related to the log odds of the

dependent is rejected. Additionally, goodness of fit in logistic regression analysis is measured by count R^2 which works on the principle that if the predicted probability of the event is greater than 0.50 the event will occur otherwise the event will not occur. The model result show the correctly predicted percent of sample household is 96.87 percent which is greater than 0.50. The sensitivity, correctly predicted beneficiaries not their livelihood improved is 94.1 percent and that of specificity, correctly predicted beneficiaries their livelihood improved after the program intervention is 98.2 percent. This indicates that the model has estimated the level of beneficiaries' livelihood improved and not improved after the program intervention correctly.

4.3.1. Explanation of significant independent variables

The binary logistic model identified five significant variables influence program beneficiaries' livelihood level (income) in the study area out of six hypothesized variables. These variables include Education and Skill level (EDUC), Expenditure on food, health and education (EXPFHE), Age of the beneficiary (AGE), Beneficiary Family Size (FAMSIZE), and Expenditure on Income Generating Activities (EXPIGA).

The coefficient of Education and Skill level (EDUC) was statistically significant at less than one percent probability level of significance whereas, Expenditure on Income Generating Activities (EXPIGA) was statistically significant at less than 5 percent probability level of significance. The remaining significant variables, Expenditure on food, health and education (EXPFHE), Age of the beneficiary (AGE), and Beneficiary Family Size (FAMSIZE) were found to be statistically significant at less than 10 percent probability level of significance. Based on the above summarized model results, possible interpretation and discussion for each significant independent variable are presented as follows:

Education and Skill level (EDUC): The most important variable in deciding the livelihood level (income) of beneficiaries before and after the program intervention as compared to the other variables included in this study. Education and skill level (EDUC) had a significant at less than one percent probability level and positive impact on the beneficiary's livelihood

status in the study area. The positive sign of slope coefficient indicates that when education and skill level increase by one grade, the odds ratio in favor of a beneficiary livelihood to be improved, *ceteris paribus*, increase by a factor of 10.428. The possible justification for this finding was that educated PLWHA members tend to allocate money from Global Fund for IGA appropriately by applying their knowledge. And also literate people can easily take advice and useful information to diversify their source of income than illiterate one. The increase in *human capital* through knowledge and education enables individuals to pursue more efficient livelihood strategies by using their other assets in the most appropriate way. Furthermore, it can be argued that human capital is distinct from other assets since it is something that cannot be taken away once obtained; it is in a way a very sustainable asset. (Eefje Den Belder 2010).

Expenditure on Income Generating Activities (EXPIGA): Expenditure on income generating activities by beneficiaries is significant at less than five percent probability level of significance and positive impact on the beneficiary's livelihood status. Other things remaining constant, the odds ratio in favor of livelihood status increases by a factor of 1.008 as proportion of IGA expenditure increases by one unit. The possible justification for this is as the beneficiary expenditure on IGA raises, different employment opportunity for the beneficiaries as well as for their family are also created and this help them secure their future life.

Expenditure on food, health and education (EXPFHE): The expenditure on food, health and education financed by the GF revenue plays vital role and in this study it is significant at less than ten percent probability level of significance and positively related with the livelihood status. *Ceteris Paribus*, the odds ratio in favor of livelihood status of beneficiary increases by a factor of 1.001 as the amount expenditure on food, health and education increases by one unit. The possible explanation can be as proportion of expenditure on food, health and education increases an individual health status and skill level is also improved. This creates a good opportunity to individual to work and generate income which by turn improves the livelihood status of an individual.

Age of the beneficiary (AGE): The age of the Beneficiaries is significant at less than ten percent probability level and negatively related with the livelihood status. Other things remaining constant, the odds ratio in favor of livelihood status of beneficiary decreases by a factor .903 as the age of the beneficiary increases by one year above the productive age. The reason for this is, as the age of individual increases, the working capacity of an individual is reduced especially after the end adult age. In subsistence economies of the developing world, where children and the elderly are heavily dependent on the ‘productive middle generation’ and their transfers (Barnett and Clement, 2005). This has a negative effect on the Global Fund program support of income generating activities since it is difficult for individual to generate income by doing IGA.

Family Size (FAMSIZ):- The model result showed that beneficiaries’ family size is significant at less than ten percent probability level of significance and negatively related with the livelihood status. Ceteris paribus, the odds ratio in favor of livelihood status of beneficiary decreases by a factor 0.483 as family size increase by one unit. The possible justification can be those beneficiaries with many family members who are economically inactive could face a challenge in improving livelihood status because of high dependency burden and this is in agreement with the prior hypothesis that beneficiary family size is expected to have negative effect on the improvement of livelihood status of PLWHA members.

CHAPTER FIVE: CONCLUSIONS AND RECOMENDATION

5.1. Conclusion

HIV/AIDS impacts various interconnected levels of the economy such as: loss of available income, as working adults falling ill or dying or having to stop work to look after children and/or the ill; selling of fixed or permanent assets, additional expenditure on health care and funerals .Whereas the greatest impact, in terms of human and social costs, is felt at household level, there is increasing evidence and recognition of macro level effects. After all, phenomena at micro and macro levels are closely related, since macroeconomic aggregates represent the outcome of economic decisions and behavior of actors at a micro level.

Part of the complexity of dealing with the relationship between HIV/AIDS and socio-economic variables is that the latter can be both determinants and consequences of the epidemic. This dual relationship gives rise to complex causal patterns and feedback loops, which make single cause-effect relationships more difficult to isolate For example, increased poverty and income inequality fuel the spread of the epidemic. The epidemic, in turn, worsens the economic situation of the household, often leading to increased poverty and inequality. A similar relationship exists between HIV/AIDS and economic growth.

Studies concerned with socio-economic impacts of HIV have been carried out at many different levels (individual, household, firm, institutional, government and macroeconomic), employing various methodologies. After all, several international donors are intervening the socio-economic impact of HIV/AIDS, GF is among one of the prominent donors working to mitigate the socio economic burden of this disease. It is the part of this grant that released since 1998 to Bale Zone over the past seven years amount reaches 24 million birr (1.333mill. USD).

This study is mainly aimed at examining the impact of financial intervention of the program by focusing on the situation of stated variables of beneficiaries before and after engagement in the program at household level. It tries to examine the impact of the program on the livelihood (socio-economic) activities of the PLWHA using variables like income, education, consumption expenditure ,and employment opportunity, which are used as the changes of the living standard of the beneficiaries.

The study found out that program intervention leads to change that is different from that would have happened without the intervention. The program increases the probability of improvement in economic status of the beneficiaries. The study indicates average income of beneficiaries increased from 3,352.52 birr(184 USD) before engagement to 5,196.21 birr (285 USD)after engagement.

GF grant has enabled the beneficiaries to generate income that could be spent on basic consumption like food, health care and education, which could minimize the negative impact of the disease and improve the living standard of beneficiaries. The result indicates that the number of illiterate sample respondents are decreased from 81(50.6%) to 48 (30%). In contrast to this, the number of literate sample respondents is increased from 79 (49.37%) to 112 (70%). The program has also brought employment opportunity for significant number of the beneficiary.

The result indicates that societies attitude towards the PLWHA were improved, as perception of improved social ties also help set better enabling condition of PLWHA is also among the livelihood improvement indicators by the program since they are initially marginalized group in our society.

They also felt the project had helped them to develop better business skills which can prepare them for improved business success in the future. Concerning, age group results of our analysis suggest that mean age of the respondents are 35.6 which are working age group and also significant number of the beneficiaries are medium size family holders (3.29) thus, projects would have better livelihood impact if they assisted family or household owned

enterprises as opposed to individual enterprises since, householders can have many dependant family members so that makes the grant to have high socio economic return.

The study showed that birr 4500.00(247 USD), the average annual income earned by the program beneficiaries before the program intervention plus recent some percentage of inflation was considered as the bench marks to decide the sample respondents livelihood level improved or not improved, And based on the above amount, the study showed that 109 (68.9%) of respondents with improved livelihood status and the remaining 51 (31.1%) are respondents not their livelihood level improved.

An econometric model was estimated using the survey data to measure livelihood level of the beneficiaries' livelihood among the PLWHA Association in the study area. Thus, binary logistic model identified five significant variables influence program beneficiaries' livelihood level (income) in the study area out of six hypothesized variables. These variables include Education and Skill level (EDUC), Expenditure on food, health and education (EXPFHE), Age of the beneficiary (AGE), Beneficiary Family Size (FAMSIZE), and Expenditure on Income Generating Activities (EXPIGA).

The coefficient of Education and Skill level (EDUC) was statistically significant at less than one percent probability level of significance whereas, Expenditure on Income Generating Activities (EXPIGA) was statistically significant at less than 5 percent probability level of significance. The remaining significant variables, Expenditure on food, health and education (EXPFHE), Age of the beneficiary (AGE), and Beneficiary Family Size (FAMSIZE) were found to be statistically significant at less than 10 percent probability level of significance. Based on the above summarized model results, possible interpretation and discussion for each significant independent variable are presented as follows:

The study result showed that as the education and skill level increase by one grade, the probability of a beneficiary livelihood to be improved, *ceteris paribus*, increase by a factor of 10.428. Other things remaining constant, the odds ratio in favor of livelihood status increases by a factor of 1.008 as proportion of IGA expenditure increases by one unit. The study also indicated that the livelihood status of beneficiary increases by a factor of 1.001unit as the amount of expenditure on food, health and education increases by one unit.

The result of the econometric model also revealed that the livelihood status of beneficiary decreases by a factor 0.483 as family size increase by one unit. Age of respondents is also another significant explanatory variable with the hypothesized sign and negatively related with the individual level of Livelihood of PLWHA members benefiting from the program. The livelihood status of beneficiary decreases by a factor .903 as the age of the beneficiary increases by one year above the productive age.

The result also suggest that insufficient amount of GF grant was given to operate enough in IGA ,thus, targeting growth or expansion of existing enterprises that are a primary source of household income is likely to yield larger returns at least in the short term (less than 3 years) if the goal is income generation.

Another concern with grant support is that unsuitable work place for IGA activity, government programs have perpetuated the free handout mentality which is viewed by many as counterproductive to building sustainability and local ownership of livelihood initiatives. This is likely due to the almost complete absence of direct involvement by local government in field activities, particularly the livelihood initiatives.

The results also suggest that beneficiaries attitude of self help is very less, since they respond that they wish grant continuity with no time limit, this indicating rely heavily on grants provided by the project, hence, the projects aim is strengthening beneficiaries IGA till they become sustainable so as to make them economically and socially self reliant a lot of attitudinal and skill training should be given.

5.2. Recommendation

Despite improvements observed in beneficiaries' education level, some internal problems like less cooperation while working in group is encountered due to lack of skill and group working behavior, thus, continuous skill and behavioral change training should be given to the GF beneficiaries.

In addition, some other external problem like uncondusive work place, license issue, heavy tax levy and delay in GF release also observed. Hence, it is better if close local government follow up is made to provide proper work place by municipality administration, fair tax levy, as well as simplified GF release procedure to make them easily compete in the economy as they are marginalized group exposed to various HIV/AIDS burdens.

Even though the finding indicates that increased consumption expenditure of the beneficiary, since their engagement in the association, implies good GF intervention in subsidizing increased HIV/AIDS costs on their livelihood requirements, yet less amount of their earning is goes to saving, this implies lack of sufficient GF grant to generate enough return, therefore, to maintain sustainable livelihood increasing grant size targeting growth or expansion of existing enterprises that are a primary source of household income is likely to yield larger returns at least in the short term (less than 3 years) if the goal is income generation.

Expenditure on IGA is very important factor next to education and skill to decide the livelihood level (Income) of the PLWHA members. Thus, releasing sufficient amount of fund by evaluating appropriate proposal and business plan of IGA should be required to improve the livelihood of beneficiaries above their current status.

The Global Fund program support is not continuous intervention. Strong awareness creation is required to bring improvement of sustainable livelihood status of the beneficiaries otherwise the sense of dependency may be created among the PLWHA members benefiting from the program intervention.

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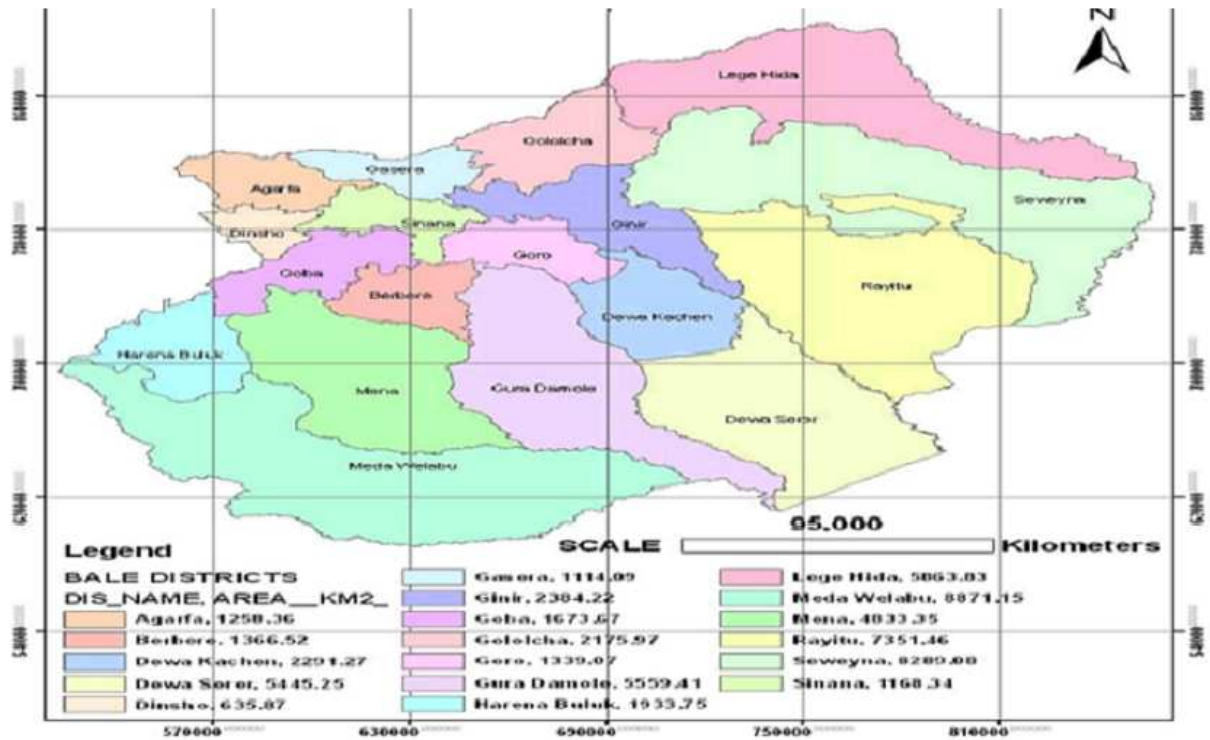
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ANNEX I

Location Map of Bale Zone BALE ZONE DISTRICT



SOURCE: SHAPE FILE CLIPPED FROM BOFED ADATA BASE

ANNEX II

Indra Gandhi National Open University.

Department of Economics

Questionnaires for Thesis on Master of Arts in Economics.

This questionnaires was intended to investigate the socio-economic impact of Global Fund Assistance on the lively hood of People Living With HIV/AIDS(PLHA) Association Members in Robe Town.

Thank you for your cooperation in advance.

Answer the following questions by putting “x” sign in the provided box or in writing.

1. For how many years have you been a member of the association? _____
2. Sex: Male Female
3. Age <15 >15
4. Marital status: Married Single Divorced Widowed
5. Do you have dependants (children/aged family members) to take care of? Yes No
6. Your educational level before you were admitted to this association? Illiterate 1-6 Grade 6-10 Grade above 10th Grade
7. Your educational level after your admission to the association? Illiterate 1-6 6-10 above 10th
8. Did you have a business (sole or partnership) before you joined this association? Yes No
9. Your annual income before you joined this association From birr _____ to _____
10. Your annual income earnings after you joined this association from birr _____ to _____
11. Fill your Global Fund Financial assistance annual utilization
For food clothes & shelter birr _____ to _____
For IGA activity birr _____ to _____
For Medical cost birr _____ to _____
For education birr _____ to _____
To save birr _____ to _____
12. Which do you think is the better way to use Global Fund assistance? In partnership Solely
13. Do you believe that Global Fund assistance should continue? Yes No
14. If your answer on question 13 is “yes” for how long?
Till the association become self reliant should continue for ever
15. This time do you think that the association reaches the stage of self reliant? Yes No
16. What additional support do you think that needed by the association?

.Type of assistance	Very Important	Important	Not Needed
Financial			
Material			
Training			
Advice			
Job space			

Others Specify _____

17. The societies view towards your membershipness to the association? As it is Worse than before Improved Highly improved
18. While working in the association what kind of problem did you often encountered? Weak management poor coordination of members poor health of members Inconductive work enviroment
19. Do you consume the following now adays?

Item	Consume	Not Consume
Alcohol		
Chat		
Cigaratte		

20. What problems did you encountered related with fund release?

Delay on fund release Insufficient amount of fund release

Too much bureaucratic requirement on the release

21. Beside Global Fun, is there any other gov't body or NGO's that support the association financially? Yes No

22. Did you face the folowing as a problem in your work ,that governments necessary to solve ?

Issuance of liscence work enviroment unfair tax levy

Less credit facilities Others _____

23. Is there a case where you had a plan to expand your business but unable to do so due to capacity constraints? Yes No

24. If your answer on question "23" is yes, due to what reason?

Financial constraint job space liscence issuance
coordination problem

25. Now aday where do you spent your working time? Working with association working in the other jobs Spent idle

26. Are you healthy enough now to engage in a business activity? Yes No

