

# **THE ALCHEMY PROJECT**

## **REPORT OF ACTIVITIES YEAR TWO, 2002 – 2003**



The Alchemy Project is part of the Refugees & Forced Migration Program, which is jointly offered by the Fletcher School of Law & Diplomacy and the Feinstein International Famine Center at Tufts University.

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# Our Mission

The Alchemy Project works in zones of protracted conflict and displacement in Africa to enable refugees and internally displaced people to re-establish their livelihoods.

We believe that supporting livelihoods is an important, sustainable and dignified way both to assist displaced people and to benefit their host communities by developing local economies and reducing local conflict.



In Africa's zones of protracted conflict and displacement, one of the most serious challenges facing people is the loss of livelihood resources. Livestock is killed or looted; farmland and rangeland is mined; transportation (trade) routes are beset by roadblocks.

As the conflicts in their home areas drag on, sometimes for a decade or more, many displaced people find themselves without humanitarian assistance and increasingly without the resources they need to survive. In refugee camps, after an 'emergency' ends and the TV cameras leave, humanitarian assistance gradually decreases. The longer camps persist, the fewer resources there are to be found. If refugees settle amongst the local population, they receive very little international assistance and must depend on the kindness of their hosts.

In these protracted situations, one of the most pressing needs faced by displaced people is income. Money is needed to buy firewood for cooking, for transportation, for rent, for bribes, and for school and hospital fees. Usually, the only way to get cash is to earn it. But there is little employment available, and most people have to generate income on their own through small enterprises

such as petty trade, livestock, agriculture or service provision (barbers, food makers, artisans, translators). In order to start up such enterprises, people need credit.

The problem is there are almost no sources of cash or credit. In refugee camps, there are no banks, only moneylenders. Humanitarian assistance programs do not generally offer credit, and when budgets are cut, income generating programs are often the first to go. In the urban areas of many asylum countries, refugees lack the documentation that will enable them to get bank loans or even bank accounts. In rural areas, sources of credit are scarce, making it difficult to acquire new livestock.

The difficulty of finding access to legitimate, non-exploitative sources of income is one of the most serious obstacles faced by displaced people. Many people are so desperate for credit they will resort to the use of exploitative moneylenders, or illicit sources, who don't hesitate to use force or other threats to get repayment. Some turn to illegitimate and dangerous livelihood strategies; others are susceptible to exploitation.

# Our Goals and Strategy

The Alchemy Project's primary goal is to:  
**Enable forcibly displaced people to pursue livelihoods in a sustainable and dignified way.**

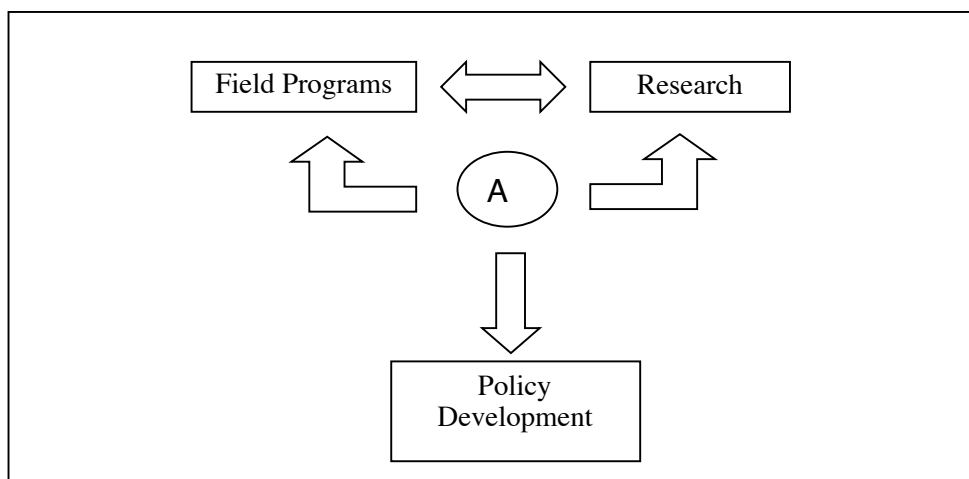
Two related goals are to:  
**Support livelihoods in ways that contribute to the reduction of tensions related to conflict;**  
**and**  
**Increase knowledge, capacity and skills in organizations assisting refugees and IDPs.**

Our strategy uses a three-pronged approach: **Field Projects; Research; and Policy Development.**

Our *field projects* provide opportunities to experiment with strategic livelihood programs for the displaced.

Our *field research* enables us to better understand how refugees and IDPs pursue livelihoods and to evaluate which program interventions work best under different circumstances.

This knowledge and experience will be used to support *policy development* when we communicate it to larger aid organizations in order to improve their humanitarian assistance programs.



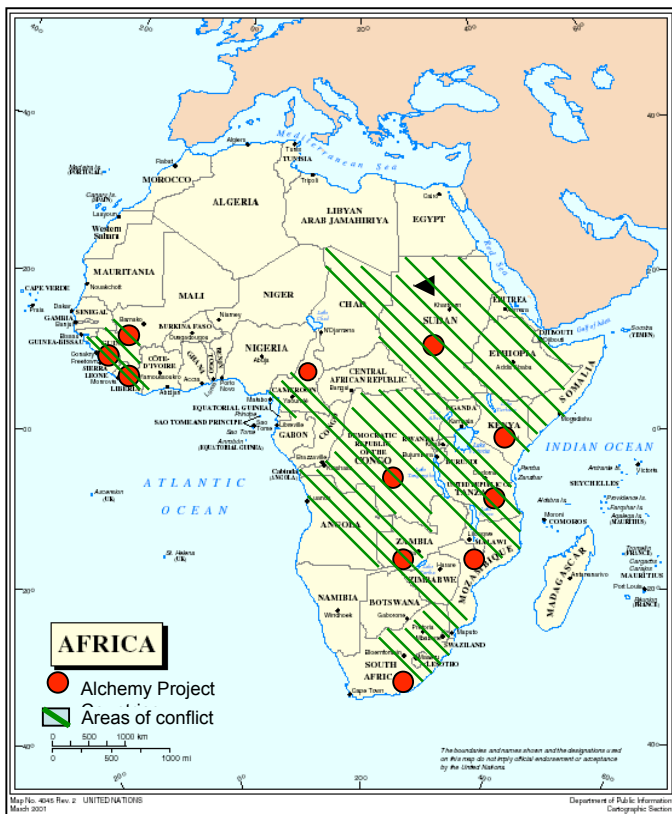
# Where We Work and Who we Target

There is vast need for all kinds of livelihood support in zones of conflict and displacement, but we work in areas where we believe there are *great and unmet needs* for livelihood resources, as well as *real capacity* for a positive and lasting impact.

For reasons of security, lack of capacity, or because there is sufficient assistance already available, **we do not work in acute emergencies** i.e. initial mass influxes of refugees where there are acute health and nutrition needs that are met by experienced humanitarian assistance agencies; **active war zones** i.e. areas of intense armed conflict, resulting in high mortality and mass flight, or **post-conflict countries** unless it is with refugees from other countries.

## We do work in:

- Refugee Camps
- Urban and Rural Hosting Areas



We focus on those displaced individuals who have the skills and capacity to actively pursue a livelihood. The rationale behind this targeting is that people who display a strong entrepreneurial drive will be more likely to start and sustain a livelihood that will benefit not only their families but also the community through employment opportunities and other ‘trickle-out’ effects.

Generally do not work with so-called ‘vulnerable’ groups whose needs are very great and who are generally not in a position to earn a living independently. These groups, such as the elderly, or women supporting many young children, are often the focus of traditional humanitarian assistance. We focus on the more able (and perhaps less needy), who can themselves become sources of support to their communities.

# Field Programs

In camps, urban and rural displacement zones, we help displaced people gain access to credit, training and other income-generating opportunities through direct funding of field programs run by local NGOs. We use a credit-based approach rather than grants, and work with local organizations (and sometimes particular individuals) to design programs for individual refugees or small groups. We believe the principle of repayment is important both for the sustainability of the individual project and for the dignity of the recipients.

The following two tables summarize our programs and NGO partners over the past two years. In the next section, we briefly summarize each of our field programs focusing on year 2. Detailed reports of each program can be obtained from Alchemy headquarters.

Table 1  
Alchemy Field Programs, 2001-- 2003

Type	Partner	Alchemy Yr1 Grant	Alchemy Yr2 Grant	No. of Beneficiaries
<b>REFUGEE CAMPS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Guinea	ARC	\$ 10,000.00	\$ 10,000.00	355
Mozambique	WR / FCC	\$ 10,000.00	\$ 10,000.00	107
Tanzania	CORD	<input type="checkbox"/>	\$ 8,700.00	35
Zambia	CORD	<input type="checkbox"/>	\$ 8,000.00	100
<b>RURAL AREAS: Livestock and Income Generation</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cameroon	CVEC	<input type="checkbox"/>	\$ 12,000.00	150
DRC	CRECAP	\$ 10,000.00	\$ 10,000.00	250
Kenya	NORDA	<input type="checkbox"/>	\$ 10,000.00	10
Sierra Leone	ARC	\$ 10,000.00	\$ 10,000.00	166
DRC	BDOM	\$ 3,800.00	<input type="checkbox"/>	68
Sudan	Accomplish	\$ 12,000.00	<input type="checkbox"/>	mundari community
<b>URBAN AREAS: Microcredit</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DRC	COOPEC	<input type="checkbox"/>	\$ 10,000.00	20
DRC	JRS	\$ 10,000.00	\$ 5,000.00	150 + truck
Liberia	WR/LEAP	\$ 10,000.00	\$ 10,000.00	236
South Africa	JRS	\$ 10,000.00	\$ 12,613.00	32
Sudan	GOAL	\$ 10,000.00	\$ 5,000.00	35 + training supplies
<b>RESEARCH</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DRC	POLE	\$ 10,000.00	\$ 10,000.00	<input type="checkbox"/>
Sudan	Ahfad	\$ 6,500.00	\$ 21,500.00	7
<b>SEED GRANTS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Guinea	Consultant	<input type="checkbox"/>	\$ 2,000.00	7
DRC	<input type="checkbox"/>	\$ 2,910.00	\$ 500.00	59
		<b>\$ 115,210.00</b>	<b>\$ 155,313.00</b>	<b>&gt; 1787</b>

**Table 2**  
**Alchemy NGO Partners**

**INTERNATIONAL NGOS**

<b>Partner</b>	<b>Range of Activities</b>	<b>Alchemy funded programs</b>	<b>Year 1 Grant</b>	<b>Year 2 Grant</b>
Jesuit Refugee Service (JRS)	JRS is an international Catholic organization with operations in over 50 countries. The main areas of work are in the field of refugee Education, Health and Nutrition, Income Generating Activities and Social Services.	<b>DRC</b> – Funds were used to buy land for cultivation and equipment, such as sewing machines and ovens; purchase agricultural supplies (seeds, tools and fertilizers) and a truck. <b>South Africa</b> - Provided funds towards business loan capital for urban refugees in the Johannesburg area.	\$10,000.00  \$10,000.00	\$5,000.00  \$12,613.00
American Refugee Committee (ARC)	ARC is an international organization that provides refugee assistance in primary health care delivery, micro-credit projects, and environmental rehabilitation.	<b>Guinea</b> - Microfinance programs serving refugees in camps.  <b>Sierra Leone</b> – Funds used to expand ARC’s existing microcredit program.	\$10,000.00  \$10,000.00	\$10,000.00  \$10,000.00
World Relief (WR)	As the humanitarian arm of the National Association of Evangelicals (NAE), World Relief works on disaster response, refugee assistance and child development in 20 countries.	<b>Liberia</b> – Alchemy funds support LEAP (Local Enterprise Assistance Program), a microfinance institution assisting urban IDPs, which is a subsidiary of World Relief.  <b>Mozambique</b> - FCC ((Fundo de Crédito Comunitário) is a microfinance institution which is a subsidiary of World Relief and works in urban areas and camps.	\$10,000.00  \$10,000.00	\$10,000.00  \$10,000.00
GOAL	GOAL is an international humanitarian organization that works on providing access to the fundamental needs of life: Food, water, shelter, medical attention and primary education.	Alchemy grant was used in <b>Sudan</b> by a women’s cooperative group to purchase a herd of goats, spaghetti-making machine, a donkey cart; and to provide training supplies for women urban IDPs.	\$10,000.00	\$5,000.00
CORD	CORD is an international NGO that	<b>Zambia</b> – Provide livestock credit to refugees in camps.		\$8,000.00

	has an eleven-year history of developing community services programs in relief and development settings.	<b>Tanzania</b> - Provide Microcredit loans to refugees in camps.		\$8,700.00
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## LOCAL NGOS

Partner	Range of Activities	Alchemy funded programs	Year 1 Grant	Year 2 Grant
BDOM (Bureau Diocesain des Oeuvres Médicales) – Eastern DRC	BDOM is the operational partner for Catholic Relief Services' UNHCR-funded Angolan refugee project in Bas-Congo. BDOM manages food and non-food distributions, medical and nutritional support, agricultural assistance, as well as the provision of clean water and the maintenance of roads.	Provide equipments like sewing machines and materials for building ovens for bread making, as well as training to support refugees in rural areas.	\$3,800.00	
COOPEC – Goma, DRC	This is the oldest cooperative society in the Goma region. It began in 1980 and presently has 2410 members. Its objective is to assist low income earners by mobilizing their savings and providing credit.	Provide Microcredit loans to urban IDPs.		\$10,000.00
CREDAP – Eastern DRC	CREDAP, an organization that is made up of a consortium of agriculturalists and pastoralists who come together to reflect on how to restart and sustain agricultural and pastoral activities in North Kivu area, in the context of a prolonged crisis.	Supported four goat rotating credit projects, designed to strengthen the household food security of both IDPs and returnees.	\$10,000.00	\$10,000.00
POLE – Goma, DRC	The Pole Institute is a local research organization based in Goma that designs innovative programs aimed at decreasing conflict in the Kivus. Pole manages the CREDAP and COOPEC projects for Alchemy.	Support Pole to develop networks that support livelihoods in the Kivus; carry out livelihood research; and conduct regional workshops related to these issues.	\$10,000.00	\$10,000.00
ACCOMPLISH (Action Committee to Promote Local Initiatives and Self-Help) – Sudan	ACCOMPLISH is a national NGO established to support the Mundari people in the areas of education, water/sanitation, income generation and veterinary services.	Grant to purchase a fishing boat for the community in Terekaka, a small village along the Nile.	\$12,000.00	
CVEC (Caisse Villageoise d'Epargne et de Credit) – Cameroon	CVEC community bank has been in existence for 17 years and provides revolving credit to IDPs.	Provide Microcredit loans to IDPs.		\$12,000.00
NORDA (Northern Region development Agency) – Kenya	NORDA is a local NGO that works to promote peace-building and income generating activities among refugees in Kenya.	Provide livestock credit to refugees and IDPs.		\$10,000.00

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## ***PROGRAMS IN REFUGEE CAMPS***

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Our programs in camps have to work within the parameters of the host government's policies towards refugees. In recent years, these policies have become increasingly restrictive. In many host countries, refugees are not permitted to travel freely in and out of the camps, or to work or trade outside the camps. This severely limits their abilities to pursue livelihood activities, and economic activities have to be conducted within the camps. The resourcefulness and enterprise of refugees has therefore been directed inwards, and many camp economies are thriving as a result. Refugees demand and capacity for credit far outstrips the available supply.

### **Guinea, Nzerekore camp**

Amount of Grant: \$ 20,000 (two years)

Start of Program: February 2002

NGO partner: American Refugee Committee (ARC).

Context: ARC started its first microcredit program in Guinea in 1997, serving refugees from Sierra Leone and Liberia. A pioneer in the use of microcredit with displaced persons, ARC has created a model that includes training in health and literacy, and on-going business support for its clients. ARC has a proven record of successfully running microfinance in Guinea. According to ARC's records, 93 percent of their clients' were still in business two years after the initial loan was issued. ARC/Guinea has repayment rates of 96 percent.

Alchemy Program and Beneficiaries: In the first year, Alchemy funded ARC in Liberia, but conflict there forced the program out and after a second proposal to Alchemy in August, we agreed to transfer the grant to support ARC's program of economic literacy and savings mobilization. The program is divided into 2 phases: the development of training manuals is followed by training for 300 refugee women. As of September 2003, the program has completed phase 1 of the program, the sections covered are: enterprise management and planning; record keeping and inventory for illiterates; pricing and costing; and marketing.

(Not yet evaluated by Alchemy)

### **Mozambique, Bobole camp (Maputo) and Maratane camp (Nampula)**

Amount of Grant: \$ 20,000 (two years)

Start of Program: April 2002

NGO partner: World Relief and Fundo de Crédito Comunitário. FCC is the microfinance subsidiary of World Relief, which is the main implementing partner for UNHCR in Mozambique.

Context: FCC's refugee program began in Massaca II camp, then when the government relocated the refugees, moved with them to Bobole camp, outside Maputo. The clients established small businesses, such as grocery stores, used clothing stands, or hair dressing salons. FCC's repayment rate is over 98%. Operational costs for the refugee program are nearly fully covered by the interest earned from the loan portfolio, but the overhead costs are subsidized by FCC.

In early 2003, the government of Mozambique decreed that all refugees in Mozambique must be relocated to Maratane camp outside the town of Nampula, about 1500 km north of Maputo. All refugees who chose not to be relocated would cease to receive any humanitarian assistance.

Alchemy Program and Beneficiaries: In Year 1, Alchemy provided step-up loans for 32 clients through FCC's program in Bobole camp. In Year 2, Alchemy enabled FCC to target poorer clients in the camp, while FCC negotiated the transfer to Nampula and tried to re-start the program there. By end-August 2003, there are 75 beneficiaries, whose businesses include grocery stores, used clothing stands, or hair dressing salons. All loans have a 5% per month flat interest rate for a total cycle of 4 to 6 months, repaid on a bi-weekly basis with the 5% interest rate calculated on the entire initial principle, regardless of what has been paid back by the client.

(Evaluated by Alchemy interns in summer 2002 and 2003)

### **Western Tanzania, Nyarugusu camp**

Amount of Grant: \$ 8,700

Start of Program: July 2003

NGO partner: Christian Outreach for Relief & Development, CORD is UNHCR's implementing partner for community programs in Tanzania.

Context: In early 2002, the Tanzanian government decreed that refugees could not leave the camps without the supervision of Tanzanian staff. This has greatly limited the economic activities of refugees. CORD was subsequently approached by groups of entrepreneurs in the camp asking for access to credit so that they could start or continue businesses inside the camp.

Alchemy Program and Beneficiaries: Alchemy provided loan capital for CORD's small business (microcredit) program. 35 Congolese refugees form 7 groups with each group receiving a loan of approx. US\$ 100. The loan is paid back at an

interest rate of 2% over 6 months. Groups get loans in sequence, so that the next group in the queue encourages the group ahead of them to repay on time. A committee of 5, consisting of refugee representatives and CORD officers, supervises and monitors progress.

(Not yet evaluated by Alchemy)

### **Western Zambia, Mayukwayukwa camp**

Amount of Grant: \$ 8,000

Start of Program: July 2003

NGO partner: CORD, UNHCR's implementing partner for community programs in Zambia.

Context: The 2002 ceasefire in Angola is holding and there appears to be a concerted effort by all parties to ensure lasting peace. UNHCR has indicated that Angolan refugees living in camps in Zambia will return, but so far voluntary repatriation has been slow and it is likely that some Angolan refugees will remain in Zambia. CORD seeks to equip Angolan refugees with skills that they can either use on their return to Angola or as they integrate into Zambian society.

CORD has implemented vocational training in Mayukwayukwa through an apprenticeship training scheme approach. CORD makes an agreement with a skilled person in the Settlement to provide some training to a set of unskilled refugees in exchange for inputs such as tools or materials. Once the trainees have successfully completed their apprenticeship they are given basic tools and materials to enable them to start in business. In Mayukwayukwa this training has been completed in carpentry, iron mongery, tailoring, basketry, carpentry and radio repair.

Alchemy Program and Beneficiaries: Alchemy supports a livestock apprenticeship scheme called the Paravet Training Programme. The program provides refugees with Para-Veterinary skills that will help them reintegrate into Angola (and will provide qualified people to help with national reconstruction).

The Paravet training is supported with hired services from the Government Veterinary Department and related government agencies. Training will include basic animal production and veterinary strategies, how to control major livestock disease outbreaks including cross-border diseases, and how to set up a private veterinary practice.

Target beneficiaries are those in Mayukwayukwa who have the interest and capacity to undertake livestock breeding and training. Each Apprenticeship Scheme has 7 Members; 6 Learners and 1 Innovator/trainer. The apprentices choose an innovator/trainer who then attends a 3 week paravet course to become a trainer who will teach husbandry skills to the apprentices, assisted by

the District Veterinary Officer. A rotating Livestock Apprenticeship Group is then started with members receiving a grant of breeding stock and some initial support materials such as supplementary food and medicines.

(Not yet evaluated by Alchemy; planned evaluation in October 2003)

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## ***RURAL AREAS – LIVESTOCK AND INCOME GENERATION PROGRAMS***

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Self-settled refugees and internally displaced people living among the host population in rural areas of conflict zones have very little access to credit. Alchemy provides support for pastoralists trying to re-establish their herds, and for farmers supplementing their incomes and food security with goats or chickens. In addition, since credit institutions in rural areas are in such short supply, we have supported community banks seeking to set up branches in small towns.

### **Northern Cameroon, Noun**

Amount of Grant: \$ 12,000

Start of Program: June 2003

NGO partner: Caisse Villageoise d'Epargne et de Credit (CVEC), a local NGO, has been in existence for 17 years in the Noun region running a community-based savings and credit program.

Context: Although widespread and intense conflict has not occurred in this region, tensions between farmers and pastoralists, and religious (intra-Muslim) and political differences have resulted in incipient conflict and some displacement. The rural population is almost entirely Muslim with economic activities in agriculture, herding, and small commerce.

Alchemy Program and Beneficiaries: Alchemy's grant is to augment CVEC's revolving credit programs in the town of Foyet. We are funding CVEC as part of our exploration of community banks and how they can be supported. CVEC is well run and thanks to the transparency of its operations has been able to avoid the corruption problems that are rampant elsewhere in the country.

Proposed # of beneficiaries	150
Loan size	\$50-\$250
Average loan period	3-4 months
Interest rate	2% per month
Repayment plans	Clients may select periodic payments or single payment at end of loan term
Gender breakdown	35% male, 56% female, 9% groups

(Evaluated by Alchemy intern in summer 2003)

### **Eastern DRC, North Kivu**

Amount of Grant: \$ 20,000 (two years)

Start of Program: September 2001

NGO partner: Committee for Reflection on Agro-Pastoral Development (CREDAP), a local NGO.

Context: CREDAP is a consortium of veterinarians and agricultural specialists who work together to restart and sustain agricultural and pastoral activities in the Kivus. North and South Kivu have been particularly hard hit by the prolonged crisis and violent conflict in the eastern DRC.

Alchemy Program and Beneficiaries: Alchemy funds goat rotation programs in the Masisi, Nyiragongo and Rutshuru areas. In two years, 250 women have received goats. Each beneficiary is expected to take care of her goat, then, after the goat gives birth, pass one kid on to the next person in line, at which point the loan is considered repaid. Intern reports indicate over 95% rotation success. The cases where beneficiaries were unable to repay were due to death of the goat or when faced with abject poverty the goat was traded for material needs.

(Evaluated by Alchemy in summer 2002 and 2003)

### **Northern Kenya, Mandera Region**

Amount of Grant: \$ 10,000

Start of Program: June 2003

NGO partner: Northern Region Development Agency (NORDA) is a local NGO that works to promote peace-building and income generating activities among internally displaced pastoralists and Somali refugees in northern Kenya.

Context: The Mandera region has high numbers of displaced pastoralists as a result of recurring ethnic conflict and regular refugee influxes from Somalia. In addition, cyclical drought and disease outbreaks every two years or so have caused serious livestock death.

Alchemy Program and Beneficiaries: Alchemy funds support NORDA's livestock rotation credit program. Loans are provided on the basis of sharing of profits and losses, since loans with interest are inappropriate in Muslim communities. NORDA selected 10 beneficiaries (5 men, 5 women) and each received 29 goats. The program anticipates that goat reproduction and trading will enable loans to be repaid within 1 year. NORDA also completed a business skills training workshop for all the beneficiaries in July 2003.  
(Not yet evaluated by Alchemy)

## Sierra Leone, Port Loko

Amount of Grant: \$ 20,000 (two years)

Start of Program: March 2002

NGO partner: American Refugee Committee (ARC).

Context: ARC's microcredit program in the Kenema District was moved in September 2002 to Port Loko in western Sierra Leone. Port Loko is host to a large number of IDPs, refugees, and ex-combatants/military; all considered factors for the spread of sexually-transmitted diseases and AIDS. The Sierra Leone HIV/AIDS program, part of a regional consortium of NGOs, is based in Port Loko and shares an office with ARC's microcredit program. Among the target groups for the AIDS awareness campaign are commercial sex workers (many of whom are IDPs and a small number refugees), and ARC offers them awareness training as well as microcredit loans. Alchemy support of the loan program will allow commercial sex workers to support themselves through legal means, or at least reduce their reliance on dangerous sex activities.

Alchemy Program and Beneficiaries: In Port Loko, clients used the loans to expand their small trading, services and production businesses. Some of the clients were ex-prostitutes, who had participated in an ARC HIV/AIDS awareness program and entered the microfinance program to pursue new businesses.

# of beneficiaries	81 (75% female)
Average loan amount	\$150
Average loan term	9 months
Repayment rate	80%

The project will move back to Kenema and assist in the reintegration of returning refugees by providing new loans to clients and studying how microfinance loans jumpstart livelihoods once refugees return to their homes. 85 clients are targeted for this program with 75% of them women.

(Evaluated by Alchemy intern in summer 2002)



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## ***URBAN AREAS – MICROCREDIT PROGRAMS***

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Refugees and IDPs living in urban areas receive the least official humanitarian assistance of all displaced populations. There are few programs for them, and they have no access to financial institutions like banks. Many urban refugees are highly enterprising and able to contribute to the urban economy. We seek to support them mainly with microcredit. We also have training programs and some income generating activities.

### **Eastern DRC, Goma**

Amount of Grant: \$ 10,000

Start of Program: August 2002

NGO partner: COOPEC-Imara (Community Bank).

Context: COOPEC-Imara is the oldest cooperative society in Goma. It began in 1980 and presently has 2410 members. Its objective is to assist low income earners by mobilizing their savings and providing credit. Given the scarcity of formal banking institutions in conflict zones, Alchemy seeks to support community banks of all kinds.

Alchemy Program and Beneficiaries: Alchemy made a loan of \$10,000 to COOPEC, which was used to provide microcredit loans, averaging \$500, to 20 Clients (16 men, 3 women and 1 women's association). The loans were used to rebuild businesses that were destroyed as a result of the Mt. Nyiragongo volcano in January 2002. By August 2003, 9 beneficiaries had made their payments as scheduled. Some factors that adversely affected repayments were insecurity (looting/robbery); too few customers; poor transport infrastructure and high taxes. (Evaluated by Alchemy interns in summer 2002 and 2003)

### **DRC, Kinshasa**

Amount of Grant: \$ 15,000 (two years)

Start of Program: March 2002

NGO partner: Jesuit Relief Services.

Context: Since the wars of the late 1990s, Kinshasa is populated by IDPs, returnees and refugees from all over the region. Many live in squatter areas adjacent to the city.

Alchemy Program and Beneficiaries: Alchemy first year grant supported income generating activities like embroidery and agriculture. The IDPs' ability to engage

in agriculture was limited by poor transportation to fields outside town and markets. So our Year 2 grant allocated funds to help purchase a truck used by IDPs to transport their vegetables and finished goods to the city. The number of beneficiaries using this transportation service is estimated to be around 185. Over 2 years, only 9% of the agricultural clients have become financially independent.

(Evaluated by Alchemy intern in summer 2002)

### **Liberia, Monrovia**

Amount of Grant: \$ 20,000 (two years)

Start of Program: February 2002

NGO partner: World Relief and their local microfinance partner, Local Enterprise Assistance Program (LEAP).

Context: Monrovia has seen the influx of people fleeing the war in northern Liberia since 1999. Many live in open shells and in cramped displaced shelters subject to cholera and other respiratory diseases. In June 2003, just after the 2<sup>nd</sup> Alchemy grant was received, the war escalated in Monrovia, temporarily halting the LEAP program. Program officers are carrying out an assessment to determine the full extent of the damages. The remaining funds will now be used to re-establish the program with existing or new clients.

Alchemy Program and Beneficiaries: In Year 1, Alchemy funds provided credit and savings services to IDPs and their families in Monrovia. Each client receives an average loan of up to \$50.00 within a group guarantee system where members bear co-responsibility for each loan giving to individuals in the group. Using existing organizational capacity and infrastructure, LEAP has been able to channel small loans from Alchemy's grant to over 200 displaced people. Most activities have a quick turnover geared mainly to put cash in the hands of mothers. Many women clients speak of their ability to feed their children, and pay school and health expenses from their business profit.

Active loan clients	236
Total loan disbursed	\$ 14,270
Total loan outstanding	\$ 6,152
Total savings	\$ 4,642
Average loan per client	\$ 60
Average savings per client	\$ 20
Repayment rate	100%
# of Female	200 (85%)

(Not yet evaluated by Alchemy)

## **South Africa, Johannesburg**

Amount of Grant: \$ 22,613 (two years)

Start of Program: November 2001

NGO partner: Jesuit Relief Services (JRS) is UNHCR's implementing partner in South Africa.

Context: Like many African cities, Johannesburg has experienced high inflows of refugees primarily from the Great Lakes, Somalia and Angola. These refugees, together with the large population of migrants from other African countries, are subject to xenophobia and harassment by locals and authorities alike. South Africa's refugee laws, while not restricting refugees to camps, have been implemented in harsh and restrictive ways, including preventing asylum seekers from working while their cases are pending. With the right documentation, refugees are permitted to work, but like many of the poor in Johannesburg, work is difficult to come by and there is little humanitarian assistance.

Alchemy Program and Beneficiaries: Alchemy's first year grant to JRS supported the small business loan program serving refugees in the urban areas of Johannesburg. This program was not well designed and failed to accomplish its goals, including repayment (only 10% in the first year). The assistance of Alchemy interns at the end of the first year enabled the program to be re-designed and several changes were made in Year 2, which resulted in a significant improvement, including a repayment rate averaging 98%. In client surveys, 90% intend to take subsequent loans.

In Year 2, Alchemy's grant benefited 13 refugees including 2 continuing beneficiaries from Year 1. Most clients (80%) engage in catering and clothing businesses. Other businesses supported by the credit are cosmetics, public phones, crafts, and carpentry and pest control.

(Evaluated by Alchemy interns in summer 2002 and 2003)

"I took the first loan to survive. I will take a second one so that I can prosper."

Alchemy beneficiary in South Africa.

"[The Alchemy loan] allowed me to start my own business of Public phone...My dream is to become strong economically and stable socially... I have the desire to work hardly so that one day I will be able to go back home and invest my dream company... in the field of information technology which is my field also as an IT technician."  
Maurice Muya Biika, DRC refugee in South Africa.

## **Sudan, Khartoum**

Amount of Grant: \$ 15,000 (two years)

Start of Program: November 2001

NGO partner: GOAL (Ireland).

Context: Khartoum has long been home to thousands, perhaps millions of IDPs from the war in the South and from conflict combined with drought in the west. Alchemy's project in Khartoum was our first, and began in July 2000, when Karen Jacobsen visited a GOAL-initiated REFLECT circle of IDP women in Soba Aradi, a township on the outskirts of Khartoum. REFLECT circles are based on a literacy training philosophy developed by the Brazilian educator, Paul Freire. In addition to teaching the women to read and write, the circles enhance group solidarity and create relationships of trust. Working with the REFLECT circle, GOAL and Alchemy developed a group-based program based on a communal goat herd and other income generating activities.

Alchemy Program and Beneficiaries: In Year 1, Alchemy supported 35 war and drought-displaced women from the south and the west of Sudan. In Year 2, GOAL used the funds to build a training facility and pay for teaching supplies (books, writing instruments and teacher aid materials) to educate 1850 women in literacy and small business skills.

(Evaluated by Alchemy intern in summer 2002)

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## **RESEARCH & EDUCATION GRANTS**

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Alchemy also funds local organizations involved in livelihoods research in zones of conflict and displacement, and in training activities for the displaced. Our field research enables us to better understand how refugees and IDPs pursue livelihoods and to evaluate which program interventions work best under different circumstances. We also seek to build research capacity in local organizations.

### **Research Partner: POLE Institute, Goma - DRC**

Amount of Grant: \$ 20,000 (two years)

Start of Program: April 2002

Pole is a local research organization based in Goma whose mission is to work with local people to find ways to manage and reduce conflict in the Kivus. It is the only organization of its kind in the eastern DRC, and indeed in much of the conflict-ridden Great Lakes region. Alchemy and Pole work together to explore how to increase the economic security of conflict-affected communities, and in so doing contribute towards conflict reduction and the easing of tensions.

For the past two years, Alchemy's support has enabled Pole to:

- Develop networks such as CREDAP that support livelihoods in the Kivus,
- Carry out livelihood research in rural areas.
  - Pole worked with our two NGO partners (CREDAP and COOPEC) to conduct an informal survey of credit needs in Goma and environs.
- Build its research and organizational capacity by
  - Enabling Pole staff to travel to Boston for workshops and meetings;
  - Training workshops in Goma.

The Pole Institute continues to be a key organization for Alchemy, both as our research partner and as a trusted conduit for providing Alchemy funds to local NGOs such as CREDAP and COOPEC (see program descriptions above).

### **Scholarships at Ahfad University for Women, Khartoum (Omdurman) - Sudan.**

Amount of Grant: \$ 28,000 (two years)

Start of Program: September 2001

Alchemy's scholarship program is currently focused on Ahfad University, with whom we had pre-existing links through the Feinstein Famine Center. Ahfad University hosts many IDP women, and Alchemy's scholarship program is intended to support them.

Our approach is to provide the scholarship funds and allow the university leadership to decide how to allocate them to support tuition and living expenses of displaced women students. Over the past two years, Alchemy funds of \$13,000 have enabled 3 women to pursue their undergraduate education at Ahfad.

Alchemy also gave a \$15,000 scholarship to an Ahfad graduate student, to do a Masters in Humanitarian Assistance at Tufts University. This training will enable the student to return to Ahfad to teach courses in Nutrition and Humanitarian Assistance, and to help establish the university's curriculum in these subjects.

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## *SEED GRANTS*

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Our Seed grant program takes a deliberately ad hoc approach to supporting displaced livelihoods. We rely on the judgment of individual trusted colleagues familiar with particular regions to recognize opportunities for supporting livelihoods, and give them small amount of discretionary funds to disburse to individual refugee entrepreneurs as they see fit. They track the progress of the individual loan recipients as best they can.

This year, seed funds were disbursed by a colleague in Guinea, who spent eight months (February to October 2003) in Sembakounye refugee camp for Sierra Leonean refugees. She has disbursed \$ 1,400 in 7 loans ranging from \$100 to \$300 to refugees.

Some loans were given directly with anticipated follow-up by our colleague; other loans were administered through a local NGO working with our colleague. These loans had an expected repayment of 50% at the end of every month. The businesses were in clothing, coffee and snack shop, small groceries. 100% repayment and 2 men and 1 woman made enough profits to expand their operations.