

# **THE ALCHEMY PROJECT**

STRATEGIC PLAN  
AND  
OPERATIONAL REPORT

**September 2003**

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## MISSION

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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 using a credit-based approach is a sustainable and dignified way both to assist displaced people and to benefit their host communities by developing local economies and reducing local conflict.

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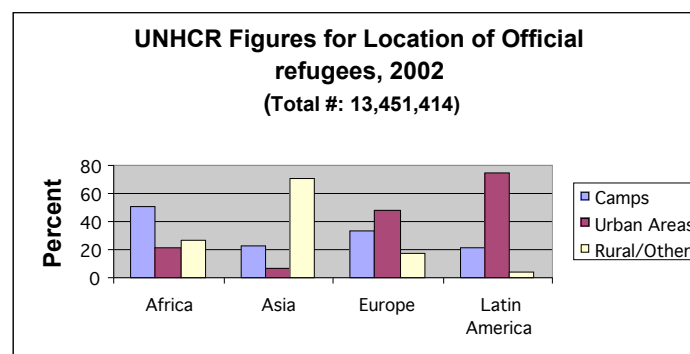
## BACKGROUND AND CONTEXT

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### *A burning need: livelihoods in zones of protracted conflict and displacement in Africa*

In Africa, there are currently more than 15 zones where armed conflict of varying degrees of intensity has lasted for more than five years.\* The conflicts have imposed many challenges on the people in these regions, and one of the most problematic is the loss of resources people need to pursue livelihoods. Livestock is killed or looted; farmland and rangeland is mined; transportation (trade) routes are beset by roadblocks. There is little humanitarian assistance, and no help from their governments. Yet people living in these zones must continue to pursue livelihoods as best they can. They have no other choice.

Conflict and displacement are intimately linked. In the past ten years, millions of people have been forced to flee; either across borders as refugees, or within their own countries where they remain 'stuck' as internally displaced people. Depending on their experience with the conflict, or the persecution that usually accompanies it, some travel short distances, perhaps only across the border or to a neighboring village; others travel much further, ending up in countries far from home. In Africa, about half of those who have crossed borders live in refugee camps, the rest live amongst the local population; both in rural and urban settings.



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\* These zones include southern Sudan, Somalia, eastern Congo, Burundi, Angola (a peace accord was recently signed), Liberia, Sierra Leone (a peace accord was recently signed), northern Uganda, northern Kenya, western Sahara, Republic of Congo, Ethiopia, Eritrea and Rwanda (see map on page 5)

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 refugees and internally displaced people (IDPs) is income. Money is needed to buy firewood, 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, usually through small enterprises such as petty trade, livestock, agriculture or service provision (barbers, food makers, artisans, translators).

Start-up credit is needed. For example, to re-start one’s farm after a harvest has been looted, it is necessary to borrow money to pay for seeds and tools. If one’s livestock has been stolen or left behind during flight, new animals are needed. In both camps and urban areas, refugees need credit to buy goods to trade in the market, or to start a small business.

The problem is there are almost no sources of cash or credit. Many of the formal banks have left or collapsed, and the value of local currency has disintegrated. 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 generally 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.

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## PROJECT GOALS

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The Alchemy Project’s primary goal is to:

**Enable forcibly displaced people to pursue livelihoods  
in a sustainable and dignified way, through the  
provision of credit and other income generating  
resources.**

Two related goals are to:

**Support livelihoods in ways that contribute to the reduction of  
tensions related to conflict;**

## **Increase the knowledge, capacity and skills of organizations assisting refugees and IDPs.**

### **WHERE WE WORK**

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.

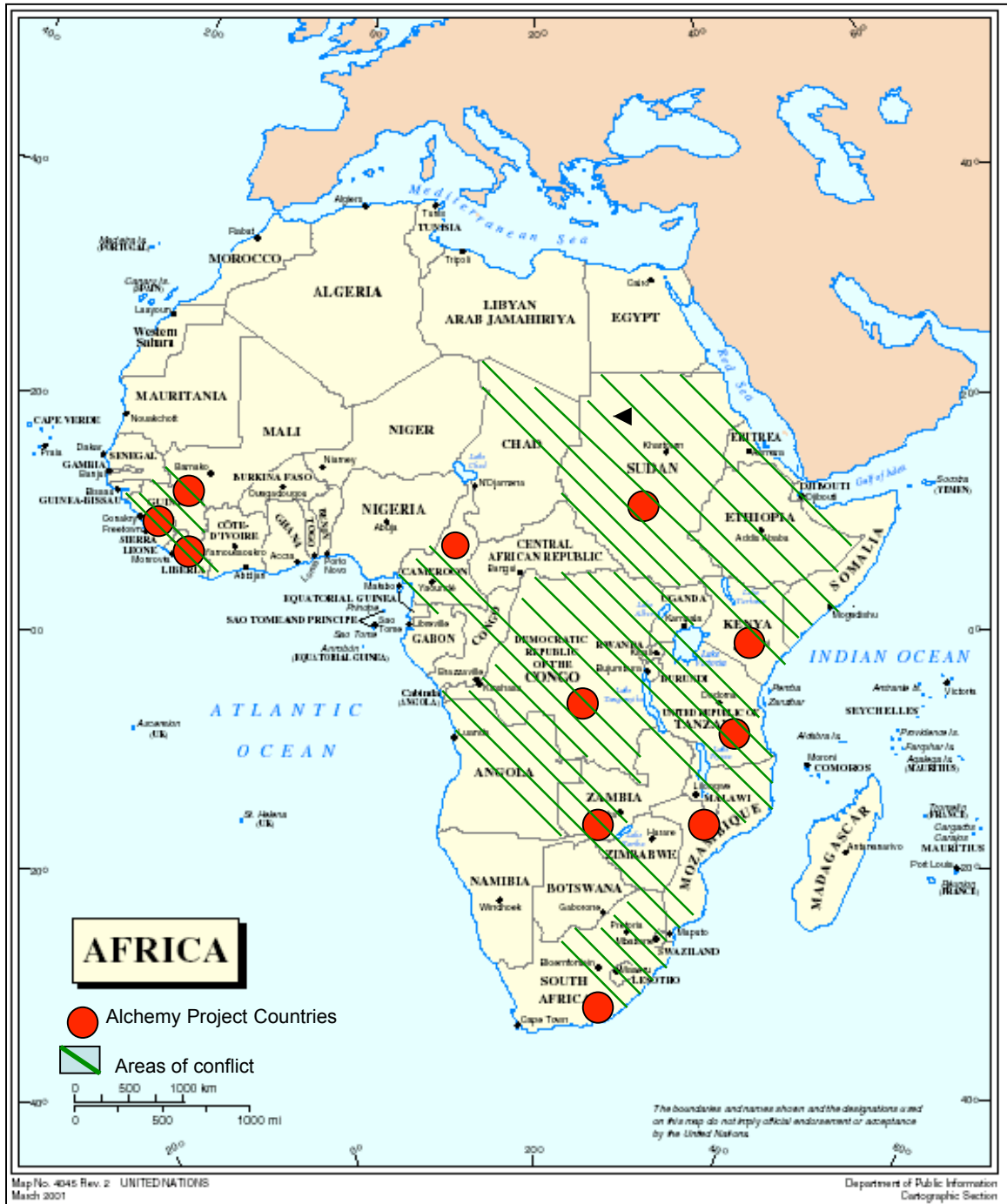
For reasons of security, lack of capacity, or because there is sufficient assistance already being made available, **we do not work in:**

- **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. Current examples (June-August 2003): Liberia, Somalia.
- **Post-conflict countries** (such as Rwanda), unless it is with refugees from other countries.

**We do work in:**

- Refugee Camps
- Urban and Rural Areas Hosting Displaced People

**MAP: ALCHEMY PROJECT LOCATIONS**

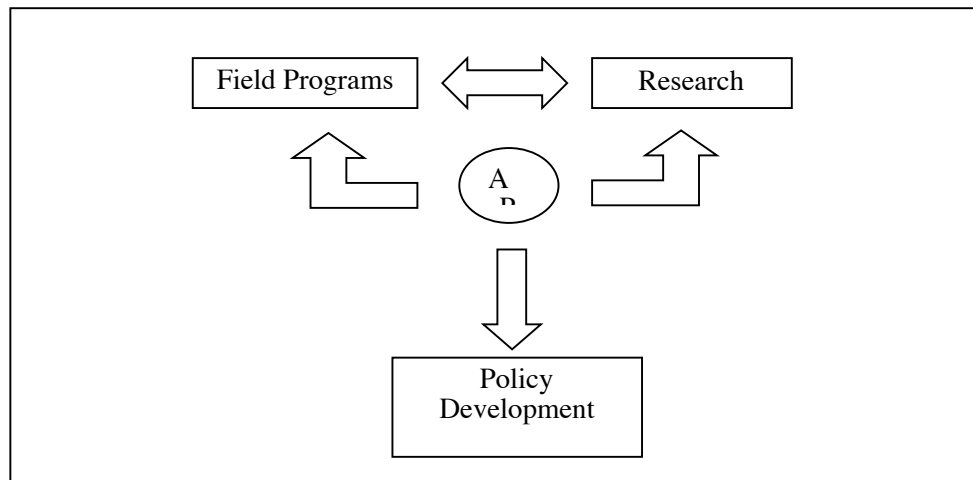


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## STRATEGY

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To achieve our goals we have a **three-pronged approach** focusing on Field Projects; Research; and Policy Development. The *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.



### WHO WE TARGET

The Alchemy Project primarily focuses on 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.

Thus, we 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

### APPROACH #1: FIELD PROGRAMS

**Objective:** *To provide funding to refugees and IDPS that enables them to pursue livelihoods so that they no longer have to depend on relief assistance or resort to dangerous livelihood strategies*

## How we work: Partner NGOs, Seed grants and scholarships

The Alchemy Project helps displaced people gain access to credit, training and other income-generating opportunities through the direct provision of funds to the field. We work with local organizations (and sometimes particular individuals) to design programs based on loans to 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 steps comprise Alchemy's main field-based approach:

- (1) **Selection of effective field partners.** We work through field-based, non-governmental organizations familiar with the politics and problems of the area, and who have good understanding and ideas about how to address local livelihood needs. Our base at the Feinstein International Famine Center, and consequent ability to draw on the rich field knowledge and networks of our faculty, give us an important advantage in identifying potential field partner organizations. Our current field partners include both international and local NGOs. (For a list of Alchemy Partner NGOs refer to Appendix C). Criteria used to select partner organizations are:-
  - a. They come well recommended by our network.
  - b. They have an established livelihood program, with evidence of good record keeping.
  - c. Initial negotiations go smoothly, with timely responses and appropriate feedback.
  - d. They do not require Alchemy funds for core program management costs (e.g. salary).
- (2) **Design of the program:** We work with the selected organization to develop an appropriate loan-based, income generating program. In addition to disbursing Alchemy funds, our field partner must agree to our monitoring and evaluation requirements.

### Some examples of the kinds of programs we fund.

In refugee camps:

- Purchase of capital equipment (e.g. ovens, sewing machines, fishing boat engine) for income generating programs;
- Loans for micro-enterprise;
- Livestock training programs for refugees.

In rural areas:

- Livestock revolving credit programs,
- Loans to displaced pastoralists (for re-stocking);

In urban areas:

- Loans to community banks working with IDPs,
- loans to refugees for micro-enterprise
- Business skills training programs for refugees.

- (3) **Project evaluation:** Once the program is implemented and feedback is received, our field partner identifies qualified beneficiaries. We provide ongoing monitoring and evaluation, or sometimes on security conditions, we continue to work with our partner NGO to re-tool or re-direct the program in mid-stream if needed. We also offer our partner NGOs training and workshops.



We use a second, more experimental approach when the situation allows, in the form of **'seed grants.'** This ad hoc approach relies on the judgment of individual trusted colleagues familiar with situations in a particular region, who are given a small amount of discretionary funds to disburse to individual refugee entrepreneurs. They track the progress of the individual loan recipients as best they can.

A third approach is to fund **scholarships** for displaced students seeking higher education, especially in countries hosting large numbers of displaced people. We provide scholarships for internally displaced women at Ahfad University in Khartoum, and offer one scholarship at Tufts University for a Masters in Humanitarian Assistance.

## **APPROACH #2: RESEARCH AND EVALUATION**

**Objectives:** *To understand the ways refugees and IDPs survive economically, and to evaluate which program interventions work best under different circumstances*

The importance of research and evaluation as a way to understand and improve the effects of the Alchemy Program is fundamental to our approach. The field of humanitarian assistance, particularly in zones of conflict and displacement, is notoriously under-evaluated. Following the model of the Sphere Project\*, we have built evaluation into both our field programs and the larger Alchemy Project. The research that is part of this evaluation approach also allows us to contribute to the literature on ‘supporting livelihoods in humanitarian situations.’

We seek to evaluate and understand our impact on individual refugees and IDPs and their host communities in terms of our **three goals:**

- whether we have strengthened their ability to pursue livelihood enterprises (so that they reduce their need for relief assistance or to resort to dangerous livelihood strategies);
- whether we have ‘done no harm’ and enhanced human security, by 1) improving economic health and standards of living, and 2) ensuring that conflict and tensions have not increased; and
- Whether we have strengthened the sustainability and organizational capacity of our NGO field partners.

In accordance with the Sphere Project’s approach, we have identified three ‘minimum standards’ to be attained in pursuing the above goals, and with them, ‘key indicators’, i.e. signals that show whether we have achieved these standards. For some indicators, the measures are divided into ‘process’ ones – that is, number of clients receiving some kind of support; and ‘accomplishment’ ones – i.e. whether the support actually resulted in the desired outcome at the end of the year. The measures can be either qualitative or quantitative. One of our research tasks is to explore how to measure these indicators more rigorously.

**Minimum Standard 1:** Strengthened ability to begin and sustain livelihood enterprise.

**Key indicator 1:** *Livelihood enterprise was jumpstarted*

- Process Measure: No. of clients who received loans and/or training to begin new enterprise
- Accomplishment measure: No. of clients whose enterprise survived one year

**Key indicator 2:** *Livelihood enterprise was sustained, strengthened or expanded*

Measures:

- No. clients who paid of loans and no. of defaulters
- No. of clients making regular repayments
- No. able to sustain livelihood enterprise in face of external shock

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\* <http://www.sphereproject.org/handbook/nutrition.htm>

**Minimum Standard 2:** We have ‘done no harm’ and enhanced human security (economic and physical),

**Key indicator 1:** improved economic health and standard of living,

Measures:

- increased savings and/or income
- improved food security (change in diet),
- Met family needs (no. children sent to school; new housing);
- Reduced dependency on relief (No. of people who moved out of camps, or expressed no further need for food aid or other relief)
- Increased sense of self-worth and dignity (self-reported);

**Key indicator 2:** ensuring that conflict and tensions have not increased

Measures:

- Occurrence of security problems related to program in target community?
- Process Measure: interventions to address conflict/tensions
- Accomplishment measure: By year end, tensions increased/decreased?

■ Inhibiting factors?

**Minimum Standard 3:** Strengthened the organizational capacity and sustainability of our NGO field partners

**Key indicator 1:** Organizational capacity:

Measures:

- No. of personnel who have participated in workshops, training, etc.
- New or strengthened network through links to other donors, programs, during course of year).
- Personnel believe their mission is being better accomplished (Measure: self-reported).

**Key indicator 2:** Sustainability

Measures:

- program has support beyond Alchemy (other donors, or from the community)

## **How we conduct our research and evaluation**

*Livelihoods Research:* As a university-based program with colleagues involved in humanitarian field research, we are well situated to conduct research. The Director (Jacobsen) heads research projects in Johannesburg and Boston exploring the livelihoods of African refugees. The Famine Center has faculty and collaborators at research institutes and universities in Nairobi, Khartoum, Goma, Maputo and Johannesburg. The Alchemy Project is linked into all these projects.

*Program Evaluation:* Our evaluation process is a three-part one, drawing on reports and observations by our NGO partners, interns and the management team. For each of our field programs, we begin Year One with base-line estimation, then conduct mid-year monitoring and conclude each year with an evaluation. For our base-line estimation, we ask our partner NGO to conduct a short interview about the livelihoods of each program beneficiary when they receive their loans. Ongoing monitoring consists of mid-year reports from our field partner, which document use of funds, new developments and other progress. The end of year evaluation occurs in the (northern) summer months when either a graduate student intern or one of the management team conducts field visits to

the projects. The intern is resident in the field for eight weeks, and helps the NGO conduct its annual evaluation of the program. The site visit by the management team is usually of much shorter duration.

To strengthen the evaluation component of our partner NGOs, and to build expertise in the field of evaluation, we support field research by our NGO partners and train field researchers at Tufts University.

### **APPROACH #3: POLICY DEVELOPMENT**

***Objective:** To work with humanitarian organizations to develop policies and programs that can effectively support displaced people on a much greater scale.*

We envision large aid organizations such as the various UN agencies (UNHCR, UNICEF, UNDP), and donor governments (USAID, DFID, ECHO) as the future funders of large-scale livelihood programs of the type that the Alchemy Project is pioneering.

Part of Alchemy's mission is to communicate the knowledge and experience generated by our field programs, research and evaluation to these institutions, as a way both to improve their humanitarian assistance programs and to 'scale-up' our own efforts.

### **How we work on policy development**

This process depends on creating relationships with UN agencies and donor governments. We are fortunate in that the Alchemy Project's position in the Famine Center gives us access to existing relationships already in place. Our task is to enhance and strengthen these relationships through a process of dialog, visits, seminars and workshops.

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## RESULTS FROM OUR FIRST TWO YEARS

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### YEAR 1: JULY 2001 – AUGUST 2002

Supporting livelihoods in zones of conflict and displacement is a new field, with very little research and evaluation, and our first year was primarily an exploratory one. Working with individuals and organizations known to the Famine Center, we focused on developing our strategies, and identifying a range of field partners and programs. We made a three-year funding commitment to our partner NGOs, pending satisfactory performances.

#### **First year Objectives:**

- (1) Identify and fund a broad range of income generating programs, and reach as many refugees and IDPs as possible
- (2) Begin to identify key indicators of impact on livelihoods, based on our three Minimum Standards.
- (3) Establish good working relationships with our NGO partners.

#### **Results for Objective #1 (Funding and Support for Field programs)**

By the end of our first year, we had:

- **10** NGO field programs in place and **1** seed grant;
- Provided **4** scholarships (three at Ahfad and one at Tufts), and given **1** NGO (the Pole Institute) funds to pursue livelihoods research;
- Total Funds disbursed to these programs: **\$130,210**;
- No. of beneficiaries supported: more than **800**. Of these, some **490** had received individual loans (for small businesses or livestock) ranging in size from \$50 - \$1,000. Capital equipment and support for larger income generating programs had enabled us to benefit another **218**, although the exact number is difficult to quantify. (See individual program sections in the EOY report for details) The number of beneficiaries in each NGO program ranged from 4 – 200.

#### **Results for Objective #2 (Assessing impact)**

In May – August 2002, we sent seven graduate student interns from the Fletcher School of Law & Diplomacy into the field to help with our first annual evaluation. They went to Sudan, Sierra Leone, D.R. Congo (two interns), Johannesburg (two interns), and Mozambique. In addition, the management team (Jacobsen and Gellek) visited eastern Congo, Mozambique and Johannesburg. Jacobsen had made earlier visits (July 2001) to Khartoum and Johannesburg.

By the end of Year One (July 2002), it was too early to measure clearly the impact of Alchemy funds on the livelihoods of participants. Using anecdotal evidence obtained from our recipients, partner NGOs and interns, we experimented with key indicators relating to our minimum standards, with a view to measuring them more explicitly in years 2 and 3.

In addition to looking for evidence of improved livelihoods, we explored whether the availability of new resources had led to tensions in the community, and if so whether and

how that tension was resolved. Our results are shown in the Program Outcomes table – Appendix A.

### **Results for Objective #3 (Relationships with our NGO partners)**

In Year 1, we began to establish working relationships with our field partner NGOs and these were strengthened by the field visits we made during the summer. All of the interns had very favorable experiences, and received stellar reports from their NGO supervisors. Our interns were able to help us evaluate both the impact of Alchemy’s support, and the quality of the NGO itself. In addition, the interns provided much-needed administrative support and skills to the NGO field offices. (In one case, at JRS/South Africa, the Alchemy management team and visiting interns helped substantially re-organize the microcredit program, and the new approach seems to have paid off in Year 2.)

In turn, the interns were able to gain valuable field experience, both in refugee situations and at evaluating a field program. Since many of the interns plan to enter the field of humanitarian assistance, this experience will stand them in good stead.

## **YEAR 2: SEPTEMBER 2002 –AUGUST 2003**

During Year 2, we focused our strategies, added new programs and found ways to strengthen our partner relationships. We began to engage with policy makers more actively, since now we had something to tell them.

### **Year 2 Objectives:**

- (1)** Continue to fund and support our existing field programs, monitoring progress from first year; add new field programs when funding allows, to reach as many refugees and IDPs as possible;
- (2)** Focus our evaluation of existing programs according to our three minimum standards; work with NGO partners to improve programs based on our joint evaluation;
- (3)** Conduct livelihoods research on refugees as a way to deepen our understanding of their experiences and needs;
- (4)** Begin process of engaging policy makers, including UN, donors and other NGOs involved with livelihood support in zones of conflict and displacement.

### **Results for Objective #1: Funding and Support for Field programs**

By the end of our second year, we had:

- **13** active field programs (with NGOs), of which 4 were new, including 1 seed grant. Two of our Year 1 programs did not receive additional funding in Year 2.
- disbursed **4** scholarships (three continuing for a second year at Ahfad, and one at Tufts), and continued to fund the Pole Institute to pursue livelihoods research;

Funds disbursed to all these field programs totaled **\$154,813**. We supported more than **3,250** beneficiaries. Of these, some **1,068** had received individual loans (for small businesses or livestock) ranging in size from \$50 - \$1,000. Capital equipment and support for larger income generating programs enabled us to benefit another **185**, although the exact number is difficult to quantify. Some **1850** received training supplies (Our results are shown in the Program Outcomes table (Appendix A.)

### **Results for Objective #2: Evaluation of impact**

During May-August 2003, five interns pilot-tested an instrument designed to evaluate our impact. The instrument consisted of a questionnaire which was used to compare livelihood situations for Alchemy participants with those who did not receive funds. Over 150 interviews were conducted in South Africa, Mozambique, Cameroon, and eastern Congo.

Our interns and the management team also conducted interviews with our NGO partners to explore the progress of the programs. These interviews, together with reports received during the course of the year, allowed us to draw some conclusions about progress towards our goals. For outcomes, please refer to Appendix A.

### **Results for Objective #3: Research on Livelihoods**

In Year 2, we began two related projects exploring the livelihoods of African refugees; one a survey of migrants (N= 750) from refugee-sending countries living in Johannesburg and Maputo, and the other of resettled African refugees in Boston and surrounding towns.

This research seeks to understand the livelihoods needs and obstacles faced by refugees, and the links they sustain with their compatriots in different places (camps, transit countries, urban areas, resettlement countries). The purpose of the research is to understand how refugees survive economically, with the goal of improving program and policy interventions, including Alchemy's.

In addition, in Goma (DRC), the Pole Institute worked with our two NGO partners to conduct an informal survey of credit needs of the internally displaced and their local host community.

By the end of the summer 2003, we had amassed a considerable amount of data derived from this research and our interns' interviews. This data will be processed and used in articles, presentations and workshops in Year 3.

## **Results for Objective #4: Engaging policy makers**

As we began to gain understanding from our field experience and research, we sought to begin the process of discussing lessons learned with other organizations. The following events took place in Year 2:

### **1. March 2003 Workshop**

"Livelihood Interventions in Conflict-Affected Areas: Dilemmas & Lessons Learned." This was a two-day workshop in Boston in March 2003 to initiate a consortium of NGOs doing livelihood work with refugees in conflict zones. The workshop was attended by 40 people, including several NGOs interested in our program with whom we did not (yet) work, and representatives from various donor governments and organizations (USAID, DFID, World Bank). External funding for the workshop enabled us to bring several of our NGO partners from Africa to Boston, including officers from JRS (Johannesburg and Nairobi), World Relief (Maputo and Monrovia), and ARC (Sierra Leone). Output from the workshop included a set of readings, the first Alchemy Annual report, and the workshop report, all made available on a CD and disseminated to interested parties.

### **2. Seminars and Presentations**

The Director, Karen Jacobsen, gave the following presentations either about the Alchemy Program, or related to the kind of work we are doing:

"The Economic Life of Refugees: Supporting Livelihoods during Conflict and Displacement," Seminar given at the Migration Policy Institute, Washington DC. June 20, 2003. The seminar was attended by officials from USAID, the World Bank, US Committee for Refugees, Catholic Relief Services, Lawyers Committee for Human Rights, and the Migration Policy Institute.

"Supporting Livelihoods During Conflict And Displacement: Early findings from the Alchemy Project", Seminar given at Refugee Studies Programme, Oxford University, March 12, 2003.



“Displaced Livelihoods: the Economic Impact of Protracted Conflict and Displacement, and Lessons Learned from Four Microenterprise Interventions,” Paper presented at the 8th International Association for Studies in Forced Migration Conference, January 5-9, 2003, Chiang Mai, Thailand.

“Microfinance Programs in Conflict-Affected Areas: Some Early Findings of the Alchemy Project.” Paper presented at Forced Migration Seminar, University of Witwatersrand, Johannesburg, July 2002.

### **3. Direct Engagement with Donors.**

Working with colleagues at the Famine Center, we began discussions with USAID (who partially funded our March workshop), and with several other donor governments, including the Swiss and Irish governments. The Director of the Famine Center, Peter Walker, has been actively engaged in communicating with donors on Alchemy’s behalf.

We will be working with a Famine Center colleague, Sue Lautze, to create a training module on income support interventions for the Office of Foreign Disaster Assistance (OFDA), part of USAID.

In Johannesburg, our JRS program attracted the interest of UNHCR, who is working with us to support the program in South Africa and possibly in other countries.

## **OBJECTIVES FOR YEAR 3: SEPTEMBER 2003 – AUGUST 2004**

Our objectives in Year 3 are as follows:

### **1. Field Programs:**

We will provide a third or second year of funding to our existing partners, increasing their allotments if funds permit, but not starting any new programs. We will continue to disburse small amounts of seed funds, if opportunities arise.

Support for NGO partners: As a follow-up to our first workshop in Boston, we plan to hold a field workshop in Maputo in March 2004, to bring our field partners together to share experiences and lessons learned.

We expect to develop a training module for field personnel seeking to implement cash and credit-based livelihood support programs.

### **2. Research & Evaluation:**

We will again place interns in as many field programs as possible during the summer of 2004, to conduct research and evaluation. The management team intends to make field visits to Kenya, Sudan and Eastern Congo.

In October 2003, a colleague will conduct a site visit to our CORD program in the camps in Zambia. (Loren Landau is a researcher based at Wits University in Johannesburg and collaborating on our research projects there and in Maputo).

We will continue our refugee livelihoods research in the field, adding Maputo to our urban refugees' project begun last year in Johannesburg (collaboration with Wits and UEM universities). In Goma, the Pole Institute will continue research on IDPs and conflict zones.

Finalization of the Evaluation Instrument: Over the past year we have made good progress in designing an instrument to be used to evaluate income support programs of the type we are pioneering with Alchemy. By the summer of 2004, when we are ready to conduct our year-end evaluation, we intend to have this instrument refined and ready to be used. We intend to make this instrument available to other programs beside our own, and to encourage its use widely.

### **3. Policy Development:**

This year we intend to make a strong advocacy push with donor governments and organizations, both to disseminate lessons learned, and to encourage further funding for some of our projects.

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## **APPENDIX A: MINIMUM STANDARDS AND KEY INDICATORS**

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### **Alchemy Project's goals:**

Goal 1: Enable forcibly displaced people to pursue livelihoods in a sustainable and dignified way.

Goal 2: Support livelihoods in ways that contribute to the reduction of tensions related to conflict.

Goal 3: Increase knowledge, capacity and skills in organizations assisting refugees and IDPs.

**MINIMUM STANDARD 1: STRENGTHENED ABILITY TO BEGIN AND SUSTAIN LIVELIHOOD ENTERPRISE**

KEY INDICATOR I: *Livelihood enterprise jumpstarted (or re-started after external shock)*

- **Process Measure:** Number of clients who received loans and/or training to begin new enterprise
- **Accomplishment Measure:** No. of clients whose enterprise survived one year

KEY INDICATOR II: *Livelihood enterprise was sustained, strengthened or expanded.*

- **Measures:**
  - No. clients who paid of loans and no. of defaulters
  - No. of clients making regular repayments
  - No. able to sustain livelihood enterprise in face of external shock

**MINIMUM STANDARD 2: WE HAVE ‘DONE NO HARM’ AND ENHANCED HUMAN SECURITY (ECONOMIC AND PHYSICAL)**

KEY INDICATOR I: *Improved economic health and standard of living*

- **Measures:**
  - increased savings and/or income
  - improved food security (change in diet),
  - Met family needs (no. children sent to school; new housing);
  - Reduced dependency on relief (No. of people who moved out of camps, or expressed no further need for food aid or other relief)
  - Increased sense of self-worth and dignity (self-reported);

KEY INDICATOR II: *ensuring that conflict and tensions have not increased*

- **Measures:**
  - Occurrence of security problems related to program in target community?
  - Process Measure: interventions to address conflict/tensions
  - Accomplishment measure: By year end, tensions increased/decreased?

**MINIMUM STANDARD 3: STRENGTHENED SUSTAINABILITY AND ORGANIZATIONAL CAPACITY OF OUR NGO FIELD PARTNERS**

KEY INDICATOR I: *Organizational capacity*

- **Measures:**
  - No. of personnel who have participated in workshops, training, etc.
  - New or strengthened network through links to other donors, programs, during course of year).
  - Personnel believe their mission is being better accomplished (Measure: self-reported).

KEY INDICATOR II: *Sustainability*

- **Measures:**
  - program has support beyond Alchemy (other donors, or from the community)

**MINIMUM STANDARD 1: STRENGTHENED ABILITY TO BEGIN AND SUSTAIN LIVELIHOOD ENTERPRISE**

**Key indicator I: livelihood enterprise jumpstarted (or re-started after external shock)**

	<b>Camps</b>	<b>Urban Areas</b>	<b>Rural Areas</b>
<p><b>Process Measure:</b> No. of clients who received loans and/or training to begin new enterprise</p>	<p><b>Microcredit:</b> Nampula (Moz) (FCC) Yr2 (March): 75 micro loans for refugees.</p> <p>Nyaragusu (Tanzania) (CORD) Yr2 (June): 35 micro loans for refugees.</p> <p><b>Training:</b> Nzerekore (Guinea) (ARC): Yr2 - Business literacy training for 300 women.</p>	<p><b>Microcredit:</b> Goma (COOPEC): Yr2 - 18 micro loans for IDPs</p> <p>Monrovia (LEAP): Yr1 - 200 Micro loans for IDPs</p> <p>Maputo (FCC): Yrs 1 and 2 - 32 micro loans for refugees</p> <p>Jo'burg (JRS): Yrs 1 and 2 - 32 micro loans for refugees.</p> <p><b>Inc generation:</b> Kinshasa (JRS): Yr1 - seeds, tools, rental of agricultural land, and transportation truck benefited 335 IDPs. (Yr 1 was 150, yr2 185)</p> <p>Khartoum (GOAL): Yr1 - Goats, a spaghetti-making machine and a donkey cart enabled start-up business for group of 35 IDP women.</p> <p><b>Training:</b> South Africa (JRS): Yr1 - Training was offered to all clients, but only 9 attended.</p> <p>Sudan (GOAL): Yr2 - Alchemy built training shelters and provided education supplies for 1850 women's business training.</p>	<p><b>Microcredit:</b> Kenema (S Leone) (ARC): Yr1 - Micro loans for 170 IDPs. Livestock: N.Kivu (DRC) (CREDAP): Yrs 1 and 2 – Goats for 250 IDPs.</p> <p>Kenya (NORDA): Yr2 (June): 10 IDP beneficiaries rec'd loans to purchase livestock</p> <p><b>Inc generation:</b> S. Sudan (Accomplish): Yr1 - Engine for fishing boat benefited hosts, IDPs and refugees in village of Terekaka</p> <p>Bas-Congo (BDOM): Yr1 - 68 refugees benefited from soap making; sewing and bread making.</p> <p><b>Training:</b> Cameroon (CVEC): Yr2 - 61% of clients formed their own professional groups to share knowledge.</p> <p>DRC (BDOM): Yr1 - Training was provided to all 68 clients. Kenya (NORDA): Yr2 - All 10 clients completed business skills training as part of loan program.</p>
<p><b>Accomplishment Measure:</b> No. of clients whose enterprise expanded after one year.</p>			<p>S. Sudan (Accomplish): The fishing boat provided in Year 1 is still operational and used extensively by the villagers.</p>

<b>Key indicator II: Livelihood enterprise was sustained, strengthened or expanded</b>			
	<b>Camps</b>	<b>Urban Areas</b>	<b>Rural Areas</b>
<b>Measure 1:</b> No. clients who paid of loans and no. of defaulters	Mozambique (FCC): Yr1 – 98% of the loans were repaid.	Monrovia (WR/LEAP): Yr1 - 100% repaid the loans until the conflict restarted in early 2003.  Jo'burg (JRS): Yrs 1 and 2 –Loan repayment was less than 20% in Yr 1; increased to 90% in Yr 2.	Cameroon (CVEC): Yr2 – Loan cycle repayment is 97%, with an average savings of \$56.  Sierra Leone (ARC): Yrs 1 and 2 - 80% repayment rate. (136 clients).
<b>Measure 2:</b> No. of clients making regular repayments		Goma (COOPEC): Yr2 - Out of 18 beneficiaries, 9 were able to meet repayment schedule; 9 did not (it took a longer time to rebuild after the volcano).	Kenya (NORDA): Yr2 - All 10 beneficiaries maintain repayment schedules
<b>Measure 3:</b> No. clients able to sustain livelihood enterprise after external shock.	Nampula (FCC): Yr2 - 20% were able to sustain livelihoods after camp relocation.*	Goma: (COOPEC): Yr 1: After volcano eruption, loans enabled resumption of economic activity for 18 clients.	

\* Numbers are from preliminary estimates. Details will be able for the semi-annual report.

**MINIMUM STANDARD 2: WE HAVE ‘DONE NO HARM’ AND ENHANCED HUMAN SECURITY (ECONOMIC AND PHYSICAL)**

**Key Indicator I: Improved economic health and standard of living**

	<b>Camps</b>	<b>Urban Areas</b>	<b>Rural Areas</b>
<b>Measure 1:</b> No of clients reporting increased income, savings/etc	Mozambique (FCC): Yr1 - An average increase in income of \$112 per client..	Liberia (LEAP): Yr1 - Average savings \$30 in the loan period (average loan amount \$45). Jo’burg (JRS): Yrs 1 and 2 - 28 clients increased their income. 9 clients businesses created 19 jobs in the community,	N. Kivu (CREDAP): Yr2 - 25 clients reported increased savings, which enabled them to start commercial activities like selling beer, pots and small grocery items. S. Sudan (Accomplish): Yr1 - Villagers used boat to increase their revenues by transporting fish and other goods to markets.
<b>Measure 2:</b> Improved food security (change in diet)	Mozambique (FCC): Yr1 - All 32 clients report increase in the types and quantity of food consumed.	South Africa (JRS): Yrs 1 and 2 - 17 clients reported that their businesses enabled them to cover food and rent needs.	DRC (CREDAP): Yrs1 and 2 - All 250 clients stated that the goat rotation project increased their standard of living and nutrition of their children.
<b>Measure 3:</b> Met family needs (no. children sent to school; new housing)	Mozambique (FCC): Yr1 - All 32 clients report finding a place of their own to live.	South Africa (JRS): One woman was able to send her grand-children to school with her savings.	Sudan (ACCOMPLISH): The boat was used to bring health and veterinary services to the community.
<b>Measure 4:</b> Reduce dependency on relief	<b>No. who moved out of camps:</b> Maputo (FCC) Yr 1: 31 beneficiaries left Bobole camp and moved into urban area. <b>Inhibiting factors:</b> Mozambique – Nampula (FCC): remote camp location means limited sources of finance and high transportation costs.	<b>No. reporting reduced reliance on food aid and other relief:</b> Kinshasa (JRS): Yr1 – 15 beneficiaries report increased savings and don’t rely on relief aid. <b>Inhibiting factors:</b> DRC (COOPEC): Insecurity e.g. looting/robbery, high taxes. Also, the absence of adequate business training. DRC (JRS): poor access to markets. South Africa (JRS): Loan amounts are too small.	<b>Inhibiting factors:</b> Cameroon (CVEC): loan demands far exceed availability. DRC (BDOM): Lack of adequate markets for products. Sudan (ACCOMPLISH): The biggest constraint has been the cost of fuel.
<b>Measure 5:</b> Increased sense of self-worth and dignity (self reported).	Widely reported in all programs	Widely reported in all programs	Widely reported in all programs

<b>Key Indicator II: Ensuring that conflict and tensions have not increased.</b>			
<b>Measure 1:</b> Occurrence of security problems related to program in target community.	Mozambique (FCC): Clients reported no tension with the local population.		
<b>Measure 2:</b> Interventions taken to address conflict/tensions	Mozambique (FCC): Refugee clients deliberately employed Mozambicans to create good relations with host community.	Jo'burg (JRS): Yrs 1 and 2 - 9 clients created 19 jobs in the community through their businesses.	
<b>Accomplishment Measure:</b> By year end, tensions increased/decreased?			DRC (CREDAP): The goat rotation project started in Year 1, continued to build ties among women from different tribes within the community.  Sudan (ACCOMPLISH): Various factions within the community cooperated to timeshare the boat.

**MINIMUM STANDARD 3: STRENGTHENED SUSTAINABILITY AND ORGANIZATIONAL CAPACITY OF OUR NGO FIELD PARTNERS**

**Key Indicator I: Organizational Capacity**

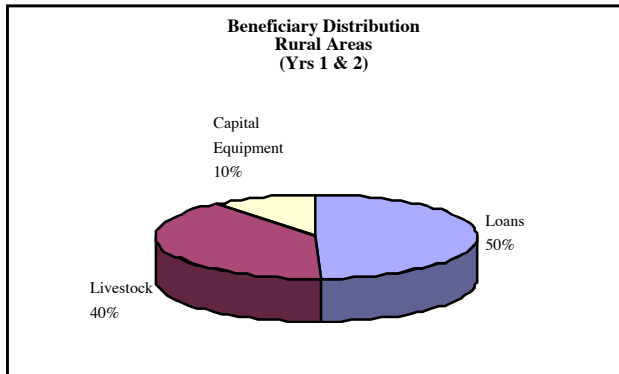
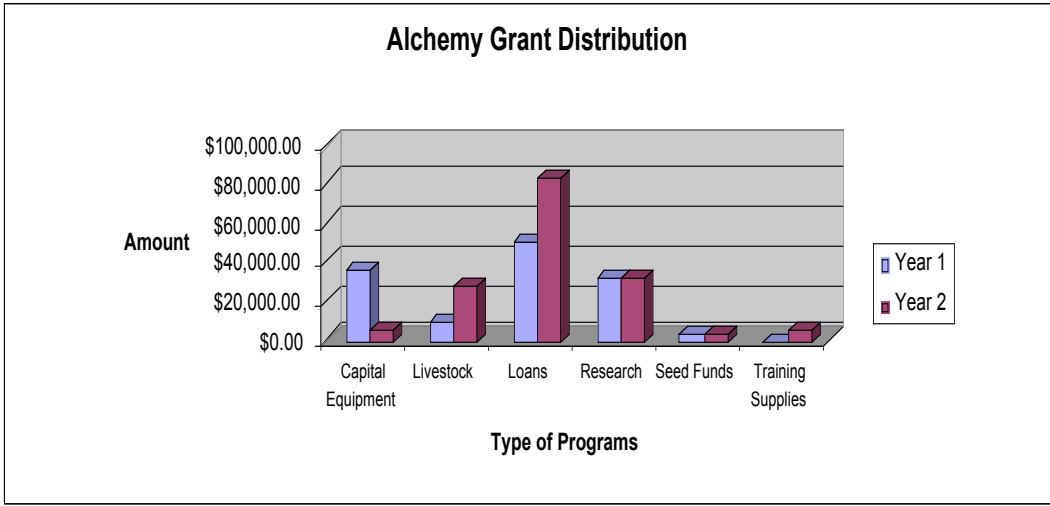
<p><b>Measure 1:</b> No. of personnel who have participated in workshops, training, etc.</p>	<p>Goma (COOPEC and CREDAP): Pole Institute held workshop to share lessons learned and do training Liberia (World Relief/LEAP): Program officer (Bill Massaquoi) attended March workshop and is currently at MIT as a Humphrey Fellow - potential MAHA student Mozambique (FCC): FCC country director (Styx Samuels) attended March workshop South Africa (JRS): Two personnel received ILO training, FCC ex-Country director (Eileen Miamidian) paid on-site visit and gave microcredit consultation. DRC Sierra Leone (ARC): Two personnel (from HQ) attended March workshop</p>
<p><b>Measure 2:</b> New or strengthened network through links to other donors, programs, during the course of the year.</p>	<p>South Africa (JRS): As of August '03, as a result of Alchemy's capacity building, UNHCR is looking to support staff salaries in the small business unit.</p>
<p><b>Measure 3:</b> Personnel believed their mission is being better accomplished (self reported).</p>	<p>This measure will be added to our evaluation questionnaire in Year 3.</p>

**Key Indicator II: Sustainability**

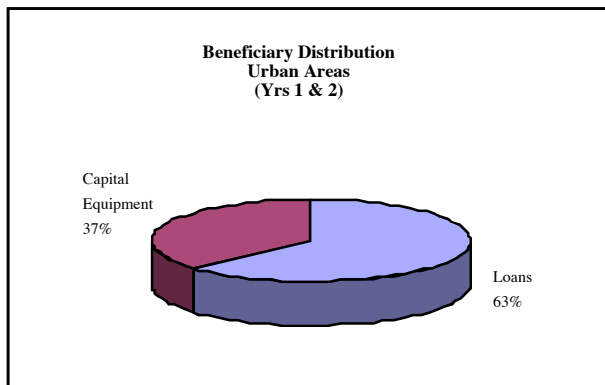
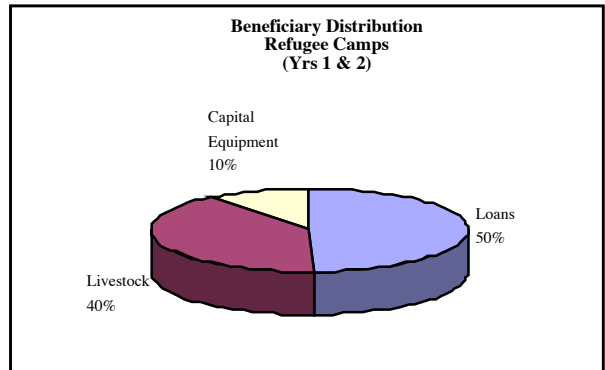
<p><b>Measure:</b></p>	<p>We are looking to develop measures for livelihood program sustainability in humanitarian situations.</p>
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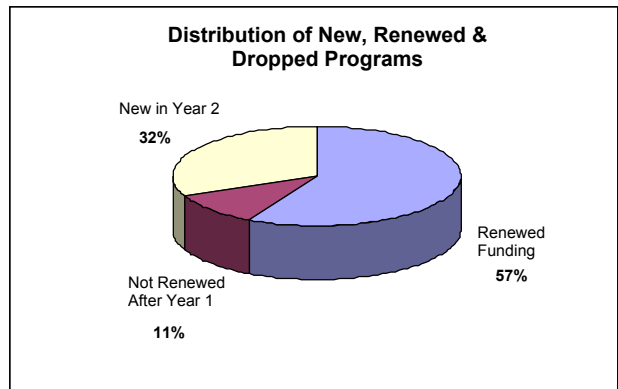
**APPENDIX B: ALCHEMY GRANT & BENEFICIARY DISTRIBUTION**



Ferekaka villagers who benefited from the fishing boat not included.



training supplies beneficiaries in Sudan (GOAL) not included



**APPENDIX C: ALCHEMY FIELD 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, Advocacy, Emergency Assistance, 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 0	\$5,000.00  \$12,613.00
American Refugee Committee (ARC)	ARC is an international organization that provides refugee assistance in primary health care delivery, improved water and sanitation, shelter reconstruction, 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 0  \$10,000.00 0	\$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, the main implementing partner for UNHCR in Mozambique. FCC works in urban areas and camps.	\$10,000.00 0  \$10,000.00 0	\$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 0	\$5,000.00
CORD	CORD is an international NGO that has an eleven-year history of developing community services programs in relief and development	<b>Zambia</b> – Provide livestock credit to refugees in camps.  <b>Tanzania</b> - Provide Microcredit		\$8,000.00  \$8,700.00

	settings.	loans to refugees in camps.		
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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 (seeds and tools distributions as well as training), 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'Épargne et de	CVEC community bank has been in existence for 17 years and provides revolving credit to IDPs.	Provide Microcredit loans to IDPs.		\$12,000.00

Credit) – Cameroon				
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

