

Alchemy Project Workshop Report:

“Lessons Learned From Livelihood Interventions In Conflict-Affected Areas” Maputo, Mozambique, 19-20 February 2004

Introduction

A two-day workshop was held from 19-20 February 2004 by the Alchemy Project in Maputo, Mozambique, with implementing partner NGOs from Kenya, Guinea, South Africa, Zambia, Tanzania, Congo (DRC), Burundi and Mozambique. This workshop was organized and coordinated by Alchemy Project Director, Karen Jacobsen, chaired by Angela Raven Roberts (Feinstein International Famine Center), and was hosted by World Relief in Mozambique.

Structure of the Workshop

The objectives of the workshop were (a) to share lessons learned in the field and identify successful livelihood support interventions in humanitarian situations; (b) to discuss Alchemy’s evaluation framework; and (c) to strengthen the consortium of alchemy partners.

This workshop was divided into sessions that dealt with the (a) discussion of the working papers; (b) sharing of lessons learned by each implementing NGO, including its successes and problems or constraints; (c) discussion of the evaluation instrument; and, (d) identification of the partner NGO’s needs and next steps.

Discussion of the working papers

In this session, three papers were discussed, namely,

- “Lessons Learned from Livelihood Interventions in Conflict Affected Areas: Credit based interventions in refugee camp contexts. The experience of CORD”, presented Jane Travis;
- “Rebuilding the livelihoods of IDPS through small stocks”, presented by Yacob Aklilu; and,
- “Livelihood interventions for urban refugees”, presented by Karen Jacobsen.

Based on three examples of credit based interventions in three different camp contexts, Jane Travis discussed the challenges and the successes of CORD credit interventions. The discussion that followed the presentation raised the following issues:

- The importance of needs assessment by implementing NGO’s before providing credit;
- The provision of means of transport for the products farmed by refugees: by donating a truck managed by the loan committee or by encouraging and subsidizing public transport on a regular basis;
- How can NGO’s influence policies at national level.

On the other hand, the main issues raised in the discussion that followed Yacob Aklilu’s presentation of the Kenyan experience on “Rebuilding the livelihoods of IDPS through small stocks included the need for transport subsidy program to take the livestock from

rural areas to the market and the need for alternative means of livelihoods for pastoralists, since livestock in rural areas is not an infinite resource.

Karen Jacobsen's presentation about "Livelihood interventions for urban refugees" led to a discussion around the importance of needs assessment before giving micro-credit to urban refugees, the need to explain up front to beneficiaries that the loan comes from the NGO and not from UNHCR, and that the beneficiaries have to pay it back, risking to face penalties if they don't pay back on time.

Some challenges identified on providing micro-credit to urban refugees include the following:

- Mobility: urban refugees are irregular movers which leads to risk of not repaying the loan;
- Police harassment;
- Detention (Windhoek, Lusaka, Harare, Johannesburg); and,
- Behavior of Congolese refugees.

Savings is another matter raised. FCC experience in Mozambique is that refugees do not have access to bank account, but they also do not trust others to save the money for them, even being the organization that provides credit to them. On the other hand, in South Africa, the beneficiary can open a bank account as long as he or she has a letter from UNHCR.

The issue of training was also pointed as an important step before providing the loan.

Lessons Learned by Implementing NGO's

Each NGO representative spoke about their programs, its successes and problems. Travis, Stieneke Samuel, Nibona Sylver, Orlando Fazenda, and Moses Dias described Fundo de Crédito Comunitário (FCC) activities in Mozambique. This organization works both in urban and rural areas. It runs two micro credit programs, one in Maputo with urban refugees and another in Nampula with camp based refugees at Maratane Refugee Camp.

In Maputo, the loans are provided to individuals and not to groups, as long as the beneficiary has been recognized by Núcleo de Apoio aos Refugiados (NAR), United Nations High Commissioner for Refugees (UNHCR) and World Relief (WR). The loan is provided after training, and the amounts range from \$400 to \$3500.

In the camp, apart from agriculture and chicken rearing, FCC has credit programs with 271 clients (34% female) organized in groups. The minimum amount provided as a loan is \$100. This year FCC in Nampula is going to use the good payer strategy to choose the beneficiaries, in order to assure high repayment rates.

In Maputo the beneficiaries have successful businesses. Their higher qualifications, the previous knowledge on business, and the lack of assistance from UNHCR in urban areas contributes to this success. Nevertheless, FCC beneficiaries in urban areas have documentation constraints that prevent them from expanding their businesses.

The debate that followed FCC's presentation brought up the matter of the Congolese refugees' agenda. In urban areas they do not receive loans because they do not repay allegedly because the money belongs to UNHCR. The other reason referred is the fact that they are seeking for resettlement, leading them to not get attached to anything in Mozambique.

Based on their experience, the participants suggested some strategies to make sure the repayment rate is high. In Tanzania Cord worked in a refugee camp with 98% Congolese groups already operational, 95% of them women. However, this approach cannot be used in Mozambique because Congolese women cannot do anything without the approval and encouragement of men, who have their own agenda.

The question of the provision of big amounts of money to refugees ignoring the local population was also raised. FCC explained that the organization is meeting a need. There are several NGO's providing loans for the local population. Nevertheless, FCC started an agriculture project with local population around Maratane Refugee Camp, by providing seeds for farming. FCC is employing the local population to build a dam in the camp. The organization also involves the local population in environmental projects, inviting them to seminars and in the future FCC will give them trees to plant around the camp.

Joaquin Cervide from JRS Grands Lacs described the activities of the organization in Kinshasa and Burundi. One of the JRS successes in Kinshasa where they have three sites (Sicotra, Nganda-Mosolo, and Bralima) is the combination of agriculture and fish farming (pisciculture) interventions. This combination is interdependent and useful because the weeds from the farmed parcel feed the fish, while the mud removed from the ponds where the fish is grown is used as manure for farming.

In Lubumbashi, JRS intervention is micro credit, provided to every IDP that asks for money, with two months to repay and no interest rate.

Thierno Diallo from Guinea demonstrated the three-step micro-credit program developed by American Refugee Committee International (ARC) to help liberian and sierra leonian refugees livelihoods. First, the organization provides a *starter Grant* of \$50 to groups of 2-3 women to do petit commerce. The repayment is made in three months time with no interest. After the repayment of the grant, the beneficiaries, in groups of 5-7 people, mostly women, can apply to a *basic loan* of \$65 per person in the group to repay in 6 months with no interest. The third step is the *advanced loan* of \$100 per client, given to self-formed groups of 3-4 people to repay in 4-6 months with 5% interest. The beneficiaries also benefit from a workshop in advanced business planning.

The challenges for camp based Income Generation Projects (IGPs) reported by Diallo include the following:

- Rapid changes in the security of the region resulting in unforeseen movements;
- Clients mobility: UNHCR repatriation, resettlement or self repatriation;
- Severe levels of vulnerability;

- Dependency syndrome and the presence of UNHCR in the camps;
- Lack of rooted community, permanent and secure shelter or a sense of stability;
- Conflict and economic competition with the host community; and
- Short funding cycles and the tendency for donor fatigue.

The successes include the development of a strategy that can work regionally (Sierra Leone and Liberia), the possibility of putting in place a real financial report, 94-98% repayment rates, and, the use of a community approach to assure the repayment of the loans.

In Sierra Leone, ARC is launching some IGP/ BDS programs based on the Guinea three step model to address the needs of camp and settlement based refugee population.

Joe Hampson spoke about JRS activities at regional level. JRS works with IDP's, urban and camp based refugees. The activities of JRS comprise the following:

1. IDP's in informal urban settlements and rural returnees in Angola: landmine survivors as a group skills training and support to start a business (shoemaking);
2. Urban refugees in Harare, Johannesburg, Pretoria and Lusaka: lending schemes, training, and support schemes;
3. Camp based setting: bakery, petit commerce, fish farming and tail making in Zimbabwe; women's groups in Malawi; and battery recharging for vulnerable (disabled) in Zambia.

The experience of JRS in Johannesburg is also with the provision of loans and grants to asylum seekers and refugees, as individuals. Norman Malatjie reported that before receiving a loan, the beneficiary has to provide a business plan designed according to JRS guidelines. If the business is sustainable, the beneficiary receives free training before receiving the money. JRS targets 85% of existing business given that these can create jobs for others. The loans range from R500 to R1000, is given 3 times a year and the repayment is on weekly basis, so that JRS can monitor the business. In Johannesburg the beneficiary is not compelled to have a business license, while in Pretoria the business license is required.

The main challenges faced by JRS in Pretoria and Johannesburg regarding the repayment rate includes the refugees' mobility and the dependency syndrome.

Suli Abdi Guhad shared the experience of ALDEF in Kenya. This organization works with female IDP's in peri urban areas and villages. Currently the organization is running micro credit programs with 257 groups of 2581 members. The loans provided range from USD100-USD3500 (10.000 – 250.000 shillings). The organization does not charge interest, but charges 10% of services. The organization provides training to the beneficiaries on how to start a business, bookkeeping, group dynamics and leadership, and, also saves the beneficiaries money.

The lessons learned are as follows:

- It is safer to lend to groups than to individuals, because it allows for the use of peer pressure to guarantee the repayment of the loan and the collection of the services.
- It is safe to deal with women. As result, the organization always have 100% repayment rate.
- It is better to give life shots than money.
- There is a need for a parallel bank competing with the Kenyan Commercial Bank.
- The organization plans to integrate women in selling livestock.

Abdikadir Adam shared the experience of NORD working with restocking interventions to improve pastoral livelihoods and strengthen traditional institutions. The organization provides grants to groups for Income Generating Activities. With the Alchemy Project, NORD has a credit program with IDP's, which has been successful to a certain extent. Peer pressure is used by the organization to guarantee the repayment of the loan.

Angela Fowler shared CORD experience in Zambia. The organization provides loans to groups of refugees, mostly Angolan, through a loan committee, apart from training on business and financial skills (introduction to basic small business skills). The loan period is three months, renegotiable. The interest rate charged is 3% per month. Half of the money collected goes to the loan committee, and the other half goes back to the community.

One of the successes shared by CORD is 97% repayment rate in one camp due to group pressure. Nevertheless, in other camps the organization faces challenges such as lower repayment rates influenced by repatriation, and backlog in the loan committee to assist the late repayers.

Discussion of the evaluation instrument

This year Alchemy will send an external evaluator to monitor and evaluate the livelihood programs in conflict affected areas, through the use of questionnaires.

The purpose of the evaluation is to explore the impact of the Alchemy Program on:

1. Displaced people's livelihoods;
2. Conflict/ security in the community;
3. Capacity of implementing NGO.

Based on the purpose of the evaluation, and because Alchemy Program is trying to have an approach designed from the ground and not from the top, the participants discussed in three groups what kind of indicators could determine the success or not of Alchemy Project. The main issues raised in the groups are as follows:

Group 1

Indicators to determine the impact of the Alchemy Project on displaced people livelihoods

- Context
 - o Demographic profile

- Rural/ urban
 - IDP's/ refugees/ asylum seekers
 - No stereotypes about nationalities
- Relationship between displaced and host communities
 - Good/ bad
 - Ethnic groups working together
 - Who is helped
- Relationship with community structures
- Gender issues
 - Empowerment/ problems
- Improved lifestyle and earnings
- Long-term sustainability (upon return, long term, and while they remain displaced)
- Peace/ reconciliation
 - Groups of different nationalities working together
- Distortion to current markets existing livelihoods

Indicators to determine the impact of the Alchemy Project on conflict/ security in the community

- Family/ gender disputes
- Conflict and security in community (old structures) by putting new structures or using existing structures
- Police harassment
- Group pressure
- Discrimination/ tension/ conflict

Indicators to determine the impact of the Alchemy Project on capacity of implementing NGO

- Transparency in the NGO's at all levels
- Regular report and monitoring
- Are NGO understanding the needs of people or the design of programmes in made in the office
- Level of influence of refugees in the programs
- How skilled and technical is the personnel
- Financial sustainability
- Evaluations: is the organization able to evaluate itself; are they open to change; etc

Group 2

Indicators to determine the impact of the Alchemy Project on displaced people livelihoods

- Economic gain: how their lives were before and the way it is now
 - At individual, household and community level

- Capital gain
- Number of meals
- Capacity to pay for school fees
- Access to health services and ability to pay for medication
- How Alchemy Program fit in other activities of the NGO
- Inputs from other projects
- Look at the methodology of credit interventions: find best practice and share lessons
- How sustainable is the project
- Client retention

Indicators to determine the impact of the Alchemy Project on conflict/ security in the community

- How are people relating to each other (nationality)
- Peace building/ reconciliation or more tension and conflict?
- Need to look at the best practice to ensure tension is not created
- Dynamic of the conflicts
- How can the Alchemy Program best support the host community
- How can Alchemy Program help in other important aspects of livelihood strategies apart from credit
- Is there violence in the camps? Why?

Indicators to determine the impact of the Alchemy Project on capacity of implementing NGO

- How can implementing NGO's of Alchemy Program relate better to each other
- How can Alchemy Program influence organizations such as UNHCR in policy making
- How best can implementing NGO's run their programs
- Are the organizations really into helping displaced? Do they understand micro-credit? Or they just want to get money and move?

Group 3

The evaluator should consider three scenarios of work:

- IDP's
- Refugees seeking integration
- Refugees seeking repatriation

Indicators to determine the impact of the Alchemy Project on displaced people livelihoods

- Education (send children to school, afford school fees, training skills of the beneficiary)
- Food diversification
- Household assets they do not receive for free (blankets, etc)
- Dependent or independent from aid
- Mobility and accommodation improvement
- Statistics on fear and successes

- People not benefiting from Alchemy Program
- Economic impact on local community (roads, health, employment, infrastructures)

Indicators to determine the impact of the Alchemy Project on conflict/ security in the community

- The potential existence of attitudes towards refugees receiving help from the Alchemy Program
- Conflict within the group
- Police harassment
- Robbery/ banditry (in camps and settlements)

Indicators to determine the impact of the Alchemy Project on capacity of implementing NGO

- Transparent procedures used by each NGO: from the application step to the evaluation step
- Broad understanding of the objectives of micro-credit by NGO's
- Staff diversity (include nationalities of refugees)
- Adequate and experienced staff
- Gender balance for some GBV issues
- Use/ implementation of lessons learned
- Try adaptation of other programs based on the region, culture, background, etc

Following the presentations, Karen Jacobsen presented the evaluation instrument that is divided in three sections:

Section A

Overall Human Security Context

- Host community relationships
- Displaced demographics
- Economic security
- Physical security
- Market and financial institutions
- Humanitarian assistance
- Host government policy

Section B

Impact on Alchemy Implementing Partner

- Mission
- Strengthens and weaknesses
- Community integration and cooperation
- Evaluation mechanisms and organization learning
- View of Alchemy Program
- Perspectives on humanitarian principles

Section C

Program Impact on Alchemy Client's livelihoods

- Displacement
- Household structure and needs
- Economic survival
- Self worth and dignity
- Financial strategies
- Security
- Other?

A debate was raised around the methodology to apply the questionnaire without violating the respondent's dignity. With several examples, the participants showed that an external evaluator talking directly to the refugees would not work. They suggested a process of daily monitoring of the beneficiaries and the creation of a baseline data to be given to the evaluator. They also suggested the use of other implementing NGO's as external evaluators. In this context and to avoid stereotypes, the methodology suggested is the crossing of people from different regions (north to south; western to eastern; etc).

The participants indicated that the external evaluator should share the findings after the evaluation and before reporting, and should also give recommendations to improve the organization program implementation.

Implementing NGOs' needs and next steps

In order to allow for monitoring, the NGOs should have a baseline on clients.

Apart from the yearly report, the NGOs should send 3-6 month short reports to Alchemy.

Between May and August Alchemy will send interns to the NGO's. The NGO's accepted the responsibility of hosting them. However, JRS in South Africa reported facing accommodation constraints. There is also a need of a clear breakdown of the interns' time for the host organization and for Alchemy work.

CORD will host the next meeting scheduled to September in Zambia, with the following agenda:

- Host evaluation follow up
- Lessons learned on
 - o Repatriation
 - o Cross border micro credit programs
 - o Country based initiatives related with refugee integration
 - o Return of IDP's.

APPENDIX

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