
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.

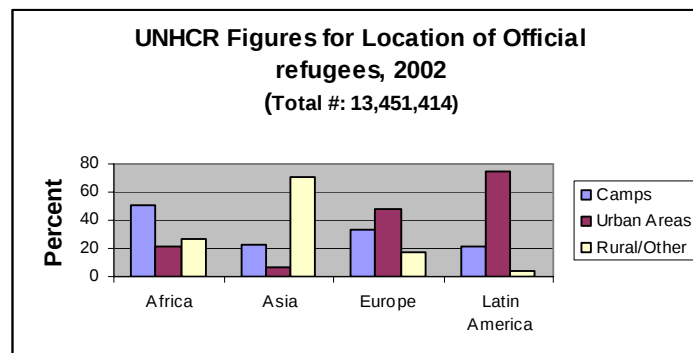
We believe that supporting livelihoods using a credit-based approach is a sustainable and dignified way both to assist displaced people and to benefit their host communities by developing local economies and reducing local conflict.

BACKGROUND AND CONTEXT

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.



* 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.

PROJECT GOALS

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

STRATEGY

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

CURRENT STATUS

As of August 2003, we are working with 16 field projects in 11 countries in Africa, providing credit support for livestock and small business programs, as well as other forms of income generation. In their second year, many of our programs have been able to double their number of clients. We also support training and education through scholarships for six displaced students at Ahfad University in Khartoum, and for one Sudanese student studying for a Master's in Humanitarian Assistance at Tufts.

Alchemy Field Programs (August 2003)

Refugee Camps

Western Zambia, Mayukwayukwa camp (Angolan refugees)

NGO partner: Christian Outreach for Relief & Development (CORD) (international)

Program: Funding and training in pig keeping and veterinary services for 100 refugees, to help them prepare for their return to Angola, and also support those still in the camp.

Western Tanzania, Nyarugusu camp (Congolese refugees)

NGO partner: CORD (international)

Program: Loan capital for small business microcredit program.

Guinea, Nzerekore camp (Liberian refugees and returning Sierra Leoneans)

NGO partner: American Refugee Committee (international)

Program: Support for business training and literacy program.

Mozambique, Nampula camp (Great Lakes refugees)

NGO Partner: World Relief/FCC (international/local)

Program: Microcredit for small businesses.

Rural Areas

Southern Sudan, Terekaka (IDPs and Congolese refugees)

NGO partner: Accomplish (local)

Program: funds to buy the engine for a village fishing boat.

Northern Cameroon, Noun (IDPs and local community)

NGO partner: CVEC (local)

Program: Loan capital for a community-based savings and credit program.

Northern Kenya, Mandera (internally displaced pastoralists)

NGO partner: NORDA (local)

Program: Loan capital for livestock rotating credit program.

Eastern DRC, North Kivu (IDPs and local community)

NGO partners: CREDAP (local NGO) and Pole Institute (local research organization)

Programs: 200 clients participate in a goat-rotating credit program

Western DRC, Bas-Congo

NGO partner: BDOM (local)

65 Angolan refugees benefit from an income-generating program.

Urban Refugees and IDPs

DRC, Goma (IDPs and local community)

NGO partner: COOPEC (local community bank)

Loan capital funds for 18 small businesses in Goma

DRC, Kinshasa (IDPs)

NGO partner: Jesuit Refugees Services (international)

Support for a truck to transport IDPs to agricultural plots of land outside of the city where they grow and sell vegetables.

Sudan, Khartoum (IDPs)

NGO partner: GOAL (international)

Support for women's small business group

Liberia, Monrovia (IDPs)

NGO partner: World Relief (international)

Loan capital for 300 clients in Liberia's war-torn capital.

Mozambique, Maputo (Great Lakes refugees)

NGO partner: World Relief/FCC (international/local)

Loan capital for 75 urban refugee clients in Maputo.

Sierra Leone, Kenema

NGO partner: American Refugee Committee (international)

Loan capital for 170 clients in the "Refugee to Return" Program.

South Africa, Johannesburg

NGO partner: Jesuit Refugees Services (international/local)

Loan capital and training for 65 urban refugee clients.