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**Report on DCOF's
Project in Zambia**
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I. EXECUTIVE SUMMARY

This trip was carried out on behalf of the Displaced Children and Orphan's Fund (DCOF) to provide technical assistance to Project Concern International/Zambia (PCI/Z). The purpose of the visit was to assist staff to develop a conceptual framework for strengthening economic stability at the community level.

However, upon further discussions with Project Concern staff, a wider scope of work was adopted. The purpose of this visit became one of revising the overall vision of their Orphan and Vulnerable Children (OVC) strategy. The fieldwork was carried out in Livingstone. In the revised terms of reference, the focus was on developing a conceptual framework in collaboration with local District officials, NGO representatives and community members. The framework should serve as a guide for implementing project activities that elicit community participation and mobilize local resources.

An important aspect of the framework is reinforcing economic stability at the community level. To that end, the consultant shared with the PCI/Z staff the approach used by COPE/Malawi to strengthen economic resources of communities affected by HIV-AIDS. Lessons learned from the field of microenterprise development about projects that seem to be effective at promoting economic stability were discussed to determine their applicability to PCI/Z activities. Methods to link up to other organizations skilled in microenterprise development are recommended at the end of this report. Criteria to guide potential collaboration between such organizations and PCI/Z are also suggested.

Specific tasks include:

- ! Reviewing and analyzing information collected during the two PLA activities in Livingstone to analyze how best to reorient both facilitators and the community in terms of the overall vision of an OVC approach;
- ! Work with the PCI/Z staff to decide how to conduct follow-up work with the communities in Livingstone;
- ! Assist in the development and facilitation of two workshops in Livingstone, one for the facilitators and one for the committee members from the four compounds;
- ! Define economic support to communities within the revised OVC framework;
- ! Suggest criteria for creating partnerships with other organizations skilled in microenterprise development.

II. BACKGROUND

Livingstone is the first area in which PCI/Z implemented its Orphans and Vulnerable Children (OVC) strategy. Four compounds—Nakatindi, Sawmills, Malota and Linda/Sakubita—were identified by MCDSS Livingstone staff for a Participatory Learning and Action (PLA) exercise.

PLA Results—A PLA exercise was carried out with District MCDSS staff and selected NGOs active in work related to orphans. Part of the exercise entailed facilitating focus group discussions with orphans and adults in the four compounds listed above. The following issues and concerns were raised:

<ul style="list-style-type: none">▶ Hunger/Malnutrition▶ Education▶ Clothing▶ Shelter▶ Access to health care▶ Property grabbing	<ul style="list-style-type: none">▶ Segregation from other children in the household for feeding, going to school and work duties▶ Misuse of funds meant to support orphans
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Adults and orphans were equally concerned about hunger, malnutrition and going to school. However, orphans mentioned psychosocial related concerns such as segregation from other children and feelings of alienation far more often than did adults.

In this first exercise, the message received by communities was that there would be external financial resources available to them for the solutions they identified. Communities subsequently identified major income-generating projects (IGP) like hammer mills as a tool to solve their priority concerns (hunger and education). Other committee endeavors related to stimulating the participation of the entire community in resolving orphan and vulnerable children issues were not mentioned.

Yet, in the same report, orphans maintained that their guardians misappropriated money sent from distant relatives for them. This means that any other money or resources coming into the family run the risk of also being misdirected. Similarly, addressing malnutrition requires that people be able to not only buy food, but also gain information about nutrition. It is clear that while money would alleviate in part some of the issues brought out in the PLA—it alone is not enough to resolve them. The income generation strategy needed to be balanced by the committees with complementary activities to ensure that the money or in-kind resources given to guardian families would have the desired impact.

Another issue facing PCI/Z and the NGO and District MCDSS facilitation team was the question of ownership. It was not clear that the communities really felt it was their responsibility to take action to address the problems of orphans and vulnerable children. It was also not clear whether they would take any action unless they received funds for their income generating schemes. As is often the case, once people become fixated on the availability of external finances, they are absolutely sure that where others have failed, they will definitely succeed. Lessons learned the hard way from other projects fall on deaf ears. The community is then mobilized around the functioning of the IGP, as opposed to mobilizing around the actual problems (care of orphans and vulnerable children). This is how the IGPs become the functional end as opposed to the means to the end.

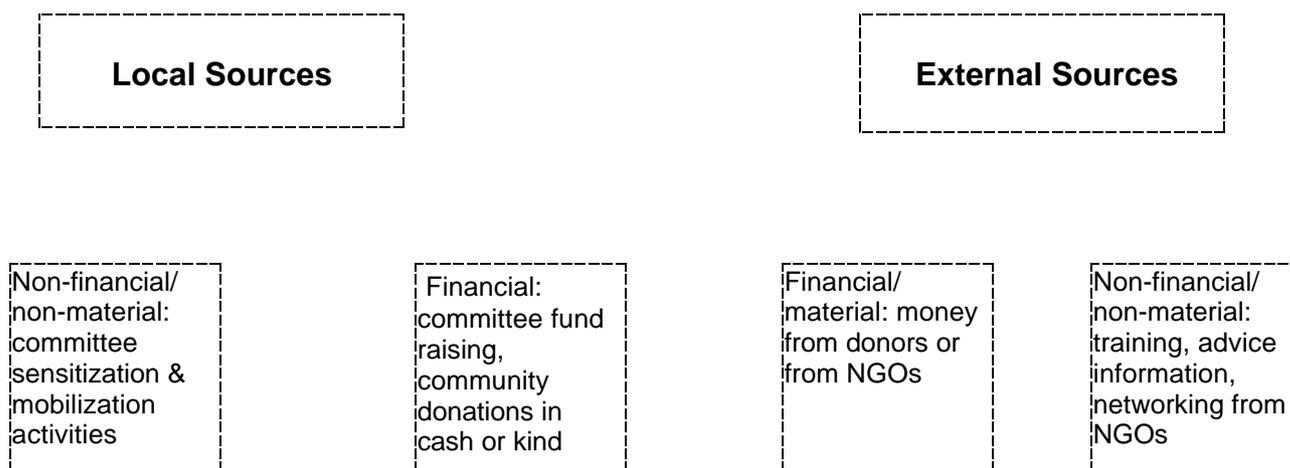
III. LIVINGSTONE WORKSHOPS

PCI/Z decided to follow-up their initial PLA exercise with two workshops—one for the NGO and District MCDSS staff and one for the committees from each of the four compounds. The purpose of the workshops was to provide all participants with an opportunity to reflect on what was accomplished through the PLA, and what next steps should be taken to move forward. At the end of the workshops, it was hoped that a cohesive vision of the overall OVC strategy and philosophy would emerge. Specifically, the NGO, District MCDSS, and PCI/Z staff needed to:

- P Foster ownership of and responsibility for solving problems related to orphans and vulnerable children among the committee members;
- P Facilitate the committees’ realization that solutions based on money need to be balanced with ones that don’t;
- P Create awareness that the committees’ success would depend in large part on their ability to mobilize the rest of their community.

The following diagram was presented to the committees as a way of explaining where resources could come from to implement various kinds of solutions.

A. Resources for Solutions¹



Balance—Facilitators used a role-play to put across the point that complementary activities on the part were necessary in order to achieve goals the committee had set for themselves. Committee members came up with ideas for the types of activities requiring no money that they

¹ Developed by Sitwala Mungunda, PCI/Z, Facilitator’s and Committee workshop, Livingstone.

could carry out immediately.

Community mobilization—The concept of the committee as a facilitator of the rest of the community population is key. In order to have an effect on the issues and concerns raised in the PLA, the committee needs the participation of the community—they will not be able to do it alone. A committee that merely “tells” community members what to do creates the impression that the community is working for them rather than creating the feeling that the community is taking action to solve their problems. This point was brought up several times during the committee workshop by the facilitators and participants. Activities to raise awareness of and develop community ownership for orphan and vulnerable children problems were added to action plans.²

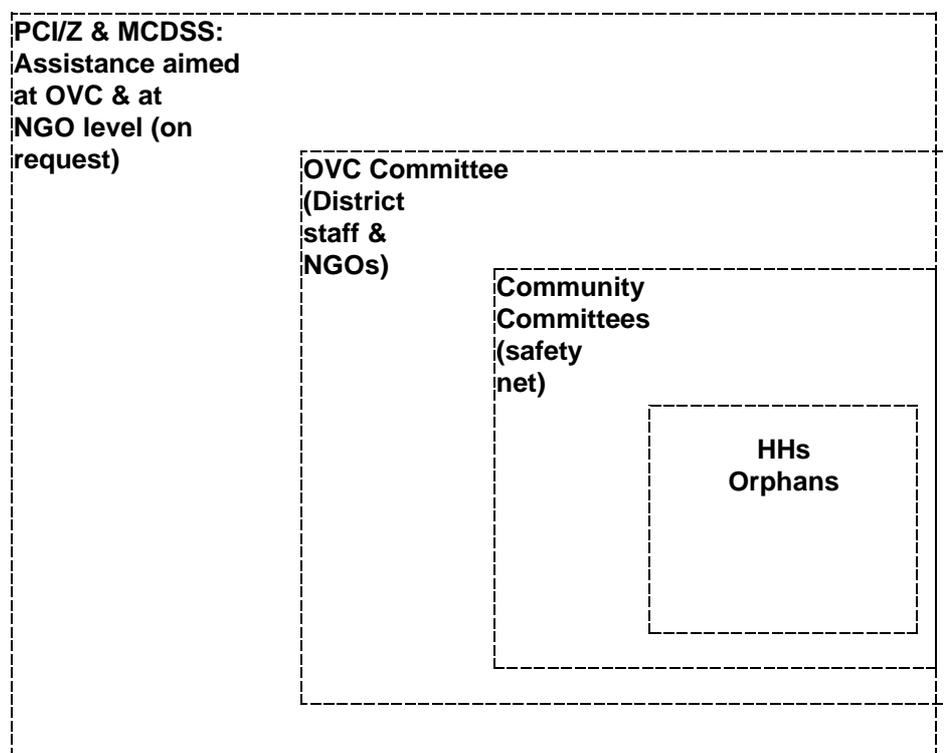
Ownership issues—Although the committees readily accepted that they needed to balance their plans to include non-financial activities, they were not willing to let go of what they felt had been a promise of funds to initiate income generating projects. It was necessary to find the middle ground because to do otherwise would have severely undermined PCI/Z, NGO and MCDSS’s credibility with the communities. Facilitators and PCI/Z staff negotiated with the committees and it was agreed that the communities would have to finance 25% of the projects. If they weren’t able to raise enough money, they would have to scale down their financial requirements. In other words, choose something besides hammer mills. The NGO facilitators and MCDSS staff will be working with the committees to encourage and provide any technical assistance in the implementation of some of the non-financial activities described in the action plans.

At the end of the workshops, the need to form a District OVC committee as soon as possible was discussed. The MCDSS staff will take the lead in ensuring this is done without delay. It is this committee who will interface directly with the committees and act as the liaison to PCI/Z.

² Specific committee action plans are not attached to this report as most of them were written in local language. Please see PCI/Z staff’s report on the workshops.

IV. CONCEPTUAL FRAMEWORK FOR OVC PROJECT IMPLEMENTATION

Although the above topic was not explored thoroughly with the NGO and MCDSS facilitators, it was discussed in some detail with the Sitwala and Brenda from the PCI/Z staff. We concluded that there are actually four levels of partners in the OVC vision. The organizations or individuals within each of these levels possess different comparative advantages for certain kinds of activities or assistance. The type of activity should depend upon the level that is targeted for assistance.



Community committees—Households caring for orphans or vulnerable children are the direct “clients” of this partner level. Such committees are best placed to determine which families, orphans and vulnerable children are in most need of help. They should also be key initiators in mobilizing support from the rest of their community. More formal CBOs or NGOs can then direct their assistance to households and orphans through such committees. This will help to guarantee that help gets to those who most are most needy and avoid the impression that it is the NGO who is running things. For example, they could:

- P Raise awareness within the community of the plight of orphans using drama,
- P Visit households where there are orphans, or where there are adults that are ill or caring for ill family members or relatives,
- P Approach school officials to get leniency on meeting school requirements for selected orphans and vulnerable children,
- P Make contact with their local police's Victim Support Unit for cases of property grabbing and abuse,
- P Carry out periodic fund raising events to amass resources for committee operations,
- P Mobilizing the attention of influential community leaders like councilors, church groups or business men/women.

The District OVC Committee—can be made up of various District government civil servants, NGOs, representatives of church associations, of business men/women or other network type organizations. This partner level is best placed to link communities to outside assistance. District partners could support community efforts by assisting in organizing visiting programs, organizing training activities in counseling or home-based care, linking to the business community, assisting in fund raising ideas, identifying and mobilizing resources and skills in and outside of the community. The skills committees need for such activities could be developed through technical assistance that such organizations deliver. If technical assistance is not available locally, the District committee members could network to locate it. The District OVC would also serve well as the liaison between the community and national level government figures and PCI/Z.

As the District OVC committee evolves, it may become necessary to create another level of partner to act as liaison between the community level and the District level partners. This level would be made up of NGOs (like YMCA), church groups and/or mature CBOs (like CHEBA orphans) who are already carrying out various activities in the same communities as is the District OVC. They could act as a sort of advisory committee to the community and to the District OVC.

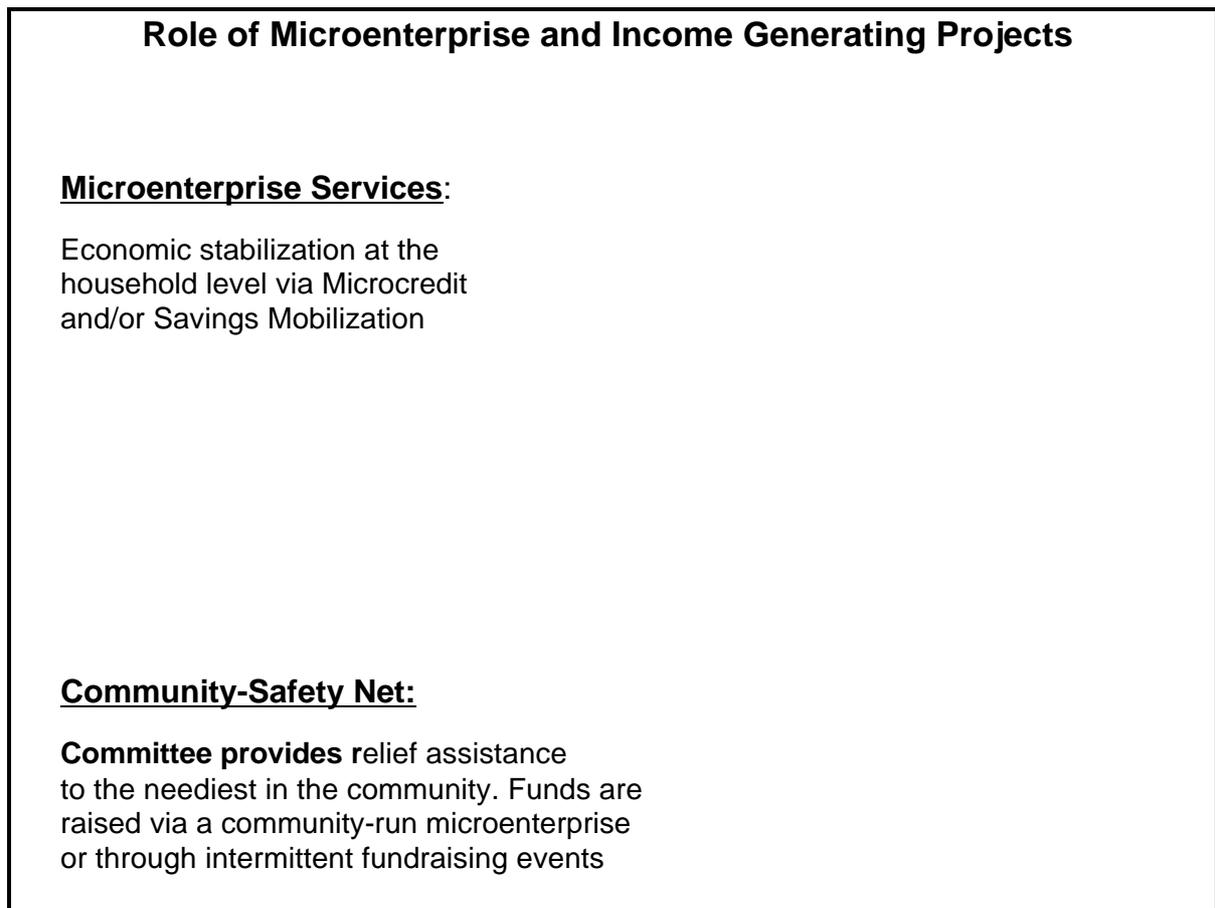
PCI/Z, MCDSS and other national level partners—are best placed to provide overall guidance to the District OVC committee. This guidance should ensure that “cutting edge” techniques for OVC project design, interventions, monitoring and evaluation strategies are funneled to the District partners. In cases where technical assistance is needed at both NGO and community level but not present in the immediate vicinity, national partners could also network to identify it. Other resources, government programs, or national level initiatives that relate to OVC issues should be routinely passed on to District partners. Advocacy or policy issues would also be an obvious task for this level.

Including national level organizations that by definition have access to a network of members would have a multiplier effect on information dissemination, “cutting edge” techniques and effective monitoring and evaluation. It would also make disseminating lessons learned about some of the cutting edge techniques more efficient. Examples of such organizations are Family Health Trust, CMAZ, national level church associations, etc.

V. ROLE OF INCOME GENERATION AND MICROENTERPRISE DEVELOPMENT

There are two aspects to microenterprise support as it relates to the OVC strategy. The first has to do with the committees' efforts to create a sustainable source of funding for its operations. The proposed mechanism for gaining the money is usually a community-run microenterprise, typically referred to as an income-generating project. The second has to do with stabilizing the economic resources at the household level. The diagram below illustrates how each of these aspects complement each other in an OVC strategy seeking to create community safety nets to mitigate the impact of HIV/AIDS.

The definitions in this diagram are not scientific distinctions; they are meant to illustrate the varying degrees of economic vulnerability within a community. These categories are not static either; the boundaries are permeable. In fact, there may be several families in the community that would not fall into any of these classifications. A household could, though, become poor — or may move in and out of any of the above categories. Or may slide directly into destitution, depending on what resources it has when a crisis hits. In the face of existing poverty, all households in a community affected by HIV/AIDS could — and probably will — become vulnerable.



Community-run microenterprise—Normally, revenue from the community-run microenterprise (income generating project) is used to provide relief assistance to the most needy households. The relief offered could be cash or in-kind items such as food, soap, school supplies or uniforms. This can help a household cope during a rough period, may keep it from sliding into complete destitution, and should provide a buffer for its most vulnerable members—children and/or orphans. Yet, even though the IGP may provide a sustainable source of revenue used as relief, it does not enhance the ability of poor households to shore up and sustain their own resources. The economic stability of the household is sustained only as long as the relief continues or until the household is out of danger. The relief plays an important role in the creation of a community safety net, but it is essentially a short-term emergency solution for households in desperate need.

Individual household level microenterprise—Yet, if too many families slide into destitution, the community safety net will be quickly overwhelmed. Minimizing the numbers of households that require relief will improve the chances that the safety net can be maintained. It will also improve the community's ability to participate in the creation of the safety net. Considering how to arrive at sustaining impact on the individual household's economic stability is, therefore, crucial. The timing of such support may be what ultimately determines whether assistance is effective. Getting to families who are poor (but not destitute) before the worst effects of HIV/AIDS³ hit may slow their economic descent enough to buy them time to devise other coping strategies.

Microcredit projects appear to be effective tools in stabilizing economic resources at the individual household level. Although microcredit is unlikely to produce major economic gains for poor households, relatively modest gains make very important contributions to household survival. Loans are deliberately kept small to attract poor households who typically engage in short-term, rapid turnover trading activities. These are the very activities most likely to benefit significantly from infusions of small amounts of working capital afforded them through a loan. These are precisely the types of livelihood strategies that, if strengthened, are most closely associated with increased food security and improved well being of children in the household. Access to credit and savings also enable households to even out income and build their own insurance against emergencies.

Most significantly, microcredit projects are one of the few interventions focused on stabilizing economic resources that have potential for long term sustainability. Such projects are expected to achieve operational and financial self-sufficiency. One of the most effective methods for doing so is to scale up the outreach of the project because more volume means economies of scale and reduced transaction costs per loan. Both the self-sustainability and the built-in need for scaling-up outreach are critical features in creating strategies that will truly strengthen economic resources of HIV/AIDS affected communities.

However, microcredit is extremely challenging to implement successfully. Injecting externally supplied capital into communities who receive mixed messages and weak guidance about their responsibilities towards repayment is no better than providing free handouts. In order to attain operational and financial sustainability, it is of utmost importance that credit is delivered by specialized microcredit institutions that are committed to state-of-the-art operational practices and credit delivery methodology *as defined by the microfinance industry*. Aiming for anything less than the highest standards in a microcredit program is a grave disservice to the intended beneficiaries.

³ Affected by HIV/AIDS could mean that a family is caring for sick households members or has absorbed orphans, or has lost one or more caregivers to the disease.

VI. RECOMMENDATIONS

1. Community Mobilization

PCI/Z should continue to sharpen staff skills in participative methodology. One Zambian NGO—Women for Change— and one U.S. PVO—CLUSA—have excellent track records in participative methodology and community mobilization. Although their technical area of intervention is not related to orphans and vulnerable children, the methodology they use can be easily adapted to suit an OVC strategy. Both of them could be potential sources of technical assistance, perhaps through training of trainer workshops or an exchange of written “how-to” technical guides.

2. Effective Technical Assistance

As OVC activities begin in Livingstone and Kitwe, PCI/Z should create a type of database of

effective technical interventions that address orphan and vulnerable children issues. This information will come in part from the “lessons learned” conferences that PCI/Z will be hosting. However, documentation of information gleaned from other sources, like the COPE project in Malawi, should also be included.⁴ This database should be made available to other organizations who are involved in community based approaches to HIV/AIDS care and prevention projects, i.e. Family Health Trust and their network of NGOs and CBOs.

3. Community-run microenterprises

PCI/Z should put more emphasis on intermittent fund raising activities to create the sustainable source of funds that the committees need for their operations. Such activities do not require the daily attention that an actual business would and therefore are less likely to detract from the original aims of the committee. Examples are:

- P Raffles or sponsored walks;
- P Drama skits that the committees create;
- P Neighborhood soccer matches;
- P Choir concerts;
- P Showing videos.

Instead of investing project resources to determining the feasibility of the various community-run microenterprises proposed by the Livingstone committees, PCI/Z should explore private sector avenues of fundraising. The District OVC committee could also research methods for organizing private sector involvement. The following is a list of ideas that could be explored:

- P Creating a foundation that all businesses can contribute to,
- P Creating mechanisms where the fundraising efforts of a committee would be matched by a business or businesses,
- P Establishing an employees’ charity fund at large corporations,
- P Suggesting that businesses “adopt” a committee or carry out joint fundraising events.

Private sector membership organizations might be of particular interest. Organizations such as the Chamber of Commerce, Rotary Clubs, Farmer’s Cooperative Union, Employer Federations (if any), and Outgrower Groups are only a few of the possibilities.

4. Linkages to Microcredit

The mission has a private sector office that is in the process of creating its strategy for development. Providing support to microcredit institutions will be a part of their portfolio. According to information given by Paul Zeitz and Paul Hartenberger at the USAID mission, plans are to support the Zambian organization CMAS (credit management and savings). This organization is already established in the Kitwe area, however, they are not in the Livingstone area. PRIDE/Africa, a US PVO operating in Kenya and Tanzania, among other places would also be a good microcredit practitioner to support. They put a high priority on scaling up and achieving financial sustainability and have a solid track record in delivering on their targets. In any event, any microcredit partner in OVC projects should have the following attributes:

- P Depth of scale. Depth of scale refers to how deeply into the poorest segment of the population loans reach. In the MFI field, loan size is used as a proxy indicator. MFI evaluations have shown that the smaller the loan size, the poorer the

⁴ DCOF can also provide information, as it becomes available.

clientele.

- P High repayment rates (95% at a minimum, 98% or higher is preferred)
- P Credit delivered via solidarity groups
- P Market rates or higher for loan interest
- P Emphasis on mobilizing savings
- P Commitment to attracting women clients
- P Willingness to monitor impact of credit on clients (particularly on the individual and household levels)
- P No collateral requirements outside of a group guarantee
- P No compulsory business skills training. This does **not** include training that the organization requires that explain the procedures of credit delivery, rules of engagement for solidarity groups, responsibilities of groups or of individuals towards their group and other such policies of the institution. In fact, the more thorough such training is at the outset, the better the repayment rates later.

Other microcredit practitioners have had success in developing criteria for the type of client that they want to reach. For example, in Malawi, the Ministry of Women, Youth and Community Services negotiated with a local microcredit institution to target a specific population. The policy they agreed on required that members of any solidarity group meet any two of the following criteria:

- 1.) Caring for orphans,
- 2.) No food security over 12 months,
- 3.) Single headed household,
- 4.) Engages in piecework for income.

This type of criteria would be helpful in ensuring that credit reached those households an OVC project would target.