Income Generating Activities in the South Darfur Resettlement Scheme – Future Plans

The problem: Resettled IDPs face annual income gap of up to half a year

The Resettlement Proposal had projected an expected yield per household (HH) “about 3.3 times the amount needed to sustain the average family for one year”,¹ as follows:

<table>
<thead>
<tr>
<th>Crop</th>
<th>Yield per household (MT)</th>
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<tbody>
<tr>
<td>Sorghum (dura)</td>
<td>0.945 (ca. 10 sacks/shawwal)</td>
</tr>
<tr>
<td>Millet (dukhn)</td>
<td>0.720 (ca. 8 sacks)</td>
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<tr>
<td>Groundnuts</td>
<td>0.900 (ca. 30 sacks)</td>
</tr>
<tr>
<td>Cowpea</td>
<td>0.112</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.677</strong></td>
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The proposal concluded that, “Thus a healthy surplus should be available to meet other needs including seeds for the following year.” According to the plan, people were supposed to plant one quarter of their land, i.e. 5 feddan = 6.25 mukhammas = 2.1 ha.

After the second harvest – which followed rains said to have been reasonable – reality looks different. Not surprisingly, perhaps – the figures quoted are estimates “under optimal conditions and using the land appropriately”² – not estimated averages made under realistic assumptions. Unfortunately, the final Project Document no longer makes this plain.

A proper survey of household economy still needs to be done. Available data so far are rather inconsistent. For the first harvest (1999/2000), complete data on the harvest were collected by the Oxfam Settlement Representative. This survey reveals the following “production units” per household: 8.4 sacks of groundnuts (0.25 mt); 1 sack of millet (0.1 mt); 0.3 sacks (0.03 mt) of sorghum. A total of 575 feddan were planted, of which 464.5 feddan were effectively harvested.

The MoA Settlement Manager undertook surveys of average harvest per HH in 1999 and in 2000, based in both cases on a different sample of 40 farms from 4 different areas of the scheme. He came up with these figures:

1999: A total of 594.75 feddan for 107 HH = 5.56 feddan per HH were planted. Rain Aug.-Oct. 115.5 mm (only figure available). Average harvest per HH: groundnuts: 19 sacks (0.58 mt); millet: 4 sacks (0.4 mt); sorghum: 0.6 sacks (0.055 mt); cowpea: 5 sacks.

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¹ Project Proposal submitted to the EC, 2001. The first proposal drafted by Save the Children UK (SC UK) in 1999 calculated the same yield would be only 2.7 times the necessary sustenance.

2000: A total of 896.1 feddan for 105 HH = 8.5 feddan per HH were planted. Rain Aug.-Oct. 301 mm; May-Oct 501.6 mm. Average harvest: groundnuts: 15.8 sacks (0.48 mt); millet: 11 sacks (1.1 mt); sorghum: 0.3 sacks (0.03 mt).

A random sample of individual households undertaken for the 2000 season by the SMU brought up the following cases (all based on information provided by the settlers only – thus bound to include some incorrect points – but should give at least an idea of the general mood):

- Acol Yak: 4 sacks groundnuts, 1 sack corn. Acol is a young widow with 4 children and no close male relative in the settlement. Was only able to plant 1 mukhmass (groundnuts and corn combined). Had taken SDP 66,000 credit. Sold 2 sacks gn. and 1 sack corn to repay SDP 50,000 of the credit. The remaining 2 sacks of gn. had to be returned to the seed bank for the seeds received last year. Now has neither food nor cash left. Survives by brewing alcohol, but the market is slack. According to the Oxfam representative on site, Acol is the most desperate case in Sanam an-Naga.

- Adong Phiol: 7 sacks groundnuts, 1 sack corn – rest eaten by locusts. Married with 4 children. Husband (Deng Atak Deng) planted 2 mukhammas groundnuts and 5 mukhammas corn. Had taken SDP 120,000 credit. Sold all groundnuts to repay SDP 60,000 credit and return seeds. Sold all corn to pay for medical treatment of wife (who broke her arm). Thus, family remains with no food and a SDP 60,000 debt. Survive by, e.g., cutting and selling grass for the new huts. Adong would like to open a shop if she would be given start-up capital. If offered training, she could also be a tailor.

- Simon Deng Yol: 12 sacks groundnut, 7 sacks corn. Simon, ca. 33, is an able, articulate member of the Settlement Committee. Planted 2 mukhammas groundnuts and 3 mukhammas corn. He sold all groundnuts for SDP 10,500 per sack. From the proceeds, he bought 3 sacks of corn à SDP 37,500. He thus ended up with SDP 13,500 in cash plus 10 sacks of corn. All corn was given towards repaying the bride price for his wife whom he married last year. A friend lent him 1 sack of grain that he is to return after the next harvest; this will last him until early April. After that, he will borrow again.

- William Atyan Atyan: 26 sacks groundnut, 7 sacks corn. William heads a family of 9. He planted 5 mukhammas corn and 2 mukh. groundnuts. Had taken SDP 90,000 credit; some additional income through cutting grass for the new huts. Sold 15 sacks gn. à SDP 10,000, and 11 sacks gn. à 12,000. Repaid all credit; bought clothes for SDP 60,000; a donkey for 60,000; smaller items for 10,000. At end of March 2001, claimed to have only 3.5 sacks of corn and no cash left. – Would like to open a rent-a-bicycle shop.

Thus, it appears that some disadvantaged families (in particular woman-headed households with no close male relatives, or HH with chronically ill family members) have already run out of resources now (end of March) or will do so by April. Others claim that their stocks will last until June or July. Non IDP-members of the Settlement Committee have confirmed this. Thus, before harvesting in November, many households face a food gap of 3-
7 months – after rains that are said to have been good. All households have received cash credit; the average rate of repayment currently stands at about 60%.

In other words: no surplus but a food deficit and debts carried over into next year. The food deficit is, properly speaking, an income deficit. The need for liquid cash has already forced at least one resettled IDP in Sanam an-Naga (Santino Kon Abuk) to enter into a sharecropping relation with a member of the Misiriyya Jabal ‘host’ community instead of planting his own fields.

Proposals for IGA (by Oxfam; from the 2001 Project Proposal)

The Project Proposal has foreseen the need for creating additional sources of income for the resettled communities. It states:

Diversification of peoples’ livelihoods is key to household food security in South Darfur. Therefore it is essential that apart from subsistence agriculture and/or cash cropping, the IDPs are able to become involved in a range of income/employment generating activities. […]

A range of credit facilities will be made available for small loans, concentrating especially on investment in agriculture, trading and small business. The IDPs organise themselves in credit and loan groups, from whom a representative is chosen to receive and disburse the money according to certain established procedures and criteria. The groups themselves have to guarantee, collectively, the repayment of the loans. Preference is given to women, especially those who are independent heads of households.

The first year, during the planting season, the IDPs will be issued with loans for consumption which will be repaid with an equivalent amount in kind from the first harvest. This may seem like a risky investment but will in fact allow people to concentrate on successful farming, investment in their own land and making an income. Following the repayment after the harvest, people can apply for loans in the productive sector. The team will screen applications for credit according to agreed standards and will closely monitor the repayment and maintenance of the value of the revolving fund.

Oxfam’s experience in income generation in Ed Daein has not been very successful, largely due to the circumstances of the IDPs. There is good reason to believe that due to the different circumstances in Sanam An Naga, this situation will be reversed. This will be explained below.

Oxfam’s income generation project included interventions in the agricultural sector (seeds and tools, goat loans), transport sector (donkey carts), fishery sector (net production), and handicrafts such as soap making.

Reasons for low impact in Ed Daein can be attributed as follows:

- Attitude of the host community towards the IDPs. IDPs were subject to the theft of their acquired items. Goats were taken whilst grazing or donkey carts on route. IDP children with donkey carts would not get equal access to the water yards so their revenue from water dropped dramatically, soap would not be purchased from the IDPs as they are perceived as dirty people, etc.

- The clashes in 1998, which made many IDPs flee their camps and forced them to leave behind their assets such as goats and donkey carts.

- The exploitative arrangements with the host community in agriculture made it impossible for the IDPs to repay their seeds and tools and in fact the host community benefited more from the seeds and tools than the IDPs.

- People who borrowed fishing nets escaped from the camps and nobody knows where they are and why they escaped, not even their Sultans. Their nets may have been taken and/or they may have decided to fish outside the area, away from hostile influences. [NB: same happened in SN. AHH].

In addition to the income generation activities, Oxfam piloted consumption loans in Sanam Al Naga as part of the pilot resettlement project in 1999. Repayments so far (post harvest) are 54%, which is not high but an acceptable percentage in the current situation (as explained below).
The consumption loans have enabled the IDPs access to their household requirements during the cultivation period and prevented them from developing exploitative cash loan arrangements (Sheik) in their new area.

Loans were issued according to household size: 1-2 person households were given a loan of SDP 10,000 per month, 3-5 person households were given a loan of 15,000 and 6+ person households were given 20,000 per month.

A credit committee was formulated from the beneficiaries comprising six persons, equally representing the clans of the two chiefs with three people from each clan in each committee, including two women to ensure a fair gender balance. The main objective of this committee is to ensure IDP participation in the management and implementation of the credit component e.g. classification of beneficiaries according to identified criteria, monitoring, and collection of repayments. The committee is supported by an Oxfam project volunteer based in Sanam Al Naga, Oxfam staff and the IDP sub chiefs. The following working principles have been agreed:

- The appropriate time for repayments of the loans is soon after the harvest in January
- The chiefs and sub chiefs of each clan are the official guarantors of their clan members.
- Due to lack of cash the loans should be repaid in kind (as groundnut produce equivalent to the amount of the loan lent, based on last year’s prices of groundnuts).
- The credit committee is responsible for collection of the loan from individual households.

The total amount credited to the relocated (107) IDP households was SDP 5,740,000, while the total repayments at the beginning of April 2000 is SDP 3,085,000 (54%). Although this is not high, the beneficiaries have shown considerable commitment towards repayment of their loans, according to the principles and agreement signed. The beneficiaries based their repayment schedule on last year’s prices (SDP 25,000 per sack of groundnut), which have unfortunately dropped this year (to SDP 12,000). The beneficiaries are now committed to settle their loans via other means.

Marketing and transportation pose a problem for the time being but there are signs of improvement. The market place established last year at Sanam El Naga has already attracted traders and business people from outside the area. The number of people using the grinding mill and the number of outsiders attending the Thursday market at Sanam El Naga are good indications. At this stage there is no need for a means of transport to enable IDPs attend other markets. However, some means of transport within the settlement area is important to enable IDPs transport their produce from the farm to the house and the market respectively and to transport water for agricultural purposes.

There is also a market in El Tugga, held twice weekly on Tuesday and Friday. This market has the advantage of being situated along the main road between El Safia and Nyala. The nearest main markets outside the resettlement areas are El Safia (6 hours by donkey or on foot from El Tugga) and Abu Agora (7 hours). There is a main nomad route passing between Sanam El Naga and El Tugga (closer to El Tugga). The nomads passing through this route are mainly Fellata and some Arab tribes and they mobilise the market and create an opportunity for trade during the rainy season.

To stimulate the transportation sector, 100 multipurpose donkey carts are planned to be provided, assuming that 25 donkey carts can serve approximately 1000 households. The objective is twofold: to serve as income generation for the direct beneficiaries (100 households) and to provide transportation services for all the indirect beneficiaries (4000 households). Selection of the direct beneficiaries will be undertaken carefully and they will be trained and monitored to ensure the desired impact.

Apart from the donkey carts, income generation will be fully developed during the second year, as in the first year the relocated IDPs will be engaged in general settlement and focused on agricultural activities. Timing for most of this component is therefore after the first harvest, coinciding with repayment of the consumption loans. Oxfam will put in the repaid funds from the pilot project.

Income generating activities undertaken in Ed Daein, which were not considered very successful there, have a much better chance in Sanam El Naga, so soap production, fisheries (using existing water ponds) and goat loans are all considered to be appropriate interventions. Other initiatives proposed by the IDPs will be screened and supported if considered appropriate.

The host community will also be considered for inclusion in these activities, especially those in Sanam El Naga as they have settled in the area recently (1998). This will further facilitate integration of the communities.
Income Generation

Objectives:
4,000 IDP households have access to cash credit during the first cultivation period to improve crop production and avoid IDP engagement in exploitative share cropping arrangements, by June 2002.

4,000 IDP households are able to develop other sources of income through a variety of income generating activities, by March 2002

Activities:
- Organisation, formation and strengthening of IGA community committees
- Selection and identification of beneficiaries
- Provision of cash credit to 4,000 households
- Provision of female goats on loan basis to 400 households
- Provision of donkey carts on loan to 100 households
- Support construction and management of 4 grinding mills
- Identification of market potential and screening of IGA proposals from the beneficiaries

Monitoring

Results:
4,000 IDP households have access to a variety of means of income and have been able to diversify their livelihoods

[End of quote from Project Proposal]

Unfavourable terms of trade

Pending a proper assessment, it appears that there are two main reasons for the settlers’ failure to achieve self-sustenance so far.

First, even though IDPs have been given a tradable asset (land), their lack of access to and control of marketing forces them to sell the products of their labour (grain and groundnuts) at rather low prices. Most money spent on buying goods (gravy, sugar, tea, soap, etc.) and services (transport) leaves the IDP community since these are largely provided by outsiders (host communities, members of the Settlement Committee). Thus, unfavourable terms of trade for the IDPs mean that surplus value created by the IDPs flows out of the community instead of helping them to build up assets.

Secondly, shortage of capital and expertise combined with the remoteness of the area have so far largely prevented IDPs from successfully engaging in economic activities other than farming. Daily labour – one of the strategies to cope with income gaps – is not an option for most due to the physical distance from the nearest towns. With few exceptions, credit provided so far has not been sufficient for IDPs to establish small businesses. With hardly any capital available within the community itself, market opportunities have remained extremely limited so far.

➢ To break this pattern which threatens the Project to fail on economic grounds, measures must be taken to improve the terms of trade for the resettled communities, i.a. by helping them better to market their agricultural products and by enabling them, through the provision of training and credit, to produce and market other goods and services needed by the community.
IGA Plans

South Darfur Resettlement Scheme

Basic principles

- IGA need to make sense in sheer economic terms if they are to last.
- IGA planning should be based on a future market of 10,000 settlers plus their neighbours in Sanam an-Naga (and a similar number in Abu Salalah and at-Tugga).
- IGA should aim to keep surplus value produced by settlers within the community.

Currently, the most profitable activities in Sanam an-Naga are:

- Marketing of groundnuts (peeling and reselling outside the area).
- Provision of local transport for humans, water, and goods (donkey carts, horse carts)
- Trade in basic foodstuffs and household items.

Members of the Settlement committee preferably engage in the first two activities. Donkey and horse carts are also provided by members of the host community. Six shops are run by hosts, and five by Dinka settlers.

Income generating measures should enable resettled IDPs to engage more widely in such profitable activities themselves, by offering start-up capital and training.

Proposals by IDPs

In discussions with IDPs, the following IGA were most frequently mentioned as being desirable and offering reasonable chances of success:

- Transportation (mainly local, through donkey & horse carts, or renting out of bicycles – but the future will also bring a strong demand for motorised transport to Gireida and Nyala which will be provided by outside entrepreneurs if no other solution is found).
- Shop-keeping (IDPs engage in it, but are disadvantaged due to shortage of backup capital and at least partly also lack of experience).
- Tailoring (of clothes, shawls, etc.; including mending. Machines and training are needed to compete with current second-hand clothes market).
- Carpentry (wood needs to be brought from outside).
- Oil production (from groundnuts: peeling and hand pressing machinery needed).
- Soap production (at least for the local market of 10,000 settlers).
- (Co-operative?) grain milling (at present, the only mill is operated by a Miseiri-Jabal and cannot cope with demand).
- Bakery (none existing so far).

Other possible IGA considered were:

- Animal restocking (goal: min. 5 goats per HH, plus eventual move to acquiring cattle, for family use plus marketing of milk and milk products – these are so far mainly sold by Miseiriyya Jabal hosts).
- Blacksmith (production of household and farming tools; so far bought from outside the community).
• Production of certain foodstuffs for which a sufficient demand exists locally, such as jam, noodles, sweets; as well as perfume (partly from raw materials bought from outside).

• Training of drivers and car mechanics.

Nyala, 30 March 2001