

Chapter 10

THE ROLE OF NGOS

This chapter brings together a series of presentations made at the Port Vila workshop and some insights on the work of nongovernment organizations (NGOs) in the development process. It is divided into three parts—an introduction, presented by Anton Soedjarwo of Indonesia and two case studies. The first case study, presented by Mere Rokosawa, is about HART, a housing and relief NGO in the Republic of Fiji Islands (Fiji Islands). The second case study is about a microenterprise finance scheme for poor urban women in Vanuatu that builds on successful programs in the Philippines, contributed by Marjorie Marasigan, a UN volunteer.

Introduction

The resettlement guidelines followed by ADB, as well as the World Bank and many other development financing agencies, emphasize on the need to conduct the planning and implementation of such projects in a fully participative way. These requirements are set out more fully in Chapter 2. In particular, Box 2.2 describes the process of moving from simple information sharing to consultation that leads to participation and eventual empowerment of the project affected people to take hold of their own destinies once again.

It is a fact that most of those who are charged with the planning and implementation of development projects have little experience, if any at all, in dealing with the social aspects of community life. They are, in the main, highly qualified engineers, accountants, and economists. Unless they have been through some sort of displacement in their own lives, they are not specially trained to deal with social issues at the community level.

For this reason, lending agencies such as ADB may be inclined to suggest that the official or private sector agencies responsible for planning and implementing projects with a resettlement component should retain the services of a NGO. In particular, a local and well respected NGO can build an effective interface between the project authorities and the affected communities. This can allow them the kind of access needed to do a satisfactory job of completing the baseline socioeconomic survey. They may also be appropriate to undertake independent monitoring of outcomes and impacts.

Selecting a NGO to complement the skills available within a project unit is not easy. There are so many different kinds of agency that all regard themselves as NGOs. The important thing is to appreciate that there is little point in retaining an agency that has the same skills already available in the management unit. This means being prepared to deal with a group whose approach and orientation is quite different from that of a bureaucracy or of a profit-driven consultant. Anton Soedjarwo of the Indonesian NGO *Dian Desa* set out some guidance at the Manila workshop. His three criteria of Knowledge, Stewardship, and Vision are set out in Box 10.1.

Box 10.1 Key Characteristics of a Development NGO

At the Manila workshop some insights were provided into the problems associated with using NGOs in development projects.

There must be a true partnership between the implementing agency and collaborating NGOs in assisting with the planning or implementation of resettlement projects.

Project agencies should take steps to get to know all the different kinds of NGOs that are available so that the right agency could be selected for the right job.

The capacity of an NGO depends on three factors:

- Specific KNOWLEDGE that it brings to bear on its work
- The STEWARDSHIP it exercises in relation to community issues
- The VISION it has of how to interact with mainstream development activities.

Source: Presentation by Anton Soedjarwo, Director, *Dian Desa*, Indonesia at the Manila workshop.

In the following two sections of this chapter, two case studies presented at the Port Vila workshop are set out. They are vastly different in nature, but both have the prime objective of improving the lives of poor people. Both are also urban based since it is in the newly expanding townships that the problems of poverty and joblessness are most apparent. In addition, they have in common that both have been highly dependent on government to meet the cost of extending their services to the poor. Neither of them is currently dealing specifically with persons displaced by development, but the services they provide are exactly of the kind that are needed by the least able of those who are so displaced. The success experienced in these two cases gives encouragement for the establishment of more NGOs addressing the needs of those who need to re-establish their lives and their livelihood. HART provides housing and relief services in the Fiji Islands and VANWODS is a micro-enterprise credit program for women in Vanuatu. The comments of workshop participants in Port Vila on these two programs are summarized in Box 10.3 at the end of this chapter.

Housing and Relief for the Destitute in Fiji

Origins and Scope

The Housing Assistance and Relief Trust (HART) was established in 1970 by the Fiji Council of Churches. The stimulus came from a Roman Catholic priest, Father Dermot Hurley, who became the first Executive Secretary of HART after he resigned from his post as Chairman of the Fiji Housing Authority. In that post he found that, while able to provide for those with low income, he had been unable to deliver acceptable housing to the destitute and near destitute of the Suva urban area. The first house was built in 1970 and providing affordable housing has remained the primary objective and driving motive of HART in the years since. However, it became obvious that HART could not just provide roofs over the heads of the destitute; it needed also to address the reasons for their destitution. Consequently, other functions were informally adopted to meet the social welfare and economic needs of the destitute tenants of the homes provided by HART.

By 1998, HART has established 17 villages throughout the Fiji Islands, comprising a total of 501 apartments or flats, housing on average 1,854 people. The flats are simple, with piped water and a flush toilet, but no electricity. Each village is equipped with a community hall that provides a focus for village activities and, having community paid electricity, provides a place where children can go in the evening to complete homework, and where community meetings are held as well as church services. HART has also built, equipped, and runs six kindergartens and a small nursing home. HART has a small office and staff of nine.

Finance and Administration

HART is fully funded by the Government of the Fiji Islands but runs its program independently and free of direct government control. It is an example of the wisdom of government meeting the costs of a social welfare oriented program but having it executed by a NGO that can enlist the assistance of a group of community volunteers who will make the program vastly more cost effective than would be the case if administered directly by a public agency. A NGO like HART is able to be flexible and is not bound by bureaucratic "red tape".

All those given tenancy in the flats provided live within a system akin to the one they are accustomed to in their traditional village. The group is called a village, it consists of small dwellings around a central hall and each has its own head (a man or a woman) known as *Turaga-ni-koro* (TNK) and assisted by a village committee to provide liaison between the group of tenants and HART. Both the TNK and the committee are elected by the villagers each year. There is a monthly meeting between the village committee and the HART head office and this is when administrative matters and the welfare of tenants are raised, discussed, and decided. Villages are clustered as townships and each of these has a tenants' administration committee composed of people, usually living in nearby areas, but from outside of HART, who have the interests of the poor at heart and the knowledge and skills to volunteer to the task. Outside of the Suva-Nausori corridor, they undertake many of the functions of the HART head office such as deciding on the qualifications of new tenants to enter the village, collecting the rent payable, and generally administering the villages.

Rentals are very modest, being F\$0.50 per week for those who entered a village before 1994 and F\$1.00 for more recent arrivals. Another upward revision is likely soon.

Who are the Tenants?

The tenants of the HART flats are destitutes, or near destitutes, who come very largely from squatter settlements. If their status can be improved and their income enhanced, they may qualify to move on to facilities provided by the Public Rental Board whose rents are greater, or even to be housed by the Housing Authority or to acquire a private home. Similarly, a person housed by the public programs who loses their income and ability to pay the required rent, may be recommended to HART. For instance, able employees may become unemployed because of a debilitating stroke but, after remedial care, is able to look after themselves. Such a person could be placed with HART. It is a great thrill when a tenant has re-established their livelihood, gained effective employment and becomes eligible for the government grant of \$5,000 for Poverty Alleviation Housing. With assistance from HART to find a plot of land and inexpensive construction materials, a modest home can be constructed that is at least comparable to a HART flat.

The present group of tenants are predominantly women and their children. They are largely widows, homeless single mothers or deserted wives. The men are mostly elderly. As life expectancy has increased, women are outliving their husbands and often have no economic

resources of their own. Deserted wives and their children may have had Magistrates Court Maintenance orders issued against the fathers, but these are seldom complied with by the spouses. Another group consists of migrants to the urban areas from the country. They spend some time living with local kin, but are finally evicted and may come to HART for help.

The tenants are among the poorest of the poor in the Fiji Islands. Their income is from three sources:

- Family Assistance. This is a means-tested form of social security from the Government. It varies from F\$15-F\$80 per month depending on circumstances. The average payment is F\$33 per month;
- Sales of handicrafts, jams, pickles, sewing, and other home produce; and
- Employment, usually casual and consisting of domestic service, garment stitching, or casual laboring.

That these are very modest levels of income can be judged from the fact that the current poverty line for Suva is F\$208 per week and at least 25 percent of the population is below this line.

A recent survey to which 352 tenants responded indicated that 37 percent of them were entirely dependent on family allowance receiving, on average, F\$24 per month. The rest, 63 percent, also had some other cash income and a total income of F\$108 per month. At these levels of income one has to be a very cunning housekeeper. For a family of four (not uncommon in the villages) these figures translate into F\$0.07 and F\$0.32 respectively per person per meal. A loaf of bread for four costs F\$0.60.

Promoting a Better Livelihood

Efforts must be made to improve the future outlook of not just the major tenants, but also for the sake of their children, efforts must be made to improve their future outlook. HART has promoted both social and economic approaches that have proved beneficial.

Education is seen as the key to a better life. Without appropriate life skills and a capacity to learn new tasks, the child of poverty is destined to repeat its parents' life cycle. It is, of course, a long term matter, but it is given high priority by HART and 60 children received some assistance in 1998 with expenses such as for school uniforms, textbooks, or fees. The six HART kindergartens also accept children able to pay normal fees from outside the villages if there are vacancies. This has not been a great success yet as many mothers are so apathetic they will not send children to a kindergarten even within their own village. There are plans to do more towards providing directed work for many of these women. This is expected to result in the kindergartens expanding to provide day care and nurseries for mothers at work and to encourage education. Other social programs include assistance with the establishment of gardens for fruit and vegetables, a revolving fund for small emergencies to prevent them growing into large ones, and the encouragement of groups to use the hall for church services and other gatherings.

Consideration is being given to using HART resources to assist with the repatriation of native Fijians to their home villages. However, a long absence from the village and failure to participate in important community activities over the years can result in a loss of access to traditional lands over which the individual may have exercised rights in the past. If this approach is to work, it will require that HART welfare officers assist with the re-establishment of these rights and with the acquisition of the skills needed to be able to contribute fully to the life of a rural community.

On the economic side, HART operates bazaars and markets where villagers can sell their handicrafts and produce. These have become very popular and the number is increasing each year. Another approach is to use the existing Saturday markets in Suva. HART staff agree with tenants on the things they will produce each week. The goods are collected by the staff from the villages around Suva on Friday night, they sell them on Saturday for the tenants and return with the money on Saturday afternoon. The scheme has been very successful for a small number of regular participants and it is hoped to expand it to a wider group in future.

Pot-plant hire is common with many businesses. One, a car sales firm, has contracted for their plants with HART who, in turn, has agreements with tenants to prepare the plants to be made available for a month at a time. At F\$100 for 24 plants for a month, this is a nice supplement to a meager income. It is hoped to expand this program.

Finally, and most recently, steps have been taken to start training women to operate their own small businesses based on a program of micro-enterprise finance. Not only do they produce goods based on their own skills and expertise, the women also are taught how to handle their finances, do their own banking, establish a savings regime, and keep simple books of account.

Conclusion and Evaluation

There will always be a need for a relief program to handle the needs of those who fall on hard times through illness, frailty, or abuse. HART wants to see as many of its tenants graduate to a better life, for their own sake, for the sake of the community, and to make room for the next wave of people for whom the bottom has fallen out of their world.

Vanuatu Women's Development Scheme

The Vanuatu Women's Development Scheme (VANWODS) is a program of micro-enterprise credit and technical assistance initiated by the Department of Women's Affairs of Vanuatu with financial support from the United Nations Development Programme (UNDP). UNDP assistance included recruiting the author of this report, Marjorie A. Marasigan as a UN Volunteer from a well established program in the Philippines. The final objective is for the program to become a self-sustaining NGO.

Introduction

It is estimated that there are around 2,400 low income households, representing 12,000 people, living predominantly in the resettlement and squatter areas, often in substandard housing, in the Port Vila area alone. With the continuous flow of people from the rural villages to the towns, their numbers are expected to grow. Already, there are signs of social and physical stress in terms of rising urban crime, unemployment and vagrancy, overcrowding, malnutrition, increase in public health problems and environmental degradation in the urban and peri-urban centers,

Women in particular, bear the burden of poverty and hardship the hardest. A recent Vanuatu Government report identified women living in urban and peri-urban resettlement areas and those in the rural villages who have no sources of income as particularly disadvantaged. A household survey conducted in Elluk and Simbolo in 1996 found that:

- the majority of women do not have any reliable source of income and this is attributable to the lack of organization within the community;
- individual women are largely fending for themselves;
- they lack confidence in their ability to be self-employed;
- they lack productive skills, and
- they are without innovation, unable to save, and without access to readily available credit.

VANWODS targets these women through a social mobilization program to enable them to organize themselves into functioning solidarity groups, to provide them with micro-entrepreneurial skills to manage small income generating activities, to help them generate savings and to provide them with small amounts of credit to embark on income generating activities.

There is no active micro-credit scheme catering specifically to disadvantaged women in Vanuatu. While the development and commercial banks practice a nondiscriminatory lending policy, the 1994 Women's Business Unit (WBU) survey of women in micro businesses showed that women do not approach these institutions for credit. The minimum lending level of Vatu (Vt)100,000 imposed by the Vanuatu Development Bank is also beyond the need and coping capacity of the disadvantaged women. The 1994 survey also showed that 83 percent of women engaged in micro-enterprises and informal trading, borrowed less than Vt10,000 and that 73 percent borrowed money from their relatives—indicating, among other reasons, the absence of accessible and reliable sources of micro-credit for disadvantaged women. This informal source of borrowing is also under great stress with rising unemployment, planned downsizing of government, and the growing number of relatives that urban families are having to support.

It is clear that women in general, and disadvantaged women in particular, have no or extremely limited sources of micro-credit for improving their situation. In Port Vila, based on data from various surveys, reports, and informants, it is estimated that there are around 3,300 women who have no income, or less than Vt10,000 (US\$7.70) per month. The majority live in squatter settlements and often in sub-standard housing. This number is growing with the rapid rate of rural-urban migration. These women constitute the target group for VANWODS.

VANWODS and the Current Program of the Department

The overall goal of the Department of Women's Affairs for the development of women in Vanuatu is to "realise the potential of women as partners and beneficiaries of the development process, and to promote their full participation in local, national and international affairs". The objectives are to incorporate women's issues in mainstream development planning, increase the participation of women in economic activities, encourage active cooperation between all organizations working with women, strengthen the organizational structure of the network of island and area councils of women, and improve the status of women and their children.

The Government has therefore given priority to job creation and the promotion of sustainable livelihoods. While the focus is still very much directed at the formal sector, there is growing recognition of the importance of the informal sector and, in particular, in supporting the economic empowerment of women. A Women's Business Unit was established at the Ministry of Cooperatives, with UNDP technical support, to train women in starting micro-enterprises. The Ministry of Trade and Industries has articulated their support to further strengthening the informal sector and recognizes the need for legislative reforms, provision

of training and advisory services, and the provision of micro-credit. The Government has continued to work closely with the National Council of Women, which has a nationwide network reaching almost every village, in livelihood creation programs. The Department of Women's Affairs is beginning to shift its traditional emphasis in supporting women's home-keeping and community development roles to one that is focused on the economic and political empowerment of women. In 1996, the Department of Women's Affairs, working through the National Sustainable Human Development (SHD) Committee and the National Planning Office, entered into a partnership with UNDP to pilot a micro-credit scheme specifically targeted at poor urban women. This became VANWODS.

The Vanuatu Women's Development Scheme

VANWODS is a micro-credit scheme pilot tested by the Department of Women's Affairs (DWA) starting in February 1997. It is a project that combines the features of community organizing and savings and credit delivery mechanism as a strategy leading to institution building. It also focuses on income generation, job creation, and small enterprise development at the grassroots level. The target members are unemployed and under-employed women belonging to low-income households.¹

The DWA envisioned an empowered women's sector that gains access to, and control over, resources. The mission of VANWODS is to:

- Create self-employment for the unemployed or under-employed by supporting the target members to become self-employed;
- Extend assistance to income generating activities of the members;
- Promote savings;
- Improve living standards and thereby contribute to the social development of the community; and
- Inculcate a sense of independence, dignity, and confidence in dealing with one's needs and problems.

Immediate objectives include:

- To provide banking services specially designed for the target members by bringing bank services to the community sites and accommodating the least financial transactions within their affordability;
- To provide noncollateralized loans to nonbankable income-generating projects;
- To assist the members in mobilizing at least Vt700,000 (US\$5,737) at the end of 1999; and
- Incorporate at least eight women's organizations (220 members) to build their organizational capacity to start saving and credit associations.

Some of the problems encountered as the pilot program has been implemented are set out in Box 10.2.

¹ Based on 1985 Household and Expenditures Survey in Vanuatu, households with income of Vt45,000 (US\$368.85) per month are classified as low-income households. Average household size in Vanuatu is five.

The program components include the following:

- Community Training/Organizing. Prospective members are provided with a comprehensive training package that places emphasis on attitude and value formation; credit use and management; group security, accountability, and responsibility; and micro-enterprise management.
- Savings Mobilization. The built-in savings mobilization scheme serves the following purposes: (a) it imposes discipline on the group members in developing the savings habit; and (b) it provides cover for normal business risks, seasonal variations in income and natural calamities. The savings accumulate in the members' common fund called the Centerfund, which comprises:
 - Pledged weekly savings of Vt100 (US\$0.77);²
 - Automatic deposit equivalent to 5 percent of loan, deducted in advance; and
 - 5 percent retention from the Centerfund.
- Credit Services. This component addresses the financial requirements on nonbankable micro-enterprises, which the members would like to undertake.
 - Initial loan is pegged at a maximum of Vt15,000 (US\$115) and is payable on a weekly basis within six months (24 weeks),
 - Second loan is a maximum amount of Vt30,000 (US\$230) and third loan of Vt45,000 (US\$346) payable on a weekly basis within one year (50 weeks). All succeeding loans are payable within one year period.
 - 16 percent interest is charged per annum.

To become eligible for membership, participants in the program must:

- Be willing to organize themselves into groups of five;
- Attend at least 24 hours of the Compulsory Group Training;
- Collectively pass the Group Recognition Test that qualifies them to provide a collective guarantee for moneys lent to individual members.
- Be willing to attend the weekly center meeting, pledge to save at least Vt100 weekly in the Centerfund, and repay the loan regularly and on time; and
- Be willing to abide by all the center rules and regulations of the VANWODS.

Project Update

As of September 1998, less than two years since the pilot program started in February 1997, the VANWODS can report the following outcomes:

- Five women associations³ (100 members) organized in Freshwater, Simbolo, and Ohlen areas;

² When the members realized that by putting their savings together they can generate at least Vt700,000 within 17 months they decided to increase compulsory weekly savings from VT50 to Vt100 effective August 1998.

³ Freshwater Atou Hurhati (10 members), Simbolo Women in Small Business (30 members), Nalkutan Women's Association (40 members), Netunwala Women's Association (5 members) and Matasso Women's Association (15 members).

Box 10.2

VANWODS—Problems Encountered during Implementation

Problems Encountered

Selection of appropriate NGO to implement the scheme

Mis-targeting of pilot test site. The land occupied by the members was sold for commercial purposes. This was not foreseen during the conduct of the needs assessment.

Appointment of project coordinator. The person had other duties and could not devote full time to the needs of the project.

Membership mis-targeting. Occasions arose where staff deliberately accepted disqualified applicants resulting in confusion, wasted time, and disappointment for the applicant.

Relocation of members. Two from Simbolo returned to their home island without notice and without paying out of loans.

Civil disturbance interrupted program. A civil riot in Port Vila resulted in delays in the training schedule and loan disbursement.

National state of emergency. Following the riots, there were limitations on meetings that would have interrupted the program.

Securing a business license exemption for members.

Actions Taken

Trial approach undertaken by DWA with UNDP assistance. After finalizing criteria for selecting a NGO to implement a wider program, it was decided to create a new NGO instead.

Assisted members and their community in participatory decision making and identification of alternative land to be acquired. The community decided to elect a new chief and move to Freshwater.

New staff hired and trained on grassroots organization and assistance.

Strict adherence to the policies and procedures is essential and staff involved were corrected.

Others in the group made good the default. The group was given continuous motivation and support to continue. Monitoring and supervision improved. Immediate conduct of a loan utilization survey.

Special efforts to catch up the timetable once the riots were over.

Special permission secured from the police for normal group meetings to proceed.

Department of Customs would only allow a 50 percent reduction. As this is still beyond the capacity of those involved, the matter has been taken up with other agencies and with the Director General of the Office of the Prime Minister for resolution.

- Vt1,492,000 (US\$ 11,477) loan funds released for members' income generating projects;
- 16 percent per annum interest charged totaled Vt164,960 (US\$1,269); and
- 60 members received loans ranging from Vt10,000 (US\$77) to Vt30,000 (US\$231) for the following micro-enterprises:

□ Buying and selling of agricultural products	18 or 30 percent
□ Cooking and selling foods and snacks	21 or 35 percent
□ Retail store	5 or 8 percent
□ Road market	3 or 5 percent
□ Mini-bakery	1 or 1 percent
□ Handicraft	5 or 8 percent
□ Sewing and selling clothes	7 or 12 percent

40 members are still preparing project proposals.

- Loan repayments of Vt800,330 (US\$6,156);
- Loan balance of Vt856,630 (US\$6,589);
- Net members' savings of Vt871,721 (US\$ 6,706) exceed the loans outstanding;
- 100 percent repayment rate every week;
- VANWODS is to be registered as an NGO; action is in process;
- Ongoing selection of board of trustees for the NGO.

Overall, the project has been a considerable success and now moves into the difficult stage of becoming truly nongovernment and dependent on the success of its lending program for its viability.

Box 10.3

Workshop Discussion Points on NGO Presentations in Port Vila

Workshop participants were clearly impressed with the effectiveness of the two cases as models of NGO interventions designed to elevate the condition of the poorest of the community.

The process by which HART residents could graduate out to other forms of housing was praised.

There was discussion of the rationale for the rates of interest on credit borrowings and an appreciation of the fact that the credit program was being operated at normal commercial rates so as to ensure it was viable without continuous outside funding.

The mutual responsibility system of lending that ensures high repayment rates and program success was also discussed.

It was noted that the input of an experienced facilitator from an ongoing credit program in the Philippines had been critical to learn how the local program should be established and operated in Vanuatu.