



# MICROLINKS WEBINAR: FOSTERING LIVELIHOODS IN TIMES OF CRISIS: LESSONS FROM SYRIA

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QUESTION AND ANSWER AUDIO TRANSCRIPT

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## **PRESENTERS**

Vaidehi Krishnan, Mercy Corps

Kelly Van Husen, Global Communities

## **MODERATOR**

Laura Meissner, USAID Office of U.S. Foreign Disaster Assistance

April Thompson, USAID Knowledge-Driven Agricultural Development Program

*Laura Meissner:* Hi everyone. This is Laura. I hope you all can hear me. I'd like to thank our presenters Kelly and Vai, and I would like to thank all of our participants. We have quite a lot of Q&A. I will do my best to try and get to as many of them as possible that would be as relevant to as many of you all as possible. If we don't get to anything my apologies, but this has been a really lively discussion, so I think that's fantastic.

I think I will start out – there are a few questions about program design. I'll kind of group these together, and either Vai or Kelly feel free to just jump in. Hopefully, Adam, our AV person can control the muting issues as well. So there was a question from Clair Durham about how to make sure that we're picking the right points along the value chain to support it, and that we're kind of picking enough of the correct points along the value chain since like we ignore too many of them that it won't function in any way.

There's also a question about the prior wheat value chains, this is more for Kelly perhaps, in terms of the high level of mechanization in the pre model of wheat production, so how do we go about sort of replicating a productive wheat system if we can't necessarily afford to replace expensive input such as that, particularly given the cost and the fuel.

Then finally there's another question about whether there was any use on either side of mobile technology or social media in terms of supporting behavior change, or sharing price information for producers, or just raising awareness or providing general farmer education. That was from . I will up there for a moment, and we'll try and tackle those questions, and then we will move to the next batch of questions. Vai or Kelly, over to you.

*Vaidehi Krishnan:* I could actually go – oh, sorry Kelly, go ahead. I was going to go with the last question actually.

*Kelly Van Husen:* Yes, and – that's good. I was going to kick that with you anyway, so that's perfect.

*Vaidehi Krishnan:* Oh, you were. Okay. So okay.

*Kelly Van Husen:* In terms of the – I mean, a couple of the other questions in terms of kind of replicating the prior government system, I don't think we're seeking to replicate it as much as trying to support a new system. I think we're still looking to see how that develops. We are looking to provide subsidized inputs initially, but the idea is that ultimately we would be looking to shift towards cross recovery mechanisms, and really supporting private markets and privately owned facilities rather than to replicate a heavily subsidized and centralized system, but really to support some of those private sector

actors, and just to provide an initial subsidy, but then shift towards a more privatized and cost recovery type mechanism along the line if that answers that question.

In terms of how points are selected along the value chain for intervention, I mean I will say we work with – we have both on staff, and then we consult others through the food security livelihoods clusters and various other agronomists and others that had worked previously with the ministry of agriculture, and other organizations in terms of what they see as the greatest gap and the greatest need. There's also, of course, the element of coordination with other NGOs and other actors to make sure that we're not all targeting the same points.

I would say we're limited a bit by donors as well in terms of what we're able to do. I mean, across our programming it's multiple different donors that are funding multiple pieces of that. We don't have a donor, for example, that's saying, "Okay, please tackle the wheat value chain and propose all these various points along that value chain." We've kind of cobbled that together just because we've found it to be a better practice for programming in terms of being able to link the various programs that are funded by various donors, but that's been really kind of our own initiative.

I think we're limited a little bit by the various donors in terms of what each donor – what components of that each donor is interested in and will fund. Again, you have more donors that are funding more of the food security pieces, which then link into the other portions of the value chain, and the kind of infrastructure facility rehabilitations has different funders. We've tried to link that programming together into one comprehensive and complimentary program.

I think that's a challenge too in being able to kind of sell that whole package to the donors, and trying to sell a longer timeframe as well in terms of rather than just a one off here SC distribution, but really being able to link that to the other pieces of the value chain even if they have different funders. So that – I don't know if value one added to that as well.

*Vaidehi Krishnan:*

No, I think you answered all of that. I think I, Kelly, I mean I want to take on that question around technology and social media, and I think that's a really important point is, yes, people do have access to social media and that looks like, "What's up." What they're looking for are really a community in that sense. They do actually – they're quite active on Facebook and social media like and What's Up. So yes, are available. Surprisingly internet is sporadic, but still available, and people are relying more on information and technology to be able to contact their friends or family, or to find about things that are going on.

I think that's a very useful channel for us to consider. We definitely want to. We haven't yet. On our program on we haven't yet started doing that, but I think recognizing the importance of technology, and social media, and the access particularly for the younger population. We are thinking of ways of how do we create those support networks. Because there are constraints where people cannot travel from one location to another because of frontlines, or the ongoing conflict, but if we do want to provide information and maybe change information sharing, to be aligned for example, are there technology based groups. Can we create, for example, a facilitated What's Up group where we're able to provide some information and let this discussion continue?

People do willingly share information if they find new ways to grow certain crops, or new ways to do certain things. They're willing to share it with their friends and neighbors, and their of the community. So I think there's definitely potential if right now something that we are starting to explore how we might make better use of that.

*Laura Meissner:*

Okay, thank you. If Vai or Kelly don't have further on that then I will move to perhaps the next grouping of questions. There was some, Kelly, I think these are sort of specifics for you in terms of the wheat value chain, and just questions about the fixed price of the bread, just clarifying whether this was more to benefit the farmers or the consumers.

Then given the current situation, of course, and everyone's decreased purchasing power, whether people are able to buy bread. China is a little bit from the USAID perspective, which is that among other activities USAID does support big grade voucher programs that help people afford bread through a normal of a market system if we can.

Then there were also questions that around sort of what does privatizing the wheat value chain, which was previously so government controlled. Sort of what do we think that might do to bread prices? What do we think that could do in terms of a food security perspective? I'll stop there. Kelly, if both of their – both for you, but then our next grouping of questions will certainly be for both of you.

*Kelly Van Husen:*

Sure, thank you. All good questions. As far as I understand, I mean, the government control on bread prices was a benefit to consumers as well, more so than farmers. Although, I would imagine that there was a – certainly a government benefit between the calculation of what they pay for subsidizing the wheat inputs in terms of the seeds, et cetera, what they're paying for the crop harvest and then fixing the bread prices, and then what they're exporting.

So I mean, ultimately I think it's a government benefit within that entire value chain. Specific prices for bread I would assume benefit the consumer as well. What we're seeing now is actually the – in terms of the price controls we've seen some localized price controls. For example, in say the Kurdish controlled areas we've had some of the local councils and other local authorities in those areas that are fixing the prices of bread, again, to benefit the consumers.

That's balanced with a – the challenge there is that the production is so low right now, which is what we're trying to then increase, but it's hard to keep those prices fixed. We've seen kind of local authorities and local groups that are trying to put caps on bread prices as well. I would expect that to continue, frankly, until we have some more conflict resolution, or until the production and the – a lot of the other aspects of the value chain are restored or improved.

In terms of privatizing the wheat value chain and the impacts then on food security and prices, the government model was in the process of collapsed pre-conflict. Again, because it was unsustainable, and it wasn't giving the yields that it was anticipated, and it wasn't a sustainable model. So I think the privatizing will actually have a positive impact. Eventually I think it will create some volatility in the interim certainly, and along with everything else for the conflict.

I think there will be some volatility in prices, and potentially on food security as well in the interim, but I would ultimately see that it would be a benefit to the consumers, and the farmers as well just because you are seeing now a lot of private seed traders. A lot of the inputs are being imported from Turkey, from Iraq, from elsewhere, but you are seeing now some seed multiplication efforts, and some other – an expansion of trade inside Syria.

I'll say that just from our own programing. Back in 2014 we were not able to procure any seeds inside Syria. They just didn't exist. They weren't there. Now, most of our procurement for the inputs is done within Syria. Not all, but an increasing portion is done within Syria. So I do think we've seen a restoration, and at competitive prices. Perhaps not as subsidized as they were previously with the government subsidies, but at competitive prices.

So I think it will ultimately, again, volatility probably in the interim, but I think it will ultimately will have a positive impact on both the price of inputs, and in the prices of bread for consumers, as well as benefitting local farmers.

*Laura Meissner:*

Fantastic, thank you so much for that, Kelly. Our next grouping of questions is all about access to finance. These actually are both Vai and Kelly. These questions from including Lena Henson, Ben Ursing, Tom Shaw, Robbie Yasbeck, and then Drew Cline. Including sort of questions around first of all why is finance a constraint. Are there any financial institutions functioning, or MSIs in the areas where you're working, whether there's some access to finance component in either both of your programs?

For the wheat, whether there's a crop insurance component considered, whether there's any financial literacy included, or whether that's needed? Then as well, if there are any other financial services, pilots, or other successful lending interventions in the Syria context, which you may or may not be aware of. I will leave it there, and maybe since Kelly just responded to a lot maybe we'll pass it to Vai first.

*Vaidehi Krishnan:*

Yeah, I'll start. I could give Kelly a break. I can go on the first question on access to finance, is finance a constraint. I think that's a great question. I think even pre-crisis, I think if you've seen some of the World Bank reports, I think that were coming in were like close to a billion, but pre-crisis, to pre 2011 after which we've stopped tracking. We've not been able to span these numbers.

The point is that even pre-crisis, pre 2011 there were large parts of Syria where there have never been any formal banking mechanisms available. So if you take for example, it has been primarily informal mechanisms. There have been a few microfinance institutions, but very few. So this was even pre-crisis.

Right now the situation is we do actually know a little bit more about access to finance inside. The point is that some banking mechanisms are not functioning anywhere inside Syria. Very few locations. Maybe Damascus and other government controlled areas, but primarily because of the conflict.

So this basically means when people need access to finance to restart the business, or to even meet household consumption, it's either that they're relying on , which is slightly higher than it was pre-crisis, but it's starting to reduce because I think seven years into the conflict. Even the migrants that have left the country and gone outside, I think they're facing hardships as well. So it's been more and more difficult to spend of more regularly to people in south Syria.

So when they think about access to finance, if either , if they receive any, if they have people outside, or it is primarily borrowing from friends or family, or their sort of image of social network. Again, if you think about

the policy levels in Syria, you either have people that are really rich, or very poor. There's no that sort of middle income groups. If you're trying to borrow from your own friends and family, seven years in there has been considerable erosion, so you don't really have many sources to borrow from.

The other form of informal lending, you do have private money lenders, but as people are borrowing, or as the demands of finances increased, people – this is a new practice where people say – people have told us that the charging of interest, or haram, which is considered haram under the Islamic traditions, has started with private money lenders because they're basically trying to find ways to protect their investment. If they are loaning out to someone, by changing the guarantees of payment, or their structure of the payment, they're basically trying to protect their investment.

I think this comes down to, like I said before, business to business lending is still happening. So large agricultural dealers might still be loaning to smaller businesses, or smaller businesses still loaning to farmers. It is very constrained because one, there's no rule of law to guarantee that a payment is going to come back. Two, there is no trust that this person is actually going to pay, and three, if there is a bomb tomorrow the whole investment wipes out, or the whole farm wipes out, or the business wipes out. What are they going to do about their repayment?

So while there is – there used to be a system of microfinance, or finance even before. It's very, very limited now, and limited primarily also because of the constraints of the current crisis. So if we are finding out that business to business lending is happening, one avenue for us to potentially look at is are there enough doing sort of direct cash, are there ways for us to help rejuvenate some of these relationships, rekindle these trust relationships, so can we do loan guarantees?

It's not something that I haven't answered to right now, but I just want to say that there is the potential to be able to go down that pathway. It's not going to be easy, but if trust is something we need to rekindle then maybe that is an option for us to consider.

*Laura Meissner:* Thank you Vai. Kelly, did you have anything you wanted to add around financial services?

*Kelly Van Husen:* No, I think Vai has covered it very well. The only thing I would probably add is that I think there was a mention of financial literacy. I do think – I mean, again, that for a number of the reasons that buyout lend as well. I do think that's valuable because there was – because even pre-conflict there was no formal banking system.

I think for us particularly, when you're talking about farmers that have had all of those elements of their livelihood essentially controlled, and they haven't had to determine how they're going to – for what price they're going to sell their crop, how much they can – they haven't had to make that calculation previously in terms of how much they can spend on inputs, what is the yield going to be.

So I do think some financial literacy in that sense would be useful. Again, I think Vai covered very well all of the various aspects of financial services.

*Laura Meissner:*

Great, thank you Vai, and thank you Kelly. We'll move on to the next grouping of questions. These are from Gary Alex and Andria Cline. They're sort of about beneficiary, or farmer producer choices, and revenue, and then the choices that they make around that revenue.

One of the realm sort of now that the prewar system of government control of planting and no longer functioning, wondering if there were any signals that farmers have been switching their choices maybe from wheat to certain higher value products, or not. Has been also a question for both of you in terms of whether you're able to track beneficiaries revenue that they're earning from their livelihood activities, and determining how much of it they are tending to use for meeting basic living needs, versus reinvesting into their business and production, versus, perhaps, saving up for the future. If this isn't known, wondering if there were plans to try and find this out. I will – either of you I suppose. Maybe Kelly first.

*Kelly Van Husen:*

All right, thanks. Again, good questions. In terms of the tracking of revenue, so we do post distribution, or post-harvest monitoring just to go back and look at the yield, or the revenue that the farmers earned from the initial inputs that were provided. We haven't gotten into detail yet in terms of how that's spent, and the breakdown in terms of how much of that is used to buy inputs for the following year, versus to buy medicine, food, other items, but we are planning to do that.

I think now that we've had a longer time horizon within Syria, I'm going on four years now that we've been operating and doing these similar programs. At the beginning it was just going back once and trying to get a sense of what revenue was earned, I think now that we've got a longer time horizon we are looking at going back to some of our initial beneficiaries from a couple of years ago and doing some initial analysis in term of what they were able to earn, and then how that was subsequently spent or invested in other items.

So I think that's – yeah, so again, we've been able to track the basic revenue for now, but I think we're definitely interested in going back and getting some more details in terms of how much that's spent. I have not heard, not to say that it doesn't happen at all, but I have not heard of the farmers switching out wheat or others for more profitable crops.

I mean, we've done a lot of consultation with both agronomers and farmers themselves in terms of putting together the seed package that we provide, which includes wheat or potatoes, and a mix of vegetables. The vegetables mostly for consumption and potentially for sale. That was also based on the farmer request and what they, I think, are familiar with, and what they would prefer to grow. So I haven't heard of any significant number of farmers switching to grow other crops. Certainly wheat is kind of the number one most requested input, so to say, for the farmers.

*Vaidehi Krishnan:* Just wanted to add to that, Kelly, just about wheat. I wanted to point this audience back. There is a 2015 assessment that we did in on the site. It looks at this agricultural – it's an agricultural assessment at . I think as early as 2015 I think we were finding that people, farmers were switching out some wheat to other products, but I wouldn't say they were higher value products. I think it's products that they could more easily sell in the markets.

So I think they kind of switched from wheat into things like black wheat and cumin. I think that also had to do with cost of input, again, like the subsidies like Kelly mentioned. The subsidies were no longer coming in. I mean, being a wheat farmer used to be like being – having a salary job. Since they – these inputs they had to procure it themselves, and this was more difficult. The cost of these inputs are getting higher.

We did have these instances of people changing from wheat into other products, but not – I wouldn't say higher value. I think it's faster selling. I think that was one of the reasons why we started a slightly more rigorous examination to say if people are market switching, markets are changing, people are changing their buying and their production cycles accordingly. If that changed just sort of antidotal in one or two locations, so even a larger, wider change the way factor.

I think this is where the – our people adapting their livelihoods, moving out to maintain the food security, and if so, how were they doing it is what we wanted to look at in that various study.

*Laura Meissner:* Great, thank you to both of you. Our next grouping of questions is a little bit about I would say sort of demographics of beneficiaries. There are a few questions from Sherry Arnot at Intercline in terms of whether gender analysis was done for either project, and among women farmers, or

women led small businesses. How are they fairing, and what sorts of hindrances or obstacles do they face if any?

There was another question in terms of displacement, if either of your projects are working with displaced populations, if there have been efforts in terms of trying to create trust, trying to improve trust and respect between displaced and host populations, and/or addressing any sort of resentment or suspicion. Then finally there is a question in terms of intergenerational issues perhaps among households and families, or among producers, and whether there's any sort of knowledge exchange, or perspective changing that might effect a successful project. I think let's do Vai's first. I think last time Kelly went.

*Vaidehi Krishnan:* Great, thanks Laura. Let's talk about pointed race, about intergenerational – I read that question and I was – I think I might have to Google and find out what that meant, but let's talk about intergenerational linkages, and if there's any changes. We are finding that there isn't a lot – there isn't a huge male youth population that's left in . There are still a lot of young women. There are in fact – in general I mean just in comparison with women in question as well.

Women headed households in south Syria is on the rise because either people have left, the men have left to migrate to other countries to see if they can provide a more stable livelihood, or they've joined armed groups as a source of income or ideology, whatever it is that suits them most. So women, there is a vital woman headed household.

Among the youth itself what we are finding is that young people, are they interested not just in sort of earning an income and supporting their household, but also in terms of their self-esteem that it provides. Just the fact that they're able to provide for their household has improved their self-esteem, and improved their willingness or desire to engage in community rebuilding. Having those are important components that we do need to capture particularly as we are now talking about when the conflict ends. There is a demographic that's going to need particular attention that's going to need to rebuild this community. I think it's definitely that younger generation that we need to be focusing on.

Are there intergenerational learning or changes that we're seeing? I would say I don't have the answer. I would say it's quite feasible because the younger generation is more into technology, is more able to access the information that they need. By defaults because of the conflict, they have now taken on this role of being the main income earner in the household. They have become the main decision maker because there has been no other choice. So I do think that we will soon be seeing a shift. We need to

capitalize on that younger generation and make sure that that shift is a more peaceful transition, and a more one for the community.

Women led businesses, do we take ? We absolutely do. Again, like I said, we do look at women headed households. One additional constraint, I think particularly for Syria, is the cultural constraints of women's engagements in the market. It's not that women were not earning an income before in south Syria, but that class of people most of those who could leave have left. So the people that are still remaining, who are still in south Syria are much poorer, and they probably do not have – haven't had the education of the to engage in the markets like women did before.

So women headed households are more vulnerable than the rest of this population, but they also lack both skills to engage in the market. They are on the rise. There is pressure on them to earn an income for their families. I would again want to take a very market supply and demand and say women headed households are on the rise. It basically means that we can look at more opportunities to increase more traditional livelihoods for women.

If I was a woman in south Syria today and I need something done in my house like plumbing, or carpentry work, or whatever that needs to be , would I be okay with a strange man coming into my house to do it, or would I be okay with a woman coming in to do it? So I think there is an opportunity here where women are – there's in the head of households. It is an . We probably – we want to expand that way within the cultural constraints. We want to see how do we use this to linkup women producers and women consumers so that they can actually work well together on an income, and still not put themselves in harm's way because of – we currently the cultural constraints doesn't allow that open engagement. Until we get there, what can we do?

On the displacement, I can – I don't actually have much to add on this. Kelly, do you want to take over from here at this point?

*Kelly Van Husen:*

Sure, sure. I mean on the – I think you've covered the in terms of gender and the intergenerational learning. In terms of the displacement, I mean I would say only for us particularly, and with this very specific subset of beneficiaries that we're working with being the small scale farmers. We're not looking at a lot of displaced people. We have other activities in terms of shelter and wash, and other components that are much more focused on those who have been internally displace.

I think for this particular subset of beneficiaries we're working with a lot of host communities. The farmers that we worked with have been – many of them have been temporarily displaced in terms of they have left their

land for a few weeks or months to move elsewhere and then come back to it, but their land is their asset, so we don't have a lot of folks that are displace.

Part of our criteria is demonstrated ownership of the land that you are farming, and that we're providing inputs for. I mean, I would say, again, for this particular subset of folks within Syria that we're working with it's not a lot of displaced populations.

*Vaidehi Krishnan:* Sorry, I'm just going to follow up on Kelly's response because I think that displacement issue which reminds me. So when we talked about that hybrid model of the owner rebuild, I think that was particularly where some of the more vulnerable households were these displaced households, but they didn't really have this access to a barn, or access to water. Where it's the host households that did have access to this didn't really meet the vulnerability criteria.

We do know that displaced households are – because of the multiple times that they are displacing, they have lost their previous assets. They cannot bring some of these assets with them, and they also lost the social connections from their previous community, right from the place of origin. So they are, in fact, more of a role than host communities. It doesn't mean that we need to ignore the host community entirely in this intervention, but also in a different way.

Again, it is about somebody you – one of the questions – part of the question was how do we rebuild that trust. It's not that there isn't trust between these two displaced. Most displaced households or communities go to places where they might have some extended family, or they might know someone, or where they feel relatively safe. So it's not that it doesn't exist at all. It is about how do we distribute aid in a way that keeps, maintains this sort of social capital.

If displaced households are going to their host neighbor as that immediate person, go to person when something happens, how can aid come in and not destroy those relationships and still continue to maintain that, which is why, again, told me that owner model that I talked about was an interesting one because it was pairing two such demographics, and why that worked for some households and why not for the others would be an interesting follow up question for me.

*Laura Meissner:* Thank you Vai, and thank you Kelly. Those are both really useful perspectives. I think here we are going to close out the questions. I'd like to say a huge thank you both to Vai and Kelly for presenting and answering everyone's questions, and certainly to all of our participants for a really lively Q&A session and chat. A few of you had sort of factual

questions about USAID's contributions. We will include a link to our most recent Syria response fact sheet in the post of that materials.

Just a quick reminder that those along with a recording of this webinar and the transcript will be available within around two weeks. You can look in your e-mail, or of course at the Microlinks website for that. Also just one more reminder that Microlinks will be taking off in December for the holidays, but we will be back with events in the calendar year 2018. Again, a huge -

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