



CONSEIL NORVÉGIEN POUR  
LES RÉFUGIÉS



NORWEGIAN MINISTRY  
OF FOREIGN AFFAIRS

EMMA

**Credit, Rental and Water Market Systems**  
**Urban Goma, Democratic Republic of Congo**  
**November 2014**

**EXECUTIVE SUMMARY<sup>1</sup>**

Hundreds of thousands of people are continuously forced to flee violence in eastern DRC due to armed groups attacks and inter-ethnic conflict. In the Kivus, the majority of the Internally Displaced People (IDPs) have been in a state of protracted and repeated displacement for many years. Urban IDP populations are unknown, but believed to be large, and the saturation of camps and sites around Goma means there is nowhere for newly displaced IDPs to receive assistance. In late 2013 NRC conducted an IDP profiling and needs assessment exercise in Goma city, looking at the living conditions of IDPs, host families, and residents. One of the main recommendations of this assessment was to conduct market analyses to identify constraints and opportunities in terms of livelihoods for the vulnerable displaced households, in order to identify more innovative ways to intervene through direct or indirect support to the households.

The objective of this EMMA study was to conduct such a rapid market analysis and identify livelihood constraints and opportunities for vulnerable displaced households in the urban area of Goma (outside camps). The market analysis compared market functionality during a relatively stable time (before the end of 2012) and compared this to the current situation, following a large IDP influx. Three critical market systems were selected, on the basis of their importance in protecting and promoting livelihoods of the target groups:

1. Credit (formal and informal) market
2. Rental market
3. Water market

The target population for this study is composed of host families and displaced households in the quarters of Kyeshero and Mabanga Sud, in urban Goma. Both these quarters are currently covered by NRC urban project.

The main findings of the study are presented below.

**- Credit Market System -**

The main results of the analysis of the impact of the crisis on access to credit for target groups are as follows:

- a. Persons affected by displacement are strongly interconnected and any shocks such as an increase in levels of displacement has a direct effect on both host and internally displaced households. The primary credit source for displaced households

---

<sup>1</sup> The full report is available in French from the Norwegian Refugee Council. Author: Emmeline Saint, independent consultant.

is the host community, as IDP households do not have the financial or social capital to gain access to credit. Displaced households get in-kind credit (housing, food) against daily non-paid work (water collection, latrine cleaning, cleaning, childcare, petty trading, etc.). Host households are only marginally better off than the displaced households due to the impact of hosting, and yet act as the safety net for newly arrived IDPs to whom they often loan money with no guarantee of its return.

- b. Displaced households initially plan to use credit, which they obtain from small traders either in-kind (as foodstuffs or clothes) or in cash, for small IGAs or petty trade; however, they often end up using it for basic household needs (food, rental, health). The urban profiling study has showed that target group households are permanently carrying over an average debt of 40 to 50 USD, at any given time, and this was reinforced by the market analysis on credit.
- c. Host families generally have 2 potential sources of credit: small traders (in-kind or in cash) or “solidarity groups” (*groupes solidaires* in French). The latter are formed by 10 to 20 people who group together to gain credit from finance institutions (generally savings and credit cooperatives). The group itself acts as a guarantee. In order to gain access to these groups, candidates must be known of the community and run a profitable IGA. However, access to credit through these mechanisms (traders and groups) is limited. Since 2012, a new source has appeared: savings groups/ Members pay a weekly contribution (between 0.5 to 2\$) and can get a small amount of credit after a few weeks or months, using all group members’ contributions. However, the amount of the weekly contribution remains very high for vulnerable families, and the amount of credit obtained is again very limited.
- d. There is a high demand for credit among the target groups. However, the supply on the market cannot meet this demand for various factors:
  - i. Displaced households can not meet the required guarantees;
  - ii. Negative perception of IDP from potential creditors (instability, mobility, insolvency);
  - iii. Lack of regular and predictable income for IDPs.

The results of the study suggest that a response approach integrating host families should be adopted, in order to alleviate the burden on these households. The interventions suggested support displaced households to access credit through existing community credit dynamics:

- Improve access to credit for host families through existing structures, such as access conditions to solidarity groups, and training and sensitization on their activities. This could have a multiplier effect on the displaced households, as host families may be more inclined to give credit;
- Support displaced households in creating small groups (solidarity groups) and provide support to launch these groups (start-up grants);
- Encourage community savings for community projects in the solidarity groups and within small traders;
- In case of influx of IDPs: support small traders and host families through cash grants for recapitalization;
- Monitor and update the EMMA results where there is a new influx of IDPs.

## - Rental Market System -

The main findings in analysing access to rented accommodation in the target quarters are:

- a. There does not seem to be a specific discrimination between IDPs and host families in accessing accommodation: financial capacity is the most critical factor, and those with cash have preference regardless of other factors. As rent is paid up-front for 3-12 months (which can amount to \$90 to \$360), this clearly excludes some households based on their ability to pay.
- b. Caretakers: These were more common in Kyeshero, which is further out than Mabanga Sud and therefore less commercially attractive. Some vulnerable caretakers have been displaced in recent months, to accommodate tenants or displaced relatives of the landlords. The role of caretaker is more and more poorly perceived, and the study found that around 20% of the respondents have been shifting from a paid position (where they are paid to care for the landlords property) to a status where they need to pay to act as caretakers.
- c. Tenants: The rental market in Mabanga Sud is now close to saturation, whereas it was underutilised before the influx of IDPs. This has led to a disaggregation of housing plots (known as *parcelles*) and an increase in risks linked to the reduction in space (sanitation and protection risks, etc.). Rental agreements are generally oral and their conditions are not necessarily known by the tenants. Landlords require high guarantees under the form of a single payment of multiple rents (3 to 9 or 12 months at a time). IDPs are forced to increasingly use negative coping mechanisms such as selling their assets or going into debt with their host families. Rents have increased (from \$6-8 to \$20-30 a month).
- d. Where IDPs are staying with host households, conditions are cramped and the burden on host family is significant (see access to credit).
- e. Eviction risks exist where tenants or caretakers may be asked to leave the house within a short period of time (sometimes one day) because they cannot afford newly set rates of rent (which are often set without notice nor prior agreement). Caretakers may also be asked to leave so that the house can be rented. Eviction risks were estimated at 40-60% for tenants and up to 80% for caretakers.
- f. Conflicts often occur in quarters (sub districts within the city), generally due to misunderstandings between parties in non-explicit housing agreements. Local chiefs (local district level leaders appointed by the Mayor or their superior) are generally in charge of dispute resolution and the number of conflicts dramatically increased in both quarters since the influx of IDPs. Conflicts occur over the following:
  - Misunderstanding between caretakers and landlords (the former claiming remuneration for their work when the latter wish to dismiss them);
  - Misunderstanding between tenants and landlords (unannounced increase in rents, changes in the terms of non-explicit agreements);
  - Conflicts between landlords over limitations of plots.
- g. Expansion capacity of the market is low, with little space available to host more displaced families, as there is no more land available in Mabanga and all available structures are full in Kyeshero. IDPs are reluctant to move out of the centre of the city to the outskirts where there is more space because some of these areas may

have a reduced access to services however, where services exist, the cost of access is perceived as lower in the outskirts of the city than in the centre.

The recommendations for intervention to facilitate access to rental for the target group are focused on reinforcing local capacities in terms of better management of agreements and conflicts, through collaborative dispute resolution mechanisms in order to reduce eviction rates:

1. Reinforce capacity of city district leaders (Chefs de Quartiers) on legal mechanisms using collaborative dispute resolution. Dispute resolution falls to the district heads and their capacity can be reinforced to reduce eviction rates, in favour of community cohesion and stability, conflict and criminality reduction in the quarters;
2. Lead information campaigns for reinforcing knowledge of tenants and landlords on their rights and responsibilities;
3. Cash transfer activities under the current urban project are complementary to these recommendations and contribute to reinforce the capacity of tenants to pay their rents;
4. A feasibility study for the development of income generating activities will also explore income improvement opportunities for target groups, reinforcing their capacity to cover their rents;
5. Undertake an assessment on women's housing land and property (HLP);
6. Monitor and update the EMMA results.

#### **- Water Market System-**

The main findings of the analysis for the water market system are the following:

- Very limited access to water: the consumption is estimated at 4 to 8 litres per person per day for IDPs and 10 to 12 litres per person per day for host families;
- Low purchasing power for host and displaced families that have insecure income sources;
- Increase in prices of water on the market (REGIDESO<sup>2</sup> increase due to fuel price increase);
- Lack of material or infrastructure for clean water harvesting;
- Long distance between water points and households (it can take up to 2 hours to the lake);
- Tensions between host and displaced households regarding the sharing and utilisation of water within the house (in many cases, IDPs reported having their access to water points hampered by host families);
- Absence of water at water points of REGIDESO (water only available some nights of the week, for limited hours);
- High levels of activity on the informal water market (bicycle vendors, trucks, bladders/tanks) with even higher uncertainty on quality. Prices vary from 150-200 FC (bladder/tanks) to 200-500 FC (bicycle vendors, depending on the distance).

---

<sup>2</sup> State service in charge of the functioning of the city water delivery system.

- It is estimated that up to 40 to 50% of the water delivered at household level is not chlorinated.

The results of the analysis suggest the adoption of an approach integrating immediate and longer term advocacy interventions, in close collaboration with those humanitarian actors that are already involved in improving access to water (Cluster WASH, NGOs such as Mercy Corps and Solidarités International).

- Immediate response: improve water access and quality for target groups:
  - Quality:
    - Improve water storage capacity (in quality and quantity) and sensitization on good storage practices;
    - Encourage chlorination activities beyond the peaks of cholera;
    - Encourage the development of a water treatment market (local producers, accessibility and acceptability for households).
  - Access:
    - Improve techniques for rainwater harvesting;
    - Feasibility study for IGAs to improve financial access to water.
- On the longer term:
  - Encourage the current work around extension and rehabilitation of the municipal water delivery network;
  - Support implementation and utilization of good practices in the municipal delivery network;
  - Monitor and update the EMMA results.