
Economic reintegration assistance at the community level

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Community-level economic reintegration assistance comes in many forms, in line with the different project approaches introduced in [section 3.2.2](#). The role of these interventions – as opposed to individual economic reintegration support – is to use economies of scale, foster a wider economic environment more conducive to sustainable reintegration and partner with and build upon existing local development programming. Community-level economic reintegration assistance is most appropriate when large numbers of returnees with similar skills and motivations return to the same community within a short timeframe, and when the wider economy is doing well and or there are local development initiatives already in place.

Community-based interventions can be very effective in facilitating the reintegration of individuals within existing community structures, harnessing economies of scale of individual projects and fostering the sustainability of projects. Yet, for successful implementation, a number of contextual, individual and operational considerations need to be taken into account.

- The wider national and local economic context greatly impacts project viability. This context includes the situation of the national economy prior to project implementation and economic development over time. The success of past community-based economic reintegration project experiences is strongly correlated with overall economic environment development: if the national economy is growing and prosperous, community-based economic projects tend to be more successful, and vice versa.

However, within these general trends, the impact of contextual economic factors also depends on the nature (employment or self-employment), economic sector (industry, services, agriculture and so forth) and value chains of a particular project. Identifying these economic dynamics is important so the project can be adapted to national and local economic and structural opportunities and barriers. Adaptation to current conditions increases the chances of a project's success.

- Community-based economic reintegration projects are most successful when migrants returning to a particular community have similar socioeconomic profiles, particularly in terms of skills, work experience, areas of interest and life plans. An important success factor is the

relevance and level of returnees' skills. in relation to a particular community project. When collaborating on a project, it is crucial that at least one returnee has advanced skills in the project-relevant field and can assume the role of an expert and mentor. Yet, it is nonetheless preferable if all returnees possess basic skills or preliminary experience in the field. They can then internalize new skills and knowledge more effectively during the collective work.

It is rare, however, that all migrants returning to a community have the same set of skills and similar levels of work experience. If no returnee within a community has relevant skills or work experience for an implemented community-based project, other ways of transferring skills need to be deployed. These include involving non-migrant community members with relevant expertise (if feasible in the project and if the expertise is available); creating partnerships with associations with expertise in the field (such as groups that were involved in relevant past projects); or including project-specific technical training in the project's budget for at least some members of the group, who can subsequently share their knowledge. Furthermore, since effective teamwork is needed for all community projects, returnees' interest in collective work is a crucial requirement for effective community-based projects. Similarity of returnees in terms of age, community of origin and time spent abroad are additional factors conducive to success.

The design, implementation and success of community-based interventions can be facilitated by developing an up-to date and **integrated database of returnee, project and contextual information**. To facilitate grouping returnees, this database should contain the complete profiles of returnees in terms of needs, capacities and interests. To take advantage of synergies and avoid duplication, it should also capture up-to-date data on existing reintegration projects and other projects with a reintegration component ([see section 3.2.2](#)) in each country of origin, implemented by the lead reintegration organization or by third parties. Information on livelihood opportunities, growth-generating sectors, regulations and socioeconomic conditions at local levels ([see section 1.4.2](#)) should be entered into the same database. This provides programme managers with a single go-to source of information to make evidence-based programme design decisions that take into account the profile, needs and interests of individual returnees, their geographic distribution upon return, the presence of existing reintegration projects and the overall economic, social and structural conditions in communities of return.

This chapter presents a detailed overview of the different approaches of community-based economic reintegration support.

- **3.3.1 Collective income-generating activities**
- **3.3.2 Community-based local development and livelihood activities**
- **3.3.3 Community financial support activities**

3.3.1 Collective income-generating activities

Collective income-generating activities can take various forms depending on the local context and market system. They can range from small agricultural cooperative farms and artisan groups to agro-processing cooperatives, youth employability programmes and networks of small mobile shops. Compared to individual projects, collective projects are particularly effective for activities that require a significant initial investment and substantial working capital since returnees can pool their resources. For example, for fishing projects, individual assistance would not suffice to cover the purchase of boats for overnight fishing that have higher returns on investment than traditional boats.

When collective income-generating activities are effectively designed and implemented, individual economic payoffs can substantially exceed those of individual reintegration projects, even if they both have the same level of per capita reintegration support.

Furthermore, collective income-generating activities can enable returnees who do not have the skills needed to succeed in an individual project to benefit from the skills and expertise of other returnees or other members of the community. If developed in a skills-sensitive and market-oriented manner, these initiatives can expand the possible realm of income-generating activities for each returnee beyond his/her individual limitations. Finally, collective income-generating activities encourage the development of social and economic networks of returning migrants, supporting sustainable reintegration in the long-term (see *Case study 8, below, for an example of how IOM Bangladesh worked with returnees and local communities to help them create collective income-generating business in the form of social enterprises that could benefit the entire community*).

Created with Sketch. Case Study 8:

Community-based social enterprises in Bangladesh

IOM Bangladesh found that many returning migrants did not have the experience and capacity required to sustainably operate a business by themselves. There was also a common request from female returnees to manage their businesses jointly with their family members.

In response to this, IOM Bangladesh developed a mechanism that gives returnees the option to invest in a social enterprise as part of a group of returnees and with the backing of a local NGO, effectively becoming shareholders in a community-based social enterprise.

A mapping exercise identified priority local business sectors and partner NGOs expert in this field and which had some understanding of returnees' circumstances. These NGOs were asked to assist in managing, administering and governing these social enterprises by appointing two of their representatives to the governing board and investing a small sum of money.

These social enterprises operate like normal businesses and are administered by a board of directors as the governing body, which includes two members of each group – returnees, local community members, and the local NGO. They are registered as joint stock companies, of which returnees and their families usually hold 80–85 per cent of shares invested with funds provided by IOM. The local partner NGO holds 15–20 per cent. The profits are distributed according to the investment amount and share of the enterprise.

Enterprises set up through this project cover areas such as crab and hydroponic farming, cow fattening and mobile food carts. They employ staff from local communities, including a professional manager, to handle the daily operations. If they wish, returnees can be hired to work in the enterprises in which they invest. Staff are accountable to the board, which defines the overall strategy and provides guidance. These enterprises help portray a positive image of returnees by generating local employment and supplying goods and services in sometimes remote and rural areas. Since both returnees and local community members directly benefit from them, they help reinforce social cohesion.

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- Clarify to potential investors that this should be considered a long-term investment, because tangible profits are not generated immediately.

To harness the potential of collective income-generating activities and avoid failure, it is essential that reintegration project managers and partners be closely involved in developing, selecting, implementing, monitoring and evaluating these activities. A best practice summary of the consecutive steps and actions to be performed by reintegration programme managers and/or partners is provided below:

Table 3.4: Development, selection, implementation, monitoring and evaluation of collective income-generating activities

Step	Actions
Assessing preconditions for collective income-generating activities	<ul style="list-style-type: none"> • Assess general feasibility of contextual and operational preconditions for implementation of collective income-generating activities (see section 3.2); • Assess specific contextual environment for these activities, including market systems and labour market assessments, community profiles, environmental considerations (risks and opportunities), and a mapping of other projects (see sections 1.4.2, 3.2.1); • Assess complementarity of returnee profiles, needs and interests of returnees in specific areas of return based on database of returnees.
Group formation and incentivization of collective action	<ul style="list-style-type: none"> • Bring together groups of returnees, discuss and propose collective projects and provide a platform for exchange and brainstorming; • Identify opportunities for collaboration, involvement and interactions with existing activities and other community-based reintegration projects (if present in the local context and conducive for collaboration); • Incentivize feasible collective income-generating activities if mechanisms are provided for in the specific reintegration programme.
Short-term training and development of project plan	<ul style="list-style-type: none"> • Will cash provision provide an incentive in migrant or potential migrant decision-making, including for irregular migration? Train returnees on how to develop project plans that indicate the type and purpose of assistance requested as well as details about the expected costs and outcomes; • Train returnees on opportunities and barriers in local market systems (including from an environmental perspective) and provide project-specific technical mentoring; • A short-term training can be a useful tool to determine the genuine interest and motivation of the candidates for the project and their ability to work together
Selection of viable collective	<ul style="list-style-type: none"> • Pre-selection based on reintegration programme's eligibility criteria; • Initial selection based on contextual criteria (feasibility of project plan as

Step	Actions
incomegenerating activities	<p>per findings of the labour market analysis and effects at community-level assessment);</p> <ul style="list-style-type: none"> • Final selection based on reintegration programme's selection criteria (such as high involvement of members of local community; addressing needs of local communities; environmental criteria and so forth).
Registration process	<ul style="list-style-type: none"> • Support registration of the project as a legal entity with the appropriate agency and formalize all aspects of the project (land registration, asset ownership, business registration and so on).
Training on various aspects of project implementation	<ul style="list-style-type: none"> • Training on cooperative group formation, entrepreneurial skills. Where feasible, integrate this with the Business Development Support track to explore synergies and decrease costs. • Sensitization of group dynamics, including trust-building, raising awareness of potential lack of income in the short-term, strategies to deal with intra-group conflicts, complaints mechanisms and so forth. • Coaching and tutoring through former beneficiaries who have succeeded in the same region and in a similar sector. • Support the delineation of clear roles and responsibilities for each member. • Establish a decision-making and coordination mechanism that is agreed and formalized by all members.
Support during project implementation and long-term counselling	<ul style="list-style-type: none"> • Continuous support during project implementation and facilitate adjustments where required; • Support to expand operations and reach more customers.
Monitoring and evaluation (M&E)	<ul style="list-style-type: none"> • Build M&E processes into the operational logic of each collective income-generating activity, both for internal (group members) and for external M&E (lead reintegration organization and partners); • Discussion of evaluation reports with group members and provision of appropriate recommendations and with technical support; • Targeted phasing out of the external support once the project is operating sustainably, based on the evaluation findings.

The chart above and the text below contain steps unique to establishing collective income-generating projects. For more detailed information on general business development support, including for collective projects, see [Annex 2](#).

Assessing pre-conditions and group formation

The process of assessing pre-conditions and group formation should ideally start during the pre-return phase in the host country. However, this requires the presence of a sufficient number of beneficiaries who aim to return to the same community. It also requires adequate available information about opportunities and existing projects in the country of origin.

There are various ways to encourage returnees to engage in community-based activities rather than individual projects. These include funding incentives that provide a small additional allowance for each returnee involved in a group project. Depending on the local context and the project design, providing additional allocations per employed non-migrant resident is also a possibility.

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Failure of collective income-generating projects

Programme managers need to be aware that there can be significant negative repercussions on groups of returnees and the wider community if a project fails. It is therefore essential that all collective income-generating projects have a comprehensive project schedule from the beginning. This should specify project activities, working capital requirements and the expected allocation of capital among those involved in different activities.

Short-term training

Similar to the short-term training in business planning in the integrated business development support track ([see Annex 2, Step 3](#)), returning migrants without prior experience in starting a project or who have been out of the country for a long time are unlikely to be able to create a feasible and market-ready business plan. These returnees require a short training session on developing market- and community-oriented project plans. They need to familiarize themselves with the technical prerequisites they need to meet during the subsequent selection process. This training can be carried out by a private sector partner, a civil society or government partner or by staff members of the lead reintegration organization. The short-term training should also familiarize candidates with opportunities and barriers in local market systems and provide project specific technical mentoring. For this aspect of training, trainers should have and teach specific technical expertise relevant to the chosen sector for each project, rather than providing a general training programme common to all returnees. Ideally, these trainers should be a group of local experts with local economic and, where relevant, environmental expertise.

Selection

Following the finalization of project plans, the lead reintegration organization must select the most promising collective income-generating activities. While selection criteria for collective income-generating projects should be adapted at programme, national and local levels to best fit the programme's objectives and context, they should generally favour projects that require significant initial investment or working capital. Where feasible, local actors should be involved at the stage of project selection, in addition to their role in contributing to the development of community-based

projects. Both functions can be integrated through the creation of steering committees, which can shape the design of community-based projects and conduct the selection process of beneficiaries.

Following approval

Once precise collective income-generating activities have been approved, group members might require training in various aspects of project implementation, such as cooperative group formation, entrepreneurial skills and collective business management (teamwork, task sharing, management and administration). Where feasible, these activities should be integrated with other individual business development support activities to explore synergies and reduce the costs of training.

Furthermore, participants need to be made aware in advance of typical group dynamics arising in collective income generating activities, in case of returnee-only projects or mixed projects. Training can include trustbuilding exercises, strategies to deal with potential intra-group conflicts. It should provide information on programme-specific conflict resolution and complaints mechanisms ([see section 3.5 for examples of some trustbuilding activities and approaches](#)). Also, beneficiaries should again be made aware that the specific project may not have immediate payoffs, because many projects generally yield a low income in the short-term.

The initial stage of project implementation is particularly critical. The lead reintegration organization, the community or its partners should provide close support during this time, to facilitate adjustments where required and mediate in case of in-group conflicts. To support the economic viability of collective income-generating activities, project managers can, for example, determine that projects initially only comprise returnees and integrate other members of the community at a later stage when the project becomes profitable.

As is true for individual businesses, collective income-generating activities need to receive support and mentoring over longer periods of time. The lead reintegration organization or its partners should support adjustments during the first years of operation, including potentially providing additional start-up capital or training. Profitable projects may need support to expand their business and reach more customers, and the lead reintegration organization or other partners could help by linking the business with incubators and investors; providing support for increasing the product range and marketing approach; and facilitating connections to mainstream businesses. Where feasible within budget and programming parameters, it could be an option to provide direct support to the most successful projects after a specified period.

3.3.2 Community-based local development and livelihood activities

This section provides an overview of community-based projects that support local economic development (LED) while supporting the livelihoods of both members of local communities and of returning migrants. Community-based reintegration approaches with LED objectives are not aimed primarily at supporting reintegration, but at improving the overall environment with regards to employment, social cohesion and individual protection. Local development reintegration projects can provide sustainable economic and livelihood opportunities for community members (both non-migrants and returnees) and improve governance, stability, local infrastructure, resilience to climate change and delivery of services. Whenever possible, such projects should be environmentally

sustainable and directly contribute to sustainable management, conservation or rehabilitation of the environment and natural resources (land, water, forests, ecosystems). (See *Case study 9, below*, for an example of a community stabilization project that benefits returnees and local community members while also addressing an important “push” factor in migration, degraded agricultural land). Compared to collective income-generation activities, local development projects place a greater emphasis on involving the local community in their design, implementation and monitoring.

Whereas the larger target group of LED-centred approaches increases the complexity of reintegration programming, it also provides more opportunity to cooperate with other locally engaged third parties. The reintegration programme needs to maintain relationships with development and environmental actors active in return communities and identify successful development projects before considering returnees involvement. Ideally, this can lead to a Memorandum of Understanding or a Framework Agreement that stipulates both a cost-sharing component and the inclusion of strategic reintegration objectives in the initial programme design. Engaging with external local development projects is likely to be more effective when large projects integrate a high number of returnees, thus minimizing the number of different partnerships that need to be established.

In contexts where LED projects do not exist or do not align with reintegration programming objectives, the lead reintegration organization can implement a new LED project. In such cases, it is very important that the organization identifies relevant local actors and establishes the LED project using a participatory approach from project design through implementation. (See *Case study 9, below, for one example of this.*)

Created with Sketch. Case Study 9:

Community stabilization initiatives in the Niger

Climate change and desertification is a push factor for migration and can increase tension among local populations as resources become scarcer. Restoring degraded lands generates a ripple effect by addressing environmental, social and economic challenges.

This has been the case in the Agadez region of the Niger, where community stabilization initiatives create employment opportunities for locals and returnees and mitigate potential conflicts by providing communities with arable land and shared water points.

Upon recommendations from a feasibility study on land restoration and water access, local authorities identified degraded plots of land. Two hundred hectares of land were restored through cash-for-work activities carried out by more than 150 people during the rainy season and 60,000 trees were planted. More than 100,000 water catchments were created to harvest and conserve rainwater and to create a favourable environment for crops.

In coordination with local authorities and community leaders, young beneficiaries (returnees, at-risk youth and ex-smugglers) residing in Agadez were selected and each granted one hectare of land.

These beneficiaries went through a skills'-development training facilitated by the Regional Directorate for Agriculture and received seed kits and materials to start their activities. Throughout the project, a monthly allowance of 60,000 FCFA was allocated to cope with revenue fluctuation due to unstable weather conditions.

To enlarge the intervention's scope, the agricultural site is also used as a training facility for 500 West African migrants transiting through the Agadez IOM centre. They gain some transferable skills before returning to their own countries.

IOM the Niger set up a local technical monitoring committee composed of communal and regional technical services to monitor and sustain field activities by proposing recommendations during site visits and interviews with the target groups.

Existing community-based projects usually take the form of a local development project for the community. Such projects principally aim at reducing irregular migration and improving local living conditions, livelihoods and service provision. While returnees are sometimes beneficiaries of local development projects, they are rarely involved in the design stage and projects usually do not take into consideration returnees' specific needs.

This type of initiative offers fewer guarantees of meeting the individual needs of returnees when compared to returnee-led initiatives. So it is particularly important for relevant reintegration staff to have strong knowledge of the specific projects and the sectors they target to match returnees to suitable projects that meet their individual assistance needs and interests. On the one hand, it is particularly complicated to prepare such projects with returnees at the pre-return phase, because effective matching requires in-depth knowledge of a returnee's skills, needs and interests, along with a precise overview of the project, its objectives and target groups. On the other hand, local development projects are particularly suited for the socioeconomic reintegration of returning migrants who returned without reintegration assistance. It is particularly important for reintegration staff to have comprehensive knowledge of a local development project in order to assess which, if any, beneficiaries should be matched to the project. Relevant assessment criteria are provided in Table 3.5 below

Table 3.5. Assessment process for the involvement of returnees in existing local development projects

Assessment	Project criterion	Required assessment
Assessing the suitability of the project for supporting returnees' reintegration	Capacity	A local development project may be successfully operating and suited to returnees' profiles but may have insufficient capacity to integrate sufficiently large numbers of returnees. In case a project can only integrate a small number of returnees, assess the proportionality of integrating individual beneficiaries against the potentially capital-intensive monitoring and evaluation of beneficiaries' reintegration.
	Location	If not directly implemented in the community of return, the reintegration team needs to consider accessibility of the returnee to the project, in terms of cost, time and distance.
	Duration	A local development project may be successfully operating and suited to returnees' profiles but may not be operational for the long timeframes required for sustainable reintegration. This is generally not the case for self-sufficient or profitable projects, but instead for capital-intensive

Assessment	Project criterion	Required assessment
Assessing the impact of returnees' involvement on the project/local	Adequacy of income	<p>projects that rely on funding through external donors. However, some projects have finite goals (such as local infrastructure development), which downscale activities once the primary objective has been reached. It is therefore essential that reintegration staff assesses both the foreseen duration of the project (including objectives), and the underlying funding model and cycles in order to assess the adequacy of involving returnees in the project.</p> <p>The lead reintegration organization needs to assess the adequacy of the foreseen income of beneficiaries derived from their involvement in the project. In some cases, "newcomers" may be remunerated differently from initial participants, and the foreseen income may thus be inadequate. Some projects are solely aimed at providing locals with supplementary income and are therefore not suitable as an exclusive source of income.</p>
	Sector(s) and activities	<p>The lead reintegration organization needs to gain a comprehensive understanding of the sector(s) targeted by the project and the range of activities pursued in order to be able to match returnees to particular fields of activities that correspond to their skills, needs and interests. This in turn relates to the capacity assessment of the project, as the project may have a high overall absorption capacity but lack the capacity to integrate returnees in those specific roles or activities that would correspond to their profiles.</p>
	Skills requirements of foreseen activities	<p>The lead reintegration organization needs to conduct an in-depth assessment of the range of skills required for relevant project activities. On-the-ground visits by the project team should be performed to better understand the activities foreseen, their complementarity to returnees' individual skills, needs and interests and any training that may be required.</p>
	Gender equality	<p>The lead reintegration organization should require that women and men are paid and treated equally for work of equal value in projects that subcontract companies employing returnees. When integrating a reintegration component in such a project, the reintegration mission could require that women and men receive equal wages and take the opportunity to promote companies' awareness of the benefits of mixed employment and equal pay as well as addressing issues of sexual harassment and abuse.</p>
	Project-specific eligibility criteria	<p>The lead reintegration organization needs to assess any existing project-specific eligibility criteria that affect returnees' eligibility of inclusion in the project.</p>
Social impact	<p>The lead reintegration organization needs to assess whether the preformed project groups are interested or willing to integrate returning migrants in the project, or if they prefer to integrate other members of the community rather than returnees. In any case, the lead reintegration organization</p>	

Assessment	Project criterion	Required assessment
community		needs to sensitize members of existing projects to integrate one or more returnees.
	Economic impact	The lead reintegration organization can consider allocating a portion of the individual reintegration assistance to the collective project in return for his or her integration into the group as a full member. The foreseen economic impact of involvement of returnees in a project needs to be assessed, taking into account also the project's specific disbursement scheme.

After assessment

Because the lead reintegration organization does not manage the external projects and therefore has no direct control over the design and implementation of projects (such as methodology and objectives) the main risk in using these as part of a reintegration strategy is the potentially limited impact of such projects on returnees and their socioeconomic reintegration. However, this risk can be mitigated with comprehensive information on the project and its surrounding environment as well as returnees' individual skills, needs and interests.

3.3.3 Community financial support activities

Where possible, community economic reintegration assistance, like individual economic assistance ([see sections 2.4.4, 2.4.5](#)), should be paired with complementary financial support such as financial literacy training and counselling, microsavings programmes, collective investment schemes and group-based loan schemes.

The creation of **financial support groups** can facilitate the reintegration of returnees, provide an additional safety net for non-migrants and returnees and foster the creation of social ties. Financial support groups should be created with the objective of enhancing the productive use of the local communities' and returning migrants' capacity of savings, access to credit and use of remittances. A local financial support group can provide financial support to its members in different ways:

- **Collective investment schemes.** For returnees and community members with disposable capital, financial support groups can provide an effective means of pooling together capital for collective investments. Members of financial support groups should be trained in providing advice and information to other members on investment opportunities, including productive projects implemented regionally by returnees and non-migrants. Under certain programmes, investments can also be complemented by local governments, international donors and other third parties. The lead reintegration organization or partners should provide supervision, develop and strengthen partnerships with financial and social entities, and monitor the sustainability of the investments to adjust investment models to lessons learned and best practices.
- **Group-based microcredit schemes.** Access to banking and financial services is dependent

on eligibility and lending criteria ([see section 3.2 for details](#)) and the migration-specific challenges of returnees. Financial support groups can facilitate the creation of groups of borrowers, in which groups of returnees or nonmigrants collectively provide collateral. Group lending is based on joint liability and therefore incentivizes group members to use their social ties to screen, monitor and enforce loan repayment on their peers. In return contexts, such group-based schemes should, however, be implemented very diligently and only if the lead reintegration organization or its partner has sufficient capacity to monitor loan usage and repayment. They also need to be able to address risks of intra-group trust erosion and support the group in case of repayment issues or loan defaulting.

- **Collective saving schemes and microsavings programmes.** Financial support groups can provide microsavings programmes for mixed groups of individuals (returnees and community members) who join together for a defined period to save and borrow as a group. The lead reintegration organization should provide support in identifying locally adapted saving schemes and optimizing the use of capital for savings.
- **Self-help groups:** Financial support groups can take the form of self-help groups, in which small groups of returnees or non-migrant community members save and internally lend their savings to individual members during times of need. The lead reintegration organization should support such groups through financial management training and tailored skills' training.

Apart from providing financial support, such groups are useful for fostering social connections and helping returnees reestablish a social circle. These social ties in turn facilitate the collective actions of group members, allowing them to coordinate their investment, savings and repayment decisions and cooperate for mutual benefit. However, collective schemes should be implemented very diligently and only if the lead reintegration organization has sufficient capacity to address risks of intra-group trust erosion, defaulting and avoidable collective indebtedness.

In locations where financial support groups are established, the lead reintegration organization should explore options for financial counselling, budget planning and saving mobilization training to be directly provided by these local groups ([see section 2.4.5](#)).

- [Prev](#)
- 3.3/3.5
- [Next](#)