

PrOpCom

Making Nigerian Agricultural Markets Work for the Poor

Monograph Series # 36

**ORGANISING AND BUILDING CAPACITY OF WOMEN IN
THE KURA-KANO RICE PROCESSING CLUSTERS**

By

**COMMUNITY EMPOWERMENT INITIATIVE (COMEIN),
P. O. BOX 854, KANO, NIGERIA**

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The PrOpCom Monograph Series seeks to provide a broader dissemination of the information and views collected through the efforts of the various service providers and consultants undertaking work in support of the PrOpCom programme. We believe this information will be useful in informing the policy dialogue in Nigeria and for improving the planning and execution of agricultural and agribusiness activities within the country.

The documents in this series represent the final deliverables as presented by the engaged service providers or consultants in response to terms of reference of contracts let by PrOpCom in execution of its programme. They have not been further edited or editorially polished. Consequently, there is wide variation in the editorial quality of these documents. Nevertheless, the information contained in these documents is deemed useful for policy and planning purposes.

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1. Statement of Work

1.1 Background

Promoting Pro-Poor Opportunities in Commodity and Service Markets (PrOpCom) is an innovative project funded by the Department for International Development of the United Kingdom (DFID) to facilitate functionality and efficiency of Nigerian commodity and service markets in such a way as to assure these markets benefit the poor. It is implemented by SAll Associates Ltd/Gte, an associate company of Chemonics International Inc., a Washington, DC-based consulting firm.

PrOpCom's goal is to improve livelihoods by facilitating growth and pro-poor outcomes in commodity and service markets and to contribute to the overarching (DFID/Nigeria) goal of poverty alleviation in support of NEEDS and the attainment of the Millennium Development Goals. PrOpCom will use a "Making Markets Work for the Poor" (M4P) approach to address the systemic reasons that prevent commodity and service markets from functioning effectively for the poor in Nigeria. In doing so, it will contribute to delivery of the vision for growth in the non-oil economy outlined in NEEDS. The project purpose is to support systemic change in markets on which the poor rely to produce pro-poor outcomes and opportunities such as:

- Enhanced incomes;
- Increased jobs;
- Improved access to markets;
- More options and choices; and
- Reduced risks.

During the first two-year pilot implementation phase, PrOpCom will focus on rice as the primary commodity and soya bean or cashew as the secondary commodity.

PrOpCom is mandated by DFID to facilitate, not implement, change. The programme facilitates change with and through local structures, firms, and individuals. Effort will be made not to displace existing organizations. PrOpCom is therefore just a catalytic agent. Like all catalysts, it merely speeds up the process while leaving the intended beneficiaries (local market actors) to run the show. It is about Nigerians taking charge of their own development. For this Nigerian ownership to occur, the programme aims to create a vision that can motivate and direct the programme's Nigerian partners to reach goals that are mutually agreed upon.

PrOpCom would contribute to removing constraints to efficient market operations and linking market actors to work together and serve each other on a sustainable basis. PrOpCom would rather not dole out inputs and grants that could lead to perpetual dependence on hand-outs. PrOpCom therefore emphasizes market development over and above granting of subsidies.

The programme will address poor market functioning along selected commodity chains, with the objective of improving access and returns to the livelihood assets of the poor. PrOpCom will not however directly support the poor; rather programme activities will work with business associations, service providers and other intermediaries who already serve functions along market chains in which the rural poor have a stake. By facilitating

fundamental changes in the functioning of markets and the rules of the game governing access by the poor, systemic change will be encouraged.

PrOpCom will also address cross-cutting issues that are of major concern to DFID such as: gender, conflict, the environment and HIV/AIDS that are. Therefore all our activities will attempt to ensure that these issues are adequately identified where they exist in the economic or social sector being targeted. To ensure this, all contractors and facilitators will be required to address these issues as and when appropriate and relevant.

1.2 General Scope of Work

Catalytic Activity Background:

PrOpCom (as well as the West African Rice Development Association [WARDA] and other rice experts) has identified parboiling as one of the major constraints in the rice commodity chain. Traditional parboiling and drying after parboiling are very time consuming and the inadequate supply of dry parboiled paddy is one of the important causes of rice mills operating far below capacity. Parboiling is an expensive step in the rice processing chain, being labour, energy (fuel wood or charcoal) and water intensive. Parboiling is usually done by women as an alternative source of household income. Most parboiling is done in villages surrounding rice milling clusters, rather than as part of the milling cluster activities.

While women in village areas are the major processors of paddy, a lot of these women operate mostly on their own by providing services to millers and traders in large compounds using between 1 and 3 pots for their parboiling practices. In the recent mapping study of production and processing clusters conducted in Kano only one location in Kura has a women parboilers association. No other associations exist in all the other locations within Kano.

For the women parboilers in the various processing clusters to benefit from the improved parboiling equipment that would be demonstrated by TADCO Nigeria Limited, and for them to have credibility such that financial institutions and other NGOs can do any business with them, they need to be organized into viable registered organisations made up of elected executives and members.

Specific Objective: How does the TOR fit into the Catalytic Activity?

Following the selection of the TADCO model of parboiling equipment which is a low-cost and efficient technology for demonstration, PrOpCom will facilitate the demonstration of this low-cost parboiling unit in the different production and processing clusters within the Kura-Kano corridor. PrOpCom will employ the services of a Service Provider that will work with TADCO to ensure that the demonstration is properly coordinated and managed. This is to enable the women that would benefit from the demonstration to fully understand the workings of the equipment and to share their experience with the Service Provider.

TADCO has already submitted a SIF Grant proposal to PrOpCom in respect of the construction and demonstration of 50 parboiling units within selected locations in the Kura-Kano corridor. The areas to be covered during the demonstration will include Kura, Karfi, Tamburawa, Garko, Tudun Wada and Chiromawa. TADCO will use its staff and other resources for the demonstration which is expected to be conducted among 10

sites in the 6 locations. As such 2 or 3 demonstrations would be carried out simultaneously in each of the selected clusters.

To enable the women to have access to finance from Banks or other financial service institutions for procurement of the parboiling equipment, they would be mobilized and organized into groups by the Service Provider who will work with the PrOpCom team to determine the number of women that will make up a group and how many groups would be formed overall.

The Service Provider in addition to mobilizing and organizing the women into groups would also provide basic training on group dynamics which would specifically cover areas like group formation, leadership training, operations of Bank Accounts, Book Keeping.

Expected Outcome(s): What is PrOpCom going to do with the Deliverables produced under this TOR.

The deliverables from the activity will be used to ensure that the women are effectively mobilized and organised into groups of approximately 15 and 25 members per group to enable them to access loans for the eventual acquisition of the parboiling equipment.

2.0 Specific Tasks and How they were Carried out

The following activities were carried out by COMEIN out, among others,:

Mobilization and Sensitization

- The sites where parboiling demonstrations are on-going (or have been completed) were visited with the aim of identifying the women that participated in the exercise.
- The process of mobilizing and sensitizing the women on the importance and benefits of belonging to associations and the benefits to be derived from association membership were carried out. Other existing women groups within the sites that are interested in participating in the exercise were invited. Among them were those that already have association and those that do not have.
- Both men and women, involved in parboiling, especially in Kura were mobilized.

Organization and Group Formation

- The women were grouped into viable groups of approximately 15 and 25 members per group, of their choice, depending on the number of women in the specific sites in each of the 6 clusters as indicated below:

Table 1: Clusters and Sites for Parboiling Demonstration in the Kura-Kano Corridor

| Location | Number of Site |
|-----------------|-----------------------|
| Kura | Site 1 Site 2 |

| | |
|-------------------------|-------------------|
| | Site 3 |
| Tudun Wada | Site 4 Site 5 |
| Garko | Site 6 |
| Chiromawa | Site 7 |
| Karfi | Site 8 |
| Tamburawa/Kwanar Dawaki | Site 9 Site 10 |
| Total | 10 Sites |

- In liaison with the PrOpCom team, the number of associations to be formed in each of the sites was determined.
- Groups formed were registered with the Kano State Ministry of Commerce, Industry and Cooperatives.

Capacity Building

As part of this initial basic capacity building exercise for the women's groups, the following aspects were given prominence:

- Concept of associations; membership of associations and Importance of membership.
- Benefits of joining associations; stages in the life of an association.
- Principles of associations and importance and use of the by-laws.
- Association management; officers of the association; election of officers; responsibilities of officers and members.
- Meetings; sources of funds; membership dues etc.
- Basic record keeping and operations of a bank account

BEMCONS, which is PrOpCom's Capacity Building Facilitator in Kano, was responsible for identifying venue within the locality where the women were assembled and trained.

2.0 Number of associations formed and registered

The total si of groups involved in the exercise was sixty. Chiromawa followed by Kura had the highest number of associations in the whole exercise. Chiromawa, on one hand had the highest number of existing association. Kura on the other hand, had the highest number of formed and registered associations in the whole exercise. Seven of the associations formed in Kura were predominantly men. Also the other only registered association in Kura that participated in the exercise is composed of men. But in the other sites the groups were composed women.

In Garko three associations were already registered and had their certificates. One has submitted application for registration but has not collected the certificate. One was formed and registered during this exercise and the certificate already secured and handed over to the association (table 2).

Table 2: Associations formed, Registered and old ones

| SITE | | NO FORMED | NMBER RIGISTERED | OLD ASSOCIATION | TOTAL |
|--------------|-----------|-----------|------------------|-----------------|-----------|
| 1 | KURA | 14 | 14 | 1 | 15 |
| 2 | CHIROMAWA | 4 | 4 | 17 | 21 |
| 3 | TAMBURAWA | 5 | 5 | 0 | 5 |
| 4 | KARFI | 6 | 6 | 0 | 6 |
| 5 | GARKO | 1 | 1 | 4 | 5 |
| 6 | T/WADA | 5 | 5 | 5 | 10 |
| TOTAL | | 36 | 36 | 26 | 62 |

3.0 Names of associations, addresses and list of officials and members

The names of association and list of officials is attached in the tables 3 through 9 (in excel format).

4.0 Name of associations with bank accounts

The bank accounts are also shown in tables 3,4,5,6,7,8,9. However not all have been reflected, because the bank account can only be opened with the registration certificates. The last sets of certificates were collected today. The opening of bank account will continue and details will be sent in as soon as they are opened. So far all those groups in Kura and Tamburawa have had their bank accounts opened.

5.0 Details of capacity building provided and number of beneficiaries.

The sensitization, mobilization and formation activities were strategically structured in such a way that the lectures were immediately followed by specific action.

Sensitization

The sensitization was carried out at three levels. The first level was the ministerial level, where ministries of commerce industries, commerce and cooperatives were visited at the state capital. The second level sensitization was carried out at the

community level, were the male members of the community were informed of the objectives of the exercise. The third and final sensitization was carried out at the participants' level. The women were informed about the essence of cooperation and the benefits they stand to gain from its membership. This was followed with an open discussion and sharing of experiences among members. After that participants were given the option to make a choice; those that are interested in joining were advised to remain. Those that are not interested were free to take their leave.

Formation

After the break discussion on group dynamics and the building blocks of associations were treated. At the end of the discussion participant were guided on how to group themselves based on homogeneity factors such as; closer social affinity, geographical proximity for ease of meetings and group's activity, small size to reduce conflict and promote group cohesion and so forth. Participants were the chance to consult amongst themselves and come up with the groups of their liking.

On the second day discussion were cantered on group leadership and leadership qualities. This was followed with discussion on membership roles and responsibilities. This discussion lasted the whole day and at the end of the end the various groups allowed to elect their leaders based on the knowledge of leadership roles and responsibilities. This was successfully carried out by all the groups. Leaders were elected and the registration process was initiated.

Capacity Building

The remaining three days were devoted to capacity building. Majority of the participants indicated that they have never had the opportunity of this kind of training. They were very appreciative of the what was taught to them. Their notion on credit and savings were drastically changed after the training. Associations that were already registered but do not have bank account, opened new accounts after the training. All the new associations formed during the exercise also opened bank accounts.

The details topics treated are shown below.

| | |
|-------------------------------------|-----------------------------------------|
| DETAILS OF CAPACITY BUILDING | |
| TABLE OF CONTENT | |
| 1.0 | Concept and Principles of Association |
| 2.0 | Group dynamics in association |
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 - 7.1 Monitoring
 - 7.2 Evaluation

1.0 CONCEPTS AND PRINCIPLES OF COOPERATIVES

Cooperation has always been the vein of human development. People have been known to live with one another in different groupings. In the early days, people depended upon each other, in a traditional way for goods and services. As time went on, trade, exchange and monetary values assumed greater importance in human dealings, complexity, diversity and specialization became the order of the day. This paved way for

the development of a sophisticated exchange economy. Traditional associations, which were general in nature had to disintegrate to give way for specialized ones.

Cooperation as a communal way of life gave way to several specialized and differentiated types of organizations for different purposes: Schools for educational needs; Corporations, partnership and individual ownerships for business needs; Provident societies took care of savings and aged people; Labor unions for the protection of workers; Cooperatives were developed to take care of the weak. Cooperative is a business, voluntarily owned and controlled by its member-patrons and operated on a non profit or cost basis. Although cooperatives are business organizations they are different from other business organizations in many ways (table 1).

Table 1: Differences between Cooperatives and other types of businesses

| N0 | Features Compared | Types of businesses | | | |
|----|--------------------------------|---------------------|----------------------------------|-------------------------------------------|-------------------------------|
| | | <i>Individual</i> | <i>Partnership</i> | <i>Corporation</i> | <i>Cooperative</i> |
| 1 | User of business services | Non-owner customer | Non-owner customer | Non-owner customer | Mainly Owner Patron |
| 2 | Owner of business | individual | Partners | Stock-holders | Member-Patron |
| 3 | Voting (Who) | Not done | Partners | Stock-holders | Member-Patron |
| 4 | Voting (How) | Not done | By Partner's share-capital | By shares of common stock | One-man One-vote |
| 5 | Who determine Policies | The Individual | Partners | stock holders and directors | Member-Patron And directors |
| 6 | Are returns on Capital limited | NO | NO | NO | Yes usually 5% |
| 7 | Who gets the profit | The Individual | Partners in proportion to shares | stock holders in proportion to stock held | To patrons on patronage basis |

2.0 GROUP DYNAMICS IN ASSOCIATIONS

Groups, like individuals, develop wants and desires, most of which are translated into goals. In their effort to achieve those goals they select certain techniques. However, while the individual chooses his goal, adopts techniques largely on his own decision, group choices are a product of many forces such as those from within individual members, between individual members and in response to external pressures. Three basic

parts of the group process can be identified as; the group itself, goals of the group and the techniques adopted by the group to achieve its goals.

Firstly each group is made up of individual members, each different from every other member. Each has special interest, drives, motivations, expectations and hopes. Each has definite values, attitudes, feelings, habits and belief. Each person also brings along to the group certain negative forces such as his premonitions, fears and frustrations. He may also have ulterior motives such as personal gain or a desire to play a role in the group for which he may or may not be fitted

Second, each group has goal, purpose or objectives, otherwise it would not exist. Sometimes the goals are vague and only implied, but if a group is to be productive it must have specific goals adopted and understood by group members.

Third, group technique is a pre-designed pattern for human interaction, as compared with random behavior. An effective technique motivates and activates both internal and external dynamics so that the forces are better integrated and directed toward the goals of the group. Some of the known techniques are discussions, forums, role-playing, dialogue, interviews and committee hearings.

Each person reacts individually, with other and with the group as a whole. These lines of force are called internal dynamics of group behavior. Other forces also operate on the group from outside. They make up external dynamics of group behavior. Every group is influenced by social pressures of the community as to what is acceptable and unacceptable. Other “outside” groups also exert pressures on group members.

The group, goals and techniques are all governed by the value system – things that members feel to be important. Values determine which persons form the group, what goals they adopt and what methods or techniques they use to attain their goals. People join groups for many different reasons. Some join to enhance their status; some for the opportunity to help others, some to escape boredom; and some because their friends and neighbors belong. Because of this variety of reasons for joining, you can understand why groups often find it hard to agree upon goals, objectives and methods of attaining their goals. To become a leader or productive group member, you must understand why people act as they do and try to bring about a common basis of agreement on goals and techniques.

Productive group action requires that members take part actively in adopting goals, deciding on techniques and in carrying out programs agreed upon. There are many blocks or obstacles to full participation. A group works actively for goals, but a member may not know of this goal. If he knows of it, he may disapprove of the means to attain the goals. Or he may even feel insecure if the group attains its goal. He may feel inferior because of lower social status, lack of education or other reasons. He may not be sure of what the group expects of it’s members. Members need to examine themselves and try to cope with their blocks and frustrations, as well as, to understand these same problems in other members. Man continually tries to adjust to his obstacles. These are among his more common adjustments:

- Aggression** – strike back blindly when his ideas are not accepted by the group.
- Compensation** – no longer takes part in discussion, but still helps in other ways.
- Rationalization** – denies to himself that he ever wanted the things he had worked for. “It was not important anyway”.
- Identification** – Associates with others he considers more successful than himself.

| | |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Idealization – | Over-evaluates his own attainment, ability, worth or importance. Considers his contribution more valuable than the group judges it. |
| Displacement – | Blames someone else when the person he idealizes does not live up to his expectations. |
| Projection – | Blames someone else for his own failure. |
| Conversion – | Transfers energy into some physical symptom or complaint. Becomes ill when successful in his relations with others in the group. |
| Regression – | Retreats from a complex problem to a simpler one. When dealing with large groups he may wish the group were smaller. |
| Negativism – | Disagree with all further proposals or alternatives. |
| Fantasy – | Day dreaming. Imagines the situation were different. |

Leaders may help group members understand their frustrations and the adjustments they make. Adjustments may be useful as well as destructive. For example rationalization can be used as an escape from the reality of embarrassing social situations. If used intelligently, adjustment can help a person escape from blocks, thus allowing him to proceed with constructive activities.

Thus group formation and participation include individual motivation, blocks and adjustments. In this complex process a group of people with a wide variety of individual goals, values, skills and blocks to group participation mold themselves into a productive group. Each group is unique, but certain essentials must be present before a group will be formed. “If individuals are to be formed into a group, common interests must be established. There must emerge the belief that the group formed represents the potential of fulfilling those interests.”

3.0 STAGES IN THE LIFE CYCLE OF ASSOCIATIONS

Four main successive stages of group development and relationships: forming, storming, norming and performing can be identified.

3.1 Stage 1 – Forming:

The initial formation of the group and the bringing together of a number of individuals who identify, tentatively, the purpose of the group, its composition and terms of reference. At this stage consideration is given to hierarchical structure of the group, pattern of leadership, individual roles and responsibilities, and codes of conduct. There is likely to be considerable anxiety as members attempt to create an impression, to test each other, and to establish their personal identity within the group.

3.2 Stage 2 – Storming

As members of the group get to know each other better, they will put forward their views more openly and forcefully. Disagreements will be expressed and challenges offered on the nature of the task and arrangements made in the earlier stage of development. This may lead to conflict and hostility. The storming stage is important because, if successful, there will be discussions on reforming arrangements for the working and operation of the group, and agreement on more meaningful structures and procedures.

3.3 Stage 3 – Norming

As conflict and hostility start to be controlled members of the group will establish guidelines and standards, and develop their own norms acceptable behaviour. The norming stage is important in establishing the need for members to co-operate in order to plan, agree standards of performance and fulfill the purpose of the group. The co-operation and adherence to group norms can work for effective organizational performance.

3.4 Stage 4 – Performing

When the group has progressed successfully through the three earlier stages of development, it will have created structure and cohesiveness to work effectively as a team. At the stage the group can concentrate on the attainment of its purpose and performance of the common task is likely to be at its most effective.

4.0 BASIC PRINCIPLES OF PARTICIPATORY GROUP FORMATION

Participatory group differs from other groups in the following ways: It is a group of “like-mind” people; who work together for a common goal; with the involvement of all members. For the group to be successful it should possess the following features: Common interest; Honest and hard-working members; who wrote their own constitution; Attend meeting regularly; Elect their officials; participate in-Discussions, Decision-making, Group activities, Savings, Record-keeping and Sharing benefits. For a participatory group to satisfy the above conditions, attention should be paid to the basic principles of its formation. These principles are; small, homogeneous, income generating activities and voluntary. Each of these principles is briefly discussed below:

4.1 Small

Small is a relative term. What is small to someone may be too big for another. In participatory group, a range of 15-25 members is considered small. The advantages of a small group far out-weigh that of larger one in participatory group formation. Some of the advantages of small group include but not restricted to the followings:

- In small groups, members have chance to speak-up and participate in discussions. But this holds, only if the homogeneity condition is satisfied.
- Members can contribute energy and ideas to group development more easily.
- A small group is less likely to be divided by argument or
- Dominated by a strong minority.

4.2 Homogeneous

Homogeneity here means members have similar socio-economic backgrounds. That means, small-scale farmers should have their own group, separate from medium or large scale farmers. In addition to that members should also have close social affinity. That means, people residing in the same village should come together to form groups. Experience has shown that people with similar background and social affinity are more likely to trust each other and accept joint responsibility and liability than otherwise.

4.3 Income Generating Activities

Participatory groups are economic units; as such they must be based on some income generating activities. Without income generating activities they become social units and the problems of operating funds will cripple their mere existence. As such, income generating activities, either in form of service or products must be sought. Income generating activities create assets for the group which is essential for development of the group and a basis for their self-reliance.

4.4 Voluntary and Democratic

Participatory groups must remain voluntary to members' entrance and exit. But they must be democratic in its activities. It is the combined decision of members, rather than that of any individual that control and govern the association. Decisions such as: who joins the group, who leads the group, who set the rules to be followed, who decides on activities to be carried out and when to carry them out, are all based either on general consensus of all members or subjected to a simple majority vote.

5.0 BUILDING BLOCKS OF ASSOCIATION

The building blocks of a functional and sustainable association include its leadership, member's contribution, constitution for the governance of the association and regular and accurate records for accountability and decision making.

5.1 LEADERSHIP

To function properly, a group needs a simple but effective structure, consisting of ordinary members and a management committee made up of a chairman, secretary and treasurer. Leadership involves overseeing and monitoring the group's activities. These tasks are carried out by a few people who are recognized and accepted by all members. Sometimes each of these categories also has assistants, such as vice president, assistant secretary, treasurer, financial secretary etc. The number and types of offices depend on the association and its level of activity. Gradual rotation of leadership positions among all members is used to tap leadership abilities in other members, as well as to build the capacity of potential leaders.

Qualities of leaders

Supervision and coordination help a group to run smoothly, to grow strong and to achieve its goals. For these to be achieved a group must have good leaders. Members need to

have a clear understanding of qualities needed in leadership and demand these from their leaders desirable qualifications for group leaders. Examples given by others as desirable qualities include:

- Sincere, trustworthy, steadfast
- Active, energetic and good at motivating others
- Respectful but not shy
- Brave, honest and patient
- Able to communicate with others
- Able to keep group secrets

Participatory leadership

Participatory leadership means, first that all members have equal opportunity to participate and that all members can become leaders. It means that elections to change leaders should take place regularly. Rotation of duties gives all members a chance to develop leadership skills. This, in turn, makes the group more effective and helps promote further participation. Second, participatory leaders encourage all members to be fully involved in group affairs by keeping them informed by delegating tasks and by having open discussions.

Every member of the group with the necessary skills can become a leader. But certain offices require specific skills. Its difficult to be a treasurer if you cannot add up, or a secretary if you cannot write, but it is possible – though more difficult – to become a chairman without being able to read.

The leader's responsibilities are:

- To monitor group progress and achievement of objectives
- To ensure that the group's constitution is obeyed
- To encourage participation of members in discussion, decision making and work
- To introduce new ideas into the group, and encourage members to do the same
- To report about the work of individual members and the group as a whole
- To represent the group on special occasions

Management committee

Discuss with the group the duties of the committee members. Explore with them the qualities that are needed to carry out specific duties and how committee members should be elected. Once agreement is reached, help the group to select its committee. After election of the committee, you should spend time helping the committee members to improve their skills.

Duties of a management committee

- To prepare the agenda and to schedule meetings
- To report about committee actions
- To make suggestions and give advice to the group
- To promote decision making
- To implement actions after decision making
- To ensure constitution is followed and to discipline members of the group

- To delegate tasks in order to encourage participation
- To contact resource persons, group, and institutions
- To organize training for members
- To report on progress of the group
- To help with problems that group members cannot solve
- To represent the group

Duties of chairperson

- To organize meetings and review sessions
- To chair meetings and summarize them at the end
- To encourage participation by all members in discussion, decision and work
- To ensure the group constitution is followed
- To ensure that the secretary and treasurer do their jobs
- To delegate work and assignments
- To ensure that the work plan is followed
- To maintain harmony in the group
- To represent the group at meetings with others

Duties of the secretary

- To write the agenda, minutes and keep a record of attendance at meetings
- To maintain all group records
- To read the minutes of meetings
- To deal with letters to and from the group
- To assist the chairperson

Duties of treasurer

- To keep the financial records of the group
- To safeguard and manage the money
- To report to the members about expenditures and receipts
- To report to the members about balance available in cash at the bank
- To give receipts for money received
- To count the money kept by the group, in the presence of the members
- To keep the cash book and the receipts of purchases, sales and received money
- To manage the use of the group fund

5.2 MEMBER CONTRIBUTIONS

The next building block in group development is member contributions, either in cash or in kind. Contributions are regular payments made to the group in kind and or in cash by group members. It is important to specify in writing what the money will be used for. Contribution encourages unity, since all members do something visible for the common good of the group. Contributions also help the group to cover costs – from small expenses such as writing materials and transportation to larger expenses such as start-up investment for an income-generating activity. Finally, contributions are a form of insurance which cushions the group enterprise from unforeseen difficulties or provides emergency assistance to group members in time of need.

Every member should be obliged by the group constitution to pay a fixed amount to the treasurer on a certain day each week or each month. The size of the contribution must be set with the agreement of all members and will depend on the proposed use. It is important that the treasurer gives receipts and keeps proper records of each member's contributions (table 2).

| Date | Name | Amount | Balance |
|-------------|---------------------|---------------|----------------|
| 4/3/93 | Mrs. Dada Abdullahi | 100.00 | 100.00 |
| 4/3/93 | Mrs. Salamatu Bello | 100.00 | 200.00 |
| 4/3/93 | Mrs. Khadija Ahmed | 50.00 | 250.00 |
| 4/3/93 | Mrs. Lami Kabiru | 100.00 | 350.00 |
| 4/3/93 | Mrs. Zuwaira Garba | 50.00 | 400.00 |
| 4/3/93 | Mrs. Jummai Gambo | 100.00 | 500.00 |

5.3 GROUP CONSTITUTION

A constitution is a written agreement made by the members of a group. The constitution sets out what is expected from each member and what they can expect from the group. A constitution provides a clear and consistent set of guidelines to define each member's right and obligations to the group. In a participatory group, the constitution is meant only for the benefit and use of the members it is made by the members and can only be changed by the members.

At first, group members may not understand the importance of having a constitution. You should point out that rule are needed to minimize conflict and improve efficiency of group decision making. Use experiences from previous meetings to show that rules are necessary to guide and discipline members.

A group constitution should be made step by step, through discussion about the specific experiences of a group. The first draft is made when a group is formed. Rules can be added or changed as new issues arise. Table 3 shows some items for discussion during group's meeting to discuss constitution. Members at a meeting on the group constitution

Table 3: Sample items for discussion in setting a group constitution

| No | Item | Issues for discussion |
|----|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Objectives of the group | |
| 2. | Membership | Names, qualities, duration, responsibilities |
| 3. | Committee | Types of posts, duties of the committee and the committee members, how long elected for |
| 4. | Disciplinary action against committee members | What to do if duties are not carried out eg. Fines, dismissal |
| 5. | Meeting Schedule | Place, time day. Number of members needed for decision, unanimous or majority decision making, reporting absence, representation for absentees allowed? Can representative vote |

| | | |
|-----|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. | Contribution | When to pay and much, Joining fee and regular contribution, instalments of payment. Who to pay. Where to keep the money. Purpose of contributions. What to do if the money is lost. Record keeping |
| 7. | Disciplinary actions against members | For absences, late arrival, accepted excuses amount of fines, When to pay, what to do in case of non-payment of fines, what to do if non-payment of contributions |
| 8. | Record keeping | What to be recorded, by whom |
| 9. | Savings | Purpose, where to be kept, how save record keeping |
| 10. | Profit | Use of profits, sharing, when and who what to do in case of death, drop out absence and negligence of work |
| 11. | Loans | Rules for re-lending of group savings to members, interest rate, terms of repayment; penalties of non-repayment |

SAMFIRIN TSARIN MULKI

1. **Sunan Kungiya:** -----
2. **Adireshi:** -----
3. **Manufofi:-**
 - (a) Hada kan Malaman Gona, Malam Dabbobi da Malaman Daji.
 - (b) Taimakawa shirin Gwamnatin Tarayya, Jiha da Karamar Hukuma na wadata Kasa da abinci.
 - (c) Kare mutuncin aikin Gona, kiwon Dabbobi da aikin Daji.
 - (d) Habbaka noman Rani dana Damina, raya Karkara, da cusa wa Matasa ra'ayin kama Sana'o'l don maganin zaman banza
4. **Take:** Hadin kai don ci gaba
5. **Zama Dan Kungiya**

(a) Kowanne Malamin Gona, Malamin Dabbobi da Malamin Daji zai iya zama Dan Kungiya.

(b) Dole ne dukkan Dan Kungiya ya yarda da dukkan Dokoki da tsarin mulkin Kungiya ya shimfida

6. Dokokin Kungiya

(a) Dole ne akan kowanne da a Kungiya ya kasance ya tsare bakinsa daga yada jita-jita zuwa ga sauran 'Yan Kungiya.

(b) Dole ne kowanne Dan Kungiya ya halarci dukkan taruka da ayyukan Kungiya a kowanne lokace in ba akwai wani kwakkwaran dalili ba.

(c) Wannan Kungiya ba ta Siyasa bace, sabo da haka laifi ne ga dukkan Dan Kungiya ya kawo harakar Siyasa a cikinta.

(d) Dole ne kowanne Dan Kungiya ya yarda da biyan kudin Wata-wata na gudanar da harkokin Kungiya.

(e) Dole ne kowanne Dan Kungiya ya zama mai bin doka da oda, gaskiya da rikon amana da kuma rike sirrin Kungiya.

7. Shugabannin Kungiya

(a) Shugaba

(b) Matamakin Shugaba

(c) Magatakarda

(d) Ma'aji

(e) Magatakardar Kudi

(f) Mai Binciken Kudi

(g) Kakaki

8. Ayyukan Shugabanni

(a) Shugaba

(i) Zai umarci Magatakarda da ya kira taro duk lokacin da bukatar haka ta taso.

(i) Shine mai sa hannu akan dukkan takardun da suka shafi Banki

(ii) Duk Shugabannin Kungiya zasu rika gudanar da ayyukansu da izinin ofishin Shugaba.

(iii) Yana da izinin yin hira da "Yan Jarida tare da Magatakarda da Kakakin Kungiya.

(iv) Shine zai shugabanci dukkanin tarukan Kungiya.

- (v) Zai bada iako da wadandu ayyuka ga mataimakinsa don shima ya sami aikin.
- (vi) Yana da ikon zartar da shawarwarin Kungiya idan an sami biyu baises uku na Shugabannin idan sun amince da yin hakan. Kuma yana da kuri'ar rinjaye lokacin da aka sami matsalar da ta raba taro gida biyu madaidaita,

(b) Mataimakin Shugaba

- (i) Zai wakilci Shugaba a dukkanin wuraren da Shugaba ya nan.
- (i) Ya zama mai kula da wau ayyuka na musamman.
- (ii) Yana da ikon sa hannu a madadink Shugaba a dukkanin takardun Kungiya

(c) Magatakarda

- (i) Ya zama mai rubuta dukkan bayanan Tarukan Kungiya.
- (ii) Ya zama daga cikin masu s ahanun a cikin takardun ajiyar kudin Kungiya a Banki.
- (iii) Ya zama mai tattara dukkan bayanan Kungya, Nasarorinta da Matsalolinta tare da ganar-----
- (iv) Zai sanar da Kakakin Kungiya lokacin taro

(d) Ma'aji

- (i) Zai ajiye litattafan shiga da fitar da kudaden Kungiya
- (ii) Ya tabbatar da cewa dukkanin kudaden da aka bayar ko aka karba an kaisu Banki kafin kwana uku da karbarsu
- (iii) Ya shirya rahoton shiga da ficn kudi a karshen kowacce shekar, to duk lokacin da kwamitinn Shugabanni ya nemi yin haka.
- (iv) Ya ajiye kudin ko ta kwana akalla Naira Dari Biyar (N500.00) a kowanne lokaci.

(e) Magatakardar Kudi

- (i) Ajiye bayanan shiga da ficen kudin Kungiya
- (ii) Tattara kudaden Kungiya da mikasu hannun ma'aji

(f) Mai Binciken Kudi

(i) Karbar littattafan Ma'aji da na Magatakardar kudi da dukkan littattafan Banki da Rasitai don rubuta rahoton shige da ficen kudi.

(i) Shirya Rahoton Shige da ficen kudi na karshen Shekara, ko duk lokacin da Kwamitin Shugabanni ya bukaci yin hakan.

(g) Kakaki

(i) Rarraba sanarwar kiran taro

(ii) Karbar Baki, ko Jami'an Gwamnati, ko Kungiyoyi masu zaman kansu.

(iii) Shine mai alhakin shirya wurin taro

(iv) Kyautata hulda da jama'a da wayar da kan 'yan Kungiya.

9. Iyayen Kungiya

(a) Mai Girma Hakimin Babura

(b) Mai Girma Sarkin Gabas Babura

(c) Shugaban Kungiyoin Manoma na Babura

(d) Alhaji Ahmed Abubakar

10. Hanyoyin Samu Kudi

(a) Karon-karon kudi a kowanne wata akalla Naira Dari (N100.00)

(b) Kaddamar da Gidauniya idan bukatar haka ta taso

(c) Sayar da katin Rijistar Kungiya akalla akan N20000 kowacce daya

(d) Sayar da amfanin gona da aka samu a gonakin gwaji na Kungiya

11. Taruka

(a) Akwai babban taro na Kungiya akalla sau daya (1) a Shekara

(b) Taron gaggawa idan wani abu ya faru ko zai faru kuma yana bukatar gaggawa.

(c) Taron Majalisar Zartarwa da Kwamitoci

12. Gyaran Tsarin Mulki

Ana iya gyara tsarin mulki daga lokaci zuwa lokaci amma babu wani gyaran da za'a iya yi sai an bada sanarwa a kalla sati hudu, kuma an sami amincewar akalla biyu bias uu na 'yan Kungiya.

13. Kora Ko Murabus

- (a) Rashin cancantar mutamin mutum zai sa a nemi shi da yin Murabus idan wanda suka halarci taro sun bada goyon bayan haka.
- (b) Tada fitina da sunan Kungiya kan kai ga kora.
- (c) Batar da kudin Kungiya ba bias doka ko ka'ida ba kan kai ga Murabus ko Kora tare da mayar da wannan kudi ga asusun Kungiya.

14. Tara

- (a) Kin biyan kudin karon Kungiya tare da kin halartar taro har sau uku bada daliliba kan kai ga tarar akalla N100.00.

15. Sunayen 'Yan Kungiya

16. Bayanin zaman taro na karshe

Da amincewar 'yan Kungiya game da wannan tsarin mulki.

5.4 KEEPING RECORDS

It is important for group members to know what decision and actions have been taken by the group, or what or how much has been bought, sold or repaid. If these actions are not recorded, mis-understandings may develop between members. An important building block in group development, therefore, is record-keeping. Like other processes in group formation, the development of record-keeping is a step-by-step process. Discuss with the members what records are important to keep. Start with the names of the group and its members and incoming money. Later, they should begin to record the minutes of meetings.

A sample formal for recording the minutes of group meetings is given in chart 4 (opposite). Remember that records need to be understandable to members, even those who cannot read.

Chart 4 Sample format for minutes of group meeting

| Date | Agenda | Discussed Yes/No | Decisions |
|-------------|------------------------------|-----------------------------|------------------|
| 4/6 | Workshop Purchase of feed | Yes Yes | 3 members to go |

| | | | |
|------|--------------------------------------------|------------|--------------------------------------------------------|
| | Later arrival fine of committee members | Yes | |
| 11/6 | Report workshop Report sale of chickens | Yes Yes | Adjust constitution all members to advertise at school |
| 18/6 | | | |

What is record-keeping

Record-keeping is the maintenance of information concerning the group for future reference – for example, information about the group’s organization, activities and income. Keep records

Simple so that all group members can understand them. Well-inform group members are likely to make better decisions than misinformed groups.

Why is record-keeping important?

- It helps members remember what has happened
- It provides information and data to monitor progress
- It provides information and data for evaluation

Who is responsible for record-keeping?

Records are kept by the management committee but should be reviewed frequently by all members at meetings to assess problems encountered and progress toward achieving the group’s objectives.

When is record-keeping done and where?

Record-keeping should be done on a regular basis (i.e, daily, weekly or monthly), or whenever meetings are held or activities take place. Information should be kept in record books. Note on assignments and finances are important and care should be taken not to loss them. If some members of the group are illiterate, use symbols rather than text to represent products or money

6.0 BUILDING BLOCKS OF INCOME GENERATING ACTIVITIES

Self help groups are best organized around an income generating activity. This is because without increased income and savings, it is difficult for a group to achieve any other goals. Therefore, you should encourage the groups to start up a group enterprise which will earn a profit for re-investment in further activities such as undertakings should be based on local experience and low-cost technology eg improved parboiling technique. It is important that – as far as possible – each group identifies, plans, carries out and evaluates its own activities. This is essential for group development and self-reliance.

Preparing for Income generation

Before choosing a group activity, members should discuss and agree together what they expect from income generation. Discuss the benefits of group income generation Explain to the members that generating income through group cooperation has a number of advantages over individual efforts.

For example:

- More hands make the work easier

- Work can be divided
- Work can continue even if a member gets sick
- It saves money (e.g by buying and selling in bulk and saving in transport and time)
- Members share information and skills – they learn from each other and training is easier to arrange for groups.
- Access to resources increases (e.g loans, hired labour, land, assistance from extension workers)
- It gives group members – especially women – more self –esteem and status.

Discuss problems in group income generation

Explain that generating income as a group also involves costs:

- Group decision making takes more time
- Defining roles and responsibilities may be more difficult – remember, if everyone is in charge, no-one is in charge.
- One of the members may turn out to be a “free rider” who contributes little in terms of time and money to the group activity, but expects an equal share of the profits.
- Distributing profits according to work and contributions can be problematic.

Discuss members’ expectations and Wishes

To help the group understand and express its expectations, ask questions such as:

- How much money do you expect to earn?
- How long do you think it will take you to receive your first dividend?
- Is that expectation realistic?
- Where do you like to work (at home, nearby, far away)?
- How much time can you spend on training?
- How much money can you contribute?
- How much time would you like to spend working together?
- How will you arrange child care?

Discuss ideas for income generation

Members will have many ideas about activities for income generation. You should help them decide which ideas are economically feasible.

Hold a brainstorming session. List any ideas the members have about activities for income generation. Do not criticize any ideas at this stage, just try to get as many ideas together as possible. Sometimes unlikely ideas lead to other more practical ones.

Building blocks of a group activity

As with a successful and sustainable group, successful income generation requires a number of key building blocks. They are:-

❖ **Feasibility**

The group activity must be able to produce a product that people want to buy.

❖ **Profitability**

The activity must produce more income than it spends.

❖ **Planning**

The group must decide in advance the goal, tasks and resources of the activity.

❖ **Marketing**

The group must strive to satisfy its customers.

❖ **Savings**

Savings provide the resources needed to start or expand the group activity.

❖ **Loans**

Loans can be sought for a group activity – but only after the group has demonstrated its ability to save regularly.

The following section describes each of these building blocks in detail.

6.1 Feasibility

Choosing an income-generating activity that makes little or no profit can do great harm to a self-help group. Before starting, members need to know whether the activity is practical, whether there is a market for their output and whether or not it is likely to make them money. To answer these questions, they need to do a feasibility study.

Golden Rule “the customer is always right”

No enterprise can succeed if nobody buys its products. Help the group understand the basic principle that customer is more important than the product ask the group members.

- What products do local people need?
- Which of those products can they buy locally and which not?
- Who sells those products locally?
- What is the selling price, cost and profit?
- What skills do the members have that could be useful for the suggested activities.
- What enterprise do the members think will produce enough income to keep the enterprise going and provide a dividend?

Conducting a feasibility study

The members should choose the activities which seem to offer the most potential and then subject the activities to a feasibility study. The feasibility study will usually take between 2-4 week, but the information collected will be very useful in deciding on which activity to start.

A feasibility study is a simple exercise aimed at finding out whether a proposed activity is a good idea or not. It tries to find out whether the members are able to produce a product that people want to buy and that can be sold for a profit. By first doing a study, a group can avoid investing money, time and energy in an enterprise that might fail to produce a profit. Moreover, it helps the group decide on the best way to set up their enterprise, in terms of market, resources and risks.

Steps in a feasibility study

1. Find out if there is market for the product

Help the group to study:

- The market i.e the customers who buy the product
- The competition, i.e those who sell similar products

Gather information about potential customers

- Who are they (men, women, children, age, education)?
- Where do live?
- How much can they afford to pay?
- When do they need the product?
- What do they expect from the product?

Gather information on competitors

- Who are they?
- Where do they sell?
- What do the sell and to whom?
- What conditions of payment do they offer (cash, credit, barter)
- When do they sell

How can members get this information?

The group should get information on customers and competitors by talking to or watching customers, sellers and producer

Getting information from local business people is not straightforward. Information on prices and quality is simple enough to collect, but information on their costs, sources of supply and profit margins is more difficult – businessmen do not like to give this information to potential competitors!

Direct questions often do not get you very far but a lot of information can be collected indirectly by talking with other customers, other businessmen and suppliers.

You can help the group by organizing training sessions to prepare the members. They need both knowledge and confidence to approach people! Proper planning is very important

Conclusion is there room for the group’s product?

- If “yes” Continue with the next step of the feasibility study
- If “no”: Study the market for a different product

2. Find out what resources are needed

Needed resources may include the following:

- * Materials: What materials and equipment are needed? How much, where and how often are they available? Are they accessible (to men and women)
- * Transport: What kind of transportation is needed? When and how can it be arranged?
- * Skills: What skills are needed? Is training required? How can it be arranged and how much time does it take?
 - Facilities: Are electricity, water or other facilities needed? Is child care needed?
 - Time: Do all members have time available to start up and help run the activity? Is there time for adequate training?
 - Labour: Are hired workers needed? Do they need training? If members will do the work, who will do what?

Chart 5: Sample checklist of required resources

| Items | What we need | What we have | What we need to buy and where |
|-------|--------------|--------------|-------------------------------|
|-------|--------------|--------------|-------------------------------|

| | | | |
|------------|--|--|--|
| Materials | | | |
| Transport | | | |
| Training | | | |
| Facilities | | | |
| Labour | | | |
| Packaging | | | |
| Promotion | | | |

How can members get this information?

Members are gather information on resources in the same way as they gathered information on markets. Often questions on markets and resources will be answered at the same time. Chart 5 (above) shows a sample checklist that may be useful in finding out what resources are required and where to get them.

Conclusion: Can all required resources be obtained?

- If “yes” Take the next step of the feasibility study
- If “no”: Think of other ways to produce the products or consider a different activity

3. Start-up and operating costs

To succeed, the group must have enough money to start up the activity and run it until it begins to make a profit. To estimate star-up and operating expenses, list all of the resources that cost money, and estimate the expenses for one production cycle (i.e) the period of time needed for producing one batch or set of items) and for one year. Chart 6 and 7 on the following page give sample worksheets for calculating these costs

How can members get this information?

Other sellers, producers and specialists are useful sources of information on expenses. Train the members to give them the confidence to approach authorities or experts.

| Chart 6: Sample worksheet for estimating start-up costs | | | |
|----------------------------------------------------------------|---------------------|-----------------|--------------|
| Items | What we need | Quantity | Costs |
| Materials | | | |
| Transport | | | |
| Training | | | |
| Facilities | | | |
| Labour | | | |
| Packaging | | | |
| Promotion | | | |

Conclusion: Are the costs reasonable?

- If “yes” Continue with the next step of the feasibility study
- If “no”: Search for alternative sources of resources, or choose a different activity for market analysis

4. Identify sources of money for start-up and operating costs

It is important that the group identify the best source of funding for starting up the enterprise. People tend to think that money should come from outside – e.g a loan from local lenders or formal institutions such as bank and credit unions, or a grant. However, each has a number of disadvantages. For one thing, they can create dependency instead of self-reliance. Therefore, stress that the group’s own resources should always be the primary source of funds.

| Items | What we need | Quantity | Cost x cycle | Cost x years |
|------------|--------------|----------|--------------|--------------|
| Materials | | | | |
| Transport | | | | |
| Training | | | | |
| Facilities | | | | |
| Labour | | | | |

Should the group seek grants or subsidies?

Living off grants or subsidies distorts the real costs and real profitability of an activity. What will happen when the subsidies or grants stop? Frequently this happens and the activity collapse. Grants can also carry hidden conditions which undermine the group’s self-reliance. Nevertheless, a one-time grant to cover the start-up costs can help a group to take off, especially in areas where many grant-supplying organizations operate.

Should the group need a loan?

Loans should be considered carefully, is repayment possible in the time specified, especially in bad period? The temptation is to borrow large amounts for activities which may prove to be too complicated or ambitious. Remember: It is better to start small with existing means than to attempt a more sophisticated but riskier business. If members do want to apply for credit, you will need to discuss interest and how long it will take to recover the loan, invite a specialist to assist.

Conclusion: Are the group’s own resources sufficient?

- If “yes” Continue with the last step of the feasibility study
- If “no”: Consider grants, loans or other outside sources as a supplement to the group resources to help cover start-up costs.

5. Discussion the risks

An enterprise can fail for many reasons. There are risks associated with the group itself e.g. members may not cooperate or may not have the organizational and management skills to run the activity. Other risks are beyond the control of the group – e.g government policies, changes in demand costs/prices, weather, diseases and theft. The group should discuss these and determine how the identified risks can be reduced. Proper

training and group unity help to reduce risks within the group. External risks are more difficult to predict and to prevent. It is important to be well-informed about developments.

Conclusion: Is it worthwhile to take the risk?

- If “yes” Continue with the last step of the feasibility study
- If “no”: Think of ways to reduce the risk and minimize the damage that could occur, or consider an alternative enterprise.

Once the enterprise seems feasible in terms of the market, resources and risks, a last but crucial assessment has to be made before deciding to go ahead. It is essential to know if the money earned is enough to cover the costs and to produce a profit.

6.2 PROFITABILITY

An enterprise is “profitable” when it produces more money (income) than it spends. Before investing money in an activity, the group should calculate whether the income they hope to produce will cover their start-up and operating costs and leave some profit for reinvestment to help their activity to grow. If the group goes ahead without making such an analysis, it could find itself with an unprofitable business and heavy debts.

In estimating profitability, the group should consider the risks involved. Will prices remain stable? The group must be particularly careful when estimating production costs and revenues. When estimating costs of inputs and sale prices, it is better to remember that input prices tend to rise, while output prices are often less than expected. Remember: it is always better to under-estimate your profits than to find that the profit is less than you predicated – or that there is a loss!.

Steps in a profitability analysis

1. **Estimate the sales price**

$$\text{Profit} = \text{Income} - \text{Cost}$$

$$\text{Sales price} = \text{cost} + \text{profit}$$

Look at the costs per cycle, which the group has calculated. It should then list the quantity or number of items it estimates to produce per cycle. The divide:
Now, discuss how much profit should be added to the cost of each item. Can the customers pay this sales prices? Is the price competitive?

$$\text{Total cost: number of items} \times \text{cost per item}$$

| | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Training | | | | | | | | | | | | | | | | | | | |
| Facilities | | | | | | | | | | | | | | | | | | | |
| Labour | | | | | | | | | | | | | | | | | | | |
| Packaging | | | | | | | | | | | | | | | | | | | |
| Promotion | | | | | | | | | | | | | | | | | | | |
| Loan repayment | | | | | | | | | | | | | | | | | | | |
| SUB TOTAL | | | | | | | | | | | | | | | | | | | |
| Income | | | | | | | | | | | | | | | | | | | |
| Sales | | | | | | | | | | | | | | | | | | | |
| Contributions | | | | | | | | | | | | | | | | | | | |
| Loan | | | | | | | | | | | | | | | | | | | |
| SUB-TOTAL | | | | | | | | | | | | | | | | | | | |
| TOTAL PROFIT OR LOSS | | | | | | | | | | | | | | | | | | | |

Profit varies by month and can even become negative (meaning a loss) in some months. So, calculate the total profit over the whole year.

Now you have a better idea about the profitability of the enterprise:

- Is there likely to be a profit in the first year?
- How much profit do you expect in the following two years (is it increasing?)

In some countries, inflation can be a serious problem. When calculating costs and profits, consider the effect of inflation on the value of profits. Would the group be able to increase the sales price high enough to keep the enterprise profitable? For example: Because of an annual inflation rate of 20%, the money needed for five bags of fertilizer in January buys only four bags in December.

Conclusion: Does the enterprise seem profitable?

*If “yes” It may be worthwhile to try it.

* If “No” Develop an alternative plan.

6.3 PLANNING

Everyone plans things in their life. When we are hungry we plan a meal: to collect enough fuelwood, to get the food and to assemble the cooking utensils. He who does not plan has already started planning to fail.

Four steps in planning

In the same way, planning helps the group do the right things at the right time in order to achieve their objectives.

Help the members make a work plan for the activity

A work plan is a tentative timetable indicating:

- What to do
- When to do it
- Who will do it

First, list chronologically things to be done. For example: to hold a meeting, obtain land or a work place, find a specialist for advice and training, obtain funds, buy inputs, find transport, organize specific work activities, work out the price of the product, repay the loan and discuss profit sharing.

Consider proper timing: when drafting the timetable, start with the most crucial activity (e.g appropriate sowing or sales period). Remember to include the time needed for training and approval on any loan application. A sample work plan for a poultry-production enterprise is given in Chart 9 (below).

| Chart 9 Sample work plan of poultry group | | | | |
|--------------------------------------------------|-------------|-----------|-----------|-----------|
| What to do | When | By Whom | When done | By Whom |
| Fee | June | 8 Members | 4/6 – 7/7 | 7 members |
| Buy chickens | July | Ms. A | 10/7 | Ms. A |
| | | Mrs. B | | Mrs. C |
| Buy feed | July | Mrs. D | 10/7 | Mrs. D |
| Feed chickens | July weekly | Ms. A | 10/7-16/7 | Ms. A |
| | | Mrs. B | | Mrs. C |
| | | Mrs. C | 17/7-23/7 | Mrs. D |
| | | Mrs. D | | Mrs. E |

6.4 Marketing

Marketing means satisfying customers' need. It begins with the production of an item and ends when the customer buys it. If nobody wants to buy a group's products, it cannot make a profit and members will soon lose interest. Therefore, ways have to be found to satisfy the customers, and to sell enough to produce a profit.

The six P's of marketing

i. Product

The product needs to be of good quality, readily available, well-stored, properly packed and attractive.

ii. Place

The place where the product is sold should be central, easy-to-find and clean, with good display and storage facilities.

iii. Price

The price of the product must be reasonable, competitive and displayed clearly. Consider special prices to attract customers and offer fair payment arrangements.

iv. Promotion

Promotion of the product should consist of good slogans, names and signs, attractive sales techniques, product displays and demonstrations.

v. Plan

Operation of the business has to be flexible. The group's plans should be reviewed regularly and changed if necessary.

vi. People

The people who sell the product should be polite and honest, and provide good service.

6.5 SAVINGS AND CREDIT

Savings means setting aside available resources or income for future use. Savings

can be in cash or in kind. Savings in kind include things such as grain, non-perishable cash crops, animals and raw materials which can be sold and so turned into cash. Savings in cash are deposits of local currency or cash balances in bank accounts, etc.

Saving lies at the heart of development. Unless the poor save, they will never become better off. Although saving involves sacrifice, it is an important discipline all groups should learn.

- Savings provide investment capital for starting or expanding an enterprise.
- Savings provide money for expenses such as transportation and stationery.
- Saving serves as an insurance fund that can be used in emergencies or to guard against risk.
- Savings can be lent to members (or non-members).
- Savings are a measure of the members' financial commitment to their enterprise.
- Saving promotes members' financial discipline, increases group cohesion and builds group financial self-reliance.

Promoting savings is not always a popular topic with group members, since it always requires some sacrifice on their part. However, you should stress that using saving rather than outside credit to finance the groups' activity is more likely to promote long-term group self-reliance. This is because

- Savings increase the group's resources for investment in productive activities.
- Saving reduces the group's dependency on outsiders, thus increasing its self-reliance and ability to adjust as the market changes.
- Savings serve as a form of "group's insurance against risk" which can be used to assist group members in emergencies or as a credit fund for lending to members.
- Savings increase each member's "financial interest" in the group, which improves his or her sense of ownership of the group.
- Saving promotes group financial discipline which leads to high loan repayment rates (banks are more likely to loan to groups that save than those that do not).
- Regular group saving is the best test of group sustainability. (if members are ready to entrust their savings to the group, the group must be doing well):
- Groups saving can be more productive than saving as individuals. This is because it lowers the bank's cost – members only have to keep one account and only one member need make the trip to the bank. Banks usually provide better service to large account holders than smaller account holders.

Loans

A group should not be encouraged to seek credit until it has demonstrated its ability to save regularly and has already saved an amount equal to a significant part of the proposed loan.

Why group loans?

Borrowing as a group has advantages over borrowing as an individual. Banks often don't like to issue small loans. They prefer larger loans. This is because the paperwork and administrative costs for a large loan are often the same as for a small one. Individual members may also find it difficult to borrow since individual borrower costs are high. So group members can save by grouping their loan request together, thus lowering the cost per member.

Group loans are usually granted with group liability, This means that each member is individually responsible for repaying his or her part, the other group members must repay it. This rule ensures that all group members repay their part of loan – otherwise, the group will not be able to borrow from the bank the following season.

How much should the group borrow?

Group tend to borrow more funds than they can use properly. Experience has shown that for most groups, a loan should not be more than three times the amount they have saved. Loans should only be granted to finance well-defined group income-generating activities. The group should develop a clear plan for an income generating activity before applying for a loan. The plan should state clearly the expected costs and income, the potential risks and estimated cash flow through the year. A cash flow chart 8, can be used for this purpose. The GP should assist the in analyzing its investment plan and weighing the risks. What if the rains fail? What if the out price fails or the cost of inputs increases? Will the group be able to meet its loan repayments when they are called for? Does the group have sufficient savings to use if it faces and emergency.

Making sure groups repay their loans on time

Group members must be convinced of the importance of repaying their loans in full and on time. This can be a difficult job, expecially when there are other lending programs nearby that are “just giving money away”. How can you make sure loans are repaid?

Group members need to be shown that not repaying the loan will hurt the group

- It shows the group does not keep its word, thus damaging the group’s social and business reputation
- Loan defaulting represents failure in the eyes of other groups and lowers the other groups’ opinion of the defaulters
- Non-repayment may lead to problems with the police
- Groups which do not repay loans are less independent and are more open to control by outsiders and creditors
- Groups which do not repay loans will be denied further loans by the bank.

Launching the group activity

Having carried out a feasibility study, estimated profitability, made a work plan and plans for marketing and savings/loans, the group is now ready to start the enterprise. The group has to assign tasks and responsibilities. Members need to buy or order inputs, mobilize funds, produce and/or process keep records and organize sales. The enterprise structure can be similar to the group structure, or be more or less complex, with committees and sub-committees. The important point is that each member knows who is doing what and who is responsible for the different aspects of the activity

Help with record-keeping

Record-keeping for the group was discussed but Group enterprises need special records so that members know what is expected from them, what is needed and what has been done. You can help the members decide what must be recorded and suggest ways of doing it. The fewer and simpler the records the better. It is particularly important to keep records of work and marketing plans, money

| Date | Description | Number | Cash in | Cash out | Balance |
|------|------------------|--------|---------|----------|---------|
| 4.3 | Member savings | 8 | 80 | - | 80 |
| 5.3 | Fines of members | 1 | 7 | - | 81 |
| 10.3 | Chickens sold | 50 | 300 | - | 381 |
| 14.3 | Feed bought | 8 | - | 160 | 221 |
| 16.3 | Savings (bank) | - | - | 200 | 21 |
| 4.4 | Members savings | 7 | 70 | - | 91 |
| 5.4 | Chickens bought | 40 | - | 88 | 3 |

Coming in and going out, inputs and products produced and sold. Chart 10 (above) presents a sample recording sheet.

Monitor progress

The group should meet regularly to discuss progress and problems. Make sure that everybody participates. Members will carry out the activities and accept responsibilities. Achieving financial sustainability goes together with reaching group sustainability. The key to sustainability is in reviewing plans and adjusting them wherever necessary – in other words, in participatory monitoring and evaluation, the topic of the next Chapter.

7.0 GROUP MONITORING AND EVALUATION

What is monitoring and evaluation?

- ❖ **Monitoring** means keeping regular records of group decisions actions, finances, and checking that actions are taken according to plan
- ❖ **Evaluation** Means analyzing the group's records in order to assess whether the group and its enterprise are achieving objectives and identify possible improvements if the group lags behind. When this assessment takes place regularly, it is called ongoing evaluation.

Since participation is a basic principle of our approach monitoring and evaluation should be participatory too. This means that all the members have to take part in participatory monitoring and ongoing evaluation or PMOE

Explain why PMOE is important?

- PMOE helps assess whether the group's activities are on the right track
- PMOE suggest ways of adjusting or changing plans if necessary to improve performance
- PMOE involves members in the planning and implementation of activities as much as possible.

PMOE helps the group to improve its effectiveness by continuously assessing its own progress and periodically evaluating the results. In this way, it can learn from past mistakes and thus increase its self-reliance and strength.

Group development is not a competition

PMOE is not a system for reporting progress and results to a higher authority or for comparing one group's performance with that of other groups. The group members should decide by themselves what areas they will monitor and evaluate. They should collect the data themselves, analyze the results and use the results to improve their group.

It is important that group PMOE charts are not used to make comparison with other groups. When this happens, group members tend to rate themselves artificially high. This reduces the value of PMOE as a self improvement tool

Developing PMOE Methods

The best way to demonstrate to members the benefits of participatory monitoring

And evaluation is to do it in a way suited to their skills and traditions.

Use records developed during the course of their income-generating activity, such as the work plan or the cash flow chart. Discuss how the actual progress and activities differ from the planned activities and the estimated cash flow. Discuss what changes might be introduced to improve performance.

Monitoring charts

Simple charts such as Chart 11 (below) help group members to monitor progress and problems in their group activity. Develop a chart using the following steps

- Write the name of the group and the date on a large sheet of paper, and divide sheet into four columns
- List the members plans for a given period of time in the first column

Chart 11 Sample review chart for a poultry group

| Task planned | Result | | Comments |
|------------------------|---------------|----|----------------------------------|
| Buy 100 chickens | Bought | ** | |
| Vaccinate new chickens | 50 vaccinated | ** | Shortage of vaccine |
| Sell 100 chickens | 80 sold | ** | |
| Hold 2 meetings | Meetings held | ** | Only 5 out of 9 members attended |

- Meet with the members again at the end of that period of time. Write the date

of the follow-up meeting on the top of the second column

- Ask the members whether they are happy or unhappy about the results of each planned task. Discuss problems and constraints they encountered
- Once the members have reached agreement on the results ask them to draw third column a symbol (such as a face) representing their judgment. Use a four point scale representing excellent good, poor and bad.
- Ask the members to make new plans for the next time period on another sheet.
- Repeat the exercise regularly

Many other aspects of the group and its activities should be monitored, eg. attendance and participation at meetings, sharing of responsibilities, financial records, distribution of benefits and progress toward self reliance. It is up to the group members themselves to decide what aspects would be useful for them to monitor and evaluate.

Chart 12 Sample chart for recording sharing of profit

| | January | February | March | April | May | June |
|------------------------------|-------------|-------------|-------------|-------|-----|------|
| Monthly egg production | 1295 | 1341 | 1348 | | | |
| Monthly egg sales | 1065 | 1065 | 1083 | | | |
| Distribution of eggs | | | | | | |
| Contribution of cash profits | | | | | | |
| Mr. J | 60 52.60 | 60 53.60 | 60 53.80 | | | |
| Mrs. E. | 24 54.04 | 36 54.56 | 36 54.56 | | | |
| Mrs. M | 48 53.08 | 60 53.60 | 48 54.08 | | | |
| Mr. T | 60 52.60 | 60 53.60 | 60 53.60 | | | |
| Mrs. W. | 24 54.04 | 36 54.56 | 24 33.04 | | | |
| Mr. L | 12 54.52 | 24 35.04 | 24 33.04 | | | |
| Total eggs consumed | 228 | 278 | 252 | | | |
| Total net income | 542.60 | 542.60 | 543.72 | | | |
| Broken or damaged eggs | 2 | | 2 | | | |

Chart 13: Various methods for measuring attendance at meetings

| | |
|----------|-----------|
| Research | Measuring |
|----------|-----------|

| data/symbol | |
|-------------|------------------------------------------------------------------------------------|
| | Two short, one length, meeting attended during the month |
| | Attendance at four meetings was 7,6, 7 and 6 – an average of 6.5 for the month |
| | Group considers attendance rates are satisfactory |
| | Group considers attendance is quite good (Color normally used rather than shading) |
| | Group considers attendance at 3 out of 4 meetings was satisfactory/good |
| | Ninety percent average attendance for the month |
| | On 8 group members weekly meetings were attended by 7, 6, 7 and 8 respectively |
| | On a 14 scale, attendance was rated 4 (excellent and 3 (good) for 2 meetings held |
| | Attendance at meetings was excellent on two occasions, good on one occasion. |

Examples of ways of monitoring distribution of benefits and attendance at meetings are given in Charts 12 and 13.

Self-evaluation

While recognizing that self-criticism is not easy, you should introduce evaluation to the group as a positive exercise which allows the members learn from each other. Try to use simple methods for evaluation, carried out by the members themselves. One of the most effective methods is to use a series of questions with four possible replies. For example, to measure the extent that responsibility is shared within the group, ask the following question: “How widely are responsibilities for group activities shared”?

The group members then have to agree amongst themselves which of the following four answers comes closest to their opinion, using the following scale.

- 3 = Most of all members have responsibility as officers, committee members, activity leaders or other responsible roles
- 2 = Many members have such responsibility
- 1 = Some members have such responsibility
- 0 = Only a few members have such responsibilities

To measure how democratically group work is shared between members, the question and answers could be as follows

“How is group work shared among members”?

- 3 = Group work is clearly and fairly shared among all members
- 2 = Group work is carried out by most members
- 1 = Group work is done by some members
- 0 = Group work is not clearly or fairly shared

It is important that all members agree on the final answer. A series of such questions can be used to measure progress of the group over time. It is important to remember that, as with all PMOE, the purpose of the exercise is to help to improve self-not to provide data for the benefit of others.

Monitoring progress towards self-sustainability

It is important to encourage the group how to monitor its progress towards self-sustainability

Group PMOE systems should be geared to monitoring this progress using their own simple set of ranking indicators. Indicators may include regularity of group meetings and growth in savings. Each group should assign scores for good satisfactory and unsatisfactory performance

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6.0 Constraints and follow up actions

1. The major constraint faced was that of time. Five days was not adequate for capacity building of group of none formally educated women. Although it is something new to them and they clearly demonstrated their sincere appreciation for the exercise through the followings;

Paying for registration of the association

Paying for the opening of bank account,

the real challenge is in sustaining the associations for their own benefits. The actual capacity building should be carried out while the groups are carrying out those activities. That is when they will learn by doing.

2. The opening of bank account for cooperatives is usually accompanied by the certificate of formation. This gives the evidence that the group is really a cooperative. Although we have been successful in registering all the association formed, except one that paid late, the delay effect the rate at which the bank accounts were opened.

7.0 Conclusion and recommendations.

The exercise was very good and this well appreciated by the women, whom we earlier thought might not be able to afford paying for the registration and opening bank accounts. This a needed intervention that came at the desired time. But it worthy to note these are adults women, most of whom had no formal education but are in desperate need of assistance from anybody that cares.

Recommendations

1. A more systematic capacity building activity should be organized for the women based on learning by doing. That is capacity building should be built around specific activity.