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&
THE SOUTHERN NEW HAMPSHIRE UNIVERSITY

MASTER OF SCIENCE IN COMMUNITY ECONOMIC DEVELOPMENT
(2005)

PROJECT PROPOSAL FOR
LUDALI FARMERS ASSOCIATION
(LUFAA)

ESTER MARIA MGINA-VAN VUGT
Supervisor Certification

I, Mr Felician Mutasa, supervisor of Ester Maria Mgina-van Vugt, hereby confirm that I have read the Project and have found it acceptable for review,

Signature

Mutasa
Statement of copyright

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Declaration by the candidate

I, Ester Maria Mgina- van Vugt, hereby declare that this project paper is my own original work and that I have not submitted this paper in another University for a similar degree.

Signature
12/08/05
Abstract

The title of this project is "A Project Proposal " for the Ludali Farmers Association (LUFAA) in Njombe. The organization has been registered as a NGO in 2003.

In the context of this project, the organization requested the author of this project report to write a project proposal. As the organization had very few activities and not any programme, it was agreed to develop a Strategic Plan for the organization, followed by the preparation of a Logical Framework that will be used in the writing of a project proposal, for a project or programme prioritized by the organization in the process.

The literature review presents the developments in Community Development in Tanzania from independence (1967) until recently, followed by an empirical review and policy review. The Tanzanian rural economy is a non diversified economy dominated by agriculture. Poor support for the transformation has limited progress in agricultural intensification and commercialization. The main constraints are constrained excess to inputs and credit, transport and marketing constraints, lack of education, poor governance and leadership.

The results of the need assessment with the members of LUFAA show a similar situation. The relevance of the research with LUFAA is that the collected data during the assessment do apply to the particular area LUFAA operates in and to LUFAA as an organization, which has led to a Strategic Plan for the organization.
Primary and Secondary data were collected during the assessment through questionnaires and focus group discussions with members, other farmers, district authorities and other stakeholders. Activities facilitated by the author were the development of a vision and mission statement, the conduction of a SWOT analysis, need assessment with farmers, a financial, administrative and governance assessment, a Strategic Planning and Logical Framework analysis. It was agreed that a Strategic Plan is needed before the organization can embark on the writing of a project proposal.

The programmes that have been prioritized by the members are to start a SACCOS and secondly a “Community Capacity Building Programme” that will involve the facilitation of a Community Development Volunteer in 13 villages and to start a Resource Centre with Internet and Library facilities in Njombe. The programme will also provide seeds materials for income generating purposes. The Community Capacity Building programme is the programme that was selected to write a project proposal for.

As soon as the organization has shown a clear direction, whether or not it is going to implement some structural changes, a proposal will be written and presented to potential donors for support. Depending on the direction the organization will choose, two scenarios for a plan of action have been developed.
Acknowledgement

I like to acknowledge the support from Michel Adjibodou, the Course Director of the CED programme through his lectures in Project Design and Management, Research and Evaluation Methods and Information Management and Presentation and his advice during the course. I like to thank my supervisor Felician Mutasa for his advice and feedback.

Also I like to thank Clark Arrington for his input. My appreciations go to the LUFAA leaders for giving me the opportunity to work with the organization and many open discussions we had and to the members of LUFAA for their cooperation in workshops, focus group discussions and meetings. Special thanks go to Frieda, Marg and Mama Steven for their good care, while staying at their house, during the sessions in Dar es Salaam. Last but not least I like to show my appreciation to my husband Walter, to Hendrik, Johan and Franciska, Neema, Maria and my parents. Coby, Sharda, Heidi, Els, Lydia and Maria Shendu and my other colleagues and others I might not have mentioned here, who have continued to support me, while being too busy, trying to combine work, study and family life for almost one and half years and being away from home for many weeks and have made sure everything went well. Without them, I would not have made it.

Ester
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<tr>
<td>CBO</td>
<td>Community Based Organization</td>
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<td>CBI</td>
<td>Community Based Initiated Projects</td>
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<td>CED</td>
<td>Community Economic Development</td>
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<tr>
<td>FSA</td>
<td>Financial Service Association</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>HIV</td>
<td>Human Immune Virus</td>
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<tr>
<td>LU</td>
<td>Livestock Unit</td>
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<tr>
<td>LUFAA</td>
<td>LUDALI Farmers Association</td>
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<tr>
<td>MFI</td>
<td>Micro Finance Institution</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NGO</td>
<td>Non Government Organization</td>
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<tr>
<td>NJODINGO</td>
<td>Njombe District NGO</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Appraisal</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>SACCOS</td>
<td>Savings and Credit Cooperative Society</td>
</tr>
<tr>
<td>SE</td>
<td>Standard Error</td>
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<td>SL</td>
<td>Livelihood Approach</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>SLA</td>
<td>Sustainable Livelihood Approach</td>
</tr>
<tr>
<td>SME</td>
<td>Small Medium Enterprise</td>
</tr>
<tr>
<td>SWAPs</td>
<td>Sector Wide Approaches</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities and Threats</td>
</tr>
<tr>
<td>TANGO</td>
<td>Tanzania Association of Non-Governmental Organizations</td>
</tr>
<tr>
<td>TB</td>
<td>Tuberculosis</td>
</tr>
<tr>
<td>WR</td>
<td>Warehouse Receipt</td>
</tr>
</tbody>
</table>
# Table of Contents

Supervisor Certification .................................................................................................................. ii

Statement of copyright ................................................................................................................... iii

Declaration by the candidate .......................................................................................................... iv

Abstract ......................................................................................................................................... v

Acknowledgement ........................................................................................................................ vi

Abbreviations ............................................................................................................................... vii

Graphs: ........................................................................................................................................... xv

Introduction ...................................................................................................................................... 1

1. Background ................................................................................................................................. 3

   1.1 The Ludali Farmers Association (LUFAA) ........................................................................ 3
   1.2 Vision and Mission Statement ......................................................................................... 3
   1.3 Organizational Structure ................................................................................................. 4
   1.4 Activities and Programmes ............................................................................................. 5
   1.5 The Assignment ................................................................................................................ 6

2. Literature review ....................................................................................................................... 9

   2.1 A theoretical review of Community Development in the rural area of Tanzania from 1967 up to 1991; .......................................................................................................................... 9
   2.2 A theoretical review of Community Development in the rural area of Tanzania after 1991 ........................................................................................................................................... 12
       2.2.1 Cooperative development .......................................................................................... 15
       2.2.2 Rural finance and Small Medium Enterprise (SME) development ...................... 18
       2.2.3 Marketing .................................................................................................................. 20
       2.2.4 Technology adoption and innovation, land policy issues and institutional arrangements ............................................................................................................................... 22
       2.2.5 Rural infrastructure provision and development ..................................................... 23
   2.3 An Empirical review on community development ............................................................. 24
   2.4 The Policy review ............................................................................................................... 31
       2.4.1 The Arusha Declaration ............................................................................................ 31
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4.2 The Community Development Policy</td>
<td>32</td>
</tr>
<tr>
<td>2.5 Conclusion</td>
<td>34</td>
</tr>
<tr>
<td>3. Research Methodology</td>
<td>37</td>
</tr>
<tr>
<td>3.1 Research Design</td>
<td>37</td>
</tr>
<tr>
<td>3.2 Research Approach &amp; Strategy</td>
<td>39</td>
</tr>
<tr>
<td>3.3 Sampling Techniques</td>
<td>41</td>
</tr>
<tr>
<td>3.4 Data collection</td>
<td>42</td>
</tr>
<tr>
<td>3.4.1 Primary Data Collection methods</td>
<td>42</td>
</tr>
<tr>
<td>3.4.2 Secondary Data Collection methods</td>
<td>44</td>
</tr>
<tr>
<td>3.5 Data Analysis</td>
<td>44</td>
</tr>
<tr>
<td>3.5.1 Primary Data Analysis methods</td>
<td>44</td>
</tr>
<tr>
<td>3.5.2 Secondary Data Analysis methods</td>
<td>45</td>
</tr>
<tr>
<td>4. Findings and conclusions</td>
<td>46</td>
</tr>
<tr>
<td>4.1 Vision</td>
<td>46</td>
</tr>
<tr>
<td>4.2 Mission statement</td>
<td>47</td>
</tr>
<tr>
<td>4.3 SWOT analysis</td>
<td>48</td>
</tr>
<tr>
<td>4.4 Questionnaires</td>
<td>50</td>
</tr>
<tr>
<td>4.5 Focus group discussion/ need assessment</td>
<td>66</td>
</tr>
<tr>
<td>4.6 Need assessment focused on management, i.e. financial and administrative and governance issues</td>
<td>68</td>
</tr>
<tr>
<td>4.7 Questionnaire on impact of loans on the life of people</td>
<td>70</td>
</tr>
<tr>
<td>4.8 Secondary data</td>
<td>72</td>
</tr>
<tr>
<td>4.9 Summary</td>
<td>75</td>
</tr>
<tr>
<td>5. Implementation</td>
<td>78</td>
</tr>
<tr>
<td>5.1 The Strategic Plan</td>
<td>78</td>
</tr>
<tr>
<td>5.2 Current Status of the project</td>
<td>79</td>
</tr>
<tr>
<td>5.3 Plans for Action</td>
<td>80</td>
</tr>
<tr>
<td>5.4 The Community Capacity Building Programme</td>
<td>82</td>
</tr>
<tr>
<td>5.5 Contributions and responsibilities of involved parties</td>
<td>87</td>
</tr>
<tr>
<td>5.5.1 Donor</td>
<td>87</td>
</tr>
<tr>
<td>5.5.2 Community</td>
<td>87</td>
</tr>
<tr>
<td>5.5.3 LUFAA</td>
<td>88</td>
</tr>
<tr>
<td>5.5.4 The District Authorities</td>
<td>88</td>
</tr>
</tbody>
</table>
6 References .............................................................................................................. 89

ANNEX A: Questionnaire for LUDALI members ..................................................... 96
ANNEX B: Community Profile Report ................................................................. 99
ANNEX C: Impact of loans on income in a rural community ............................. 104
ANNEX D: Financial, Administrative and governance Assessment form ............. 107
ANNEX E: Data presentation from Questionnaire for LUDALI members in SPSS .................. 112
ANNEX F: Data presentation from Impact of micro-credit questionnaire ............. 115
ANNEX G: Strategic Plan ..................................................................................... 123
ANNEX H: The logical framework .................................................................... 156
✦ The Goal ........................................................................................................... 156
✦ The Purpose .................................................................................................... 156
✦ The Outputs .................................................................................................. 157
✦ The Activities ............................................................................................... 159
✦ The Operation and Improvement (O&I) Activities ....................................... 163
ANNEX I: Correspondence letters .................................................................... 165
ANNEX J: Workplan ........................................................................................... 168
ANNEX K: Copy of certificate of registration ..................................................... 171
Tables:

Table 1: Results of SWOT Analysis with LUFAA
Table 2: Gender of the main member
Table 3: Size of household
Table 4a: Available labour inputs
Table 4b: Average number of labour units available per household
Table 5: Occupation of the members
Table 6: Percentage of the population above 5 years in Njombe per economic activity
Table 7: Level of income
Table 8: Income from coffee
Table 9: Type of farming
Table 10: Type of farming summary
Table 11: Number of Livestock Units
Table 12: Motive of taking loan
Table 13: Impact of loan
Table 14: Experience with repayment of loan
Table 15: Timeframe for community capacity building programme
Table 16: Gender of the main member
Table 17: Highest level of education within the household
Table 18: Occupation
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Type of farming</td>
<td>120</td>
</tr>
<tr>
<td>20</td>
<td>Type of farming statistical data</td>
<td>120</td>
</tr>
<tr>
<td>21</td>
<td>Number of loans taken</td>
<td>120</td>
</tr>
<tr>
<td>22</td>
<td>Purpose of taking a loan</td>
<td>121</td>
</tr>
<tr>
<td>23</td>
<td>Change in income</td>
<td>121</td>
</tr>
<tr>
<td>24</td>
<td>Readiness to take another loan</td>
<td>121</td>
</tr>
<tr>
<td>25</td>
<td>Loan amount taken last time</td>
<td>122</td>
</tr>
<tr>
<td>26</td>
<td>Impact of loans on the family’s living standard</td>
<td>122</td>
</tr>
</tbody>
</table>
Graphs:

Graph 1: Type of farming per income level 65
Graph 2: Occupation per income level 65
Introduction

This report has been in the partial fulfillment for the requirements of the MSc CED programme. As a student with the Community Economic development (CED) programme, I have completed my project with the NGO called LUDALI Farmers Association (LUFAA) in Njombe. LUFAA is a young NGO in Njombe that addresses the problems of farmers. The overall objective of the organization is to improve the standard of living of the farmers.

From October 2003 onwards, I have been with LUFAA as a student advisor. In order for the organization to become more focused on what it wants to achieve, when and how, it was agreed that my assignment should first focus on the development of a Strategic Plan, which will enable the organization to write future project proposals. Chapter 2 presents a literature study on community development, providing background information on the subject, mainly in the Tanzania context. Chapter 3 further elaborates on the research methodology. The research methods of questionnaires and focus group discussion were used for primary data collection and present the major part of the assessment with LUFAA.

For the purpose of data collection and to increase the organizational capacity of LUFAA, I have used my skills to facilitate an organizational development workshop to develop a
mission statement, a vision, to facilitate a SWOT analysis, Need Assessments, Strategic Planning and logical framework analysis with the LUFAA members. The findings and conclusions are presented in chapter 4 and in the Annexes A-G. The final products, a Strategic Plan and Logical Framework for a community capacity building programme are presented in Chapter 5 and Annex G and H of this report.
1. Background

1.1 The Ludali Farmers Association (LUFAA)

LUFAA is a Non Government Organization registered with the registrar of societies on the 30th of May 2003, but started its activities back in the year 2000.

LUFAA is situated in Njombe, one of the seven districts of Iringa region, situated in the Southern Highlands of Tanzania. Njombe district is divided in 7 divisions namely, 25 wards and 210 villages (JICA, 2001).

The members of LUFAA are mainly from the Bena tribe.

The organization counts about 200 members, who are mainly farmers, living in 7 villages named Matalawe, Kibena, Idundilanga, Mjimwena as parts of Njombe town, including Njombe town centre and the villages of Magoda and Peruanda at a distance of about 10 km from Njombe. More members have joined recently from other villages named Yakobi, Limage, Wikichi, Igominyi, Idunda and Nundu up to 20 km from Njombe town.

1.2 Vision and Mission Statement

The constitution of LUFAA gives the following statement as their vision:

"The Vision of LUFAA is to promote economic and social standards of the people."

The organization had not developed yet a mission statement. During a two-day
workshop, as part of a Strategic planning, the members developed their mission statements and reformulated their vision as presented in paragraph 4.1 and 4.2.

1.3 Organizational Structure

The highest organ in the organizational structure of LUFAA is the Annual General Meeting followed by the executive committee (Constitution LUFAA). The executive committee consists of the Chairman, Secretary and Treasurer. Other members have to support the committee during the Annual General meeting. The full committee has 13 active members consisting out of 3 women and 10 men.

The first opportunity for a change in the leadership would have been in the year 2004, but has been postponed (see paragraph 4.6). The present leadership has been in office since the year 2000 when the organization started. The term of office is 4 years. There are no paid members.

The organization has been registered as a NGO, but it is not clear from the constitution whether the organization should be a CBO, NGO or Cooperative.

The organization has no board. LUFAA has a bank account and major sources of its income are entry fees (1000Tsh/member), membership fees (200 Tsh/member/month) and voluntary contributions from members. So far LUFAA has not received any other donations except from members within the organization.

If LUFAA decides to continue as a NGO it should consider changing their organizational structure. The members of the organization live spread over many
villages making communication and therefore planning very difficult, leading to low performance and delayed implementation of activities. Also there are too few members in the executive committee with sufficient qualifications to run a NGO. The LUFAA members have to decide whether they want to continue the way they are working now or to establish a stronger NGO with the proper expertise that has the capacity to facilitate its CBO partner organizations, which could be established by its members in each village. In this case it is advised that a board will be formed and people will be employed to do the daily management as soon as funding has been found.

1.4 Activities and Programmes

Until recently the organization has focused itself mainly on coffee farming as an activity. Their idea is that farmers should have some coffee. Farmers are stimulated to use organic manure and to plant fruit trees and trees for timber. The farmers are further mobilized through meetings and house-to-house field visits. A few farmers have increased their income after they have started selling coffee through the NGO, but many complain about the high costs of maintaining the crop and the relative low price for coffee. LUFAA supports the farmers by collecting the coffee yield and to find a market for it. The farmers are paid out after the money from coffee sales has been received by LUFAA. LUFAA does not provide any credit to its members in the meanwhile, for example to purchase inputs.
Some people have planted fruit trees and trees for timber, but few have started harvesting so far. Although the organization believes that the planting of trees will have the potential to increase the farmer's income, due to the long term investment that is required for such a project, many people are reluctant to plant bigger areas. The farmer's standard of living is very low according to the members.

The organization does not have any ongoing programme or programme under development.

1.5 The Assignment

In the context of my project, the organization has requested me to write a project proposal for them. However looking at the level of organizational development it was found that the organization has very few ongoing activities, had not planned for any programme and that the organization had not clearly formulated their vision, mission and had not done any type of assessment among its members and on the organizations performance since the organization started in the year 2000. Therefore it was clear that the organization was not focused on what it wanted to achieve, when and how. It was concluded that in order to be able to write a project proposal the organization should first become more focused and plan what it wants to achieve over time, considering resources that are available from within or can possibly be obtained from outside the organization. Good planning will increase the chances of success. It was decided to use the tool of ‘Strategic
Planning” as a mean to do an assessment with the organizations members in order to define the future direction of the organization and its programme or project activities.

It was agreed that my assignment was to facilitate the process and writing of a Strategic Plan, as it was agreed that such a plan is needed before the organization can embark on writing a project proposal. Secondly, by facilitating a Logical Framework analysis for the development of a Logical Framework, prepared for a programme that has been prioritized by the organization, has further contributed towards the preparations for the writing of a project proposal. The Implementation Plan as presented in Chapter 5, includes a timeframe, plans for action and the Logical Framework in combination with the Strategic Plan that can be used by the organization to accomplish the actual project proposal.

This project report does not include the actual project proposal for the following reasons.
1. Donor organizations often have their own formats for applicants for project funding. The data compiled in the Strategic Plan and Implementation Plan contain the basic information that can be used for any proposal writing in near future
2. In order to be able to increase the chances to obtain funding the organization is advised to improve first on several issues related to the organizational structure (e.g. to conduct elections, to form a board) and financial management (e.g. proper operation of a bank account).
My contribution to the organization has therefore been that of facilitating activities for the improvement of the Organizational Capacity level with the organization, i.e. the development of a vision, a mission statement, to conduct a SWOT analysis, to facilitate a need assessment, a financial, administrative and governance assessment and the development of a Strategic Plan and Implementation Plan (including Logical Framework Analysis), which results can be used by the organization in the writing of a project proposal. Therefore the title of my project is; *A “Project Proposal” for the Ludali Farmers Association (LUFAA) in Njombe*, as the preparation of a project proposal is the main issue for the organization and the results presented in this project report will enable them to accomplish one.
2. **Literature review**

2.1 *A theoretical review of Community Development in the rural area of Tanzania from 1967 up to 1991;*

Since independence Tanzania has been preparing and implementing policies, strategies, long and short term plans which were intended to help the people to bring about their own development. The first president of the United Republic of Tanzania, Mwalimu Julius K. Nyerere, emphasized that; “True development is development of people, not of things” (Community Development Policy, 1996).

The main features of rural development in Tanzania were laid down in 1967 in the Arusha Declaration and formed a part of the strategy that led to the formation of ujamaa villages.

The rural development strategy had the intention of the government to mobilize the energies of the people at the local level, both in efforts to expand economic activity and social facilities and in creative initiatives to fashion new co-operative forms of social and economic organization” (Ngottyana, 1969).

The basis for the mobilization effort was expressed in the following five principles; social equity, ujamaa (socialism), self-reliance, economic and social transformation and African economic integration.

The main two factors of the ujamaa policy were, on the one hand, the efforts of political and administrative organizations to promote and provide leadership to ujamaa groups,
and, on the other hand, the active support and practical initiative of the peasants (Svendsen, undated).

The success of establishing the ujamaa villages differed from place to place with differences in environment, tribe and culture. While in some places it became a failure in other places it was successful. For example Materke, a village along the Njombe-Songea road became a real example of a successful ujamaa village. In explaining their strengths and weaknesses they recognized that lack of education, too extensive farming as problems and sound leadership as a strength amongst others. (Lewin, undated).

However in many areas the implementation of the ujamaa village policy proved to be extremely difficult; especially within the tree crop areas, particularly in the rich coffee growing area and in other cash crop areas where private farms were well established.

The third type of areas that raised special problems for villagization were the nomadic pastoral area (Livingstone et al, undated). Some criticisms on the ujamaa village programme are that ujamaa villages were excessively favored in the allocation of social benefits to persuade farmers to move into villages. However, due to lack in detailed planning regarding the sites, sometimes sites were chosen were there was a danger of floods, or more frequently, where there was an inadequate supply of fertile land for the number of people that have been brought there (Livingstone et al, undated).

In the period 1967 to 1991 rural development was greatly influenced by the existence of cooperatives. The development of cooperatives in Tanzania has gone through the development of marketing cooperatives during the colonial time, to multi-functional
cooperatives after independence. In 1976 all marketing co-op unions and societies were dissolved and the ujamaa villages stood in their place until 1982. In 1982 the Co-operatives were reinstated by the government until 1991, when these cooperatives proved a failure.

The cooperatives before the reforms in 1991 were characterized by the feature that they were established from above, they were centralized, bureaucratic, did not follow co-op principles and did not respect the underlying basic co-op values. They operated on a scale not coinciding with primary objectives of the membership, like voluntary membership. During the period 1968-1991 legislation did not give room to co-operative autonomy nor provide member support to enable them to manage and control their co-operative affairs democratically and independently. Likewise, the legislation did not kindle member empowerment. But on the other hand the Government strengthened its control in order to keep the registered obedient without active support and autonomy. Especially the period 1982-1990 was characterized by explicit Government contravention of basic co-op principles and intervention in the management affairs of the re-instated movement.

The increasing number of products handled by the co-operatives should have led to lower costs, but instead it led to heavy losses. This was due to absence of feasible organizational structures to mention a few:

- Limited storage facilities and poor stock management resulting into unnecessary import and export every now and then
• Poor transport facilities
• Lack of modern distribution systems
• Long distances separating populated or cultivable areas
• Lack of a proper Information gathering system to monitor harvest in the region to be able to judge future stocks
• Failure to keep up to date financial accounts to know the exact financial position at anytime
• Limited managerial and accountancy skills of co-operative staff and
• Lack of sufficient business skills

Following this setback the government decided to institute a viable reform programme. This reform helped to reshape the co-op movement in Tanzania, implemented according to internationally recognized co-operative principles along with other structural changes.

2.2 A theoretical review of Community Development in the rural area of Tanzania after 1991

It was until 1991 after the failure of the cooperatives that the government took the effort to institute a viable reform programme. After the liberalization in 1991 the government has come up in favor of private entrepreneurs rather than the rural co-ops on the question of the role of rural development. Private entrepreneurs have taken over the rural economic scenery from co-operative hands under the “excuse” both of trade
liberalization policy and current co-operative weaknesses. This has categorically meant the shifting of the rural development role from co-operatives to private entrepreneurs of non-rural development orientation. (Banturaki, J.A, 2000). Banturaki in his book “Co-operatives and Poverty Alleviation” notes that under such a situation, the fear is obvious that the Tanzanian rural community will be obscured from “institutional” rural development promotion, to be provided by local self-help promotion institutions, viz. the rural co-op institutions as local self-organizations of the rural poor.

In Tanzania the main instrument for co-op reform is the Co-operative Societies Act, 1991, in which the internationally recognized co-operative principles have been brought to the center to help reshape the co-operative movement in Tanzania. The Act guarantees a democratic structure for the management of cooperatives and stresses on the importance of promoting autonomy and member-empowerment and the essence of co-operative ownership.

The economy of Tanzania is a non-diversified economy dominated by the agriculture sector. Poor support for the transformation has limited progress in agricultural intensification and commercialization. There is inadequate public support for productive growth and a stagnant growth in agro business says a World Bank report (2002). Some reasons for slow intensification of agriculture are constrained access to inputs, credit, and timely advice based on sound research. The World Bank country study mentions that the main constraints to commercialization relate to poor availability of price information, poor infrastructure, undeveloped credit facilities, and weak
competitions in the markets. Moreover the lack of clearly defined and coordinated strategies among the various government institutions for the development of agriculture and of rural development more broadly, has constrained the development of a coherent strategy for the transformation of agriculture. Other factors that contribute to the limited economic progress are a high dependency ratio of 50 percent that results in an excessive burden on the labor force. A report prepared by ECI Africa (2004) for a project in Iringa region mentions other constraints related to commercialization, i.e. the low utilization of agro-chemical inputs, under utilization of appropriate irrigation technology, poor and under-resourced extension services at producer level and under skilled farmers. The later is expressed in the World Bank report as lack of human capacity building.

Over the period 1965 until 1987, the share of the labor force in agriculture decreased from 90 to 84 percent. Industry is dominated by the manufacturing sector, which currently accounts 8 percent of GDP and concentrates on agricultural processing and the manufacture of light consumer goods. Both industry and commercial agriculture are considered the main bases for modernizing the economy (World Bank, 2002).

Summarized, it can be concluded that the constrain factors, related to economic and community development in the Tanzania context are various, i.e. financial constraints (e.g. access to credit to purchase inputs), transport and marketing constraints, (e.g. technology used, poor infrastructure, lack of market information) and production constraints (e.g. lack of education, poor governance and leadership). Chapter 2.2.1 to
2.2.5 present the views from different authors, based on research, on the above mentioned constrain factors with views on cooperative development, marketing, appropriate technology, rural finance, SME development and rural infrastructure in more detail.

### 2.2.1 Cooperative development

Research findings from Banturaki (2000) show that the root-causes of the weakening factors in the cooperatives were brought by:

- Political and government intervention
- Contravention of basic cooperative principles
- Unprogressive co-op legislation
- Absence of autonomy
- Absence of democratic management
- Absence of membership empowerment and
- Absence of feasible organizational structures

Banturaki (2000) found that the destabilizing factors, centered on three major aspects, which originate from co-ops organizational set-up, internal forces and external constraints, still prevail and prevent co-ops from being efficient tools for change. The root causes have been mentioned already in chapter 2.1. Examples of problems as a result of the organizational set-up mentioned by Banturaki (2000) are;
1. Most rural co-ops in economically less developed/food production areas are
dormant.
2. There are no initiatives for adaptation to small co-operative group projects to
attract the poorer membership into the mainstream of rural development.
3. Rural co-operatives have acquired features of a liability more
than an asset to the ordinary peasant

Some examples of factors originating from co-ops internal forces Banturaki (2000) has
mentioned, are:
1. There is a high level of co-operative illiteracy amongst the general membership
and the co-op leadership.
2. There is a pervasive dishonesty, corruption, greed, abuse of committee powers,
irresponsibility and non-accountability amongst the co-op leadership.

An example of an influencing factor originating from co-ops external constraints is that
interventionist moves into co-operatives by political and governmental interest-groups
have weakened the rural co-ops, that is, co-op democracy and autonomy have been
overshadowed (Banturaki, 2000)

The period 1967-1991 was characterized by high government control and political
intervention. Whenever there is political intervention, as is for the case with the co-
operatives, there is the danger that they are used to further the party’s objectives, that
people can not recruit the staff of their choice and that the staff will be loyal to their
party instead of being accountable to the co-op members, who are the owners. A
cooperative that is led by a political party will make decisions according to political
interest rather than looking at the economic viability, efficiency and effectiveness, members interests and member education and staff training.

When people are superimposed, not informed and do not know about the system, about their organization and made ready for possible problems they will tend to blame others, like the people blamed the government when things went wrong with the co-operatives esp. in the period 1982-1991.

The Co-operative Societies Act of 1991 guarantees a democratic structure for the management of cooperatives and stresses on the importance of promoting autonomy and member-empowerment and the essence of co-operative ownership. The cooperatives now are supposed to operate more autonomously, with voluntary membership, for the interest and benefit of their members. In practice the limitations to a democratic management can still be:

- Low educational level of some co-operative society members
- A top-down approach by the management instead of a participatory approach, whereby the management involves their members, discuss problems together openly and look together for solutions.

Therefore, at this moment the contraventions of basic cooperative principles to the development of rural communities might be the limited capacity to empower the
communities for them to know about these basic principles and to convince them that they have to build up their own capital base.

2.2.2 Rural finance and Small Medium Enterprise (SME) development

After liberalization, in the 1990’s the commercial banks closed rural branches. Since then only few existing banks have involved themselves in the supply of credit on the rural agricultural market (Zeller, 2004). This situation has resulted in the limited access to rural finance for people in the rural area.

There is a lack of access to credit in the rural area. This is partly because of the limited motivation with the private sector and Micro Finance Institutions (MFI’s) to invest in these areas, due to the high risk factor, high operational costs, poor infrastructure, low credit worthiness, and low level of non-agricultural economic activities. To overcome the high transaction, costs and risks associated with rural finance, increasing efforts are made to involve various types of decentralized financial intermediaries and grassroots level organizations (Coffey, 1998)

Zeller (2004) says; financial institutions need to start rural operations in high-potential areas, and avoid overexposure to agriculture or even to specific clientele groups and agricultural commodities. This might be true for the Formal Lending Institutions, but not the Semi- formal and In-formal institutions.
Agriculture has the highest share of rural GDP. Most rural households depend directly or indirectly for their income on agriculture activities derive the predominant share of their income from agriculture and related input and output industries and services comprising total agribusiness. Other economic sectors depend more or less heavily on agriculture through forward and backward linkages. The savings and loan portfolios of rural financial institutions can therefore be affected by agriculture even if their clients earn their income in other sectors. (Zeller, 2004). Therefore limiting the expansion of financial institutions to high-potential area will mean a further delay in the process of commercialization and the growth of the economy in general.

The growth of income generating activities and Small Medium Enterprises (SMEs) in the rural areas should be stimulated through more favorable governmental regulations that affect business development and the presence of information and business support services beyond the main urban centers.

There is a great potential for rural finance to support people in the rural area. However, one should look at the possibilities and optimal level of investment depending on the level of public and private investment in agricultural technology or level of commercialization, the occurrence of cash-crops, available markets, agricultural potential of the area, the presence of SMEs and the attention that is given to microfinance promotion etc. in a particular area.

While those people living at subsistence level might benefit most by saving facilities in order to smoothen income and expenditure, small entrepreneurs might benefit from
savings as well as credit facilities through Savings and Credit Cooperative Societies (SACCOS) and village banks. IFAD (2001) propagates the savings and credit cycle by enhancing either savings first or credit first as entry points as a step to contribute to sustainable rural financial institution building. In security-oriented households, this may result in an increasing share of self-financing; and in entrepreneurial households in a higher proportion of external financing (IFAD, 2001).

The Medium size entrepreneurs are those that benefit most from Micro banks, because it gives them access to a higher loan amount.

### 2.2.3 Marketing

After the trade liberalization in 1991 the government has come up in favor of private entrepreneurs rather than the rural co-ops on the question of the role of rural development. This meant the shifting of the rural development role from co-operatives to private entrepreneurs of non-rural development orientation. (Banturaki, J.A, 2000).

Banturaki (2000) concludes, for the concern of developing the rural community, that this has lead to a situation whereby the wholesale is entrusted onto the pleasure and interest of the individual profiteering entrepreneurs who stand to defend their own interests and ideals rather than to promote the socio-economic welfare of the rural peasantry and their rural communities.
This might be partly true, but now that the co-operatives can operate autonomously, they will be better able to operate in the interest and benefit of their members, for example by dealing with retailing, savings and credit etc. and even marketing of products. To some extend the autonomy of the co-operatives and the farmers in general are still restricted due to external factors as bad roads and lack of communication, which makes it difficult for the farmers to sell their produce and increase their dependency on middlemen. A high level of co-operative illiteracy among members and co-op leaders and lack of market information for farmers in general further restrict their autonomy.

An alternative farming system for farmers to be sure of their market is contract farming. The contract farming system should be seen as a partnership between agribusiness and farmers. Contract farming is becoming an increasingly important aspect of agribusiness, whether the products are purchased by multinationals, smaller companies, government agencies, farmer cooperatives or individual entrepreneurs (Eaton et al., 2001). Zeller says: It appears that contract farming is a viable, but under-exploited and under-researched commercial option for agricultural finance in developing and transitioning countries. Although becoming more popular, this is most probably also the case for Tanzania.

Another challenge for the government is the implementation of Warehouse Receipt (WR) systems. Coulter and Onumah (2002) define WR as documents issued by warehouse operators as evidence that specified commodities, of stated quantity and quality, have been deposited at particular locations by named depositors. The depositor
may be a producer, farmer group, trader, exporter, processor or indeed any individual or body corporate. The advantage of this system is that the depositor can decide himself/herself when to sell its product and use his/her WR to obtain a loan; for example it enables a farmer to purchase agricultural inputs. Opponents of the warehouse systems claim that it is going to create bureaucracy and many fees and charges for transportation, storage and insurance and that those that will benefit will be the big business and not the small farmers (Bilal, 2005).

2.2.4 Technology adoption and innovation, land policy issues and institutional arrangements

In his literature research Dr Festus Limbu (1995) focuses on the question on how to raise productivity and non-farming activities in rural area through technology adoption and innovations, land policy issues and the making of institutional arrangements in order to raise the living standard of the majority of the people in Tanzania. Limu (1995) notes that the institutional set up influences the decision making of peasants as to what combinations of enterprises are viable and in which proportions to undertake them. Therefore, policies on such issues as (input/output) prices, marketing agencies, crop procurement arrangements, extension services, credit schemes, economic infrastructure in rural areas etc. play a significant role in contributing to the tempo at which rural development could take place. He also notes the need to examine the interaction of
growth strategies and macro economic policies on the performance of agriculture. The paper presents themes that need attention but does not present solutions.

2.2.5 Rural infrastructure provision and development

Studies have indicated that in rural areas farmers are poorer than non-farmers and those farmers who grow cash-crops are better off than those who do not when farm size, education and other factors remained constant. The youth, the old and large households are more likely to be poor (Salewi, undated). Salewi (undated) argues that projects, which are effective in alleviating poverty in the rural setting, are those, which are promoted and implemented by the community itself or with their involvement. These are also called Micro Projects or Community Based Initiated (CBI) projects. He also notes that rural infrastructure provision and development is key into putting poverty alleviation in place through the provision and improvement of economic and social infrastructure projects, promotion of income generating and environment protection activities. The projects can be described as follows;

Economic infrastructure micro-projects are those as community markets, access roads, road culverts, footbridges, small community irrigation schemes, small dams, boreholes, water catchments structures etc..

Social infrastructure micro-projects
Small scale water supply and sanitation schemes, rehabilitation of schools and community health centers, construction of classrooms, health posts, rural clinics etc.

Income generating micro-projects
Production activities in small scale crop farming, horticulture, livestock production, fishing, beekeeping, food processing, food preservation, small-scale enterprises etc.

Environmental protection micro-projects

Tree planting, stream bed protection etc.

For sustainability it is important to have the beneficiaries fully involved in the whole of the project cycle. Also it is important to examine project management and technological issues. Salewi (undated) says; projects with a poverty alleviation focus are those that introduce labour intensive and labour based technologies, like the construction of community earth roads and other Community Based Initiated (CBI) projects. These types of projects are reflected in the Poverty Reduction Strategy Paper (PRSP).

2.3 An Empirical review on community development

From 1967 until today Tanzania’s development dynamic has gone through quite distinctive phases, starting with the post-independence focus on Ujamaa (African socialism) and, moving through liberalization and market reforms and culminating at the present time in poverty reduction strategies (and accompanying debt relief)(Kamuzora, F. et al., 2002). The main question remains how can we alleviate poverty, increase the well being of people and improve livelihoods?
Economic and Community Development are not separate agendas says Zdenek, Robert O. (1994). Economic development is a process and approach used to create jobs, assets, and an investment climate in distressed neighborhoods and cannot be separated from community development (Zdenek, Robert O., 1994). Economic development impacts and is impacted by key social and political factors in a community ranging from access to quality education and social services to the availability of decent and affordable housing (Zdenek, Robert O., 1994).

Community capacity is an important consideration in community development as the process of community development itself often results in increased capacity (HRSD, undated).

The problems related to community development are various, however the limited human capacity might be one of the most important causes of the slow transformation of the economy.

This is supported by the ideas from Amartya Sen (1999), who looks at “poverty as capability deprivation” i.e. the deprivation of basic capabilities rather than merely as lowness of incomes, which is often the standard criterion of identification of poverty. Therefore in fighting against poverty, capacity development should have the priority in order to obtain sustainable development and therefore sustainable growth.

Through the facilitation of an assessment by using appropriate methodologies, and analyzing problems, a community will be able to understand their own capacity.
Therefore it can be concluded that capacity assessment is an important tool in rural development. Kathy Stewart (undated) writes; as one government specialist put it; “Community capacity building, carried out by communities themselves, lays the foundation for good governance at local level. Jonsson (2003) adds the following to this; “development efforts must focus on building capacity in communities while not losing sight of the impact that higher levels of society have on community capacity”. This opinion is supported by the research done by Lüdeking, G. et al. (1999).

From the above statements it can be concluded that the approach used to development interventions greatly influences community development. Three different approaches and development interventions to community development that have been researched in and outside Tanzania are presented in the following paragraphs of this empirical review.

Community development through community participation, community management and government enablement

Doing a research on the above mentioned subject, Lüdeking, G. et al. (1999) study takes up the question by posing a claim or working hypothesis; the community development programme (CDP) successfully puts into practice a set of concepts, applies these to select neighborhoods and local governments, and facilitates the process by which diverse actors reduce poverty over a period of 10 years. The methods used for data collection are surveys of households, community leaders, and government officials. The questions of each of the surveys are derived directly from the research framework aspects of
community participation, community management and government enablement reformulated for the surveys. During the data analysis, the research essentially re-visits each aspect, re-grouping all questions accordingly.

Some of the research findings were the following (Lüdeking, G. et al., 1999):

- Participation is not enough: people need the capacity to participate effectively;
- Community management skills enable people to participate democratically in their own organizations;
- Residents of settlements who have acquired capacity to plan, monitor and evaluate improvements negotiate more effectively with local governments and NGOs;
- Reducing poverty requires integrating economic, social and physical development at the local level;
- Community organizations are more effective when their efforts are supported systematically by governments;

From research findings, Lüdeking, G. et al. (1999) conclude that community development has had a significant effect on reducing poverty in the 60 settlements and municipalities of Bolivia, Costa Rica, Ecuador, Ghana, Sri Lanka, Uganda and Zambia in which the research was done in the period 1986-1996. Community participation, community management and government enablement applied practically and in
combination generate assets, increase access to basic services, and improve collaboration between CBOs and public authorities.

From Projects to Livelihood Approaches

Kamuzora, F. et al. (2002) used case studies to compare and contrast the implementation of sector wide approaches, programmes and projects developed following an sustainable livelihood approach (SLA) against those designed using a “classical” approach. The first phase of the research consists of general and country reviews on The sustainable livelihood (SL) and development interventions. The second phase of the research consists of detailed case studies on development interventions in Uganda, Tanzania and South Africa.

SL framework is a tool to improve our understanding of livelihoods, by illustrating the main factors that affect people’s livelihoods (e.g. access to assets; vulnerability; policies, institutions and processes), and the typical relationships between these (DFID SL Guidance Sheets, 2000). The adoption of the SL approach presents challenges to development interventions including: the future of projects and programmes, and sector wide approaches (SWAPs) and direct budgetary support.

Kamuzora, F. et al. (2002) intend to undertake an innovative review of these issues. Central to this will be to question how a livelihood approach is actually being used in a range of development interventions. This will be used to identify and clarify the
challenges to the design, appraisal and implementation of development interventions and changes required from the adoption of a livelihoods approach.

For the purpose of data collection the researchers used the method of literature review and semi-structured interviewing in Tanzania.

Donor support has also gone through distinct phases. Donor support was initially channeled through projects. Projects then gave way to programmes, which had a wider scope and longer time horizon than projects. As a result of the decentralization processes of the mid 70s, the programmes tended to have a geographical focus (initially regional, and then, following local government reform, at district level).

Sector wide approaches were a natural successor to programme support, sharing many of the characteristics of programmes but without their geographical focus, and therefore more easy to implement within existing government structures.

Finally, sector wide approaches are beginning to give way to direct budgetary support, in which donors contribute directly to the central budget, in theory allowing the government greater freedom in deciding how those resources should be allocated.


Kamuzora, F. et al.(2002) have found that on the application of SLA in Tanzania, only few development agencies directly use the approach. However, almost all development agencies uphold the core principles of the approach in their development intervention. Similarly, some scholars, particularly from the Food Security and Development Group at
the University of Dar es Salaam have started using the approach to analyze some policies in the country. Also, there are several commissioned research employing the approach being undertaken in the country (Kamuzora, F. et al., 2002).

Community Driven Development

The Operations Evaluation Department (OED) used the cross-sectional research design. The aim of the research was to evaluate community driven development for guidance on reforming community-driven development programmes in the Bank’s borrower countries, following a request from the President and senior management (of the World Bank). For the purpose of data collection project evaluations conducted by the Operations Evaluation Department (OED) over a ten-year period, (FY 1988 to FY 1999) were reviewed. Also existing literature on the subject and other relevant areas were reviewed for an assessment of the effectiveness of these programmes. Forty eight (48) projects were reviewed in preparing the analysis, making a comparison of Community-driven projects with all Bank projects.

The findings of OED show that 76 percent of all projects completed for the period were rated as satisfactory, but 81 percent for all the community-driven projects, indicating that community-driven projects were better performing. With respect to institutional development impact, 40 percent of all community driven development projects reviewed were rated as substantial, outperforming all Bank projects by 10 percentage points.
However, in terms of the likelihood of project sustainability, only 35 percent of the community driven projects were rated as likely to provide sustainable benefit streams (in comparison to all Bank projects which was calculated at 47 percent) (OED, 1999). From the findings it is concluded that the community driven approach is not a guarantee for sustainability and should be included in the future design for the implementation of community-driven projects. The main lessons of experience, which emerged from the projects reviewed, were as follows (OED, 1999):

- successful community-driven projects have included those with a decentralized financial management system in which there was a high level of local participation;
- successful community-driven projects have been those in which funds were locally generated to cover the ongoing operational costs of the project; and
- sound performance monitoring and evaluation systems were developed and utilized throughout the lives of those projects which were highly successful.

2.4 The Policy review

2.4.1 The Arusha Declaration

Before the development of the Community development policy the fundamental policy that guided most sectoral development policies was the Arusha Declaration outlined in 1967 (Mallya, E.T., undated). The Arusha Declaration articulated a philosophy of socio-economic liberation based on socialism and self-reliance as the long-term national goal of Tanzanians. The majority of Tanzanians accepted the Declaration. The strength of the
Arusha Declaration was that it credibly sought to realize a set of fundamental moral, spiritual, ethical and civil values, which stand the test of time. (The Planning Commission, undated). The Arusha Declaration was based overly on state-control of the major means of production, exchange and distribution and on the prospect of a growing and viable public sector (through public investment), as the principal engine of economic growth and development. However, the strategy of the Arusha Declaration did not sufficiently address the complexity and dynamic character of policies and incentive structures, which were necessary to effectively, drive the development process (Planning Commission, undated).

By the mid-1980s Tanzania realized that her development policies and strategies had proved a failure as far as socio-economic development was concerned (Mallya, E.T., undated).

2.4.2 The Community Development Policy

The Community Development Policy of Tanzania developed in 1996, gives the following meaning of “Community Development”. The concept of Community Development refers to those measures, which enable people to recognize their own ability to identify their problems and use the available resources to earn and increase their income, and build a better life for themselves. Therefore to achieve Community Development people must be enabled to develop their capacity to identify their problems and identify ways of solving them. In addition people must be helped to develop their
capacity and enhance their desire to participate in decision making related to greater social and economic development (Community Development Policy, 1996). Rural Development should be seen here as a part of Community Development. The policy document mentions the indicators for Community Development like good housing, health, education, nutrition, clean environment and sufficient, clean and safe water etc. Others are increased income, a change in cultural believes, traditions and thinking.

The following is a definition for “policy”:

A policy can be best described as a framework or strategy, giving a broad outline of the direction and overall strategy for the development of a particular sector. It is formulated by central government, from within a particular ministry to regulate the performance of individual sectors (OECD, 1988).

The definition given above for “Policy” makes a clear statement that policies are developed for a particular sector. However it reality there is a great level of interdependence between sectors. Coffey (1998) gives an example of this. She says: the Macroeconomic environment affects the formulations of the Agricultural and Rural Finance policies. The macroeconomic policy conditions and legal framework that exist in a developing country can either enhance or impede the development of agriculture and the financial sector (Coffey, 1998).

Coffey (1998) suggest that in order to formulate, co-ordinate, direct and review the agricultural and rural financial sector policies, it as essential to establish a national level
body. Looking at the situation in Tanzania, a similar situation exists where there are
different policies, like the Community Development Policy, the Agriculture Policy,
Financial Policy, SME policy, Micro Finance Policy etc. but no policy that brings a
consensus on the different policies.

As a background to the setting of the new policy framework, the Tanzanian government
has prepared certain key strategy papers, including Vision 2025 and the Poverty Strategy
Reduction Paper. Vision 2025 is a national vision of economic and social objectives to
be attained by the year 2025. The Poverty Reduction Strategy Paper (PRSP) is a
medium-term strategy of poverty reduction, developed through broad consultation with
national and international stakeholders, in the context of the enhanced Highly Indebted
Poor Countries (HIPC) Initiative (Kamuzora, F. et al., 2002).

### 2.5 Conclusion

This chapter presents the conclusion of the research and overall literature review, how it
relates to the research done with LUFAA and its relevance.

In all three approaches for community development presented in the empirical review,
we see that data were collected and analyzed in order to develop future strategies for the
implementation of community development project or programmes and the development
of community development strategies at the national and international level. In the
context of my research with LUFAA, research data were collected at the grass root level as well, however with the aim to formulate a strategy for LUFAA and their members who work there right at the community level. The problems identified by the farmers, like low income, lack of education, lack of access to micro credit, no market for farm products etc are more or less similar to the problems described in the literature review. Therefore there has been a component of duplication in the data collected for LUFAA. The relevance of this project is, that it has used the participatory approach to collect data for LUFAA as an organization. The data collected for LUFAA therefore are those that apply to the particular area LUFAA operates in and to LUFAA as an organization, which has led to a Strategic Plan for the organization at the micro-level. One of the core-principles of the SL approach is to establish micro-macro links. A report from DFID (2001) says; the scale of the challenge of poverty elimination is enormous, and can only be achieved by working at multiple levels, ensuring that micro level activity informs the development of policy and an effective enabling environment and that macro level structure and processes support people to build upon their own strengths. Research results from Lüdeking, G. et al. (1999) has shown that Community organizations are more effective when governments support their efforts systematically. Therefore, it should be a challenge to LUFAA to implement their project according to their set strategies, while cooperating with the local authorities and within the policy framework, to set trend for community development that provides possibilities for duplication within the district and to other area in future, while taking into consideration the research findings and lessons of experience presented in Chapter 2.3.
The key to a comprehensive, coordinated, and integrated approach to community development is building long-term neighborhood capacity and strengthening decision making institutions that are in and of the communities they serve (Zdenek, Robert O., 1994). Therefore Community capacity building or empowerment, as has been prioritized by the members of LUFAA, when properly implemented, can contribute significantly to sustainable rural development of the communities involved.
3. Research Methodology

3.1 Research Design

In designing the survey the following assumption was made. Because the results will be used in the development of a Strategic Plan, it was assumed that two major aspects that characterize the capacity of an organization should be considered, i.e. its general organizational capacity and its technical capacity to deliver services and products.

To understand the general organizational capacity four elements should be assessed, that are the overall health and sustainability of an organization (CARE International, 2003). These are the following:

1. Governance;
2. Management processes;
3. Programme development and services; and
4. External relations.

In addition to those four key elements, there are three inter-linked themes that cut cross the entire organization as explained in the Participatory Assessment Tool developed by CARE International. These are:

1. Participation;
2. Gender equity; and
3. Sustainability
The objective of information collection and analysis with the LUFAA members and other farmers in the district has been to create a better understanding of the reason for the low standard of living of many farmers and secondly to get known how LUFAA can support these people. Therefore the survey has been designed with the objective to collect data from farmers on:

- their problems, mainly to recognize current constraints that result into a low standard of living,
- their needs,
- priorities,
- strengths, weaknesses, opportunities and threats,
- the resources they have available
- the type of farming they do
- their level of income
- their living conditions/environment
- educational level
- sources of income
- gender
- and the level of organizational and technical capacity of the organization

For the design of the survey a cross-sectional design was used. Fink et al. (1985) describe the cross-sectional design as the type of design that provides a portrait of things as they are at a single point in time. Therefore the people are surveyed just once.
Therefore the cross-sectional design was used in order to get a more realistic picture of the actual standard of living of the individual members, their problems and priorities, to get to know their strengths, weaknesses, opportunities, threats and priorities, rather than to compare them to another group.

An exception to this design should be the research design to assess the organization’s level of performance on different aspects of management. The assessment done on management issues will require regular re-assessment, to be able to measure an improved level of performance by the organization that has been achieved in the process. In the context of this project the time does not allow to do a re-assessment. When such an assessment is done a longitudinal design should be used.

The cross-sectional design forms the basis of this research and provides the basic data for the development of a Strategic Plan.

3.2 Research Approach & Strategy

Participatory methods were used to collect research data; quantitative data as well as qualitative data.

The following research methods were used to collect the primary data:

1. The questionnaire and
2. Focus group discussion
It was decided that the data were to be collected through participation of the members themselves in the planned activities as well as for them to collect data from other members.

The questionnaire (Annex A)

A questionnaire for the members of LUDALI was developed with the participation of the executive committee. After the content had been agreed on, the questions were written down. On top of the form a short explanation was written to explain the purpose of the questionnaire to the respondent. Once the draft version was ready, testing was done with the representatives of the full committee. These people are representatives of the different villages. After making some minor corrections in the draft version, the questionnaire was approved.

The full committee members were chosen for this purpose because they are the representatives of the different villages in which the organization operates. In this way it would be easy to involve them in the distribution and collection of the forms in order to keep costs as low as possible.

It was agreed that each representative would take a number of forms and distribute these among the member households in his/her village and return the filled forms to the office before an agreed date.
Focus group discussions

Focus group discussions were held, involving more or less the same issues as in the questionnaire. In the meeting the participants did a problem analysis in small groups and presented this to the bigger group. After that, the problems were prioritized and all data were compiled in a Community Profile Report (see Annex B).

Other focus group discussions were organized for the development of a mission statement, a vision, SWOT analysis and assessment on management issues (Annex D).

Secondary data were obtained from the Njombe District Council (paragraph 4.8)

A literature review was done. The results from this literature review have been presented in Chapter 2.

3.3 Sampling Techniques

The Questionnaire

For filling the questionnaire the probability sampling method was used. Fink et al (1985) describe that a probability sample should be a miniature version of the population to which the survey findings are going to be applied. There are many types of probability sampling. For this case, the simple random sampling technique has been used. This is a sample in which each person has an equal chance of being selected for participation in the survey.
Ferron et al. (2000) give an indication that a sample size of 20 is sufficient when the size of the population is 200, i.e. 10 percent. It was assumed that a sample size of 30 percent could easily be achieved and would therefore be sufficient for the purpose.

It was decided that at least 30 percent of the estimated 200 members should fill the questionnaire, giving a minimum sample size of 60 people.

It was decided to give out excess of forms, i.e. to do over sampling, in order to cover for a possible lower response rate than expected and not properly filled forms. One hundred twelve forms were given out.

3.4 *Data collection*

3.4.1 *Primary Data Collection methods*

The Methods used for primary data collection were the self-administered questionnaire and focus group discussions.

Following the objectives for information collection with the LUFAA members and other farmers in the district as described in chapter 3.1, primary data were collected in steps as presented below.

Primary data were collected through the following activities:

- A workshop with the full committee to develop the vision and mission statement
- A focus group discussion with the full committee and implement a SWOT analysis
- Seventy one members properly filled the questionnaires (see Annex A)
• A focus group discussion/need assessment with 87 farmers (see Annex B for Community Profile report)

• A need assessment focused on management, i.e. financial and administrative and governance issues (Annex D) with office bearers.

The “data collection” took place through participation of farmers, committee members and other members of LUFAA in cooperation with village leaders, staff from the district council and NJODINGO, an umbrella organization for NGO’s in Njombe.

The data that have been collected in the process form the basis for a Strategic Plan for LUDALI that should support them in the writing of a project proposal for 13 villages.

After the organization had prioritized its problems more primary data were collected on their first priority, i.e. to register a SACCOS, to educate farmers on SACCOS and stimulate them to start small businesses. For this purpose the following activity was undertaken:

• A new questionnaire was developed, in order to learn more about the impact of loans on the life of people and to get the experiences from people elsewhere were a SACCOS is already operating. A village, called Nyombo village, 20 km out of Njombe was selected for this purpose (see Annex C).
3.4.2 Secondary Data Collection methods

Secondary data were collected, taking into consideration only those objectives of the research, that are related to the living standard of farmers (see chapter 3.1) and not those that are related to the organizational and technical level of the organization. For this purpose information has been collected with help of the Njombe District Council.

3.5 Data Analysis

3.5.1 Primary Data Analysis methods

For the analysis of the primary data the method of descriptive statistics was used. Descriptive statistics for surveys generally include the mean, mode, median, measures of variation (range and standard deviation) and numbers (tallies, frequencies and percentages) (Fink et al, 1985). The data have been organized by using the “Simple Frequency Distribution”, the “Grouped Frequency Distribution” and the “Cumulative Frequency Distribution”.

For the analysis of data collected in this research the mean, mode, median, standard deviation and numbers, frequencies and percentages and Standard Error (SE) of the mean were used.
3.5.2 Secondary Data Analysis methods

Secondary data, which have been collected, have been used for comparison with the primary data, with the objective to add value to the primary data and to provide additional information on the subject.
4. Findings and conclusions

Below the findings and conclusions from primary and secondary data are presented per activity.

4.1 Vision

The constitution of LUFAA gives the following statement as their vision:

"The Vision of LUFAA is to promote economic and social standards of the people."

The members found that this vision is still relevant, but formulated a new vision as follows: *To have achieved a society with people with an improved standard of living, i.e. increased income, improved access to social services and higher level of education.*

The participants came up with their vision or dream for LUFAA that can be implemented through the following two programmes:

1. A successful Savings and Credit Society (SACCOS) providing savings and credit services to its members including training on business skills, credit conditions etc.

2. A successful Community Capacity Building programme that should give farmers/members (especially women) access to education/know how and being able to find facilitation when necessary on technical and social issues, i.e. farming techniques, seed
materials, processing techniques, marketing, HIV/AIDS, gender etc as prioritized by themselves in their community. Also farmers have become more business oriented and initiate income-generating activities.

4.2 **Mission statement**

During a workshop the members developed their mission statements.

In the process the participants asked themselves the following questions:

- Who are our stakeholders?
- What are their problems?
- What do they lose from cooperating with LUFAA?
- What do they gain from cooperating with LUFAA?
- What do they contribute?
- Which of the stakeholders form our target group?

In a plenary meeting to design the mission statement the members were told to consider the target group (with/for whom) and their slogan (what).

They concluded that their main stakeholders are farmers who are affected by a low standard of living.

They are affected by low of income, low level of education, no access/limited access to micro credit (SACCOS), no ready market available for their products and lack of market information, no coffee processing facilities available, few livestock, lack of irrigation
facilities farm inputs, difficulties in communication/infrastructure. If the farmers would have access to micro credit, be able to obtain know-how and have a market for their product their standard of living would raise was the conclusion of the participants As a result the following Mission Statement was produced:

“To facilitate and assist farmers (especially women) in any activities prioritized by them, to improve their living standard, i.e. educational, food processing, credit facilities and marketing, while working hand in hand with other organization with stakeholders in and outside Tanzania.”

Educational needs entail the need for extension services and the need for workshops and focus group discussions on issues of their choice.

4.3 SWOT analysis

A SWOT analysis was done to learn about the Strengths, Weaknesses, Opportunities and Threats to the organization. The participants of the workshop were the full committee of 13 members who were also involved in the process of developing a vision and mission statement.

First the participants had a discussion in small groups. After each group had presented their results, these were compiled and summarized as presented in Table 1.
<table>
<thead>
<tr>
<th>Strengths</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- They have more than 200 members</td>
<td></td>
</tr>
<tr>
<td>- They are registered</td>
<td></td>
</tr>
<tr>
<td>- They are member of NJODINGO network</td>
<td></td>
</tr>
<tr>
<td>- They have a bank account for many years</td>
<td></td>
</tr>
<tr>
<td>- Committee members were elected during Annual General Meeting and has representatives of almost every village in the committee</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Committee members elected with little experience</td>
<td></td>
</tr>
<tr>
<td>- No permanent office with the necessary equipment and guidelines</td>
<td></td>
</tr>
<tr>
<td>- Poor collection of membership fees</td>
<td></td>
</tr>
<tr>
<td>- The amount for membership fees is too low</td>
<td></td>
</tr>
<tr>
<td>- Low financial capacity of the members</td>
<td></td>
</tr>
<tr>
<td>- Few skilled people within the organization, especially the committee</td>
<td></td>
</tr>
<tr>
<td>- Few women as members and gender imbalance in the leadership</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Find donor contacts</td>
<td></td>
</tr>
<tr>
<td>- Market Economy</td>
<td></td>
</tr>
<tr>
<td>- Fertile soils</td>
<td></td>
</tr>
<tr>
<td>- To attend trade fairs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Threats</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- HIV/AIDS</td>
<td></td>
</tr>
<tr>
<td>- Fluctuating prices in the world market including low coffee prices</td>
<td></td>
</tr>
<tr>
<td>- Relative high costs of agricultural inputs</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: SWOT Analysis with LUFAA  
Source: Information collected and compiled by the author
4.4 Questionnaires

The aim of the questionnaire was to get a better picture on the living standard of the members of LUFAA, who are mostly farmers, and the factors that contribute to their present living standard. The variables in the research were the following:

1. ID number
2. Gender of the head of the household
3. Size of the household
4. Number of labour in the household
5. Type of work
6. Income level
7. Income from coffee sales
8. Type of farming
9. Number of Livestock Units (L.U.)

Information on housing conditions and educational level were obtained from secondary data.

Eighty-two members filled the questionnaire as presented in Annex A. In total 112 forms were distributed to the committee members. Some forms were not filled properly and had missing data. Those forms with more than two missing values were discarded to remain with 71 forms, giving a response rate of 63 percent and a satisfactory sample size of 71 percent.
With the help of frequency tables the frequency of occurrence for each variable and the percentage of each value that belongs to a particular variable are presented. It also presents the valid percentages taking into account that there were some missing data. The missing data are there, because some questions, out of the 71 questionnaires, were not answered or answered properly. In some cases people hesitated to tell about their level of income.

Gender of main member

From the frequency tables (see Table 2) it can be seen that 19.7 percent of the members who filled the questionnaire were men and only 78.9 percent were women. Out of this group of women 13 women live with a partner and only one is single parent. It is assumes that in the remaining 69 households, the men is the head of the household.

<table>
<thead>
<tr>
<th>Gender of main member</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
<td>19.7</td>
<td>19.7</td>
<td>21.1</td>
</tr>
<tr>
<td>Male</td>
<td>56</td>
<td>78.9</td>
<td>78.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Gender of the main member
Source: Information collected and compiled by the author

The 2002 census shows that the population in Njombe district is 419,115 people distributed as 195,182 males and 223,933 females of whom 81.6 percent live in the rural areas (2002 Population and Housing Census). Therefore 53 percent of the population is
women. The 2002 census also reports that female headed households constitute 43 percent of all private households in the district.

At present the LUFAA committee counts only 3 women out of 13 members, i.e. 23 percent.

**Conclusion:** With 43 percent of the households in the district being female headed, LUFAA has a big challenge to involve women, especially those from female headed households more actively in their projects.

**Size of household**

From table 3 it can be seen that 25.4 percent of the households have 4 or less members. The average household size is 6 persons (mean is 6.23). The highest frequency of members per household is 7, i.e. the mode. The central value, or median is 6 members per household.
Table 3: Size of household

Source: Information collected and compiled by the author

In 2002 the population density in Njombe district was 4 people per household (2002 Population and Housing Census), therefore the outcome of this survey does not reflect the average household size in the district.

Conclusion: The size of the household of the average LUDALI farmers is 6 persons, which is far above the average of 4 in the district, found during the 2002 census.
Available labour units

The number of labour units per household varied from 1 up to 8, however the highest percentage of households, i.e. 46.3 percent have 2 labour units per household.

<table>
<thead>
<tr>
<th>available labour units</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>67</td>
<td>94.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td>1</td>
<td>4.2</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Valid</td>
<td>2</td>
<td>43.7</td>
<td>46.3</td>
<td>50.7</td>
</tr>
<tr>
<td>Valid</td>
<td>3</td>
<td>14.1</td>
<td>14.9</td>
<td>65.7</td>
</tr>
<tr>
<td>Valid</td>
<td>4</td>
<td>14.1</td>
<td>14.9</td>
<td>80.6</td>
</tr>
<tr>
<td>Valid</td>
<td>5</td>
<td>9.9</td>
<td>10.4</td>
<td>91.0</td>
</tr>
<tr>
<td>Valid</td>
<td>6</td>
<td>2.8</td>
<td>3.0</td>
<td>94.0</td>
</tr>
<tr>
<td>Valid</td>
<td>7</td>
<td>4.2</td>
<td>4.5</td>
<td>98.5</td>
</tr>
<tr>
<td>Valid</td>
<td>8</td>
<td>1.4</td>
<td>1.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing System</td>
<td>4</td>
<td>5.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4a: Available labour units
Source: Information collected and compiled by the author

Statistics

<table>
<thead>
<tr>
<th>available labour units</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>67</td>
<td>4</td>
</tr>
<tr>
<td>Mean</td>
<td>3.15</td>
<td></td>
</tr>
<tr>
<td>Std. Error of Mean</td>
<td>.196</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>Mode</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.607</td>
<td></td>
</tr>
</tbody>
</table>

Table 4b: Average number of labour units available per household
Source: Information collected and compiled by the author

From table 4a and 4b it can be seen that the average household has 3 persons or labour units available, but that the highest frequency of households depend on 2 labour units, i.e the mode. The central value or median is also 2 labour units.
Fifty two percent (52 percent) of the population in Njombe district is in the age of 15-64 years old. Therefore 48 percent is under the age of 15 or 65 and above, giving a dependency factor of 92 percent (2002 Population and Housing Census).

From the data collected with LUFAA, with an average household size of 6.23 people and an average of 3.15 labour units per households, including possible child labour, the dependency factor becomes 96 percent.

**Occupation:**

From table 5 it can be seen that 63.4 percent of the LUFAA members have planted some type of cash crop whether it is coffee, trees for timber or fruit trees. What can not be seen from this table and was not considered in the research is to what extent people already started harvesting these crops. Therefore it mainly shows more the awareness and readiness of people to grow such crops. The research does not show the current impact it has on their income.

<table>
<thead>
<tr>
<th>occupation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>2</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>subsistence farmer</td>
<td>10</td>
<td>14.1</td>
<td>14.1</td>
<td>16.9</td>
</tr>
<tr>
<td>farmer with cash</td>
<td>45</td>
<td>63.4</td>
<td>63.4</td>
<td>80.3</td>
</tr>
<tr>
<td>crop/commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>farming+ business</td>
<td>12</td>
<td>16.9</td>
<td>16.9</td>
<td>97.2</td>
</tr>
<tr>
<td>other</td>
<td>2</td>
<td>2.8</td>
<td>2.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Occupation of the members

Source: Information collected and compiled by the author
Eighty seven percent of the people in Njombe depended on agriculture for their living in 2002 (2002 Population and Housing Census), compared to ninety percent in 1988, when the sector contributed for 85 percent to the regional GDP (Planning Commission, 1998). Out of the rural population in Njombe district the people are involved in the activities as presented in the table below.

<table>
<thead>
<tr>
<th>Main Industry</th>
<th>Percentage of population 5 years above by age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>86.8</td>
</tr>
<tr>
<td>Forestry &amp; Fishing</td>
<td>5.1</td>
</tr>
<tr>
<td>Mining &amp; Quarring</td>
<td>0.06</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.8</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>0.05</td>
</tr>
<tr>
<td>Construction</td>
<td>0.3</td>
</tr>
<tr>
<td>Raw food sales (un-cooked)</td>
<td>0.2</td>
</tr>
<tr>
<td>Trade and Commerce</td>
<td>1.5</td>
</tr>
<tr>
<td>Transport and Communication</td>
<td>0.08</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>0.02</td>
</tr>
<tr>
<td>Public Administration &amp; Education</td>
<td>1.9</td>
</tr>
<tr>
<td>Other</td>
<td>3.2</td>
</tr>
<tr>
<td>Community development workeral</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 6: Percentage of population above 5 years in Njombe district per economic activity
Source: Calculated from the United Republic of Tanzania, 2002 Population and Housing Census

The main crops grown in Njombe are maize, beans, potatoes, wheat, rice, millet, onions, tomatoes, cabbage, sweet potatoes and sunflower and coffee, tea, timber and pyrethrum as commercial crops. On industrial sector, Njombe district has two tea estates and a wattle industry. There are also tea factories processing tealeaves. Tea products are both for local and export markets. From the wattle trees tannin is extracted from the bark of the trees. The remaining biomass is used to fire a steam turbine for production electricity.
and household heat requirements. Other sources of income for farmers in the district come from fishing, forestry, minerals, beekeeping etc. (Planning Commission, 1998).

Conclusion: The district has a high potential for the production of cash crops and most of the LUDALI farmers do realize that to some extent.

Level of income:
The level of income was estimated from the revenue people obtain from selling food and cash crops (excluding maize before surplus). It was found that 54.5 percent of the farmers households have an estimated income of 0-100,000 Tsh per year from agricultural activities, being the majority of households, followed by 41.8 percent with an estimated income of 100,000-500,000 Tsh. Only 3.6 percent had an annual income above 500,000 Tsh (see table 7).

Striking was that not even one farmer noticed their livestock as being the main source of income.

This might be due to the perception of most people that livestock is only sold in case of emergency and is not a regular source of income. Animal by-products like manure are (often) not valued in terms of money.

The Mean, Mode and Median for household income have been less than 100,000 Tsh per year from the sale of cash crops and surplus food crops.
<table>
<thead>
<tr>
<th>level of income</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 0-100,000 tsh p/y</td>
<td>30</td>
<td>42.3</td>
<td>54.5</td>
<td>54.5</td>
</tr>
<tr>
<td>100,000-500,000 tsh p/y</td>
<td>23</td>
<td>32.4</td>
<td>41.8</td>
<td>96.4</td>
</tr>
<tr>
<td>&gt;500,000 tsh p/y</td>
<td>2</td>
<td>2.8</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>77.5</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>16</td>
<td>22.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7: Level of income
Source: Information collected and compiled by the author

Another source revealed that the individual income (excluding maize before surplus), in Njombe was 51,659 Tsh per year in 1993 (Planning Commission, 1998).

People who live from less than a dollar a day are considered as people who are living below the poverty line (UNDP, undated).

In table 3 it has been shown that the average size of a Household with LUDALI is 6 people. Therefore for them until to be considered as living above the poverty line they need to obtain an income of 6 USD/day as a household. In reality at least 98% of the LUDALI households live on an income of less than 500,000 Tsh per year, i.e. less than 228 Tsh p.p./p.d.(=0.2 USD p.p./p.d) and out of them 56% have an income of in between 0 and 46 tsh p.p./p.d. (0.04 USD p.p./p.d.). Even if home consumption will be added to this, the conclusion will remain that at least 96.4% percent of the LUDALI farmers live on an income of less than a dollar per person, per day as home consumption is estimated at less than 200 Tsh p.p./ p.d. (0.2 USD p.p./p.d.)
The 2002 Population and Household survey looked at other indicators rather than the income to assess the standard of living in Njombe district. It was found that in the rural area 38 percent of the households had their houses roofed with iron sheets and 56 percent with grass. Ownership of specific assets was done during the 2002 Population and Housing Census, aimed at establishing proxy indicators for poverty monitoring.

Sixty nine percent of the households owned a hand hoe, with a higher percentage among female-headed households (74 percent).

Of all households in the district, 47 percent owned a radio, 43 percent a bicycle, 7 percent a wheelbarrow, 5 percent a charcoal or electric iron, 6 percent electricity and only 1 percent a telephone. Except for the hand-hoe, for all other items the women were found to have less assets than men.

The majority of the houses in Njombe were found to have 1, 2 or 3 bedrooms, with 20, 34 and 25 percent respectively.

Conclusion: Looking at the standard of living (or poverty level) by using the monetary approach, by measuring the income level or to look at assets, gives an indication of the standard of living of the farmers, but surely does not exhaust it.

The weakness of the monetary approach is that poverty is often described as income-poverty, while in reality it is only one dimension out of many. In order to achieve a sustainable poverty reduction this can not only be achieved through increased income only, but as Robert Chamber (1995) describes, it should go together with improved access to education, health care and other social services as means to obtain
development. Other approaches of measuring poverty are the capability and participatory approaches. By using the monetary approach it can be concluded that at least 94.6 percent of the LUDALI farmers live below the poverty line.

Income from coffee

Only 24 out of the 71 people interviewed mentioned that they are getting some income from coffee (see table 8). 34 people did not answer the question properly. Most people have planted coffee, but have not started harvesting but did not specify that well on the form. Many farmers complained about the high costs for coffee production related to the income they obtain. Low coffee prices, not being able financially to purchase sufficient agricultural inputs, insufficient technical support and lack of machines for processing where mentioned as being the main obstacles.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>34</td>
<td>47.9</td>
<td>47.9</td>
<td>47.9</td>
</tr>
<tr>
<td>&gt;50,000 tsh p/y</td>
<td>7</td>
<td>9.9</td>
<td>9.9</td>
<td>57.7</td>
</tr>
<tr>
<td>0-50,000 tsh p/y</td>
<td>17</td>
<td>23.9</td>
<td>23.9</td>
<td>81.7</td>
</tr>
<tr>
<td>not yet</td>
<td>13</td>
<td>18.3</td>
<td>18.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 8: Income from coffee
Source: Information collected and compiled by the author

Conclusion: Very few farmers do obtain a substantial income from coffee sales, therefore diversification to non-traditional cash crops should be considered.
Type of farming

Farmers complained about not being able to purchase sufficient chemical fertilizers. This can explain the high percentage of farmers (42 percent) that implement organic agriculture (using manure), or in combination with inorganic farming (44 percent), i.e. using chemical fertilizers.

The majority of farmers (66 percent) irrigates their fields or uses the valleys during the dry season. One reason for this is to compensate for the low yields they get during the rainy season. The fields in the valleys are more fertile and therefore tend to give higher yields. Table 10 presents a summary of Table 9.

<table>
<thead>
<tr>
<th>type of farming</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>organic and irrigation</td>
<td>24</td>
<td>33.8</td>
<td>33.8</td>
<td>40.8</td>
</tr>
<tr>
<td>organic without irrigation</td>
<td>6</td>
<td>8.5</td>
<td>8.5</td>
<td>49.3</td>
</tr>
<tr>
<td>organic/inorganic and irrigation</td>
<td>20</td>
<td>28.2</td>
<td>28.2</td>
<td>77.5</td>
</tr>
<tr>
<td>organic/inorganic, without irrigation</td>
<td>11</td>
<td>15.5</td>
<td>15.5</td>
<td>93.0</td>
</tr>
<tr>
<td>inorganic and irrigation</td>
<td>3</td>
<td>4.2</td>
<td>4.2</td>
<td>97.2</td>
</tr>
<tr>
<td>inorganic, without irrigation</td>
<td>2</td>
<td>2.8</td>
<td>2.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 9: Type of farming

Source: Information collected and compiled by the author
<table>
<thead>
<tr>
<th>Type of farming (Summary)</th>
<th>Number of households</th>
<th>Percentage of households (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic farming</td>
<td>30</td>
<td>42</td>
</tr>
<tr>
<td>Inorganic farming</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Both</td>
<td>31</td>
<td>44</td>
</tr>
<tr>
<td>No answer</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Using irrigation**</td>
<td>47</td>
<td>66</td>
</tr>
<tr>
<td>Not using irrigation</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>No answer</td>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 10: Type of farming summary

** including the cultivation in the valleys during the dry season

Source: Information collected and compiled by the author

The 2002 census mentions that the practice of irrigation has the potential to increase the farmer’s income. Only 36 percent of the area that could be irrigated in the region is under irrigation, i.e. 1699.50 ha in Njombe district (2002 Population and Housing census).

**Conclusion:** the weaknesses of the farmers, i.e. low financial capacity to purchase agricultural inputs, should be used as an opportunity for them to grow only organic products and make efforts to find and utilize the organic market niche available for these products.

Number livestock units

The valid percentage shows that 78.5 percent of the households have more than 1 Livestock Unit. The majority of the households, i.e. 50 percent have 1.1 up to 5
Livestock Units, 1 livestock unit presenting 1 cow or 6 small livestock (sheep, goats, pigs) or 20 chickens (see table 11).

<table>
<thead>
<tr>
<th>number of livestock units</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>0</td>
<td>2.8</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>0-1 Livestock Unit</td>
<td>13</td>
<td>18.3</td>
<td>18.6</td>
<td>21.4</td>
</tr>
<tr>
<td>1.1-5.0 Livestock unit</td>
<td>35</td>
<td>49.3</td>
<td>50.0</td>
<td>71.4</td>
</tr>
<tr>
<td>&gt;5.1 livestock unit</td>
<td>19</td>
<td>26.8</td>
<td>27.1</td>
<td>98.6</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>1.4</td>
<td>1.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>98.6</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>1</td>
<td>1.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 11: Number of Livestock Units
Source: Information collected and compiled by the author

To obtain increased yields and a higher income, a government report advises that people should keep fewer livestock, but take care of them more properly. The government also reports that production in the agriculture sector has fallen in recent years due to plagues, too little and unreliable rainfall, reduced soil fertility, low access to agricultural inputs and alternative techniques, high prices for fertilizers etc. (Tume ya Mipango, 1998).

Conclusion: Farmers should keep livestock near the house so as to obtain more and high quality organic manure that will result in higher yields and increased soil fertility nearby and avoids environmental degradation caused by overgrazing.
Statistic Relationships

The graphs that will be presented below show the relationship between the level of income and:

a. The type of farming

b. The occupation

Graph 1 show that those people who receive an income of more than 500,000 Tsh from agriculture are those who combine organic with inorganic fertilizers and apply irrigation. Graph 2 shows that those farmers who receive an income of more than 500,000 Tsh are the ones who have a cash crop and/or do have a business apart from farming activities.

Limitations to the data collection:

Graph 2 gives the impression that many farmers are commercial farmers. The graph does not prove that people who started harvesting a cash crop as a result have a higher income. This is due to the fact that every farmer who has planted cash crops has been considered as a commercial farmer even if he/she has not started harvesting.
Graph 1: Type of farming per income level
Source: Information collected and compiled by the author

Graph 2: Occupation per income level
Source: Information collected and compiled by the author
4.5 *Focus group discussion/ need assessment*

The problem statement as issue for the focus group discussion was “how to improve the living standard of the farmers in rural communities in Njombe” i.e. 13 villages in the context of this project. The objective was to recognize the problems that are prioritized by the farmers and therefore their needs.

The main problems the members described during the focus group discussions were low education and limited access to education/knowledge (agriculture related issues, gender etc.), lack of capital to purchase agricultural inputs and machinery (for example for coffee processing), low prices for farm products and HIV/AIDS and gender as cross cutting issues.

Following a need assessment the following issues received priority:

1. To start a SACCOS
2. To provide education to farmers on technical as well as social issues and therefore the need of programme development with the organization itself.

During the assessment the farmers prioritized the following issues that need to be addressed:

   a. Training on coffee farming techniques and in marketing the crop.
   b. Promotion of fruit trees planting, the marketing of fruits and processing of farm products.
   c. Promotion of organic farming and irrigation among their farmers.
d. To help the farmers to develop a proper crop calendar according to their needs

e. To facilitate workshops on cross-cutting issues like gender, HIV/AIDS and life skills

3  Purchase of coffee huller machines

4  To increase the management capacity as an organization

Other issues that came up through the questionnaires are the need of:

- Equipment for irrigation

- Farm inputs; especially sprayer pumps

- Livestock

See Annex B for the Community Profile report

Eighty seven farmers participated in the focus group discussion, some of the participants being prospective members. Taken into consideration that the members are from 13 villages, 87 people form a relative small sample of the whole population. Therefore there is an importance of doing an assessment at each village in future, when the resources allow doing so.
4.6 Need assessment focused on management, i.e. financial and administrative and governance issues

An assessment on administrative, financial and governance issues was done with the members of the executive committee. They recognized the level they have achieved so far, attached a label of level of priority to each item and recommendations were made for follow up on each particular issue. For the results of the assessment see Annex D. The level of achievement was marked using the following rating system:

0 percent - 40 percent low
41 percent - 70 percent reasonable
71 percent - 90 percent satisfactory
91 percent - 100 percent excellent

The assessment was directed towards 9 main management issues, i.e. Internal Control, Cash Management, Procurement, Personnel, Advances, Inventory, Fixed Assets, Vehicle Management and Financial Reports.

The level of achievement for Procurement procedures with the organization can be marked as excellent. A few improvements that can be made got a high level of priority, i.e. to start a sub-register for petty cash and to improve on the delivery procedures by adding additional particulars to the delivery note (see Annex D).

Internal control and Cash Management were satisfactory. The participants in the assessment realized the shortcomings and also that easily some improvement could be
made to their current system of cash management. Changes to be made in the Internal Control System and the constitution are under discussion. The advice is to erect a board that will supervise the management. In such a situation, the executive committee will be dissolved and elections will be organized for. Almost all of the improvements to be made received a high level of priority. The organization will start using Payment voucher forms and promised that Petty Cash Vouchers will be authorized and properly supported. The organization was advised to use its bank account for all transactions and use budget lines to improve the record keeping of expenditure. For more detailed information see Annex D.

The level of achievement for Personnel, Advance, Inventory, Fixed Assets and vehicle Management was found to be low. Because the organization is still young and does not have any ongoing programme at the moment, no staff and very few assets, it was agreed that there is an importance for preparing such procedures, but most of the items in the checklist received low to medium priority as a result of the present stage of development. The performance on the last issue, i.e. the production of Financial Reports, was low, but got a high level of priority.

The overall performance of the organization was graded as reasonable with 54% (Annex D).
4.7 Questionnaire on impact of loans on the life of people

As explained earlier (see & 3.4.1) a new questionnaire was developed, in order to learn more about the impact of loans on the life of people and to get the experiences from people elsewhere where a SACCOS is already operating. A village, called Nyombo village, 20 km out of Njombe was selected for this purpose (see Annex C).

From the people who were interviewed, 30.8 percent were women and 69.2 percent men. 69.2 percent of the respondents subscribed their occupation as subsistence farming while 28.2 percent practice farming in combination with a business activity. On the question, “What was your motive for taking a loan?” the answers could be classified as for health treatment, income generation, others, production (agriculture) and school fees.

The motive of the majority of the respondents, i.e. 56.4 percent, was agriculture production (see Table 12), followed by 28.2 percent who mentioned income generation as the main motive.

<table>
<thead>
<tr>
<th>motive of taking loan</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Health treatment</td>
<td>2</td>
<td>5.1</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Income Generation</td>
<td>11</td>
<td>28.2</td>
<td>28.2</td>
<td>33.3</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>2.6</td>
<td>2.6</td>
<td>35.9</td>
</tr>
<tr>
<td>Production</td>
<td>20</td>
<td>51.3</td>
<td>51.3</td>
<td>87.2</td>
</tr>
<tr>
<td>Schoolfees</td>
<td>3</td>
<td>7.7</td>
<td>7.7</td>
<td>94.9</td>
</tr>
<tr>
<td>S,P</td>
<td>2</td>
<td>5.1</td>
<td>5.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 12: Motive of taking a loan
Source: Information collected and compiled by the author

Key: S,P = combination of school fees and production
66.7 Percent of the respondents confirmed that the loan helped him/her somehow, whether it was to start, to expand or to stay in business. 15.4 Percent found that the loan has not helped (see table 13). From table 14 it can be seen that 61.5 percent found it easy to repay the loan, but that 33.3 percent had difficulties in paying back the loan. This has no direct consequences for the SACCOS as they will make sure that the loan is going to be paid back, but a conclusion could be that still quite some people take loans without having an income generating activity, not knowing how they are going to pay back the loan. It was found in several cases that people borrowed money to purchase fertilizer, but had problems in paying back the loan. The reason for this was that the loan repayment had to take place before the harvest and secondly, once the harvest was not satisfactory there wasn’t anything to sell.

<table>
<thead>
<tr>
<th>Impact of loan 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>has helped to</td>
</tr>
<tr>
<td>start business</td>
</tr>
<tr>
<td>helped to keep in business</td>
</tr>
<tr>
<td>helped to expand business</td>
</tr>
<tr>
<td>has not helped</td>
</tr>
<tr>
<td>others</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Table 13: Impact of loan
Source: Information collected and compiled by the author
### Table 14: Experience with repayment of loan

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good/easy to repay</td>
<td>24</td>
<td>61.5</td>
<td>61.5</td>
<td>61.5</td>
</tr>
<tr>
<td>Problematic/difficult to repay</td>
<td>13</td>
<td>33.3</td>
<td>33.3</td>
<td>94.9</td>
</tr>
<tr>
<td>Na</td>
<td>2</td>
<td>5.1</td>
<td>5.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Information collected and compiled by the author

na = not answered

**Conclusion:** The majority of people are convinced that the loans had a positive impact on their life. In order to reduce the number of people that find it difficult to repay the loan, enough effort should be done to inform and train farmers on forehand.

Survey data and additional results of the survey can be found in Annex F.

### 4.8 Secondary data

Although quite some secondary data have been presented in paragraph 4.4 as a comparison with the primary data, this paragraph provides some additional secondary data on Njombe district.

**Economic Profile**

Njombe district is one of the seven districts of Iringa region and is situated in the Southern Highlands of Tanzania. The district covers land of 10,668 km².
71.9 Percent of the total area is suitable for agriculture and livestock production (CSPD report, 2001).

The whole district is between 1000 and 2000 meters above sea level.
Njombe receives rainfall from November to May ranging between 800 to 1600 mm annually. An average temperature stands at 13°C (CSPD report, 2001).

Topographically, Njombe district comprises Highland and Lower Lands (Zones) regions. The Highlands are covered by hills and plateaus. Five divisions, including the area LUFAA is working in, i.e. Igominyi and Njombe divisions, are situated in the Highland zone. This zone is characterized by volcanic soil. In the highland zone several rivers can be found, like River Mbukwa, Ruhuji, and Hagafiro.
The Lower zones of Makambako and Wanging’ombe divisions are covered with gravel and sand soils with good grasslands, but with an un-reliable rainfall.

Infrastructure
On infrastructure, i.e. transport, the district has two reasonable good tarmac roads.
One percent of the households in the district are served with telephone lines where digital technology is used in Njombe and Makambako town. Radio Calls have been installed here and there. Mobile phone access is available in town and surrounding area.
Social profile

In December 2004, the district had 237 primary schools, and 36 Secondary Schools. Literacy rate among the population (5 years and above) was 74 percent in 2002 compared to 59 percent in 1988 (2002 Population and Housing Census). 27 Percent of the rural population compared to 16 percent of the urban population 5 years and above had never attended school, while 7 percent of rural dropouts and 6 percent of urban dropouts were recorded. Only 42 percent of the population completed primary school (census, 2002). Out of those who attended primary school, 5 percent have finished secondary education and those who have finished higher education were less than 1 percent, being 0.77 percent for men and 0.31 percent for women (2002 Population and Housing Census).

The district has 3 hospitals, only one owned by the government. In 2001 there were 4 healthcare centres and 55 dispensaries. Malaria, Tuberculosis (TB) and HIV/AIDS are the leading diseases beside other diseases like acute respiratory infection and diarrhea are still persisting. Moderate malnutrition is 35 percent and severe malnutrition 1 percent (CSPD Report, 2001).

Water sector

Njombe district has 45 water projects, which use different technologies like water gravity schemes, hydram schemes, diesel pumps, water wheels, shallow wells, as well as
boreholes. In general the estimated population in Njombe that has access to clean water is 54 percent.

Financial institutions

At present Njombe district has 3 commercial banks in Njombe and Makambako town. Besides there are 26 Savings and Credit Societies spread over the district, but often serving a small area. Also there are many unregistered “Rotating Savings and Credit Associations” (RoSCAS), which serve especially those who have no access to formal credit.

4.9 Summary

Data were collected during focus group discussions and through interviews and by using questionnaires in order to assess the need of the farmers as well as to assess the organization’s technical capacity and organizational capacity in the area of governance, management processes, programme development and service and external relations. At the same time the data collection, being implemented by using participatory techniques, has contributed positively to the organizational capacity of the organization. Examples of this are the Mission and Vision that were developed during the early stages of the project and therefore increased the organizational capacity in the area of governance. The SWOT analysis covers governance as well as management, programme development as external relations issues. The Interviews and focus group discussions
with members in the villages should be seen as the collection of data for programme development. The strategic plan takes all aspects into consideration.

The main issue was “how can we improve the living standard of the farmers?”.

From the results of the survey it can be concluded that farmers considered monetary values, like income and purchasing power as well as the capability to improve his/her living standard by him/herself, i.e. to have the access to knowledge to introduce alternative crops and agriculture techniques, to find alternative markets etc., to become empowered and to get control of his/her situation.

The survey with an existing SACCOS showed that starting a SACCOS by LUFAA has the potential to have a positive impact on people’s lives, through an increased income, if people are enough informed on credit conditions, are focused for what purpose they need to take a loan and have been trained enough.

In order for people to get a maximum benefit from the SACCOS they should involve themselves in lucrative economic activities or use it to collect savings. Also people should exploit their weaknesses, i.e. low financial capacity to purchase agricultural inputs, as an opportunity to maximize the use of organic manure and make efforts to find a market for organic products. The use of organic fertilizers will result in higher yields, increased soil fertility and a higher level of income.
LUFAA as an organization has the challenge to involve more women in the leadership and obtain more female members and implement some management improvements as agreed during the assessment.

The survey results have given an indication of the farmer’s problems, priorities and have given direction to the organization in the field of programme development. The sample presents very well the members of LUFAA as 71 out of approximately 200 members filled the questionnaire. In the process of developing a proper strategy for the organization, the organization realized that it can have a bigger impact on the individual living standard of members, if it will approach whole communities rather than members only who are scattered over different villages. Therefore, the 87 people who participated in the focus group do represent LUFAA, but is a too small sample to represent the farmers in 13 villages.

The Community Capacity Building Programme will provide for this once the programme takes off, as it will start with the implementation of a PRA in every community.

Moreover LUFAA has to consider if it want to restructure its organization or continue the way its operating now. Paragraph 5.5 will deal with this issue in more detail.
5. **Implementation**

5.1 *The Strategic Plan*

In cooperation with the members of LUFAA a Strategic Plan was made as part of my assignment and their need of a project proposal.

The collected information, as has been presented in Chapter 4, was incorporated in the writing of the Strategic Plan.

The strategic plan for LUFAA has been prepared using Worksheets as presented in the Practical Guide and Workbook called “Strategic Planning for Nonprofit Organizations” (Allison, 1997). The full Strategic Plan has been attached in Annex G.

The strategic plan focuses on the programmes that were prioritized by the members and also on management issues. Two programmes will be initiated by LUFAA, i.e. to start a SACCOS and to implement a community capacity building programme. The organization feels that the starting of a SACCOS is within their capacity and requested me to write a proposal for the Community Capacity Building Programme.
5.2 Current Status of the project

At this stage some potential donors have been identified, but no proposal has been submitted to any of them. The organization has been advised first to make some improvements in their organizational management and re-consider their organizational structure before any funding will be requested from any organization in order to increase chances to obtain funding once the existing problems have been solved.

In order for LUFAA to be able to run successful the programme they have planned for, it has to undergo some structural changes. In the current set-up members of all villages are represented in the executive committee, but without any proper working organizational structures at the village level. The members of the executive committee, through the assessments have identified their strengths, weaknesses, opportunities and threats. It was recognized that the presence of few skilled people in the organization is a weakness as well as gender imbalance in the leadership.

If the organization wants to function well in the capacity of a NGO, it will need office bearers who have the educational capacity to run a NGO. This could be an opportunity for the committee members, who live out in the villages, to become more active member of the organization by establishing CBO’s. These CBO’s could function as partner organizations of LUFAA, obtain support under the umbrella of LUFAA, make use of its facilities at the resource center and request for funding for their projects through LUFAA and have a Memorandum of Understanding with LUFAA.
The organization has been advised to discuss during the Annual Meeting the possibility of making changes into the constitution whereby the executive committee will be replaced by a daily management team that will be supervised by a board of directors and the Annual General Meeting. People who will be part of the daily management will be professional volunteers, who might be employed when funding is found and activities will have increased. The board members will be elected from the existing members and possible non-members can be elected as advisors to the board, while the Annual General Meeting will remain as the highest organ of the organization. During the election of board members and appointment of office bearers gender balance and qualifications should be considered.

If the organization would decide to continue with the current organizational structure, it is advised to start with the concept in only a few villages, operate at the village level and omit the part of setting up a resource center from the project proposal.

5.3 **Plans for Action**

Depending on the decision of the organization, whether they are going to restructure the organization or not, two scenarios for a plan of action are presented below.

If the organization decides to form a board and a daily management, the organization is advised to undertake the following steps during the coming period in the following sequence:
Scenario 1

1. Organize for an Annual Meeting
2. Improve on cash management procedures (see Annex D)
3. Implement other office management improvements (see Annex D)
4. Complete project proposal writing and submit to prospective donors
5. Introduction of programme and selection of Community development volunteers and project committee at a village meeting in 13 villages.
6. Preparation of programme training materials for the training of the Community development volunteers, guidelines for the Community development volunteers and other training guidelines.
7. After funding has been improved the project committees sign a Memorandum of understanding (MoU) with LUFAA and implementation activities will take off.

In case LUFAA decides not to restructure the organization the scenario can be as follows:

Scenario 2

1. Improve on cash management procedures (see Annex D)
2. Implement other office management improvements (see Annex D)
3. Introduction of programme and selection of Community development volunteers and project committee at a village meeting in 2 selected villages.
4. Resource mobilization within the community
5. Request a professional community development worker to assist with the implementation of the participatory assessment in the community and the development of a community development plan focused on agricultural and livestock development.

6. Continue with activities as agreed on in the community development plan.

7. If necessary write a proposal and find funding for those aspects that are not within the capacity of the community to finance them.

8. LUFAA members do the supervision and monitoring on a regular basis.

9. If successful after some time the project is replicated to other villages.

Paragraph 5.4 presents a Timeframe for the community capacity building programme when scenario 1 will be implemented, which is supported by the Logical Framework in Annex H. If the organization would decide to follow scenario 2, those components that will be irrelevant can be omitted from the Logical Framework and the timeframe should be adjusted accordingly.

5.4 The Community Capacity Building Programme

The strategic plan provides quite some information needed for the project proposal writing for the community capacity building programme. Often donors tend to have their own format. In Annex H the Logical Framework needed for the writing of a proposal following scenario 1 (see paragraph 5.3) is presented, based on the results of the Strategic Plan. The logical framework involves the formulation of the Goal, Purpose,
Outputs, Activities and Inputs for the programme. The activities and inputs are divided into Project Preparation, Implementation and Operation and Improvement Activities. The programme will take three years as presented in the following timeframe (table 14a -14c). It has been estimated that preparation activities will take 6 months.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-3</td>
</tr>
<tr>
<td>A. Preparation activities</td>
<td></td>
</tr>
<tr>
<td>1. Submit project proposal to prospective donors for funds and in kind like books etc.</td>
<td></td>
</tr>
<tr>
<td>2. Introduction of programme and selection of Community development volunteers and project committee at a village meeting in 13 villages.</td>
<td></td>
</tr>
<tr>
<td>3. Preparation of programme training materials for the training of the Community development volunteers, guidelines for the Community development volunteers and other training guidelines.</td>
<td></td>
</tr>
<tr>
<td>4. Project committees sign a Memorandum of understanding (MoU) with LUFAA</td>
<td></td>
</tr>
</tbody>
</table>

Table 14a: Timeframe for community capacity building programme
B. Implementation activities

1. Training of 26 community development volunteers

2. Community development volunteers implement a PRA in their village

3. Community development volunteers facilitate the implementation of the baseline study

4. Community development volunteers facilitate the preparation of a community development plan in their community

5. Implementation of the prioritized activities that are within their own capacity

6. Establish resources centre:
   - look for building
   - renovate building
   - purchase of assets; computers, photocopying machine, library books etc
   - employ staff

7. Supply communities within the programme with appropriate seeds and plant materials on request

Table 14b: Timeframe for community capacity building programme
### Table 14c: Timeframe for community capacity building programme

<table>
<thead>
<tr>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity</strong></td>
</tr>
<tr>
<td><strong>Months</strong></td>
</tr>
<tr>
<td>1-3</td>
</tr>
<tr>
<td>8. LUFAA facilitates 6 awareness meetings per community, i.e. 1 meeting every 4 months, in 13 communities on HIV/AIDS, gender awareness and others subjects as have been prioritized by the community</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>9. LUFAA organizes training sessions in 13 communities on subjects of their priority (ex. Sustainable agriculture), 6 days per village,</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>10. Purchase of second handcar or motorcycle</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>C. Operation and Improvement activities</strong></td>
</tr>
<tr>
<td>1. Monitoring by LUFAA staff</td>
</tr>
<tr>
<td>2. Reporting to LUFAA office by Community development volunteers once in the 3 months</td>
</tr>
<tr>
<td>3. Plenary sessions with Community development volunteers once every 6 months at LUFAA office</td>
</tr>
<tr>
<td>4. Reporting to stakeholders</td>
</tr>
<tr>
<td>5. Evaluation</td>
</tr>
<tr>
<td>6. Submission of possible new requests</td>
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5.5 Contributions and responsibilities of involved parties

5.5.1 Donor

The community requests the donor to contribute the materials indicated in the budget that will be prepared according to the activities presented in the Logical Framework (see Annex H).

It will be the responsibility of the donor to provide the resources needed to finance materials and other costs that cannot be covered by the community. The donor will remain informed about progress and give comments and recommendations whenever he/she feels this is necessary.

5.5.2 Community

People are ready to attend meetings, participate in workshops and other project activities as they are eager to obtain new knowledge and like to improve their standard of living. After making plans for their village, those community members that have joined the programme will start practicing the obtained knowledge by using their own resources. Donor support might be requested for farm inputs that are not within the capacity of the community member to purchase them.

For coordination of the activities a committee and 2 community development volunteers will be elected by the community in every village. This committee keeps contact with authorities and LUFAA, accounts for the work, mobilizes the community to implement
the activities that have been agreed on, provide other support needed to the community
members who have joined the programme.

5.5.3 LUFAA

LUFAA will be responsible for mediating between the donors and community, facilitation of the community development volunteers, project committee and community with the execution of the project, logistical support (transport), control and reporting to donors.

5.5.4 The District Authorities

Officials from the District Community Development and Agriculture Departments will be involved in workshops and preparation and execution of plans with the community.
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