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THE OPEN UNIVERSITY OF TANZANIA

MASTER OF SCIENCE IN COMMUNITY ECONOMIC DEVELOPMENT

(2007)

**INTEGRATED MULTI ACTIVITIES IN GENERATING EARNINGS
(IMAGE) PROJECT FOR ST. JOSEPH HEALTH AND ORPHAN CENTRE.**

MACHOTA, NYANTITO DANIEL

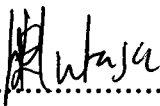
**THE PROJECT TITLE: “INTEGRATED MULTI ACTIVITIES IN
GENERATING EARNINGS (IMAGE) PROJECT FOR ST. JOSEPH
HEALTH AND ORPHAN CENTRE LOCATED AT KISERIAN-ARUSHA.
SUBMITTED IN PARTIAL FULFILLMENT OF REQUIREMENTS FOR THE
DEGREE OF MASTERS OF SCIENCE IN COMMUNITY ECONOMIC
DEVELOPMENT IN THE SOUTHERN NEW HAMPSHIRE UNIVERSITY
AT THE OPEN UNIVERSITY OF TANZANIA” 2007.**

MACHOTA, NYANTITO DANIEL

MAY 2007

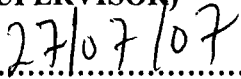
SUPERVISOR CERTIFICATION

The undersigned certifies that he has read and hereby recommend for acceptance of a project report “Integrated Multi Activities in Generating Earnings (IMAGE) Project for St. Joseph Health and Orphan Centre”, submitted in a partial fulfillment for the requirements for the degree of Master of Science in Community Economic Development to the Southern New Hampshire University at The Open University of Tanzania.

.....

Felician Mutasa

(SUPERVISOR)

Date:

DECLARATION

I *Nyantito Daniel Machota* do hereby declare to the senate of Southern New Hampshire University at the Open University of Tanzania that this project report is the result of my original work, and that it has not been submitted for similar degree award in any other university.



Signature:.....

Date:.....May 16th 2007.....

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DEDICATION

This work is dedicated to those CBOs and individuals who work tirelessly in restoring hope of most vulnerable and marginalized children in communities and those who have learned the importance of integrating social enterprises in financing their activities.

ACKNOWLEDGEMENT

I would like to give thanks to my supervisor and course instructors for their guidance in development of this project paper. I would like also to extend sincere thanks to MCC Tanzania for allocating time for me to attend classes and for material and financial support. I should not forget MEDAMA for providing practicing and learning opportunity in their St. Joseph Health and Orphan Centre. Special thanks should go to my daughter Prisca and my wife Winnie for allowing me to use family time in studies and development of this work.

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LIST OF ACRONYM:

CBHPP	–	Community Based Health Promotion Programme
CBOs	–	Community Based Organizations
CED	–	Community Economic Development
CEDPA	–	Center for Development and Population Activities.
ECDF	–	Equitable Community Development Foundation.
FBO	–	Faith Based Organization.
GTZ	–	Gesellschaft für Technische Zusammenarbeit.
HIV	–	Human Immunodeficiency Virus.
IGAs	–	Income Generating Activities
IMAGE	–	Integrated Multi Activities in Generating Earnings
IMF	–	International Monetary Fund.
MCC	–	Mennonite Central Committee.
MEDAMA	–	Medical Daughters of Mary
NGOs	–	Non Governmental Organizations
NORAD	–	Norwegian Agency for Development Cooperation
SACCOS	–	Savings and Credits Cooperative Society.
SIDO	–	Small Industries Development Organization
SMEs	–	Small and Medium Enterprises
TAFOPA	–	Tanzania Food Processors Association
TASISO	–	Tanzania Small Industries Organization
UN-ECE	–	United Nation Economic Commission for Europe
UNIDO	–	United Nations Industrial Development Organization
ZOOP	–	Objectives Oriented Project.

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ABSTRACT

Integrated Multi-Activities in Generating Earnings (IMAGE) for the St. Joseph Health and Orphan Centre is the project that aimed at building and strengthening the resource base of the organization for its sustainability in providing care to the most vulnerable and orphan children. The project was a result of the diagnostic and explorative survey conducted in October 2005 with a focus on what could be the major operational challenges facing St. Joseph Heath and Orphan Centre and its possible interventions. In this survey, inadequacy of financial resources and essential facilities stood out as critical challenges for the centre and the entire organization.

In response to those challenges, IMAGE project was designed with different initiatives endeavored to develop the necessary capacity for the centre to play its service delivery role smoothly. These initiatives were planned in form of social enterprises and resource mobilization initiatives integrated in a diversified way to tap every possible source of income and resources from within and outside of the organization. The social enterprises were designed in a way that they did not infringe the purpose of the organization. They operated on cost recovery basis and the organization recognized earnings from the cost savings and surplus generated.

The project was implemented and had brought significant contribution toward the development of the centre and service delivery to the needy children. There is significant increase in capital investments that have curbed the inadequacy challenge of necessary facilities. The merchandise store had played a major role in building confidence to the centre in operating IGAs.

EXECUTIVE SUMMARY:

Integrated Multi-Activities in Generating Earnings (IMAGE) initiative intended to broaden St. Joseph Health and Orphan Center's resource base through investment in micro-enterprises projects and strategic resource mobilization to attract multi-sources of funding and resources.

The project targeted St. Joseph Health and Orphan Centre community, one of MEDAMA's social projects. This community consisted of 30 orphan children of ages ranging from 3 to 15 years and 9 care givers. The project also targeted Kiserian community as potential customers and indirect beneficiaries of IGAs.

St. Joseph Health and Orphan Centre likewise similar organizations with its nature of operations are facing multi-dimensional challenges that require comprehensive strategies and approaches to mitigate them. However, the prioritized underlying problem that the project intended to address was "inadequacy of financial resources and essential facilities at St. Joseph Health and Orphan Centre.

St. Joseph Centre had been in service delivery to the needy children (mainly orphans) for about five years now. The survey conducted in September/October 2005 revealed that its sustainability in service delivery is endangered by lack of economic elements in its operations to back-up the external sources of income. The challenge it encountered included that of not having stable sources of funds. It relied on charities and donations from various organizations and individuals. However, the inflows of funds from those sources had not been stable which threaten the sustainability of the Center in providing adequate food, clothing, medical care, educational supplies and recreational facilities to the needy children at the Centre. The Centre wished to become financially sustainable with viable economic activities and diversified

sources of its income and resources to allow smooth provision of care to orphan children at the Centre.

The IMAGE project goal was “enhanced organizational and financial capacity in service delivery”. The strategy toward this goal is to establish economic activities in form of social enterprises and diversify sources of income and resources to enable smooth provision of its services to orphans children at the centre. The project objectives include 1). “Establish 3 income generating projects namely Merchandise Store, Poultry Enterprise, and Grain Milling at the center in Kiserian by December 2006”; and 2). “Develop strategic resource mobilization initiatives for St. Joseph Orphan Centre’s capital investments by December 2006”.

The project was vital for St. Joseph Centre as it aimed at increasing its financial resources to enhance its financial capacity through diversified sources of income and having a clear sense of direction in resource mobilization. Since St. Joseph Orphan Centre did not have the necessary resources for implementation of the projects, it solicited funds from its existing donors for start up capital in IGAs and for capital investment in essential facilities. My responsibilities in the project included; facilitation and consultation in initiating IGAs; facilitated the development of strategic resource mobilization initiatives; and evaluation of project implementation.

CHAPTER ONE:

COMMUNITY NEEDS ASSESSMENT

1.1.0. INTRODUCTION

This project report provides a detailed work of the author as part of fulfilling the Masters of Science Community Economic Development requirements. The report is organized in chapters. Chapter one provides community profile, needs assessment, the research methodology, findings, implication and recommendations. Chapter two provides problem identification. Chapter three highlights literatures reviewed where both theoretical review, empirical review and policy review were analyzed. Both reviews focused on IGAs, micro and social enterprises. Chapter four provides the implementation of the recommendations of the research findings by designing and implementing the project. Chapter five provides monitoring, evaluation and sustainability of the project implemented in chapter four. Chapter six provides conclusion and recommendations.

Integrated Multi-Activities in Generating Earnings (IMAGE) project was a result of the diagnostic and explorative survey conducted in October 2005 with a focus on what could be the major operational challenges facing St. Joseph Heath and Orphan Centre and its possible interventions. In response to the challenges identified, IMAGE project was designed with different initiatives endeavored to develop the necessary capacity for the centre to play its service delivery role smoothly. These initiatives were planned in form of social enterprises and resource mobilization initiatives integrated in a diversified way to tap every possible source of income and

resources from within and outside of the organization. The social enterprises were designed in a way that they did not infringe the purpose of the organization. They operated on cost recovery basis and the organization recognized earnings from the cost savings and surplus generated.

1.2.0. COMMUNITY PROFILE.

The project targeted the St. Joseph Health and Orphan Centre, MEDAMA's project for caring Orphans and Vulnerable Children (OVC). St. Joseph Health and Orphan Centre community comprises 30 orphan children of ages ranging from 3 to 15 years and 9 care givers including the director.

MEDAMA is a faith based non governmental organization registered under Trustee Ordinance (Cap.375) of The United Republic of Tanzania to provide of basic needs and other socio-economic services to the needy orphan children in Arusha region of The United Republic of Tanzania. Its operations are located at Kiserian village, Mlangarini Ward, Moshono Division of the Arumeru Municipal in North-eastern part of Arusha Region. Arusha region is in the northern part of Tanzania. Arumeru Municipal borders; Hai district in east; Simanjiro district in south; Monduli district in west; and Kenya in North. It is about 10 kms from Arusha city centre to this community.

Arumeru municipal has total area of 2,996 km². Year 2002 census indicates Arumeru has 576,315 people of whom 282,287 are men and 294,028 are female. Average income is 150,000/= per person per annum, literacy rate is 74%. Arumeru District

Medical Officer (2005). Economic activity for Kiserian village is mainly farming and livestock keeping at small scale.

1.3.0. COMMUNITY NEEDS ASSESSMENT:

The author together with MEDAMA facilitated a needs assessment of the St. Joseph Health and Orphan Centre that was carried out in October 2005. The assessment identified several needs as discussed below.

1.3.1. The Needs Identified:

The identified needs for the St. Joseph Health and orphan center are summarized in Table 1. It needed 1 kitchen (size 12ft by 12 ft); dinning hall (size 20m by 20m); and one cook. During the survey, the cooking was done outside without any structure to prevent contamination of food; what happens when it is rain? The children will be delayed to eat.

Table 1: Summary of Identified Needs:

Area	The Need
Economic Resources	<ul style="list-style-type: none"> <input type="checkbox"/> It needs diversified stable sources of income. <input type="checkbox"/> It needs at least additional TZS 350,000/= to cover the deficit.
Household facilities	<ul style="list-style-type: none"> <input type="checkbox"/> A kitchen of 12ft by 12ft size. <input type="checkbox"/> A dinning hall of 20 meters by 20 meters. <input type="checkbox"/> 10 beds and 10 mattresses of 6fts by 2.5ft.
Human Resources	<ul style="list-style-type: none"> <input type="checkbox"/> A cook. <input type="checkbox"/> A watchman (Guard).
Transport facility	<ul style="list-style-type: none"> <input type="checkbox"/> A min bus with 40 seats capacity. <input type="checkbox"/> Two bicycles.
Medical Kits	<ul style="list-style-type: none"> <input type="checkbox"/> 10 medical kits. <input type="checkbox"/> First aid equipments.

Water and Sanitation	<input type="checkbox"/> In-house toilets. <input type="checkbox"/> A well with capacity to provide 1000lts per day.
Legal Requirements	<input type="checkbox"/> Need to get license to operate children's home. <input type="checkbox"/> Basic and necessary facilities for children's home.

Source: MEDAMA Survey October 2005.

It needed 10 beds and 10 mattresses of 6ft by 2.5ft. The centre didn't have enough beds and mattresses of the correct sizes. This resulted to two to three children using one bed. It needed 1 minibus with capacity to carry 40 people. During the survey there was no reliable transport facility. What if children got sick at night? They would wait until day time for means of taking them to hospital or die. It needed 10 medical kits in a year. It was noted that some of the kids whose parents died from HIV/AIDS were also HIV positive in which they needed better medical care. It needed at least 800 liters of water per day of which it needed a well capable of providing 1000 liters per day.

1.3.2. Justification of the Needs:

There was water shortage at the center due to prolonged drought. The Centre had bought 5000 liters water tank but no rain to fill it. The centre is not connected to other stable source of clean and safe water. A village well that is about 500 meters from the centre is not able to meet the demand for the surrounding communities. The alternative well is situated about 1 kilometer and 5 kilometers from the center. Lack of reliable transport hindered smooth operations of its activities. The centre didn't have its own transport facilities and there is no public transport synonymously known as "daladala" to connect them with the city for social services access. Fore

example, the milling machine is located about 7 kilometers from the centre; schools are 3.5 kilometers and 12 kilometers from the centre; a better health facility is located at the city which is 10 kilometers away from the centre, the nearby village health facility about 1 km from the centre provide poor services, no medications and laboratory. The centre did not have first aid kits for emergency response to medical needs of children before they are taken to the health center. One of the care givers has medical training background in which she is equipped to use the kits but lacked funds to buy them.

The St. Joseph Health and Orphan Centre have not fulfilled the requirements to operate children home because since it lacked some important facilities. The children's homes (regulation) act, 1968 of The United Republic of Tanzania requires them to have a license from the commissioner for social welfare to operate children home. However, the process to obtain these legal documents has started but face a challenge of bureaucratic system.

Support from the nearby communities other than the land provided for the centre building was very minimal. Villagers in Kiserian village had a different perception with the centre. They wanted to be involved in the project only for economic benefits as they think the centre is getting lot money from donors.

1.4.0. RESEARCH METHODOLOGY AND FINDINGS

1.4.1. Research Hypotheses and Questions

After the needs were identified, the researcher asked MEDAMA “why don’t you put them in place”? The response was “we don’t have resources” implying financial resources. Then the researcher asked them again “why you don’t have resources”?

Then they said “we haven’t received enough financial resources from our donors”.

The discussion went on and on which prompted the need for research on “What could be the underlying core organizational problem that hinders St. Joseph Health and Orphan Centre to have necessary resources and facilities?” “Having identified a core problem, what could be a possible intervention?”

To take it further the researcher decided to conduct the research with a hypothesis stated as “most of CBOs and service oriented organizations finds themselves operating its activities under acute financial and economic resources constraints due to severe dependence on unstable sources of funding from donations and lack of economic investments to generate local income”. The research questions included; “How St. Joseph Health and Orphan Centre were financed?”; How various resources were mobilized at the Centre?”; “What were the underlying core organizational problem that hinders St. Joseph Health and Orphan Centre to have necessary resources and facilities?”; and “What could be possible interventions?”

According to Susan Gross (1983), “the first key to solving organizational problems is diagnosing them correctly. Many nonprofit organizations fall into the trap of treating the symptoms of the problem without looking into the deeper, underlying causes”. In understanding the problem broadly, different key stakeholder(s) was interviewed for opinions on what could be a real problem facing St. Joseph Health and Orphan Centre, other CBOs and NGOs like MEDAMA. The following questions were considered in designing MEDAMA’s survey instrument; what is the problem? What are possible causes? What would the situation look like if there were no problem? What does the organization see as possible solutions? What potential constraints are there? Is the problem worth solving?

In the October 2005 diagnostic and explorative survey, the researcher wanted to discover a core organizational problem for St. Joseph Health and Orphan Centre through in-person survey at a single point in time.

1.4.2. Justification to Research Methodology and Tools

The research methodology and its tools were chosen in the following basis:

- ❑ The method is widely acceptable by different users.
- ❑ The methodology used was vital for getting people's feeling through in-person interviews.
- ❑ Since time was limited and there was cost implication, there was a need to use a methodology and tools that are less costly and still easy to administer.
- ❑ There was a need of a methodology and tools that will examine all aspect of the problem.
- ❑ Flexibility was needed for exploratory designs where in-person interview with open ended questions were relevant measures of diagnosing problems. Complex information and clarification can be easily obtained by using this methodology.
- ❑ The methodology and tools allowed the researcher to have control over the respondent rate which was important for the nature of the research.

1.4.3. Survey Methods

The survey was designed in descriptive, observational and cross-sectional where data was collected once (in October 2005). It was carried out through face-to-face oral unstructured interviews. Respondents worked together in a group to answer the survey questions. This approach gave the researcher more control over the

respondent rate as the researcher interviewed respondents until satisfactory sample had been achieved. This design was exploring the past behavior and future propensities of St. Joseph Health and Orphan Centre.

Descriptive designs result in a description of the data, whether in words, pictures, charts, or tables, and whether the data analysis shows statistical relationships or is merely descriptive, NetTom Research Design (2005). “What” questions invariably lead to descriptive designs. All descriptive designs must provide descriptions of the variables in order to answer the question. The type of description that results from the design depend on how much information the researcher has about the topic prior to data collection. Level I questions, with little or no prior knowledge of the topic, lead to exploratory descriptive designs. Level II questions, where the variables are known but their action cannot be predicted, lead to descriptive survey designs.

When the purpose of a study is exploration, a flexible research design that provides an opportunity to examine all aspects of the problem is needed. The key to a good exploratory design is flexibility. The word “exploratory” indicates that not much is known, which means that a survey of the literature failed to reveal any significant research in the area. Thus, you cannot build on the work of other; you must explore the topic for yourself. Your methods and questions will change depending on what you find out as you go along. The results of the study will provide detailed descriptions of all the observations made by the researcher, arranged in some kind of order. Conclusions drawn from the data include some educated guesses or hypotheses for further study. A relationship between the observations made and a

concept might be proposed. Further research would be required to test these proposals. This is the purpose of exploratory research.

In that basis, MEDAMA's survey used descriptive and observational design as the survey intended to produce information on the organization and phenomena that already exist. The survey instrument design used "what" questions. Questionnaire for social welfare office interview was developed after we learned that they did an assessment of the centre recently.

Limits on internal and external validity include, if things will change tremendously and rapidly, the survey information will become outdated. For example at time of the survey in October 2005, the centre had no dinning room/hall but now they have it.

Lots of capital investments have taken place between time of survey and now.

Other survey weaknesses could include: Reactivity - respondents some times tend to give socially desirable responses that make them look good or seem to be what the researcher is looking for; Non response Rate – the results missed contribution from people who didn't attend the focus group discussion (drop out in the survey);

Measurement Error – probably the survey had some unrevealed biases, and/or loaded questions.

1.4.4. Survey Instruments

The survey was developed with four sets of open ended questions and processes to interview individuals, focused groups, and consultation with some key stakeholders.

Other devices used was; documentary review (constitution, brochures, proposals); observation; and Internet Search. Face-to-face informative and unstructured interview was employed during the diagnostic and explorative survey. The

population size in which information was to be collected for the purpose of this survey was small; yet, a sample of 12 people to represent others was randomly selected for the study.

With face-to-face interview, it was possible to get people's feelings through gesture and talking. It was also possible to ask questions for clarifications. The interview process provided a room for getting precise and accurate results. Beside, this instrument is widely acceptable by different users since it provides reliable and valid results. Face-to-face interview was less costly as the population covered in the survey was small, both from the same locality (Arusha city and Arumeru Municipality). Above all the instrument provided a room for respondents to provide complex information, as questions for clarifications were asked.

The survey instruments were relevant as were developed free of jargons and technical terms on it. Biasness in the instruments was minimal and less negative items on it. Response methods were consistent and respondents were competent. The questions in the survey were consistent and structured according to audience intended.

1.4.5. Contents of the Instrument

Four sets (questionnaires) of open ended questions were developed. The first set comprised seven questions developed for individual interview and focused group discussion; the second set had seven questions too developed for Arusha social welfare office interview; the third set had four questions developed for Orphans Foundation interview; and the fourth set had three questions developed for general search on problems facing NGOs and CBOs like MEDAMA. These questions are attached in appendix 8 of this report.

The survey used exploratory and diagnostic questions to find out what could be the core organizational problem for St. Joseph Health and Orphan Centre and the possible area of intervention. “What” questions were mostly used throughout the interviews. The contents of the questions included; set one had questions asking for challenges facing the organization in its operations and its major sources; current organization’s needs; main sources of income and how much is derived from those sources for the organization; and what could be done to rectify the situation. Set two had questions asking for legal requirement for operating children’s home; basic needs for children’s home; challenges and needs identified from the recent assessment of St. Joseph Orphans Centre; and what could be done to address those challenges and needs. Set three and four had similar questions to set one but compressed in four and three questions respectively focusing on CBOs and NGOs in general. These questions are shown in Table 23 through 26 in appendix 8 of this report. Table 23 represents set one questions and Table 24 for set two questions, Table 25 for set three questions, and Table 26 for set four questions.

A researcher interviewed respondents and together completed the questionnaire. Since the interview questions were open ended questions, responses were mainly written down in narrations. Questionnaires were designed in a descriptive way where ratings were not relevant as different method of analyzing the data was employed. The questionnaires were designed with two scales. One scale had questions diagnosing and exploring organizational problems and the second scale had a question exploring possible areas of intervention. Number of questions varied in each scale for each set of questions (questionnaire). In the four questionnaires, one

question was for exploration of possible intervention and the rest was for exploration of organizational problems.

1.4.6. Psychometrics Characteristics

The researcher used arbitrary scale, where few statements and items that the researcher believed they were unambiguous and appropriate to the topic were collected. These scales were developed in ad-hoc basis.

There were no specific scales designed for psychological test. In this case unstructured questions were asked when relevant in order to get a better understanding of the gestures and emotions expressed during the interview. The topic was not relevant for psychological test. It was rather diagnostic for organizational and developmental problems that affect smooth operations of the Center's activities.

As the survey did not aim to get psychological expression, the questions were not given weight and were scored in a different way. The consensus approach was used in determining the core problem. Problems were prioritized in terms of what was generally agreed in a consensus by respondents on what could be the root causes. There were two non-psychological testing scales in each questionnaire. Each scale had questions diagnosing problems and question asking for opinion on possible intervention. Questions were combined in the basis of whether they are asking for problems or for area of intervention.

1.4.7. Reliability and Validity

Literatures indicate Reliability refers to the consistency or reproducibility of a measure. It is the extent to which on repeated trials, an experiment, test, or any

measuring procedures yields the same results. If a measure is not reliable, it will not even agree with itself. Reliability is a necessary, but not sufficient precondition for validity. One way to increase the reliability and validity of a measure is to use a well-established measure that has demonstrated reliability and validity.

Measures in MEDAMA survey were established measures that had demonstrated high reliability and validity. In-person interview with open ended questions are one of the most widely used measures of diagnosing problems. The “what” questions are widely used in survey instruments. The measures developed specifically for this survey were examined for their reliability. Responses were compared to questions and the overall analysis indicated a high level of consistency across the questions. The interview process in the survey provided a room for getting precise and accurate results. Beside, the instrument is widely acceptable by different users since it provides reliable and valid results. Above all the instrument provided a room for respondents to provide complex information, as questions for clarifications was asked.

The survey instruments were relevant as were developed free of jargons and technical terms on it. Biasness in the instruments is minimal and less negative items on it.

Response methods were consistent and respondents were competent. The questions in the survey were consistent and structured according to audience intended.

In the survey, the issues of reliability and validity were only a means to an end. The real question was "How are the measure and the data it produced going to be used?"

The objective was the diagnosis of organizational problems within MEDAMA to inform an intervention plan.

In the context of the survey, validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure. Validity is concerned with study's success at measuring what the researchers set out to measure.

External validity refers to the extent to which the results of a study are generalizable or transferable. Literally, qualitative researches are not designed for generalization. However, in MEDAMA's survey, we have generalized the core problem to be an economic problem where "lack of stable sources of income due to absence of economic ventures and organizational capacity in mobilizing resources" stood out.

Internal validity refers to, the study's design, the care taken to conduct measurement, decision for concerning what was and what was not measured, and the causal relationships, Colorado State University (1993-2006). In testing internal validity, a researcher need to check if there is anything that identifies in the way in which the study was carried out that might lead him/her to believe that there is no strong casual connection between the independent variables and dependent variables.

In MEDAMA's survey, there is no independent and dependent variables however questions designed was a reasonable way of getting information from the respondent. It was well designed as it generated the information needed for the project. In instrumental validity, results from different levels were compared and reflected the same thing. There is also a theoretical and empirical relationship in the survey results. The content of the survey is much broader to include all aspects the study needed. The content domain is relevant to the study.

1.4.8. Survey Administration

The survey was administered by a researcher (a student of Masters Program in Community Economic Development). Since the researcher had received a formal training on conducting surveys from the masters program and had been exposed and used survey tools in other different courses it was possible for himself to collect the data. Therefore, there were no other data collectors and interviewers.

Since one person administered the survey, data were collected and analyzed by one person as well, and standardized questions were used consistently, the survey were uniformly administered and interpreted.

There was one basic survey with different respondents. Generally, the survey was done in October 2005 and took almost two weeks to complete it. In average, it took one day to meet each group and individuals for interview.

1.4.9. Population and Sample

Surveys are non-experimental, descriptive research method, which can be useful when a researcher wants to collect data on phenomena that cannot be directly observed such as getting opinions. In a survey, researchers sample a population. A population is any set of persons or objects that possesses at least one common characteristic. Since populations can be quite large, researchers directly question only a sample (i.e. a small proportion) of the population. Therefore, population is a set of all the elements of interest in a study, where as sample is a subset of the population. Population in MEDAMA's survey is defined by eligible participants who include all members of MEDAMA at different levels including orphan children of ages ≥ 15 years who deemed to be mature enough. Members of the organization include

director, secretary, volunteers, caregivers and orphan children. This population is categorized in three parts; management (board chairperson, director and secretary); staff (10 volunteers and care givers); and 4 orphan children. Social welfare department and NGOs operating in similar field was eligible for testing the results. The eligibility of these participants is determined by being a member of the organization, age above 15 years; being involved in day to day activities of the organization and availability of a person. For testing the results, eligibility was being a stakeholder in the field of caring orphans.

Organizations visited were selected based on their participation in caring orphans. Arumeru Municipal welfare officer not in the above population was interviewed to get the empirical evidence of the legal requirements. Like wise documents and reports, including brochures were reviewed to form part of survey's theoretical review and were selected based on their relevance to the topic.

Fink A. and Koseccoff J. (1985) indicate there are two basic methods of sampling, probability and non probability sampling. A probability sample is one in which each person in a population has an equal chance of being selected. The resulting sample is said to be representative. A probability sample should be a small version of the population to which the survey findings are going to be applied. Three of the most common methods of probability sampling are simple random sampling, stratified random sampling, and simple random cluster sampling.

A simple random sample is one, which each person has an equal chance of being selected for participation in a survey. In stratified random sampling, population is subdivided into subgroups or strata and a given number of respondents are selected

from each stratum to get a sample. Simple random cluster sampling is analogous to random sampling except that groups rather than individuals are assigned randomly. This method presupposes that the population is organized into natural or pre-defined clusters or groups.

Non probability samples include accidental sampling in which you get people because they are available, such as when the first fifty people to leave a clinic are surveyed. It includes purposive samples, which people are chosen because they know the most or are most typical and assumption is made that with good judgment you can handpick your sample. In systematic sampling, you pick a unit, say five, and select every fifth name on a list. Non probability samples are usually easier to draw than probability samples.

In this case, MEDAMA survey used “Non Probability Purposive Sampling” where people interviewed through a focused group discussion.

Fink A. and Kosecoff J. (1985) indicate the sample is the number of people in the survey. A sample is a portion or subject of a large group called a population. A good sample is a miniature version of the population of which it is part- just like it, only smaller.

A sample of 70.5% of the total population (2 people from management, 8 from care givers, and 2 orphan children) was taken using criteria of availability and involvement in day to day activities and maturity of children. Therefore, a sample size of 12 people was purposively drawn out of 17 people in a population. It should be noted that the survey focused on one organization with a small population. The large part of that population was constituted by orphan children with ages less than 18 years. The sample was made of 12 people (Director and Secretary representing

management; eight care givers representing staff and volunteers; two orphans of ages ≥ 15 years old who are mature enough representing orphans children.

The potential biases could include selecting respondents who had different expectations on the process. There were no age limits for respondents other than orphan children; this could lead to having more respondents of a certain age. There was also no classification for whether respondents should be men or women or mixed, which could lead to having one gender in respondents. However, the survey didn't aim for these classifications.

1.4.10. Data Analysis

Fink A. and Koseccoff J. (1985) indicate that analyzing data from surveys means tallying and averaging responses, looking at their relationships, and comparing them. Statistical data analysis divides the methods for analyzing data into two categories: exploratory methods and confirmatory methods. Exploratory methods are used to discover what the data seems to be saying by using simple arithmetic and easy-to-draw pictures to summarize data. Confirmatory methods use ideas from probability theory in the attempt to answer specific questions. Probability is important in decision making because it provides a mechanism for measuring, expressing, and analyzing the uncertainties associated with future events.

In MEDAMA's survey, limited statistical methods were used in analyzing the data from the survey. Microsoft Office Excel was used to perform calculations, analyze information and organize lists in spreadsheets and hence into graphical representation of the data. Chart wizard in Microsoft Office Excel was also used to generate different charts as shown bellow. These Charts were generated for comparisons,

patterns, and trends in data. For example, it provides a quick analysis between local contribution and donations.

Some computations were used to find the average income in relation to the need.

Comparisons of information were made to arrive the core need of service oriented CBOs like MEDAMA. Data were categorized in different categories using tables and diagrams. Problems were organized in categories like economic, social, cultural, managerial, and political and legal challenges. Needs were organized in economic resources, household facilities, human resources, transport facility, medical kits, water and sanitation, as well as legal requirements. Structure of sources of income was organized in donations & charities Vs members' contribution and economic activities. Some information was also organized in a prioritized structure.

1.4.11. Findings and Discussion

The survey was successful able to answer “How St. Joseph Health and Orphan Centre were financed?”; How various resources were mobilized at the Centre?”; “What were the underlying core organizational problem that hinders St. Joseph Health and Orphan Centre to have necessary resources and facilities?”; and “What could be possible interventions?”

A number of problems were outlined through cause and effect analysis where a core problem was identified. Problems identified were grouped in areas such as economic, social, cultural, political and legal as well as managerial. The grouping was necessary for identifying possible areas of intervention. For example, intervention of elements in political, legal, and socio-cultural challenges will take long time to take place and not realistic for quick fix intervention. Unlike economic

challenges which form the basis of the other challenges can be intervened quickly and at any time.

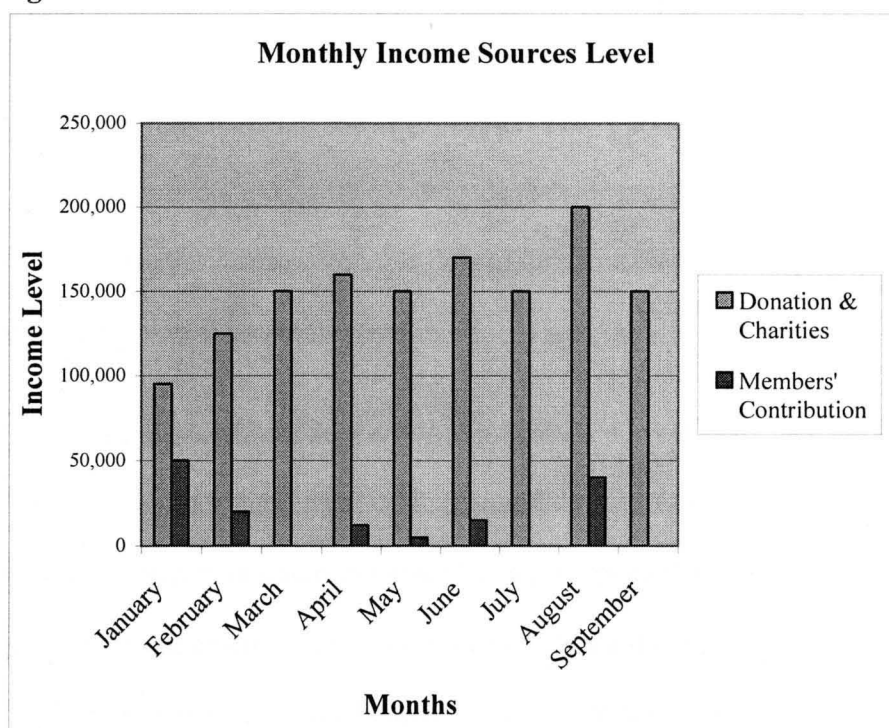
The survey results indicate conformity to the hypotheses that “most of CBOs and service oriented organizations face a challenge of financial and economic resources due to severe dependence on donations and lack of economic investments to generate local income”. MEDAMA is currently facing a challenge of not having stable sources of funds as indicated in table 2 and figure 1.

Table 2: Income Sources Analysis

Month (2005)	Donation & Charities	Members' Contribution	Total Income
January	95,000	50,000	145,000
February	125,000	20,000	145,000
March	150,000	0	150,000
April	160,000	12,000	172,000
May	150,000	5,000	155,000
June	170,000	15,000	185,000
July	150,000	0	150,000
August	200,000	40,000	240,000
September	150,000	0	150,000
Total	1,350,000	142,000	1,492,000
Average Contribution per month	150,000	15,778	165,778
Percentage of total contribution	90.48%	9.52%	1

Source: MEDAMA Survey October 2005.

Figure 1: Income Sources and Levels:



Source: MEDAMA Survey October 2005

It relies on charities and donations from various organizations and individuals.

However, the inflows of funds from these sources have not been stable which threaten the sustainability of MEDAMA in providing adequate food, clothing, medical care, educational supplies and recreational facilities to the needy children.

The need to ensure financial sustainability is unavoidable question to MEDAMA. It has various ideas on establishing Income Generating Activities (IGAs) but lack plans and initial capital.

This challenge of “scarcity of resources to meet the actual project and other operational costs” was confirmed by the one identified by “The Orphans Foundation Fund¹” as being common to children’s homes like St. Joseph Orphan Centre. Since

¹ The Orphan Foundation Fund is a network of orphanages based in Arusha. Its role is to provide support to orphanages including advocacy of children rights.

these types of projects are service oriented, they lack economic element to ensure its financial sustainability. The results are also in conformity with the results identified by Arusha Non Governmental Organization's Network (2002) which revealed that "most NGOs and CBOs suffer from inadequate financial resources to accomplish various activities due to unreliable flow of direct income or permanent sources of income to support their activities".

Inadequate support from the nearby communities other than the land provided by the village council for the centre building limit the centre to solicit resources from local sources. Villagers in Kiserian village had a perception that the centre has a lot of resources from external donors in this case they want to be involved in the project only for their own economic benefits. Despite that, the capacity for the organization to effectively mobilize resources was low. This resulted to lack strategic resource mobilization initiatives.

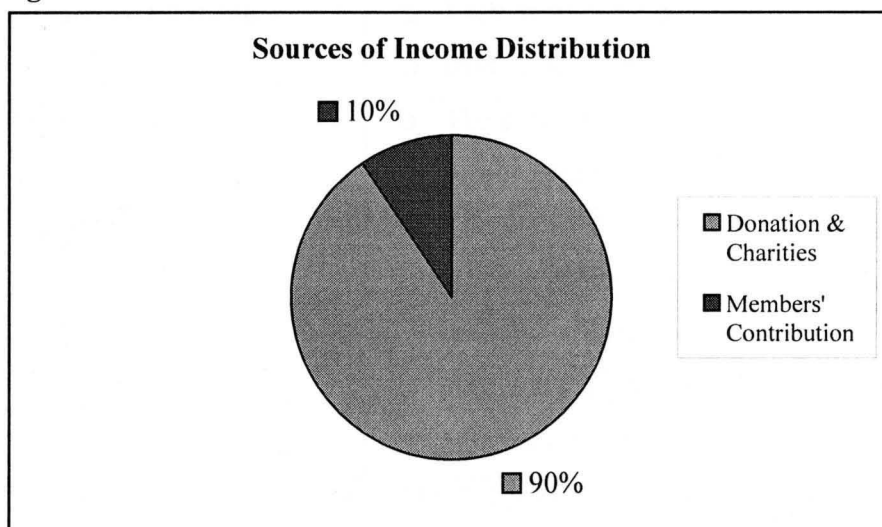
The Arusha regional social welfare did an evaluation of the centre recently and found that St. Joseph Orphan Centre had not yet fulfilled the requirements to operate children home because it lack some important facilities. The children's homes (regulation) act, 1968 of The United Republic of Tanzania requires them to have a license from the commissioner for social welfare to operate children home. However, the process to obtain these legal documents has started but face a challenge of bureaucratic system in relevant government authorities. In absence of the license put the centre in a difficult position to mobilize the required resources since its credibility is questioned.

MEDAMA's vision and mission statement as stated in some of the documents and in development practitioners' eyes is not well articulated. The contradictions left by lack of clarity in its identity and lack of strategic direction threaten its future smooth sailing toward realization of the organizational purpose. Lack of this clarity could hinder the flow of the resources to the centre as donors do not see the future of the centre.

1.4.11.1. The Core problem:

The research findings indicated that 90% of St. Joseph's sources of income were from donations (charities) and 10% was from members' contributions as indicated in figure 2. This indicates the organization is in heavily financed by charities and donations from various organizations and individuals.

Figure 2: Sources of Income Distribution:



Source: MEDAMA Survey October 2005

(Average contributions are based on the actual income as indicated in table 4).

The challenge toward this model of financing activities is the instability of cash flows from these sources as indicated in table 2 and figure 1 above. During the survey, the centre was getting an average stable donations of TZS 150,000/= per month which

left a gap of 70% of its total monthly needs. That trend threatened the sustainability of St. Joseph in providing adequate food, clothing, medical care, educational supplies and recreational facilities to the needy children. Financial sustainability was unavoidable question to St. Joseph Health and Orphan Centre.

Challenges identified by the survey are summarized in Table 3 below where economic challenges were prominent in all other challenges and it was given higher priority for intervention as indicated in Figure 3 below.

Table 3: Summary of Identified Challenges:

Area of Challenge	Challenges
Economic Challenges	<ul style="list-style-type: none"> ❑ Instability of cash flows. ❑ Limited sources of income. ❑ Limited financial resources. ❑ Inadequacy of essential facilities.
Managerial Challenges	<ul style="list-style-type: none"> ❑ Lack of strategic direction. ❑ Inadequacy of managerial capacity.
Political & Legal Challenges	<ul style="list-style-type: none"> ❑ The center not being registered, hence not meeting legal requirements.
Cultural Challenges	<ul style="list-style-type: none"> ❑ Limited local support from local communities. ❑ Different perceptions and economic expectation from the surrounding community.
Social Challenges	<ul style="list-style-type: none"> ❑ Children's don't want to be called orphans. ❑ Limited capacity to meet children's social needs.

Source: MEDAMA Survey October 2005.

Among those economic challenges, the major causal was identified as lack of economic ventures to generate local income. Therefore, St. Joseph's underlying organizational problem was concluded to be "inadequacy of financial resources and

essential facilities in St. Joseph's children's home". It has various ideas on establishing Income Generating Activities (IGAs) but lack initial financial capital.

1.4.11.2. Possible Areas for Intervention:

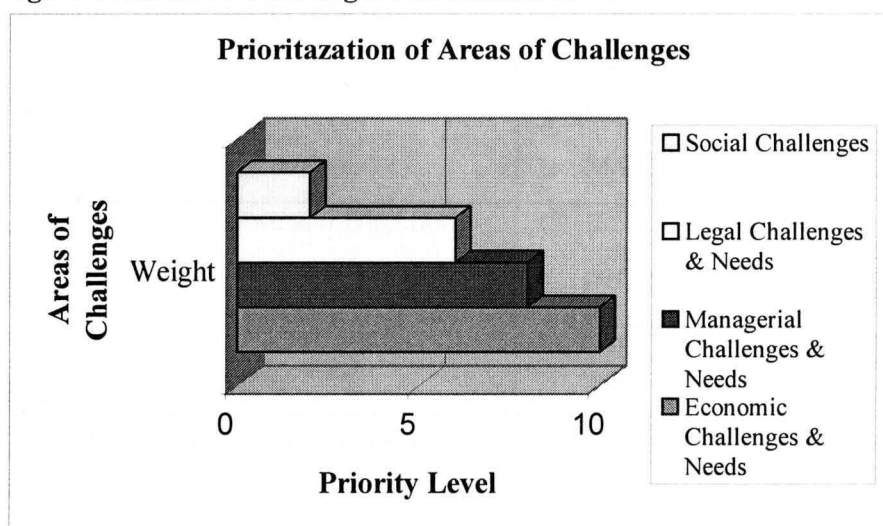
St. Joseph Health and Orphan Centre prioritized areas of challenges for interventions as indicated in table 4 and figure 3. The economic challenges were given high priority for intervention as it was considered as a base for other challenges.

Table 4: Prioritization of Areas where Problems Lies:

Problem Level	Weight
Economic Challenges	10
Managerial Challenges	8
Legal Challenges	6
Social Challenges	2

Source: MEDAMA Survey October 2005.

Figure 3: Areas of Challenges Prioritization:



*Source: MEDAMA Survey October 2005
(The priority levels are extracted from table 5).*

One can wonder why the legal challenges were rated lower to economic and managerial challenges while it is risky to operate illegally. When the researcher

explored it discovered that the centre has been cushioned by the regional social welfare office to continue with operations while they are working on complying with the requirements, despite the district office threat to close it for not complied with the legal requirement. This made St. Joseph to feel like it was not a pressing need compared to the other two challenges. However, lack of compliance with legal requirements could be also the reason for the limited inflow of resources to the centre as donors could have reservations on the legal status of the organization and not realizing enough resources.

When they were asked what should be done to the situation, they identified the possible interventions toward those challenges as indicated in table 5:

Table 5: Summary of What Should Be Done:

Area of Intervention	Possible Intervention
Economic Development Interventions	<ul style="list-style-type: none"> ❑ Initiate Income Generating Activities (IGAs). ❑ Diversify the sources of income. ❑ Mobilize possible resources.
Organization's Purpose and Direction.	<ul style="list-style-type: none"> ❑ Review and clarify organization's purpose. ❑ Develop a strategic document to guide organizational operations.
Household facilities and other needs	<ul style="list-style-type: none"> ❑ Develop resources mobilization initiatives.
Legal Requirements	<ul style="list-style-type: none"> ❑ Negotiate with the Government for extension of time to fulfill them.

Source: MEDAMA Survey October 2005.

1.4.11.3. Comparison of findings

The research findings are similar to those findings of other surveys in the region on the problems facing CBOs and NGOs. One of the comparisons for findings could be obtained from a Kenyan survey. The reason for choosing the Kenyan one is that the two countries has many similar aspects. “Lack of funds and external assistance” was ranked number one of the main problem encountered by CBOs from a survey of “problems facing CBOs in Western Kenya, Wanyama, F.O (2004). The problems identified showed that the lack of adequate resources to finance the provision of services is the most outstanding problem facing the majority of CBOs in the region as it is in MEDAMA research.

The Kenyan experience indicates most of CBOs finance their activities through donations and external assistance as it is in MEDAMA research findings. The implication is that most of the CBOs initiate activities that they cannot afford to finance on their own with a view to looking out for donations and other forms of external assistance to sustain them. This becomes more evident when we look on how these organizations finance the implementation of their activities both in MEDAMA Survey as indicated in figure1 and the Kenyan survey in appendix 9.

1.4.12. Implications and Recommendations:

The survey results implied that MEDAMA’s operations at the centre were affected by inadequacy of financial and economic resources. Donor dependency was high as the major model of financing the center’s activities was identified as grants and donations. The challenge toward this model of financing activities was the instability of cash flows from these sources, which threatened sustainability of the organization.

From the foregoing discussion on the research findings, MEDAMA needed to give a particular focus on strengthening its organizational capacity at the centre by building the financial capacity through initiating social enterprises and other diversified sources of income. The possible areas that could be looked at as income generating activities were merchandise store, poultry enterprise and grain mill project. Resource mobilization initiatives could also be instituted to strengthen the financial base and acquisition of facilities at the centre.

Social enterprises would help MEDAMA to achieve social impact through socioeconomic value creation. The social enterprise would incorporate commercial forms of income generation into MEDAMA's operations at the centre as a means to accomplish its mission (social value) and achieve financial sustainability (economic value). Generally social enterprises would provide significant benefits to MEDAMA, including increased income; a diversified funding base; greater flexibility in allocating income; improved organizational planning, management, and efficiency; improved relations with philanthropic donors; increased and improved benefits for stakeholders; increased self-confidence; and greater value placed on work. Therefore, social enterprise would be a means to achieve sustainability through earned income to the centre.

Despite those challenges identified above, St. Joseph Centre should desire to be a CBO with necessary facilities and capacity to provide a better care to the needy children. Facilities and capacity can be obtained if it has enough financial resources. To ensure enough financial resources are in place, St. Joseph Centre need to invest in viable economic activities and diversify its sources of income.

Anne Garbutt (2004) "*Community Development in Rural Areas of Central Asia*"

indicates that social and economic problems cannot be solved separately. The solving of social problems results in changes in the economic conditions of the population. Equally, changes in the economic sphere result in solving many social problems. Consequently, CBOs should not limit their activity to solving only social problems, but rather consider them together with economic problems.

The need to ensure financial sustainability of MEDAMA was the major outcome of the October 2005 survey. Lisa Cannon in "*Mobilizing Resources and Sustaining the Organization: Defining Sustainability*" indicates, "Most definitions of financial sustainability have to do with an organization's ability to raise resources from variety sources (local, national, and international, private and public). This mix of resources should include increasing amounts of local funding and earned income, to move the organization away from dependency on foreign donors". CEDPA (1994) in "*Project Design for Program Managers; Conducting Workshop on Planning Community – Based Projects*" mention one way of ensuring financial sustainability is to "initiate income-generating projects", "approach other donors" and "initiate fund raising campaigns".

CHAPTER TWO:

PROBLEM IDENTIFICATION

Problem identification exercise was carried out where cause and effect of the problems were analyzed. The exercise concluded with problem statement as analyzed below.

2.1. Problem Statement:

Based on the needs assessment exercise, the problem facing St. Joseph Health and Orphan Centre could be summarized as inadequacy of necessary facilities and resources for provision of care to the needy children at the. The major causes of these deficiencies could be traced to the inadequacy of stable sources of financial resources resulted by absence of initiatives in viable economic activities and clear plans to broaden the funding base.

That challenge has greatly affected the organization's purpose as it had limited its capacity to provide a better care to the needy children. With that situation, children rights were undermined. It was likely for children to get waterborne diseases since they didn't use clean water which would have led to higher medical expenses; It was likely that children would have not loved to go to school since they had to walk long distances and hence get poor education; Children at the centre were affected by not getting the intended quality of care for their needs. They didn't get adequate food, clothing, medical care, and educational supplies; the entire community was affected because no more orphan children were accepted at the centre since the capacity of the centre to meet extra children was limited.

2.2. Target Community:

The target community was St. Joseph Health and Orphan Centre at Kiserian Village. In that community, there were 30 orphan children of ages ranging from 3 to 15 years and 9 care givers including the director. The income generating activities also targeted Kiserian community as potential customers. MEDAMA provided supervision and monitoring as well as mobilized the required resources for the implementation of the project. Its participation led to accomplishment of project goals. Through this project, MEDAMA was empowered in areas such as, business management skills, project designing and implementation, enhanced financial capacity and diversified sources of income and resources.

2.3. Stakeholders

The project invited and was open to organizations that were willing to contribute toward raising the start-up capital and the required resources. Two organizations and other individuals participated in the project. These organizations were MCC Tanzania and The School of St. Jude. These two organizations played a role of funding and consultancy. So far among these two organizations, it is MCC Tanzania which had expressed its feeling about the project as it was “Good and efficient and targeted appropriate population” however they raised a concern for a project being risky “Risky because so much is invested in leadership of one person”. The director played a major role in the organization. In her absence, there is a fear that everything will collapse.

2.4. Host Organization

The project was hosted by MEDICAL DAUGHTERS OF MARY (MEDAMA). MEDAMA is a faith based non governmental organization facilitating provision of basic needs and other socio-economic services to the needy children especially orphans in Arusha region of The United Republic of Tanzania. MEDAMA is an autonomous institution with no any kind of affiliation. My role in the project was that of an intern and external facilitator. My responsibilities included; facilitation and consultation in initiating IGAs; facilitating development of strategic resource mobilization initiatives; and evaluating project implementation and I was reporting to MEDAMA's Director.

2.5. Project goal

In response to the situation above, Integrated Multi Activities in Generating Earnings (IMAGE) project was developed with a goal stated as “enhanced organizational capacity in caring the needy children”. The project aimed to achieve this goal through establishing economic activities; diversifying sources of income; and mobilizing resources strategically.

The above goal was defined as a state where St. Joseph is having sufficient and stable financial resources and its sources with necessary facilities for children at the centre. This state would have been reached through establishment of viable economic activities in form of social enterprises and diversified its sources of income.

2.6. Project Objectives

The project had the following specific objectives:

Objective 1: “Establish 3 income generating projects namely Merchandise Store, Poultry Enterprise, and Grain Milling at the Centre in Kiserian by December 2006”.

Objective 2: “Develop strategic resource mobilization initiatives for St. Joseph’s capital investments by December 2006”.

While objective 1 was geared to increase financial resources to the centre through generated local income from IGAs, objective 2 intended to mobilize and tap resources from different sources for replenishment of facilities at the centre.

To achieve these objectives, the project needed both human, financial and material resources, as well as customers for the IGAs products.

MEDAMA did not have all of the needed resources for implementation of the project. It was expected to solicit resources from donors and individuals in order to get the required resources. It had only human resources including myself for project management. However, it was going to seek external consultation from organizations with relevant expertise in some areas of the project like in poultry and milling project when becomes necessary.

2.7. Project Feasibility

According to Simon Payeur (1996), one of the main criteria to choosing an IGA should be its profitability. The empirical evidence for the proposed IGAs indicate that if well managed could be profitable as they can generate sufficient income to cover all costs. However, Sutia Kim Alter (2000) indicates that social enterprises

don't need to be profitable to be worthwhile. They can improve efficiency and effectiveness of the organization by reducing the need for donated funds, providing a more reliable, and diversified funding base. The motive for IMAGE IGAs is to incorporate social enterprises into the organization for income diversification and not for full financial self-sufficiency. George Rodriguez (2005) indicate starting IGAs depends on the amount of capital available, the business sector (whether is growing or not), and the market (demand). Simon Payeur (1996) adds that factors contributing to the success of IGAs include knowing how income can be generated, the presence of necessary technical skills for implementing the selected IGAs, managerial skills and profitability of the IGAs. Resal Bangladesh (2000) indicates the limiting factors for the poultry enterprise could be lack of necessary market information, reluctance to take risks, lack of necessary assets to start viable IGAs, lack of basic knowledge in business management and cost benefit calculations.

The feasibility study on the proposed areas for social enterprises was carried out to ascertain their relevance and viability based on the above factors for success and failures. The findings indicated that other things being constant; the project was feasible since there were ready markets for IGAs' products. The assessment done by MEDAMA in October 2005 indicated "niche market" in wholesale store and milling project. Demand for indigenous chicken and its products at the city centre were increasing. The initial capital for the store and poultry was affordable and the willingness and eagerness shown from the beginning by MEDAMA as a way to get out the centre from critical financial constrains ensured implementation once the project gets started. These projects were not highly technical demanding in which

ordinary people with little training could operate them. The project did not need special market information as it had a niche market. The project facilitator had adequate knowledge in business management as he is a graduate in business administration. The empirical evidence indicates that 10-15 chicken can produce 450,000 TZS – 800,000 TZS per year.

The summary of the factors contributing to success and failure on the proposed IGAs are summarized in table 6 bellow.

Table 6: IGAs Feasibility Study Summary

IGAs	Factors for Success	Limiting Factors
Merchandise Store	<ul style="list-style-type: none"> ➤ Can start with any capital. ➤ Niche market. ➤ Merchandises are available in the city. 	<ul style="list-style-type: none"> ➤ Security around the area. ➤ Inadequate knowledge of operating the store. ➤ Business discipline vs. service discipline could be a challenge.
Poultry Enterprise	<ul style="list-style-type: none"> ➤ Low capital is required. ➤ Low skills needed. ➤ Immediate return. ➤ Require minimum land. ➤ Demand is very high 	<ul style="list-style-type: none"> ➤ Poor management. ➤ High prices of inputs. ➤ Shortage of quality poultry breed. ➤ Low productivity of indigenous breed. ➤ New poultry diseases.
Grain Milling Project	<ul style="list-style-type: none"> ➤ Capital is relatively low ➤ Niche market. 	<ul style="list-style-type: none"> ➤ High operation costs. ➤ Inadequate technical skills.

CHAPTER THREE:

LITERATURE REVIEW

The theoretical review will focus on Income Generating Activities (IGAs), micro-enterprises, and social enterprises (characteristics for success, factors associated with failure (limitations) and how to select IGAs); the context of capacity building; How strategic resource mobilization can be used as a tool in financial capacity building; how income generating activities (micro and social enterprises) are financed; the relevancy of the project; rationale for introducing social enterprises in non profit making organization (faith based organization) whose core mission is other than business; possible opportunities and threats in different types of IGAs; and the sustainability of the project. The empirical review will cite experience from the field and similar projects both in Tanzania and other countries. Policy review will focus on the policies in the country (Tanzania) and from international organizations. The search will include Small and medium enterprises; industrial development; Micro-finance, and agriculture and livestock policies.

3.1.0. THEORETICAL LITERATURE

The theoretical literature will include literatures that guided the project selection; literatures that justify the project; literatures that guided the planning and designing of the project; and literatures that provide implementation guidance.

3.1.1. Faith Based Organizations:

MEDAMA is a faith based organization trying to introduce the economic activities into its operations. The question was, are FBOs good in doing business? Should

FBOs operate activities like IGAs outside their mission? Let us see what some scholars have said in these areas.

Fredrica D. Kramer, Demetra S. Nightingale, John T. Spaulding, Shayne Spaulding, Burt S. Barnow (2002) on their article "*Faith-Based Providing Employment and Training Services*" defines a faith-based organization (FBO) as "churches and other congregations or houses of worship; nonprofit organizations affiliated with churches, congregations or religions; and local nonprofit organizations affiliated with an umbrella or national faith-based network. Faith-based nonprofit organizations generally maintain a faith-based mission but the services they deliver may or may not have a faith-based content and they do not necessarily restrict participants to those who adhere to that faith".

Cynthia E. Griffin (1988) "*Keeping the faith-faith-based economic development: Entrepreneur*" indicates faith-based economic development is not a new trend. Entrepreneurship has become a major tool that faith-based community developers had to revitalize urban areas. The move into entrepreneurial ventures was a natural evolution of the churches' mission to help the poor. Religious organizations also needed money to maintain their core activities in the face of a shrinking government and corporate belt-tightening. The issue of generating operating money and help community businesses develop became important.

3.1.2. Capacity Building; and Strategic Resource Mobilization:

Since the project aimed on building the future capacity of MEDAMA in service delivery, we will start by looking the capacity building context. Susan Doherty and Steven E. Mayer, Ph.D. (2003) in their report on "*Results of an inquiry into Capacity*

Building Programs for Nonprofit Programs” indicate that there are many ways to define “organizational capacity.” It can be defined as “an organization’s core skills and capabilities, such as leadership, management, finance and fundraising, programs and evaluation, in order to build the organization’s effectiveness and sustainability.” They see capacity building as the process of assisting an individual or group to identify and address issues and gain the insights, knowledge and experience needed to solve problems and implement change.” They further define capacity as “the ability of nonprofit organizations to fulfill their missions in an effective manner.” As a process of influencing organization’s abilities to govern and manage itself, to develop assets and resources, to forge the right community linkages, and to deliver valued services – all combining to meaningfully address its mission.” With more capacity, there’s a greater chance of better addressing mission or purpose. Therefore, “Capacity” is the key to long-term sustainability. The capacity that IMAGE project intended to build was that of developing assets and resources in order to fulfill MEDAMA’s mission and purpose at the centre and hence have long-term sustainability.

Carol J. De Vita and Cory Fleming (2001) in their book titled “*Building Capacity in Nonprofit Organizations*” indicate that building the capacity of community-based organizations and the nonprofit sector is not a simple task as there is no magic formula that guarantees success, and little agreement exists on where to begin or what to do. They suggest that nonprofits like MEDAMA face two broad decisions when attempting to succeed in their complex environments. They can institute either internal or external strategies. Although an organization can follow both approaches simultaneously, it is likely to place greater emphasis on one strategy relative to the

other. "Internal strategies comprise various management initiatives designed to produce greater organizational efficiency, effectiveness, and flexibility. This approach might include internal management changes that allow nonprofits to continue their current activities, but in a more efficient and effective manner. Externally oriented capacity-building strategies attempt to alter the relationship between individual nonprofits and the funding and political systems in which they operate. Organizations will adopt new resource strategies to address uncertainty and to heighten the prospects of organizational survival, stabilize relations with other groups in the community, and reduce over dependence on specific sources of funding". The IMAGE project with MEDAMA was compatible with suggestions raised above on the external decision route as the project components were designed to introduce new sources of income generation that would reduced ultimately dependency on one source of funding. The strategic resource mobilization was a tool in capacity building that also led to diversification of funding sources.

Weisbrod, Burton A. (1998) in *"To Profit or Not to Profit: The Commercial Transformation of the Nonprofit Sector"* indicates mounting evidence that nonprofit organizations are becoming increasingly business oriented and more inclined to diversify goods and services to expand their financial capacity. Expanding financial capacity was a major goal of IMAGE project. Gronbjerg, Kirsten A. (1993) in *"Understanding Nonprofit Funding: Managing Revenues in Social Services and Community Development Organizations"* note that initiatives to increase the predictability and continuity in funding will improve a nonprofit's ability to plan the allocation of resources and activities. Moreover, resource diversification strategies to reduce dependence on single sources of revenue and can be internally or externally

driven. IMAGE project in diversifying funding was both focusing on internal and external sources.

Venture Philanthropy Partners (2001) in *“Effective Capacity Building in Nonprofit Organizations”* concurs with other authors that capacity building takes longer and is more complicated than one would expect therefore patience is required. “Building capacity can feel like a never-ending process because improvements in one area or practice have a way of placing unexpected new demands on other areas, which in turn trigger new needs”. The IMAGE project took this philosophy and designed integrative IGAs and other initiatives to broaden the funding base. This concurred with author’s view that “Nonprofits, just like businesses, need to focus on building the capacity of their entire organization if they want to maximize their social impact. The levels of effectiveness are not any single initiative, but rather a deliberate program to enhance its capabilities at all levels, from its strategy to its systems and structure”.

Carter McNamara (1999) in his article *“Capacity Building (Nonprofit)”* reveals that capacity building efforts can include a broad range of approaches, e.g., granting operating funds, granting management development funds, providing training and development sessions, providing coaching, supporting collaboration with other nonprofits, etc. In IMAGE project, capacity building was in form of designing the IGAs, soliciting funds to get them started and coaching the implementers and operators on how to run them.

Alliance: <http://www.aidsmap.com/en/docs/pdf/ResMobSec1.pdf> indicates that resource mobilization is the process of getting resources, from resource providers, using different mechanisms, to implement the organizations’ work. It is about getting a range of resources, from a wide range of resource providers (or donors), through a

number of different mechanisms. Resource mobilization has three key components – resource providers, resources and mechanisms for resource mobilization.

Mechanisms includes, submitting grant proposals, special events, running a small business, soliciting donations, unsolicited contributions; Resources includes, money, technical assistance, human resources, material goods, free service and facilities; Resource providers includes, international NGOs, bilateral and multilateral organizations, national governments, businesses, and individuals.

3.1.3. Income Generation Activities; Micro-enterprises; and Social enterprises:

Opportunity International Australia Limited (2006) from "*frequent asked questions: What is a micro enterprise?*" defines micro-enterprise as "small income-generating businesses owned and operated by entrepreneurs who derive most of their livelihood from the business. Micro enterprises employ few people and most are family members. They use very little capital and typically are unable to acquire loans from commercial banks". With this definition, IMAGE felled in this category of micro enterprises since it employed few people mainly the care givers who are like family members.

Simone Payeur (1996) in a report titled "*development of activities for women communities in Jordan and Syria*" indicate that IGAs can be called micro or small-scale enterprise, whether it is managed at individual or group level. One of the main criteria to choose an IGA should be its profitability. The author adds that if IGAs are designed with a reliance on outside grants built into it, they are not designed to be self-sustaining business operations. On the contrary, business development focuses on a certain level of profitability to ensure self-sustainability. Those who get

involved in small business development generally should have knowledge of the prevailing economic environment and business conditions. IGAs can be seen as the initiation phase in the progression to small business development. There is no chance of success for the implementation of IGAs if implementers remain suspicious and not convinced of their interest. Therefore, it is essential during all steps of the IGA setting and especially from the beginning (identification and feasibility) to integrate the implementers in the process. IMAGE project raised the consciousness of MEDAMA in carrying out the project. They were involved in all stages of project identification and designing. The feasibility study carried out during the needs assessment and project development explored the prevailed economic environment and business condition.

Sutia Kim Alter (2000) in *"A Business Planning Reference Guide for Social Enterprises"* indicates that, Social enterprise methodology centers on achieving social impact through socioeconomic value creation. The social enterprise incorporates commercial forms of income generation into nonprofit organizations as a means to accomplish mission (social value) and achieve financial sustainability (economic value). In the course of starting an enterprise, the nonprofit organization must build organizational capacity, in order that both can be managed effectively. The organization must integrate business tools and practices to strengthen effectiveness and performance. In doing so, the traditional nonprofit undergoes a culture transformation and emerges as a more entrepreneurial, market-driven "businesslike" organization.

The author agrees that social enterprises can provide significant benefits, including increased income; a diversified funding base; greater flexibility in allocating income;

improved organizational planning, management, and efficiency; improved relations with philanthropic donors; increased and improved benefits for stakeholders; increased self-confidence; and greater value placed on work. He adds that, integrating social enterprises into nonprofit organizations produces risks that must be either managed or avoided. Risks and benefits are analyzed in accordance with the methodological aspects of social enterprise.

The author reveals that social enterprise is a means to achieve sustainability through earned income; however, it is important to note that financial objectives differ among organizations. The financial objective of a social enterprise is not by default viability (generating sufficient income to cover all costs). Social enterprises don't need to be profitable to be worthwhile. They can improve efficiency and effectiveness of the organization by; reducing the need for donated funds; providing a more reliable, diversified funding base; or enhancing the quality of programs by increasing market discipline. Nonprofit organizations have varying financial motives for incorporating social enterprises into their organizations, ranging from income diversification to full financial self-sufficiency. IMAGE was designed to exploit the above strengths of social enterprises at the same time being proactive to the risks and challenges associated with the project.

3.1.4. Selecting IGAs; Small Businesses (Micro-enterprises); and Social Enterprise:

George Rodriguez, Staff Writer (2005) in their article "*7 Methods in Choosing Business*" gives methods of selecting the right business. The methods includes; Choosing the right business is the first step to entrepreneurial success; The kind of

business that you start depends on the amount of capital you can raise; You may also want to start a business that has enjoyed fast growth in the past years; This is the idea behind the strategy of focusing on a market niche, which has proven to be apt, even a lifesaver, for many small and home-based businesses. Niche entails offering unique products or services to a few concentrated markets; as a new entrepreneur, you may also consider a business that has already proven popular, dependable with consistent demand, and can be found everywhere. A rapidly growing business sector, where many new businesses continue to operate, shows that there is great demand for the product; the market can absorb new entrants; and if by looking at the size of businesses operating, the market may be profitable even for one-person businesses; Another strategy for selecting a business is to start one that is currently hot, hip and new; You may check the businesses with the greatest number of failure record.

IMAGE is a home based project with a niche market in merchandise store and grain milling project as well as increasing demand for poultry products. The amount of capital needed is not so big. The project's sectors are reasonably growing.

Simone Payeur (1996) in *"development of activities for women communities in Jordan and Syria"* report suggest six main steps of setting IGAs as; identification of IGAs based on factors contributing to the success of IGAs (should be able to analyze on how income can be generated from an activity); technical feasibility consideration (whether the skills for implementing the selected IGAs is available). Management skills should not be forgotten since an IGA is an economic venture, which needs specific skills in management; Economic and financial profitability (IGA should be profitable, that is to say they should produce income or a surplus (profit) and work without subsidies (sustainability). The feasibility study is essential and should be

conducted before starting any IGA (the results will allow to find out whether a proposed activity is a good idea or not); Planning (Once the activity has been carefully chosen all the operations should be identified and listed in logical and chronological order. These operations should be scheduled and a timetable should be drawn up. This means that all facilities and resources needed to carry out a given operation must be available in good time to avoid delay and ensure that the other operations begin on schedule; planning for marketing (Products should be of good quality and competitive. Potential markets should be investigated); and ways of financing. Market for IMAGE project was investigated and studied ways of financing the project activities. An action plan was developed as a time table for implementation. Feasibility study was carried out.

RESAL Bangladesh (2000) report on the *“prospects and limitations of Income Generating Activities as Instrument for Food Security of the Poor”* gives characteristics of successful IGAs. These include; “Successful IGAs are not depending on the type of activity but rather on the skills and knowledge of the person setting up an IGA and on the socio-economic context; In particular, for the ultra poor it is important, that relatively low starting capital and low technical skills are sufficient to start an IGA. Therefore, IGAs such as poultry rearing in most cases are successful, since low capital is required, which reduces the risk for the investor. In addition, there is an immediate return from the activity. Other IGAs requiring low capital and skills are vegetable gardening and small trade. With regard to the starting capital, particularly for the ultra poor it is favorable to invest in an IGA from own savings rather than from taking a loan. From surveys it is known that the higher the starting capital, the higher the success rate of IGAs. Furthermore, it is favorable to

start with an IGA providing immediate return and to gradually shift to other IGAs with a more long-term perspective. To reduce the risk of failure, it is recommended to set up several IGAs, combining IGAs with immediate and long-term return”.

IMAGE project was considered as project that will provide immediate return. The project required low capital and skills to start up.

Sutia Kim Alter (2000) in “*A Business Planning Reference Guide for Social Enterprises*” article indicates that the level of social enterprise self-sufficiency is based on financial objectives, the type of enterprise, and its maturity. Social enterprise methodology does not dictate breakeven or profit-making; rather, financial performance is appraised by the ability of the social enterprise to achieve the financial objectives it has set. Financial self-sufficiency is achieved by increasing nonprofit organizations' ability to generate sufficient income to cover all or a substantial portion of their costs or fund several social programs without continued reliance on donor funding. Experienced nonprofits may use complex structures and have multiple mixed enterprises and income streams. IMAGE project was designed based on the author’s view of having “multiple mixed enterprises and income streams”.

The author adds that, social enterprise serves as a strategy to diversify funding base (as it was in IMAGE project), decrease reliance on donors, and recover or subsidize program costs. In these cases, the social enterprise offers a means to reduce program deficits and employ resources more efficiently. Organizations seeking means to diversify income may set modest financial objectives.

Social enterprises use a variety of methods to generate commercial income to sustain operations. At any given time, a social enterprise may use one or a combination of

methods, based on the type of enterprise and business strategy. One of the methods is operating unrelated business activities. Revenues from a business unrelated to the organization's mission and created purposely for funding specific social activities or the organization at-large.

3.1.5. Financing IGAs; Small Businesses; and Social Enterprises:

Simone Payeur (1996) in *“development of activities for women communities in Jordan and Syria”* identifies possible ways of financing IGAs based on a particular focus of a project. “Since we are focusing, on profitable activities we should see the possibility of activities financed by the beneficiaries own funds and sources of potential forms of credit. It is important that the real costs to be covered by beneficiaries. Nevertheless, an initial grant to cover start-up costs can help the establishment of the IGA in specific cases (high poverty for example). Grants and subsidies should carefully be used because they distort the real costs and consequently the profitability of the IGA. In addition the can undermine the self-reliance of the beneficiaries”. As indicated by the author, IMAGE project looked for grants to cover start-up cost of establishing IGAs. After there, additional capital will be regenerated within a project.

World Bank Social Funds (2005) in *“Financing Productive Assets in Social Funds and CDD (2005)”* in their article *“How should income generating activities be financed: Loans or Grants?”* outlines some issues that surround provision of grants for private business (goods). These includes; “Grants for income generating activities (IGAs) can reduce responsible use and increase subsidy dependence; May undermine a culture of financial discipline and forestall development of sustainable micro finance; is a temporary “fix”: people need sustainable sources of financial

services, including savings as well as loans. IMAGE project looked forward to provide sustainable sources of finance to MEDAMA. It was expected in long-run IMAGE to reduce subsidy dependence.

The author also outlines when grants are an acceptable option in financing IGAs. It is acceptable for the very poor, who are too vulnerable to take loan risk; For poor people living in an emergency or post-conflict situation, who have fragile and insecure livelihoods, and few assets; For demonstration of a new technology or economic activity that the poor would be unwilling to invest in, as they do not know a) level of risk and b) if they would be able to realize increased income sufficient for loan repayment. IMAGE project felled in the vulnerable category that is why the project financing was solicited from grants and where loans (credits) was reserved to be considered as a last resort especially for grain milling project.

Sutia Kim Alter (2000) in *"A Business Planning Reference Guide for Social Enterprises"* argues that social enterprises, like any other businesses, need capital to grow. It's not only a question of financing, but also of the right kind; capital must correspond to social enterprise financial needs, business cycles, and maturity.

Furthermore, like any other business, the best make good use of borrowed capital and their own risk capital. IMAGE was the right MEDAMA's project for the centre and in the area. It was too demanding and mostly labor intensive.

World Bank (1996) in *"Are Social Funds an Effective Mechanism to Deliver Credit for Micro enterprise Development?"* indicates some controversial in direct financing of investment in income-generating activities through matching grants (where "matching" implies some co-financing of the investment by the grant recipients). The controversy arises because investment to generate a flow of income in principle

should be financed through equity or debt, to ensure that the income benefits exceed the cost of the funds involved. However, in very poor communities where no financial services are present to facilitate savings or credit, social funds sometimes wish to go beyond traditional economic and social infrastructure investments to directly support income-generating assets. MEDAMA was considered as among the poor communities whom cannot raise capital through equity. They can borrow a limited amount of capital but that was reserved as a last resort.

World Bank 1996 indicates for IGAs financed by grants to be effective, grant assistance should be targeted to very poor communities or groups that are beyond the current reach of micro (or other) finance institutions; The activities financed must be cost-effective ways of reducing poverty; The investments should not compete directly with private investment (existing or likely); The beneficiaries should contribute at least partly in cash; the cash contribution should be around 10% and, in any case, no less than 5% of the total project cost. This cash contribution could serve toward the initial working capital to operate the activity; Grants should be combined with training and support to establish local savings and credit associations to capture increased income flows and finance future IGAs (group or individual) on a sustainable basis. IMAGE project activities were planned to be cost effective. There was no stiff competition in the area for this project. MEDAMA contributed labor in the project. Informal training was provided on how to run this project and record keeping.

3.1.6. Challenges; Constraints; limitations; and problems to IGAs, Small Businesses and Social Enterprises:

RESAL Bangladesh (2000) from a report on the "*prospects and limitations of Income Generating Activities as Instrument for Food Security of the Poor*" gives the reason for low success rate of IGAs. The report indicates "lack of necessary assets to start viable IGAs and reluctance to take risks; lack necessary market information, relying on traders who pay extremely low prices for IGAs products. In addition, ultra poor are highly prone to many chronic diseases and natural disasters, forcing them to spend their savings and sell their assets for health expenditures, basic consumption needs or reconstruction of their houses. As a result, they have no assets to invest in an IGA. Many of the ultra poor (often being illiterate) lack basic knowledge in business management and cost benefit calculation. In particular, in the starting phase of an IGA in most cases they don't get necessary support from the NGOs. Since NGOs are largely depending on the micro-credit programmes to finance their activities, they avoid including the ultra poor, a group with high risk in loan default. Since the principal interest of micro-finance institutions is loan recovery, economic results of IGAs, conditions for successful IGAs, and information on how the credit is used (i.e. for investment or consumption) is hardly available. IMAGE project was aware of this situation and it was prepared to manage it. The project did not need special market information as it had a niche market. The project facilitator had adequate knowledge in business management, as he is a graduate in business administration.

Sutia Kim Alter (2000) reveals the inherent challenge of operating a social enterprise as a challenge of managing to its dual objectives. In practice, the business of

generating social and economic value means decisions and actions are in frequent opposition. This translates into calculated trade-offs: decisions to forsake social impact to gain market share or increase profit margins; or conversely, expanding the scope of social good at a financial cost. Problems occur when an organization's enthusiasm to meet its financial goals begins to overwhelm its social mandate.

MEDAMA is a small organization still in pioneer phase (family stage). Decision making process is not so complex, therefore IMAGE project decision did not so much interfere other organizational decisions.

Mike Carter (2005) in his article "*problems with poultry*" says; Intensive poultry-keeping is not the easy income-generating activity many people believe it to be. People who know little about poultry-keeping may give advice. Sometimes people do not realize how much investment is needed. The author pinpoints the most common problems against what should be done as follows: *Poor management* (The management in intensive poultry-keeping must be very good. There must be strict hygiene control: e.g. vaccination against disease, foot dips at the door, disinfecting the house for new chickens. There must be enough space for each bird and sufficient waterers, feeders, nest boxes and perches. If day-old chicks are bought, they must be kept warm and fed a correct diet; *Poor record-keeping* (Production and money records are needed. Chickens not producing well (eggs or meat) must be culled (sold or killed) quickly; *Wrong type of chicken* (The chickens may have come originally from another country. They may only be able to produce well in a very different type of housing, or under a different management system. Under village conditions, local chickens are often the most reliable and profitable; *Project started too large* (Perhaps 200 layer chicks were bought before the skills and knowledge in intensive poultry-

keeping were gained, or before it was certain the chicks would do well and the produce sell well); *Inaccurate budgeting* (The farmer or project members need to work out accurately, before beginning, exactly how much food growing chickens eat. Other costs - medicines, vaccines, and equipment - must be added. With layers it will be six months before the first eggs are laid; in the meantime there will be no income; and *Feed supply problems* (Perhaps feed supply or quality failed; there was no more cash to buy feed; there was no transport. Laying chickens will stop producing if feed quality changes or if they have to go without feed or water for just 24 hours. Chickens eat similar food to people, so if food is short, intensive poultry may be in competition with people. This inevitably will lead to supply problems. The author provided exhaustive information for IMAGE poultry project area. The guideline was worked out during establishment of a project.

3.1.7. Community Economic Development; Project Design and Management:

Different scholars have written in regards to community projects design and management. Gajanayake (1993) from "*A Participatory Training Manual on Community Project Development*" provides guidance in developing community development projects that was considered in development of the proposed IMAGE project. He indicates "developing community projects involves understanding the community; assessing its needs; formulating goals and objectives based on the identified needs, assessing resources and constraints, and identifying and sequencing activities of the project". IMAGE project development underwent that process. IMAGE project goal and objectives was developed based on Gajanayake (1993) "*A Participatory Training Manual on Community Project Development*" and CEDPA

(1994) *“Project Design for Program Managers; Conducting Workshop on Planning Community –Based Projects”* definitions. Goals are defined as broad solutions to the problems or project results and; objectives are statements that specifies the outcomes of the project in which are ends. GTZ (ZOOPT) *“an introduction to the Method”* and NORAD: The Logical Framework Approach (LFA) *“Handbook for Objective Oriented Project Planning”* suggests that problem tree be transformed in objectives tree. However, the approach used in IMIGI project picked only a core problem, as it is not intending to address all problems identified during the problem identification exercise.

In designing the IMAGE project, some contribution from different CED scholars was also considered. These scholars were helpful in defining how CED project should look like and what elements it should have. Peace Corp (2002)’ *“A Community Economic Development; Training Guide for Peace Corp Volunteers”* outlines CED as a process in which communities undergo a series of processes to achieve development. It acknowledges unique sets of development challenges in communities; due to community's different backgrounds, their needs are different which imply the approach to address them is different. This outlook conquers with the idea raised by Stan Burkey (1993) from his book *“A Guide to Self-reliant Participatory Rural Development”* that “there is no universal path to development; each society must find its own strategy”. It emphasizes self sustaining development when it make a call for building capacities of grass root local communities to increase economic opportunities and social services for improved standard of their lives. It clarify that people are responsible for their own development in which they

need comprehensive integrated developmental strategies through raised consciousness by within and external facilitators.

Other literatures also provide important learning in this field of CED. The need for integration of economic and social dimension rose by Stewart (2003) in "*Real Community Economic Development*" highlights the inter-dependability of these aspects. He also adds that the goal of economic activity is to achieve a social purpose in which economic growth is a base for meeting social services. Stan Burkey (1993) also concurs with this idea when he says "Economic development is a base for other types of development". Developments are need oriented and slow moving process for satisfaction and restoration of lives of the community as indicated by Stewart (2003). Prof Yoel (2003) in "*Yes But Is It CED?*" reminds us CED process is about capacity change and he emphasizes the need to build sustainable capacities of the communities.

3.1.8. Financial Sustainability:

The need to ensure financial sustainability of MEDAMA was the major reason for designing this project. For sure, we needed also to focus on the sustainability of IMAGE project but here we will focus on the financial sustainability of the organization that informed the need for this project. Lisa Cannon in "*Mobilizing Resources and Sustaining the Organization: Defining Sustainability*" indicates, "Most definitions of financial sustainability have to do with an organization's ability to raise resources from variety sources (local, national, and international, private and public). This mix of resources should include increasing amounts of local funding and earned income, to move the organization away from dependency on foreign

donors". CEDPA (1994) in *"Project Design for Program Managers; Conducting Workshop on Planning Community –Based Projects"* mention one way of ensuring financial sustainability is to "initiate income-generating projects", "approach other donors" and "initiate fund raising campaigns".

3.1.9. Small and Medium-Sized Enterprises

UN-ECE Operational Activities (1996) indicates SMEs in market economies are the engine of economic development. Due to their private ownership, entrepreneurial spirit, their flexibility and adaptability as well as their potential to react to challenges and changing environments, SMEs contribute to sustainable growth and employment generation in a significant manner. Entrepreneurs are people with the ability to see an opportunity, to obtain the necessary capital, labor, and other inputs, and to know how to put together an operation successfully, and with the willingness to take the personal risk of success or failure.

The small business enterprise is often described as the natural bone of entrepreneurship. It provides the ideal environment enabling entrepreneurs to exercise their talents to the full and to attain the goals and objectives they have set for themselves... In all successful economies, entrepreneurs are seen as essential for growth, job creation and social progress and the virtues of small business are by now almost universally accepted.

From the Israel experience, the major advantages of small business lie in its potential for innovation, flexibility, low start-up costs, rapid development, and the distribution of risk. Small business provides a solution not only to a general unemployment

situation but also to the employment problems of special population groups such as new immigrants, women and demobilized soldiers.

Small businesses, however, suffer from obstacles encountered in financing, management, marketing, export facilities, access to information sources and bureaucracy. All of these make it difficult for small businesses to establish themselves and compete in the free market.

The role of states is to guarantee fund for small businesses. The goal of the Fund is helping establish or expand small businesses in all sectors of the economy.

The government serves as the loan guarantor for bank loans, so that the banks will extend loans to small businesses despite insufficient collateral. Rather than collateral, the banks require a detailed business plan, based on which the application for credit is judged.

UNIDO & OECD (2004) shows SME sector will be healthy when there is: A culture of enterprise in society which rewards individual as well as collective initiative and innovation in all its citizens, including the socially excluded and other minority groupings. The first step towards the creation of such a culture lies in education; An economic, political and social climate that encourages a high rate of business start up and survival leading to an overall increase of the SME stock; A significant proportion of quality businesses contained in the new stock; An economic and social climate which encourages existing SMEs to grow; A sympathetic and entrepreneurial stakeholder environment for SMEs. We have seen that even international organization policies are in support of SMEs; therefore, IMAGE endeavor has a full support of both local and international.

3.1.10. Annotated Literatures on Organizational Problems and Surveys:

The following literatures were reviewed and provided important inputs on the topic “Organizational Problems for CBOs and NGOs”:

- *The 10 Most Common Organizational Problems: Getting To Their Source* by Susan Gross (1983). The author highlights the literature on most common problems facing not-for-profit organizations based on her consultancy experience in many organizations. She also provides ways in which not-for-profit organization deals with symptoms of problems rather the real question. She recommends adopting a diagnostic approach if a research or an organization wants to discover the real (core) question.
- *Interfacing the State and the Voluntary Sector for African Development: Lessons from Kenya* by Wanyama, F.O (2004). The survey examined the possibility of forging a complementary role between the state and the voluntary sector since neither has the capacity to single-handedly arrest the development crisis on the continent. The paper is based on primary data that was collected in a survey of community-based organizations (CBOs) in Western Kenya between 2001 and 2002, which examined the relationship of the two and the problems facing CBOs in that area.
- *“Community Development in Rural Areas of Central Asia”* by Anne Garbutt (2004). The author provides ways in which CBOs can solve their social and economical problems simultaneously as they cannot be solved separately. She provides an approach that will lead to optimal results of interventions.

□ *A participatory Poverty Assessment Study for Arusha Municipal Council* by Equitable Community Development Foundation & Arusha Municipal Council (May 2002), Final Report. The author in assessing poverty level also highlights different problems facing CBOs and NGOs in Arusha Municipality.

Here are highlights of the literature used in survey design and instruments:

□ *The Practice of Social Research*, 7th Ed by Babbie, E. (1995): Belmont; *Mail and Telephone Surveys. The Total Design Method* by Dillman, D. A. (1978): New York. The authors provide different basis for determining fair response rate from different instruments of surveys.

□ *Reliability and Validity in Surveys* by Colorado State University 199-2006; *How to Measure Survey Reliability and Validity* by Mark S. Litwin: University of California, Los Angeles. The authors provide discussion on reliability and validity in surveys. The discussion gives different ways of establishing reliability and validity from the two variables, independent and dependent variables.

□ *How to Conduct Surveys. A Step-by-Step Guide* by Fink A. and Kosecoff J. (1985): SAGE Publications. The international Professional Publishers, Newbury Park London New Delhi. The author provides simplicity different methods and steps of conducting surveys regardless how skillful the researcher is. Steps range from survey designing, analyzing data to presenting the results.

□ *Intro to Research Methods, Descriptive Designs* by NetTom Research Design (2005). The author discusses different research methods. In relation to this survey, the author provided great inputs on designing descriptive and exploratory instrument. The author emphasizes the use of “what” questions in descriptive and exploratory designs.

□ Research Methods Knowledge Base: *Types of designs* by William M.K. Trochim (2002). The author provides ways in which a research (survey) design can be classified. He provides questions and answers in form of “if this is..., then it is ... that can help a researcher to determine the survey design. More specifically the author provided great determination of whether the survey is experimental or non experimental.

3.2. EMPIRICAL LITERATURE

3.2.1. Poultry Experience in Bangladesh:

Dr. Kazi Abdul Fattah in “*Poultry as a Tool in Poverty Eradication and Promotion of Gender Equality*” shares empirical experience from poultry rearing in Bangladesh as follows; In a condition where many people are landless, under privileged, having no land for crop cultivation, education or formal skills to participate in income earning activities, poultry play a very important role for income generation and poverty alleviation for this class particularly for the distressed women as described above. Poultry rearing play a very vital role for income generation of this group, as this requires minimum land, short capital and not very high skills. The efforts to establish poultry rearing as a source of income generation and a means of poverty eradication are now generating income ranging from US\$ 60 to \$375.

The author also shares some poultry constraints in Bangladesh as; High prices of medicines and feed ingredients; Unskilled people appointed by NGOs; Shortage of suitable good quality poultry breed; Too few breeding farms and hatcheries for chick production; Low productivity of the indigenous breed; New poultry diseases and non-availability of vaccines against them; Insufficient funds for transfer of

sustainable technologies; Lack of organized marketing system; and Access to credit and financial institutions. This experience showed poultry enterprise was a positive undertaking for IMAGE project. The income analysis helped IMAGE in planning the size of the project.

3.2.2. Poultry Experience in Tanzania:

The following literatures provided the empirical experience of poultry in Tanzania.

Melewas, J.N. (1989) in his paper "*The Contribution of Poultry to the National Economy*"; Minga, U.M., Katule, A., Yongolo, M. and Mwanjala, T. (1996), "*The rural chicken industry in Tanzania: Does it make sense?*" And Salum, M.R., Mwamuhehe, H.A., Mtambuki, A.B. and Mwihumbo, A. (1999), "*Report of the informal survey on village chickens in Southern Tanzania*".

Melewas, J.N. (1989), the major constraint to rural chicken development is Newcastle disease (ND). The disease causes 90% mortality rates and sometimes decimates whole flocks during outbreaks. Control of ND in rural areas is almost non-existent due to lack of an appropriate vaccine. Effective control of ND in village chickens will enable poor flock owners to realize the economic potential of this industry. Economic analysis of rural poultry in Tanzania indicated that it is a viable enterprise and a promising alternative source of income for rural households. It was calculated that with minimum input, a family stands to gain between US\$ 563–1000 per year, which is more than the per capita income (US\$ 130), as long as ND is controlled.

Poultry play an important role in meeting economical and social obligations for the household, especially for poor families. In addition to slaughtering for home

consumption, chickens are sold to raise money for the purchase of food, medicine, clothes and payment of school fees, bride price, farm implements, fertilizers, and levies. It is regarded as a special food during festivals, ceremonies, entertaining visitors and as a gift. Chickens are also kept for traditional healing and rituals.

Economic studies of rural poultry keeping shown that the industry was viable and promising alternative source of income for rural households as well as for IMAGE project. Salum et al (1999) calculated that a household with 10–15 chickens, at a reproduction rate of 3–4 generations per year and clutch size of 10–15 eggs, will generate an income of between 450 000 and 800 000 TZS. (US\$563–1000) per year. This is more than the 1997 per capital income of Tanzanians 39 (US\$130).

In a small study in the Morogoro region involving eight villages, it was observed that the ratio of chicks to growers to adults was 2:1:1 instead of the ideal 2:2:1, due to relatively minor constraints. With minimal inputs, these constraints can be eliminated resulting in a surplus of 76.6 million growers and an income of 114.9 billion shillings per year

Minga et al. (1996). Far more benefits can be reaped from this industry with improvement in management practices and genetic potential, which may result in increase in clutch size, generations per year and live weight. Poultry enterprise in IMAGE project used these suggestions in the project design.

3.2.3. Experience from Indonesia in Micro-enterprise development:

The Republic of Indonesia: *Income Generating Project for Marginal Farmers and Landless (215-ID)* Mid-Term Evaluation report indicates Micro-Enterprise

Development is possibly the area of greatest difficulty for the entrepreneurs as many

of them are stagnating in low income activities. It is, therefore, recommended that: (i) in order to identify appropriate business opportunities, the data collected from business evaluations should be used; (ii) training in micro-enterprise development should be provided to groups operating; (iii) business evaluation should be systematically; and (iv) suitable marketing opportunities in each area should be identified; special efforts should be made to open up marketing channels to isolated villages, and to encourage village specialization in particular labor-intensive enterprises. IMAGE project was designed to exploit appropriate business and market opportunities. There was monitoring and evaluation of the project during the project implementation.

3.2.4. Experience from the Mennonite Church Grain Milling Project:

The Tanzania Mennonite Church, Arusha Congregation has operated a grain milling machine project for almost seven years now. In a recent (April 2006) discussion with a congregation secretary, Mr. Daniel Muhochi it stood out that the project has been beneficial to the church not only as an income generating activity but also in providing employment and services to the nearby communities. He indicated that the project faces a challenge of having high operation costs made of salaries, electricity and maintenance. Revenue has not reached the target simply because production has been low. Factors associated with low production have been mainly the project location where there is low demand. Despite of those challenges the project is breaking even and remains with a small surplus to support other church activities. Community Based Health Promotion Program (CBHPP) of the Tanzania Mennonite Church in Mugumu Serengeti had also operated a grain milling project before it was

rented to a private person in year 2000. In March 2006 conversation with Mr. Jumanne Magiri, Program Coordinator for CBHPP, it was revealed that the project was situated in a place where customers had to walk long distance to get the service. The carelessness of the attendants caused some major breakdowns of the machine which resulted to high costs of repair and maintenance. After a competitor installed a milling machine somewhere between in 1999, CBHPP's milling project production dropped tremendously. The project could no longer produce enough to pay its staff in turn resources from other activities were used to pay them. Finally, it was decided that it should be rented to a private investor. The new investor tried and learned that he could not make money at the same location; he moved it to a different location. These two cases with the Tanzania Mennonite Church provide an important learning on project location. The Arusha congregation project indicates that the faith based organization can invest in milling business. That is to say, IMAGE project for MEDAMA was a feasible project.

3.3. POLICY REVIEW:

The design of this project had taken consideration of some national and international policies. More policies will be considered as we go on with the project to ensure that the project maximizes the available opportunities and don't bypass some regulations. Here are the few of policies reviewed:

3.3.1. Small and Medium Enterprises Policy 2002:

IMAGE is highly in favor of Small and Medium Enterprises Policy (2002) of the Government of Tanzania that gives the private sector a leading role in driving economic growth. Thus, the promotion of income generating activities, development

of a diverse and strong micro and small-scale enterprise (MSE) sector, and diversifying the skill base through vocational training is integral parts of the private sector development strategy. The issues of rural poverty, high unemployment and migration to rural areas have direct relevance to this economic strategy. Similarly, diversifying the structure of the economy to reduce dependency on the agriculture sector is a major goal of the Rural Development Strategy. There is a supportive policy environment for the promotion of income generating activities and the development of the SME sector. The need to support the informal and SME sectors, and strengthen and diversify vocational training opportunities is noted in various policies and strategies. The Tanzania Development Vision 2025, for example, emphasizes the need to transform the economy from a predominantly agricultural one with low productivity to a diversified and semi-industrial economy with a modern rural sector. Through the Poverty Reduction Strategy Paper, the Government has made a commitment to sustained macro-economic stability and rural sector development. It emphasizes strategies that will support the private sector and rural communities in taking the lead in developing a market-oriented economy. Strategies aimed at improving the legal and regulatory framework include; Simplify business registration and licensing procedures; simplify tax system and introduce tax incentives to nurse SMEs. The following strategies are designed to address infrastructure requirements in respect to SMEs; Local Authorities to allocate and develop land for SMEs; Develop industrial clusters and trade centres; Identify and allocate underutilized public buildings to SMEs. The policy indicates that the Government will promote entrepreneurship development through facilitating improved access of SMEs to financial and non-

financial services; The Government will continue to improve the physical infrastructures and provision of utilities in collaboration with Local Authorities, private sector and development partners; The Government will enhance implementation of programmes aimed at simplification and rationalization of procedures and regulations so as to encourage compliance and minimize transaction cost; The Government will enhance the capacity of institutions providing business training to SMEs; The Government will facilitate and support programmes aimed at increased access of information pertinent to the development of SMEs; The Government will facilitate acquisition and adaptation of technologies as well as enhance networking between R&D Institutions and SMEs in a bid to upgrade technologies so as to raise the productivity and competitiveness of the sector;

Statement:

The Government is committed to facilitating support programmes aimed at improving SMEs' access to market; The Government will enhance financial reforms aimed at further liberalization of the financial sector and the creation of financial intermediaries to cater for SMEs; The Government will facilitate strengthening of institutions and associations supporting the SME sector.

Small Industries Development Organization (SIDO) was established in 1973 by Act of Parliament to plan, coordinate, promote and offer every form of service to small industries. SIDO remains the main government arm for promoting SMEs in the country. SIDO in collaboration with other stakeholders supported establishment of SME association to empower the private sector. Some of those associations include Tanzania Food Processors Association (TAFOPA), Tanzania Small Industries Organization (TASISO) and 'Vikundi vya Biashara Ndogo' (VIBINDO). These

associations have been useful in involving the members in all issues related to advocacy as well as accessibility to market, information, raw material, packaging and micro credit services.

Other policies also emphasize the role of the private sector, and in particular the informal and SME sector, in stimulating economic growth and developing the rural areas. They include:

3.3.2. Sustainable Industrial Development Policy 1996-2020:

IMAGE project (grain milling project part) is strongly supported by Sustainable Industrial Development Policy (1996-2020) that places emphasis on the promotion of small and medium industries, encouraging informal sector businesses to grow and formalize, and on encouraging indigenous entrepreneurs, women, youth and people with disabilities to take a more active part in economic development. In order to achieve this, the Policy states that steps need to be taken to create a more positive business environment, improve access to credit, and develop appropriate business and technical skills. The policy provides conducive business environment for IMAGE project.

3.3.4. National Micro Finance Policy 2000:

National Micro Finance Policy (2000) aims to establish a basis for the development of a micro-finance system that will serve low-income households, smallholder farmers, and small and micro enterprises. Government's role is defined as creating a supportive and regulatory environment that will encourage the emergence of sound financial institutions offering micro-finance. The expectation is that the NGOs and private sector operators will be the driving force and implement lending schemes that

are based on best practices. The policy creates an environment for IMAGE project to access credits from financial institutions if it has to do.

3.3.5. The Agricultural and Livestock Policy 1997:

The Agricultural and Livestock Policy (1997) recognizes the role of the private sector, including the micro and small scale sector in, in achieving the national goals of social and economic development. In poultry, the policy highlights two categories of poultry industry in Tanzania; Traditional Poultry Production and Commercial Poultry Production. It also underline the major constraints in the industry to include; Low productivity due to low genetic potential, disease and poor management; Poultry diseases in particular Newcastle diseases, Fowl Typhoid etc; Poor quality, poultry feeds greatly limit their productivity and adversely affects the quality and quantity of day old chicks; poor extension services; Inadequate research services. There is no major research programme being undertaken to develop the sector; lack of organized marketing and processing.

The main objective of the poultry industry is to encourage small, medium and large scale private producers in order to increase production of poultry, meat and eggs to satisfy domestic demand, reduce import requirement and promote sustainable poultry development. Government priority will be given to development of the traditional flocks, to exploit their potential for alleviating poverty, enhancing the incomes of women and improving family nutrition. Government will encourage private commercial poultry production in areas with attractive markets. However, smallholder commercial poultry units will be encouraged in areas with adequate input supplies, marketing facilities and support services. IMAGE poultry project

area is supported by the policy as it encourages both traditional and commercial poultry production.

3.3.6. The World Bank Group (2004); Community-Driven Development for Increased Agricultural Income: Policy and Implementation Issues:

World Bank (2004) indicates communities often identify productive activities as priorities, and matching grants have been used successfully to stimulate substantial gains in productivity and income. Using grants to support IGAs in farm and rural non-farm activity is controversial, with a growing number of detractors and proponents on both sides.

Detractors argue that grants increase dependency, undermine a culture of financial discipline, and crowd out development of sustainable micro finance institutions.

Grants that benefit only a small minority of the population may not support financially viable activities, and are not sustainable because fiscal transfers are insufficient after a project to continue such support.

Proponents argue that, from a social assistance point of view, direct transfers may be justified for poverty reduction, particularly if they target the very poor. From a rural development perspective, direct support for productive assets may be justified to raise the income-earning potential of the community and "kick-start" the local economy. Others point to positive externalities generated from the associated private sector development.

Using grants for IGAs for very poor people as social assistance is well accepted, although these interventions need to be carefully designed when working with the asset poor. In district poverty initiatives in India, project teams have had considerable

success funding income generation for the poor who own a plot of land, however small. They have had less success with the absolute poor who have no assets. The policy suggests the following guideline for providing grants for income generating activities; Target grants assistance to very poor communities or groups that are beyond the current reach of microfinance institutions. One way is to make the grant amount large enough to be useful to the poorest, but too small to be worthwhile for better-off groups; Grants should be combined with training and support to establish local savings and credit associations to capture increased income flows and finance future income generating activities (IGAs); IGAs financed must be cost effective, as demonstrated by impact and cost effectiveness indicators; The investments should not compete directly with private investment (existing or likely); Beneficiaries should contribute to projects, with at least part of the contribution in cash (no less than 5 percent of total project cost). Over generous subsidies create false positive demand, and may jeopardize future maintenance of investments by beneficiaries. Subsidies can be structured so that the poor make lower contributions, but this may have a negative effect on their ability to assert and defend their rights to flow of benefits; If the economic returns to a subproject are higher than the financial returns, one can assume that some level of subsidy is justified, the social returns being greater than the private returns; If the profile of revenues is skewed so that returns do not accrue for some years after investment (for example, forestry, tree crops), a subsidy to encourage adoption can be justified; and Subsidies used without tied commitments for repayment, user fees, or maintenance, may create perverse incentives for greater rent-seeking by beneficiaries.

3.4. CONCLUSION ON LITERATURE REVIEW:

The IMAGE project design taken consideration of all of the factors associated to success as discussed above from different scholars. Factors that could lead to failure were expected to be monitored and managed time to time as suggested by some scholars. The literature in similar areas of project indicated the high potential of IMAGE project in success.

The study revealed that Faith based organization can also operate “social enterprises” or IGAs successful as other private companies can do without special treatment. What is only needed is building entrepreneurial culture in the nonprofit organization being faith based or not. Therefore, the empirical studies can be done in any micro enterprise not necessary that it is operated by a similar faith based organization, as the business practice is the same. The difference can be the motive for surplus and how is appropriated.

The study also focused on how IGAs can be financed. Some scholars have raised some questions on financing IGAs with grants. They argue that, it is better for IGAs to be financed by equity and or loans. However, they came in agreement that if it is not possible to finance it by equity and or loans, then grants becomes an option. IMAGE project was largely financed by grants. The procedures and guidelines given by scholars in managing projects financed by grants was considered.

The study also aimed on finding whether the term “capacity building” can apply in finance and in resource mobilization rather than only in training. The findings revealed that the term could be used in different ways that aims on facilitating the achievement of the organization’s mission and purpose. Therefore, IMAGE project

was also a capacity building project as it aimed on building the institutional and financial capacity of MEDAMA through social enterprises and IGAs.

As the project includes a component of strategic resources mobilization, the study wanted to see how it would be integrated in the whole concept of capacity building. Although many scholars did not indicate straight forward on how it can be used as a tool in capacity building, some literatures provides that link and we believe it can be.

CHAPTER FOUR:

IMPLEMENTATION

4.1. Background of the Project

MEDAMA conducted a research in October 2005 to diagnose and find out St Joseph Health and Orphan Center's core operational problem and its underlying causes. The research was part of problem identification exercise for CBOs that required a researcher to find out a core problem in a community and plan for its intervention. To find the core problem, the survey was conducted in form of diagnostic and exploratory. A core problem is a question that if addressed creates a movement in the organization.

During the design of this project, St. Joseph Health and Orphan Centre condition was characterized by lack of necessary facilities and resources for provision of care to the needy children at the centre as indicated in table 1 and 3 above. These included inadequate water supply; lack of reliable transport; lack of recreation facilities; lack of a kitchen; lack of enough resources for adequate food, clothing, medical care, educational supplies, and shelter facilities. The major causes of these deficiencies were lack of stable sources of resources due to absence of viable economic activities and resource mobilization strategies to broaden the funding base. Together the recommendation from the research, St. Joseph desired to become a stable CBO with necessary facilities and capacity to care the needy children. In table 3, it identified what should be done to reverse the condition. That desire form a basis of implementation of the research recommendations. The research recommended that "St. Joseph needed to give a particular focus on strengthening its organizational

capacity at the centre by building the financial capacity through initiating social enterprises and other diversified sources of income.

4.2. Products and Outputs:

In general, the project output will be; enhanced financial capacity; diversified sources of resources; essential facilities will be in place through capital investment. The center will gain skills and experience in resource mobilization and in operating IGAs and hence build a positive attitude toward social enterprises. The specific expected outputs in respective projects are summarized in project planning section. This project will result to increase in ability to provide a better care to the needy children. Estimated cash flow of the IGAs is summarized in the table 7 below: The payback period is estimated to be three years of operations.

Table 7: IGAs Cash Flow Projection

Project Area	Cash Outflow (TZS)	Cash Inflow (Net Income) (TZS)		
	Yr 0	Yr1	Yr2	Yr3
Merchandise Store	3,500,000	1,250,000	1,625,000	2,112,500
Poultry Enterprise	1,250,000	2,000,000	2,400,000	2,880,000
Grain Milling Project	10,000,000	3,000,000	3,300,000	3,630,000
TOTAL	14,750,000	6,250,000	7,025,000	7,992,500

Note: Cash outflow is initial capital investments. It is expected that merchandise store income will be growing by 30% annually, poultry enterprise growing by 20% annually and grain milling project is projected to grow by 10%.

4.3. Project Planning:

The project has two objectives and three project areas. Table 8 below summarizes the action plan for objective 1: project area 1: Establishment of IGAs: Merchandise Store.

Table 8: Merchandise Store Project Action Plan

Activity	Timeline	Resource Needed	Responsible Person
1.1.1. Raising start-up capital and obtaining business license.	Up to May 2006.	Financial resources. Human resources.	Director Facilitator Volunteers
1.1.2. Preparation of store fixtures & fittings.	Up to June 2006.		
1.1.3. Initial purchase of merchandises.	July 2006.		
1.1.4. Selling, local advertisement & promotions.	From July 2006.		

Specific expected output from the merchandise store includes; Income from buying and selling merchandises; Access of merchandise at reduced walking distance for the centre and nearby communities; and getting merchandises at reasonable price and hence reduced opportunity cost.

Table 9 below summarizes the action plan for objective 1: project area 2:

Establishment of IGAs: Poultry Enterprise.

Specific expected output for Poultry Enterprise included; Income from selling eggs and chickens; Get eggs for nutrition to children at the centre; reduced opportunity cost of buying eggs somewhere else; Get manure for vegetable gardening.

Table 9: Poultry Enterprise Project Action Plan

Activity	Timeline	Resource Needed	Responsible Person
1.2.1. Raising start-up capital.	Up to June 2006.	Financial resource. Human resource.	Director Facilitator Volunteers
1.2.2. Preparation of chicken hut.	Up to July 2006.		
1.2.3. Initial procurement of feedings, medics and chicks.	August 2006.		
1.2.4. Running the project.	From August 2006.		

Table 10 below summarizes the action plan for objective 1: project area 3:

Establishment of IGAs: Grain Milling Project.

Table 10: Grain Milling Project Action Plan

Activity	Timeline	Resource Needed	Responsible Person
1.3.1. Raising start-up capital.	Up to Sept'06.	Financial resource. Human resource.	Director Facilitator Volunteers
1.3.2. Building the structure.	Up to Nov'06.		
1.3.3. Purchasing & installing machines.	Dec' 2006.		
1.3.4. Purchasing grains and running the project.	From Dec'06.		

Specific expected output for Grain Milling included; Income from the grinding service; Income from buying and selling grains; Access the service at reasonable price and reduced opportunity cost of getting this service somewhere else; and Get byproducts that will be used as resource at poultry enterprise.

Table 11 below summarizes the action plan for objective 2: Development of Strategic Resource Mobilization Initiatives.

Table 11: Resource Mobilization Initiatives Action Plan

Activity	Timeline	Resource Needed	Responsible Person
2.1.1. Raising funds for the strategic thinking meeting.	Up to May'06.	Financial resource. Human resource.	Director Facilitator Volunteers
2.1.2. Preparation for the strategic thinking.	May 2006.		
2.1.3. Conduct the strategic thinking on resource mobilization.	June 2006.		
2.1.4. Preparation of the Resource Mobilization Initiatives	July 2006.		
2.1.5. Mobilize Resources	From Aug'06.		

Specific expected output on Strategic Resource Mobilization Initiatives includes;
Resources mobilized through implementation of the strategy; Capital Investments in different facilities at the centre; Diversified sources of different resources and Organizational and management tool on resource mobilization.

4.3.1. Project Implementation Plan

The project implementation plan is detailed in tables 8, 9, 10 and 11 above as well as indicated in table 12 below. Each sub-project was supposed to start by raising the start-up capital. It was expected that this activity would be carried out smoothly to allow implementation of other stages of the project. The Merchandise store involved getting business license from the relevant authority; renovating the shop structure including fixtures and fittings; purchasing and selling merchandises; and carries out local promotions and advertisement at the village level. Poultry enterprise was to have activities like preparation of chicken hut with the capacity to accommodate 200 chicken; procurement of feedings, medics, and chicks. Grain milling would have activities like build the structure where the machine will be installed; purchasing and

installing the machine; and providing service. Development strategic resource mobilization initiatives included conducting the strategic thinking processes to get information that helped in developing the initiatives; and initiatives development that will be used in resource mobilization.

4.3.2. Projects Inputs

The project required material, financial and human resources as outlined in tables 8 through table 11. Material and financial resources are detailed in the budget attached as appendix 6 in appendices section. Human resources include project facilitator, gardener, store sales person, and machine operators.

4.4. Project Staffing Pattern

As indicated above, the project needed a facilitator to facilitate various project activities. The facilitator brings expertise on project management and running IGAs. The centre's director served as a coordinator for all activities in which assumes a supervisory role. The project also needed a sales person at the merchandise store, a gardener who will take care of the poultry project, and two machine operators to run the grain milling project. To ensure the project is running efficiently, the staff might need a short training in respective areas of their work in the project.

4.5. Project Budget

The detailed project budget is attached in appendix 6 of this report. The merchandise store needed a capital investments of TZS 100,000/= for fixtures and fittings, TZS 3,000,000/= for procurements of merchandises and TZS 400,000 for selling expenses. It is noted that the building for shop was there, it only needed fixture and

fittings. The poultry enterprise needed capital investments of 400,000/=, TZS 200,000/= for procurement of chicks, TZS 650,000 for operational expenses. Grain milling project needed capital investment of TZS 9,000,000/= to erect the building, purchasing and installing the machines, TZS 1,000,000/= for operational expenses. The strategic resource mobilization initiative needed TZS 250,000/= for operational expenses.

4.6. Project Implementation Report.

4.6.1. Goal: “Enhanced organizational capacity in caring the needy children”

The capacity of the centre in terms of facilities and other resources has drastically changed as a result of this project. The project facilitated identification of the needs and the problem that the organization needed to work on to acquire the necessary capacity to provide adequate care to the orphans and vulnerable children. Building the confidence to the organization that they can optimize different ways of financing their activities including running IGAs alone was a beneficial capacity building intervention.

4.6.2. Objective 1: Establish 3 income generating projects namely Merchandise

Store, Poultry Enterprise, and Grain Milling at the Centre in Kiserian by December 2006.

The Merchandise store was established and it is full functioning and has made significant contribution as indicated in table 18 and figure 5. The average local income has increased from 10% of the total income to 20% as indicated in table 18 and figure 5 as a result of the merchandise store alone. Initial capital for poultry enterprise was obtained in April 2006 where the hut was renovated

in May 2006. 100 local female chickens were bought in June 2006. However due to bird flue threat, the project was suspended in August'06. The expected nutrition and income from poultry enterprise has not been realized since the project was suspended due to bird flue threat. The capital for milling project has been just obtained in December 2006. The starting time for milling service has been adjusted to February 2007. Therefore, income from milling project is also not yet realized as the project hasn't started yet.

Funds for the strategic thinking process were available since March 2006.

Multiple initiatives were identified. Resources for facilities were collected since the project started. Most of the essential facilities identified as a need for the centre in MEDAMA October 2005 survey are in place as outlined in table 19.

4.6.3. Merchandise Store:

4.6.3.1. Activity 1: Raising start-up capital for merchandise store.

A total of TZS 1,800,000 was raised as start up capital for the merchandise store. Two donors were communicated for this project; however the response was from one donor. This capital was given as a grant to the project. No equity capital was raised by the centre, other than labor contribution which can be economically capitalized. Additional capital was also obtained in October 2006.

4.6.3.2. Activity 2: Obtaining business licenses for merchandise store.

The business license was obtained from the Arumeru Municipality in Arusha that permitted the start-up of the project. The license was given for one year and is renewable each year.

4.6.3.3. Activity 3: Building renovation, putting fixtures and fittings for the merchandise store.

The building was fixed in December 2005, Fixtures and fittings costing TZS 100,000 were made and placed in the store.

4.6.3.4. Activity 4: Running the merchandise store (Purchasing and Selling).

The merchandise store operations started in January 2006 with actual purchases and sales.

4.6.4. Poultry Enterprise:

4.6.4.1. Activity 5: Raising start-up capital for poultry enterprise.

A total capital of TZS 800,000 was raised so far from different stakeholder in form of grants for building the chicken hut (shelter) and procuring the chicks. Again the capitalized initial labor by some of the center' workers can forms part of equity.

4.6.4.2. Activity 6: Chicken hut building for poultry enterprise.

The chicken hut with capacity to accommodate more than 200 chickens was built and is ready to use. A total of TZS 600,000/= were invested in building the chicken hut.

4.6.4.3. Activity 7: Procurement of feedings, medics and chicks

The started by procuring 100 local chicken from the neighborhood community at a discounted rate. Very little amount of feeds was procured as

the project started by not restricting the chickens in zero grazing and it highly depended on the left over of food stuffs from the centre.

4.6.4.4. Activity 8: Chicken Raring.

Chicken raring was carried out for a period of three months before the project was suspended due to bird flue threat. The layers were slaughtered for children at the centre. After the pass over of the bird flue threat, re-initiation of the project has started. About 20 local chickens have been procured so far, and process of procurement is continuing until it reaches the target of 200 chickens.

4.6.4.5. Activity 9: Selling and nutrition supply to the centre.

The selling activity has not been carried out yet as this activity depends on other activities. Unintentional nutritional supply to the centre was done once as a result of the bird flue threat.

4.6.5. Grain Milling Project:

4.6.5.1. Activity 10: Raising start-up capital for grain milling project.

The capital in form of a grant has just been obtained but not yet released by a donor. The pledges for this project so far has reached to TZS 9,100,000/=.

4.6.5.2. Activity 11: Building the structure for installing the machine.

This activity has not been implemented yet as it depends on the accomplishment of activity 10. Once the funds are released the building will erected.

4.6.5.3. Activity 12: Purchasing and installing the machines.

This activity also depended on accomplishment of both activities 10 and 11.

We have already obtained *profoma* invoices so once the funds are released the procurement and installation of the machine will be done.

4.6.5.4. Activity 13: Purchasing the grain and provide milling services.

Once the machine is installed, purchasing of grains and provision of services will start. This activity highly depends on accomplishment of activities 10 through 12.

4.6.6. Strategic Resource Mobilization:

4.6.6.1. Objective 2: Develop strategic resource mobilization initiatives for St.

Joseph's capital investments by December 2006.

The broad objective of the resource mobilization strategy was to diversify the center's resources so it can become more financially stable and less dependent on few major donors.

Resource mobilization initiatives were not restricted to financial resources, but included human resources, material, and political support. The centre has gain political support from the Arumeru Municipality which is also working together with the centre on preparations for inviting the President of United Republic of Tanzania, honorable Jakaya Mrisho Kikwete for fundraising.

Through the initiatives, people have donated their time, material and financial resources. At the organizational level, MCC Tanzania and The School of St. Jude have made a remarkable contribution of financial and material resources to the centre.

4.6.6.2. Activity 14: Conduct strategic thinking meeting for Resource Mobilization Initiatives.

Strategic thinking process was carried out informally where a number of strategies for resources mobilization were identified and proposed. These strategies include; exploration of the possibility of establishing endowment fund; submitting grant proposals; soliciting donations and contribution and running small business as explained in other parts of this report. Much concentration was giving these potential donors understanding of the centre and its needs. The goal in this area was to develop systematic and long-term relations with partners. Resource mobilization with priorities based matched with realistic funding environment. Increased credibility with partners through better management and monitoring system. Established communication strategy for resource mobilization.

4.6.6.3. Activity 15: Mobilize Resources.

A number of both material and financial resources were mobilized during the project implementation. These resources are outlined in table 20 and 21.

As result to this process, the stable donations and contributions has increased from TZS 150,000/= per month to 490,000/= month up to February 2007.

From March 2007 onward the stable monthly income will increase to TZS 750,000/=. This is a result of strategic robbing and advocacy for the centre on the need for increase of support. In kind contribution is also increasing.

Due to limited resource that was available for conducting fund-raising events, a number of potential donors were contacted by e-mails and letters.

4.6.7. Implementation Limitations:

The implementation process scheduled was affected by the cash inflows from the identified sources. Facilitator's time to the project was limited and hence he could not be there fulltime. Stakeholders' engagement to the project was slow as they were still learning about it.

Table 12: Project Implementation Schedule

YEAR 2006													2007	
ACTIVITIES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
1.1.1. Raise the start-up capital														
1.1.2. Preparation of fixtures														
1.1.3. Merchandise Procurement.														
1.1.4. Run the project.														
1.2.1. Raise the start-up capital														
1.2.2. Chicken hut preparation.														
1.2.3. FMC Procurements														
1.2.4. Run the project														
1.3.1. Raise the start-up capital														
1.3.2. Building the structure														
1.3.3. Purchases & Installations														
1.3.4. Run the project														
2.1.1. Raise funds for meetings														
2.1.2. Preparation of meetings														
2.1.3. Conduct the meetings														
2.1.4. Initiative preparation.														
2.1.5. Resource Mobilization														

CHAPTER FIVE:

MONITORING, EVALUATION AND SUSTAINABILITY

Monitoring of the project was carried through out the project implementation.

Project evaluation was supposed to done twice a year. However, it was only done once in October/November 2006. Before we proceed lets remind ourselves on the project objectives and activities planned in this project. The project had two specific objectives; “Establish 3 social enterprises as income generating projects namely Merchandise Store, Poultry Enterprise, and Grain Milling at Kiserian by December 2006”; and “Development of Resources Mobilization Initiatives by December 2006”. The activities that need to be monitored and evaluated are summarized in respective project areas in Table 15 and 16 below.

5.1. MONITORING:

5.1.1. Research Methodology:

The research was conducted to explore the extent to which “Are the income generation activities operating as planned?” and “Are there any resources mobilized from the initiatives?” The methodology used in the study was that of direct observation, documentary (books of accounts) review, and focused group discussion for review of the progress. All these tools were used in a process of monitoring the project. The information gathered was used to improve the implementation of the project. More tools were discussed in Community Needs Assessment.

5.1.2. Justification on the Methodology and Tools:

Some of the project outcome was expected to be verified by the presence of physical assets in which observation became relevant as it enabled the researcher and other monitors to see and observe what is going on in the field. Some of the projects were generating income; the review of books of accounts was relevant. Since the process from the beginning involved group discussion, it was vital to have it at this level.

5.1.3. Management Information System

Monitoring in IMAGE project was done to enable us track the implementation and progress of various project activities. So monitoring was part of the implementation of this project. Monitoring was done regularly by MEDAMA staffs and intern through using different methodologies. Intern made some visits to the project to observe and inspect the progress counted. There were monthly reports on the progress of activities implementation. Sales and Purchases Ledger books was used to record all income generated. Also projects budget served as a monitoring tool. There was close follow-up on realization of the budgeted items. Some customers were interviewed on the quality of service they are getting from IGAs.

Monitoring was mainly answering two questions; Are the income generation activities operating as planned? Are there any resources mobilized from the initiatives? These two questions will be used to provide a focal area in monitoring. Monitoring indicators both direct and indirect, data collection tools and monitors in respective objectives and monitoring questions for this project are summarized in Table 13 and 14 below.

Table 13: Monitoring Log frame for Established Income Generating Projects

Monitoring questions	Direct Indicators	Indirect Indicators	Data Collection Tools	Monitors
Are the income generation activities operating as planned?	Cash flows (procurements & sales). Licenses, Fixed assets (Machine & Buildings).	Applications for funds and licenses. Customers using the services.	Review the books of accounts. Observation of fixed Assets.	Accountant (record keeping). Director (day to day activities). Facilitator (sharing knowledge and skills).

Table 14: Monitoring Log frame for Resources Mobilization Initiatives

Monitoring questions	Direct Indicator	Indirect Indicator	Data Collection Tools	Monitors
Are there any resources mobilized from the initiatives?	Number of stakeholders willing to provide resources. Written Strategy Pledges realized.	Stakeholders' perception of the project	Review contacts with stakeholders. Review books of accounts. Observation	Accountant (financial record keeping) Director (Planning and administering resource mobilization activities) Facilitator (organize resource mobilization)

Financial and Resources Analysis was done through using; Cash flow analysis - to determine the efficiency of the three income generating activities and their sustainability; and Resource Mobilization analysis.

Presentation of results was done through; Written reports; financial statement; Graphs and tables.

5.1.4. Monitoring Results

Monitoring results are indicated in the last column of table 15. Here are results summary:

- Preparations for merchandise store completed in time. Actual purchases and sales started in time. The project is continuing well.
- Initial capital for poultry enterprise was obtained in time. 100 local female chickens were bought. However due to bird flue threat, the project was suspended in August'06. It will resume next year.
- The capital for milling project has been just obtained in December 2006. The starting time for milling service has been adjusted to February 2007.
- Funds for the strategic thinking process were available since March 2006. Multiple initiatives were identified.
- Resources for facilities were collected since the project started.

5.1.5. Summary Monitoring Table

Table 15 below outlines the project goal, objectives, project areas and its respective activities. It also outlines how each objective and project area was monitored, the planned time for accomplishment and the actual time for accomplishment.

Table 15: Monitoring Summary Table

Project Goal	Project Objective	Project Area	Activities	Monitoring Indicators	Planned Time Line	Actual time & Comments (Monitoring Results)
Enhanced organizational capacity in caring the needy children	Establish 3 income generating projects namely Merchandise Store, Poultry Enterprise, and Grain Milling at the Centre in Kiserian by December 2006.	Merchandise Store	Preparations (Raising start-up capital, obtaining business licenses, fixtures and fittings)	Initial capita obtained; Business License obtained; Renovated Building; and Fixture & fitting is in place	December'05 – June 2006	Preparations completed in December 2005 where capital was raised, business license were obtained and the building was renovated. Additional capital was also obtained in October 2006.
			Running the project (Purchasing and Selling).	Sales and Purchases.	From July 2006	Actual purchases and sales started in January 2006.
		Poultry Enterprise	Preparations (Raising start-up capital, chicken hut building)	Initial capital obtained; chicken hut renovated;	January – July 2006	Initial capital was obtained in April 2006 where the hut was renovated in May 2006.
			Procurement of feedings, medics and chicks Chicken Raring.	Procurements (feedings; medics; and chicks)	From August 2006.	100 local female chickens were bought in June 2006. However due to bird flue threat, the project was suspended in August'06. It will resume next year.
		Grain Milling	Raising start-up capital Building the structure Purchasing and installing machines	Start-up capital obtained; Machine purchased and Installed;	January - December 2006	The capital has been just obtained in December 2006.
			Purchasing the grain Start milling services	Milling service provided.	December 2006	The starting time for milling service has been adjusted to February 2007.
	Develop strategic resource mobilization initiatives for St. Joseph's capital investments by December 2006.	Resource Mobilization Initiatives	Preparations (strategic thinking meeting; resource Mobilization Initiatives development.	Funds for the meeting; strategic thinking process; Initiatives identified	January – July 2006	Funds for the strategic thinking process were available since March 2006. Multiple initiatives were identified.
			Mobilize Resources	Facilities erected from the initiatives	From August 2006	Resources for facilities were collected since the project started.

5.2.0. EVALUATION

5.2.1. Formative vs. Summative Evaluation

Formative evaluation is a method judging the worth of a project while the project activities are forming or running. It focuses on the process and it is used for, assessing the project as it progress, to find out the extent of project implementation, and to determine improvements and adjustments needed to attain the project objectives.

Summative evaluation is a method of judging the worth of a project at the end of the project. It focuses on the outcome and it is used to find out the extent to which the project objectives were achieved and to determine whether the project components should be revised, continued, or terminated.

IMAGE evaluation was sort of formative evaluation. However, since there was only one evaluation so far, it had some elements of summative evaluation. There were few activities that were completed, the rest were continuing. Adjustments for projects dates were required in some of the project components, Ascertainment of areas needed improvement were required. And, at that level we also needed to see to what extent we have achieved the objectives so far.

5.2.2: Research Methodology:

The research question for evaluation was “Are the three income generation activities established, running and generating the expected income? And “Has the project realized any resources from resource mobilization activities?” Therefore, the methodology used was that deemed to generate the information that could have answered those questions. Direct observation was used as one of the tools to collect

the needed information. The evaluators had time to see themselves the work that have been done. Un-structured interview for Key informative people was done as part of the process. Focused group discussion was carried out to pin point the changes that the project could have contributed. Documentary review was carried out where the books of accounts were reviewed to generate financial status of the project. External valuers were invited to ascertain the market value of the capital investments in the centre.

5.2.3. Justification on Methodology and Tools

The methodology and tools used in the evaluation was relevant to the project. The issue of cost was considered again and opted for less costly tools. Observation, interviews, group discussion, documentary review and financial analysis were vital for the project of this nature. Due to differences in technical skills, external evaluators were helpful in ascertaining the market value of physical assets.

5.2.4. Performance Indicators

Evaluation of IMAGE project was done to enable us determines whether the implementation of various activities took place and whether the project is generating the intended income.

The project intended to have two evaluations; the first one after the first six months of the project and the second evaluation was scheduled for January 2007. MEDAMA director and intern formed an evaluation team as well as the Arumeru district valuers. The evaluation was carried out in a form of a review to measure the progress and to ascertain the presence of IGAs and resource mobilization initiatives. We wanted to see if the proposed projects are available and are fully functioning.

We wanted not only to see availability of these projects, but also assessing their quality and the quality of services provided by them. We also wanted to measure monthly income and resources generated from IGAs and resource mobilization initiatives. We needed also to assess productivity of these projects by looking on the average income generated by them; Potential donors communicated and indicated willingness to support the project and the entire organization.

The project was evaluated through focusing on two questions; Are the three income generation activities established, running and generating the expected income? Has the project realized any resources from resource mobilization initiatives?

The project evaluation based on different indicators and its sources of information, data collection methods, and evaluators as indicated in Table 16 and 17 below for each objective and evaluation question.

Table 16: Evaluation Log frame for Established Income Generating Projects

Evaluation Question	Direct Indicators	Indirect Indicators	Sources of Information	Data Collections Tools	Evaluators
Are the three income generation activities established, running and generating the expected income?	Monthly income generated. Level of production (chicken, milling service & merchandises).	Movement of customers	Financial reports. Monthly project reports.	Observation Interview Review of reports	Accountant Director Facilitator

Table 17: Evaluation Log frame for Resources Mobilization Initiatives

Evaluation Question	Direct Indicators	Indirect Indicators	Sources of Information	Data Collection Tools	Evaluators
Has the project realized any resources from resource mobilization activities?	Resources/ Funds collected. Pledges realized. Facilities erected.	Community perception of the project.	Financial reports. Monthly project reports. Resources register	Observation. Interview. Review of reports.	Accountant Director Facilitator Project appraisal consultant

Information Gathering and Analysis was done in October and November 2006.

Analysis of the report was based on financial analysis that helped to determine the position, performance and sustainability of the three income generation activities; Market share to determine the quality of service provided; Resources and Income analysis of fund raising activities. The results have been presented in a form of written reports, financial statement, graphs and tables.

5.2.5. Summary Evaluation Table

Table 18: Evaluation Summary Table

Project Goal	Project Objective	Performance Indicator	Expected Outcome	Actual Outcome
Enhanced organizational capacity in caring the needy children	Establish 3 income generating projects namely Merchandise Store, Poultry Enterprise, and Grain Milling at the Centre in Kiserian by December 2006.	<ul style="list-style-type: none"> <input type="checkbox"/> Three income generation activities established running and generating the expected income. <input type="checkbox"/> Monthly contribution from income generated by IGAs. <input type="checkbox"/> Productivity of the IGAs. 	<ul style="list-style-type: none"> <input type="checkbox"/> Increased local financial resources from IGAs. <input type="checkbox"/> Reduced gap between local income and donations. <input type="checkbox"/> Increased nutrition to children. <input type="checkbox"/> Diversified source of income. 	<ul style="list-style-type: none"> <input type="checkbox"/> The Merchandise store was established, full functioning and has significant contribution as indicated in table 20 and figure 5. <input type="checkbox"/> The average local income has increased from 10% of the total income to 20% as indicated in table 20 and figure 5. <input type="checkbox"/> The expected nutrition and income from poultry enterprise has not been realized since the project was suspended due to bird flue threat. <input type="checkbox"/> Income from milling project is also not yet realized as the project hasn't started yet.
	Develop strategic resource mobilization initiatives for St. Joseph's capital investments by December 2006.	<ul style="list-style-type: none"> <input type="checkbox"/> Resources mobilized from the initiatives. <input type="checkbox"/> Identified potential Resources sources. <input type="checkbox"/> Pledges realized. <input type="checkbox"/> Facilities erected. 	<p>Availability of essential facilities for St. Joseph Health and Orphan Center.</p> <p>Diversified sources of income.</p>	<p>Most of the essential facilities identified as a need for the centre in MEDAMA October 2005 survey are in place as outlined in table 21.</p>

5.2.6. Evaluation Report

The evaluation results are indicated in table 18. In addition to that, here is the detailed report:

- ❑ The Merchandise store was established, full functioning and has significant contribution as indicated in table 20 and figure 5.
- ❑ The average local income has increased from 10% of the total income to 20% as indicated in table 20 and figure 5.
- ❑ The expected nutrition and income from poultry enterprise has not been realized since the project was suspended due to bird flue threat.
- ❑ Income from milling project is not yet realized as the project hasn't started yet.
- ❑ Most of the essential facilities identified as a need for the centre in MEDAMA October 2005 survey are in place as outlined in table 21.
- ❑ The project implementation was carried out despite some delays and changes.
- ❑ The milling project implementation schedule has been adjusted following the delay in funding.
- ❑ Record keeping for the merchandise store needed some improvement. It was advised to produce a summary of sales and purchases in a quarterly basis instead of monthly for better comparisons.

Table 19 below indicates deficit in February and August. This deficit does not imply that the project has operated under loss. There are basically two major factors associated to that. One is because the adjustment for stock has not been done. Goods purchased in those months are sold in more than one month.

Table 19: Merchandise Store Income Statement for January –September 2006

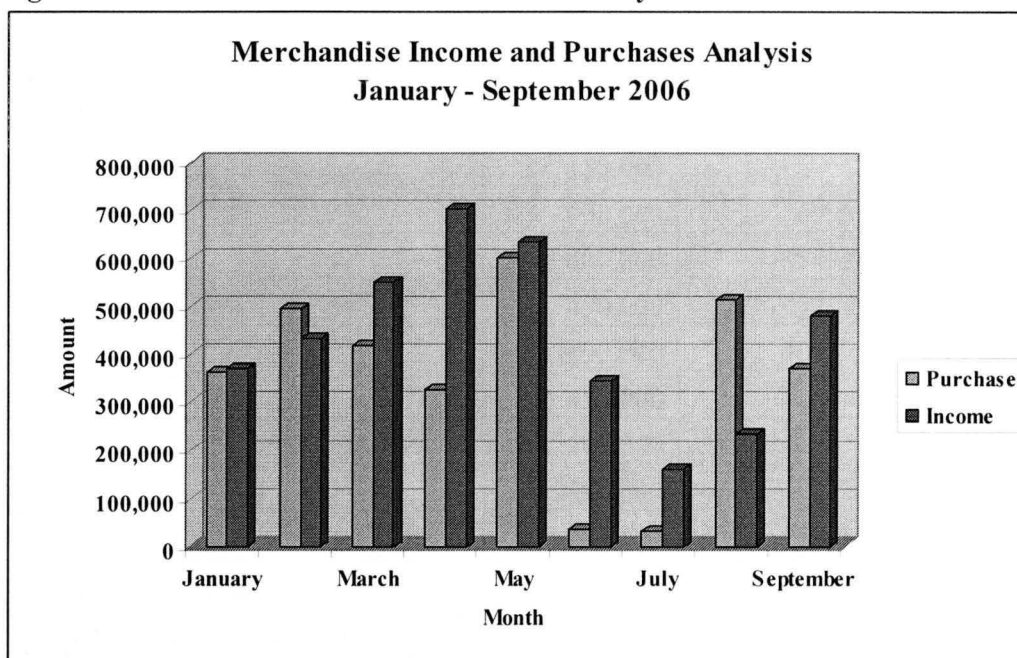
Month	Purchase	Income	Gross Surplus/Deficit
January	362,250	370,330	8,080
February	492,350	430,495	(61,855)
March	416,200	546,900	130,700
April	326,300	700,460	374,160
May	600,500	633,050	32,550
June	37,060	344,600	307,540
July	30,500	158,700	128,200
August	510,850	234,700	(276,150)
September	368,050	477,000	108,950
TOTAL	3,144,060	3,896,235	752,175

Source: MEDAMA Monitoring & Evaluation Survey October 2006

The profit margin is also low for business oriented enterprises. However, in IMAGE project that low profit margin is positive toward building entrepreneurial culture. It should be noted that these enterprises are not designed as pure business entities. They are rather social enterprises which also serve the groceries to St. Joseph centre. In addition, the centre is still learning on how to operate them in a sustainable way.

Figure 4 below indicates the relationship between purchases and income generated. Here income refers sales. The highest purchases of TZS 600,500/= was done in May while the lowest purchase of TZS 30,500 was reported in July.

Figure 4: Merchandise Income & Purchases Analysis



Source: MEDAMA Monitoring & Evaluation Survey October 2006

The highest sales of TZS 700,460/= was recorded in April while the lowest sales of TZS 158,700/= was accounted in July. The average purchases for the period of nine month was TZS 349,340/= per month and the average sales for the same period were TZS 432,915/= per month. This gives an average surplus of TZS 83,575/= per month.

Table 20 below analyzes the relationship between donations/charities and contribution from IGAs mainly Merchandise store. Donations counted in this analysis are those that were committed which considered stable.

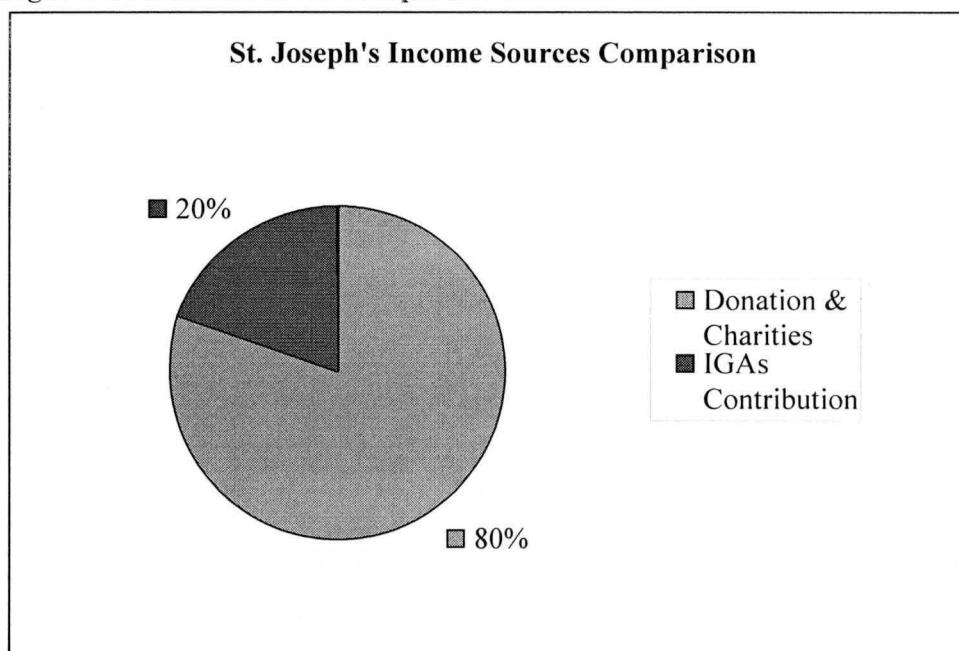
Table 20: Income Sources Analysis

Month (2006)	Donation & Charities	IGAs Contribution	Total Income
January	150,000	8,000	158,000
February	150,000	0	150,000
March	490,000	69,000	559,000
April	490,000	374,000	864,000
May	490,000	32,500	522,500
June	490,000	307,500	797,500
July	490,000	128,000	618,000
August	490,000	0	490,000
September	490,000	0	490,000
Total	3,730,000	919,000	4,649,000
Average Contribution per month	414,444	102,111	516,556
Percentage of total contribution	80.23%	19.77%	1

Source: MEDAMA Monitoring & Evaluation Survey October 2006:

No income was realized in the months that were considered having deficit. The average income from IGAs was TZS 102,111/= equals 20% of the total average income realized during the period. This income from IGAs has narrowed down the gap between the donations/charities and local income by 10% as reported during the research. It should be noted that there are three IGAs however the other two has not started producing income. The IGAs and donations/charities relationship is also depicted in figure 5 above.

Figure 5: Income Sources Comparisons



Source: MEDAMA Monitoring & Evaluation Survey October 2006

Capital investments on facilities at the centre worth TZS 97,127,695 are summarized in Table 21 below. Funds for putting these facilities in place were donated by different stakeholders through strategic resources mobilization initiatives. These assets are reflected in market value; however the original cost could be lower than that. The market value was obtained from Properties Valuation Report by Arumeru District Council October 2006.

Table 21: Mobilized Resources for Capital Investments on Facilities

Facilities in Place	Market Value (TZS)	Comments
Dining Hall	19,027,600/=	A Dinning Hall with total area of 150.23m ² was built with the capacity to accommodate 60 people at a time.
Kitchen	1,833,300/=	A kitchen with total area of 12.6m ² has been built. Now the cooking is done inside.
Dormitory	30,071,940/=	Construction of a new dormitory with total area of 201.55m ² is at finishing stages.
Laundry and Car park	14,137,200/=	A laundry and Car park with total area of 10.72m ² has been built
Classrooms	15,723,450/=	Two classrooms and an office with total area of 114.77m ² were built. These classrooms carters for nursery school for the kids at the centre and the nearby community.
Shop	1,986,075/=	A shop of 12.48m ² total area was built and now is used as a merchandise store.
Toilet/Bathroom	998,130/=	3 pit latrine and one bathroom with a total area of 7.35m ² were built.
Water Storage facilities	3,300,000/=	Different donors donated 6 plastic water tanks with capacity to carry 5000lts. This became an option after drilled a 100 m well without getting water.
Minibus	9,700,000/=	A donor from the USA donated Toyota Hiace minibus with capacity to carry 25 kids.
Beds and Mattresses	350,000/=	Individuals in Arusha donated 10 beds and 10 mattresses.

Source: MEDAMA Monitoring & Evaluation Survey October 2006: St. Joseph Health and Orphan Centre Properties Valuation Report by Arumeru District Council October 2006.

5.3. SUSTAINABILITY:

The design of this project stimulated organization's participation in identification and design, planning, implementation and management. As in other CED projects, there is positive correlation between community participation in all phases of project development including implementation and sustainability. The project utilized the CBO member's IGAs ideas that stimulated the issue of taking ownership and commitment to the project, which was also central to sustainability. Economic viability in selecting IGAs was also considered. It was expected that these IGAs will be self sustaining once they takeoff.

5.3.1. Sustainability Elements

The IGAs once are all established they will definitely need additional capital. The absence of additional capital may limit expansion of the projects. Financial and business disciplines need to be taken into consideration. In absence of that, the centre might find itself drawing the IGAs capital to meet their immediate needs. Change in leadership at the centre might affect the established IGAs if the new leadership will not believe in running social enterprises supports realization of the core purpose of the centre. The IGAs will heavily be affected if there will be any adverse conditions toward them. Adverse condition may include theft of IGAs funds, merchandises, or facilities; natural disaster like storms and winds.

5.3.2. Sustainability Plan

Sustainability in this case is defined as IGAs being able to generate adequate earnings that will maintain and use the asset, and to replace the asset after expiration of its lifetime and continue to provide income to the centre. For sustainability, more

assistance is required to enable the centre to make further informed decisions in IGAs, and for having a better understanding of the business skills required. The project expects later to have capacity building training on project management to the staffs that will be supervising project components. The center will need and look for some support from skilled people to run IGAs in a profitable manner. This will include establishment of appropriate accounting system to ensure accountability of entrusted resources. Security for the IGAs assets and facilities will need to be strengthened to avoid avoidable losses.

5.3.3. Institutional Plan

MEDAMA has learned a lot during the implementation of the IMAGE project and it is open for new learning. It is in the process of learning the entrepreneurial culture and skills especially in operating IGAs. The centre will continue to look for additional capital including re-investing the surpluses obtained from IGAs to enable expansion of the social enterprises. The center is willing to organize some entrepreneurial and book keeping training for its staff as a way of building its future capacity in managing these IGAs.

5.3.4. Long-term Cash flow projection

To assess the sustainability, five years cash flow projection has been analyzed in table 22 below.

Table 22: IGAs Long-term Cash Flow Projection

Project Area	Cash Inflow (TZS) (Net Income)				
	Yr1	Yr2	Yr3	Yr4	Yr5
Merchandise Store	1,250,000	1,625,000	2,112,500	2,746,250	3,570,125
Poultry Enterprise	0	2,400,000	2,880,000	3,456,000	4,147,200
Grain Milling Project	0	3,300,000	3,630,000	3,993,000	4,392,300
TOTAL	1,250,000	7,025,000	7,992,500	9,202,250	10,717,325

It is expected that merchandise store income will be growing by 30% annually for the next five years, poultry enterprise once started will be growing by at least 20% annually and grain milling project once started is projected to grow at least by 10%.

CHAPTER SIX:

CONCLUSION & RECOMMENDATIONS

6.1. Results

The IMAGE project goal was to “enhance the Center’s organizational capacity in caring the needy children” through establishing IGAs and mobilizing resources from multi-sources. The project had two specific objectives; “Establish 3 social enterprises as income generating projects namely Merchandise Store, Poultry Enterprise, and Grain Milling at Kiserian by December 2006”; and “Development of Resources Mobilization Initiatives by December 2006”. There was neither change in the project goal nor its objectives during the project life. The project components are at different stages of implementation. The Merchandise Store is established and fully functioning. It had made significant income contribution to the centre. It has helped to narrow the gap between local income and income from donations. Because of this project, local income has increased from 10% to 20% of the Centres’ total income for the period of nine months of operations. This is a significant increase comparing to the size of the undertaking. The size of the working capital has limited the expansion of the project since the capital that was mobilized for this project was not sufficient for bigger undertaking.

The poultry enterprise is at re-establishment stage after being suspended due to bird flue threat soon after it was established. Therefore, the expected nutrition and income from poultry enterprise has not been realized since the project was suspended due to bird flue threat.

Income from milling project is also not yet realized, as the project hasn't started yet. The initial capital for the project has been obtained recently and the process for buying and installing the equipments is underway.

Resource mobilization initiatives were carried out where most of the essential facilities identified as a need for the centre in MEDAMA October 2005 survey are in place which is a result of that initiative. The initiatives was mainly on erecting and placing different facilities at the centre. The following facilities were realized during the project period; A Dinning Hall with total area of 150.23m^2 was built with the capacity to accommodate 60 people at a time; now the cooking is done inside since a kitchen with total area of 12.6m^2 has been built; Construction of a new dormitory with total area of 201.55m^2 is at finishing stages; A laundry and Car park with total area of 10.72m^2 has been built; Two classrooms and an office with total area of 114.77m^2 were built. These classrooms are used as a nursery school for the kids at the centre and the nearby community; a shop of with total area of 12.48m^2 was built and now is used as a merchandise store; three pit latrines and one bathroom with a total area of 7.35m^2 were built; Different donors donated 6 plastic water tanks with capacity to carry 5000lts each. This became an option after drilled a 100m well without getting water; a donor from the USA donated Toyota Hiace Van (minibus) with capacity to carry 25 kids; and individuals in Arusha donated 10 beds and 10 mattresses.

The Resources Mobilization Initiatives objective was fully achieved while that of IGAs has been partly achieved. The reason for partial achievement of the IGAs objective has been because of different factors in project components of that area. As

already explained above, availability of capital has been a major factor for delay of the milling project and the outbreak of bird flue threat slowed down the poultry enterprise. The project expects increased income contribution from these sources and availability of nutrition sources once they takeoff.

6.2. Recommendations

The design and implementation of this project has provided opportunity for learning to the author. The following insights, learning, surprises and discoveries can be of great value to the people attempting the similar project:

6.2.1. Social enterprises to some extent have helped MEDAMA to achieve social impact through socioeconomic value creation. The established social enterprise incorporated commercial forms of income generation into MEDAMA's operations at the centre as a means to accomplish its mission (social value) and achieve financial sustainability (economic value). This success implies that similar organizations can apply this model of the social enterprises as a means to achieve financial sustainability and enjoy the benefits like, increased income; a diversified funding base; greater flexibility in allocating income; improved organizational planning, management, and efficiency; improved relations with philanthropic donors; increased and improved benefits for stakeholders; increased self-confidence; and greater value placed on work.

6.2.2. The IMAGE project has revealed that Faith based organization can also operate "social enterprises" or IGAs successful as other private companies can do without special treatment. The prerequisite for that is all about building

entrepreneurial culture in the nonprofit organization being faith based or not. The social enterprise follows the same business practice. The only difference can be the motive for surplus and how is appropriated.

6.2.3. There was a question on how IGAs can be financed. Some scholars have raised some questions on financing IGAs with grants. They argue that, it is better for IGAs to be financed by equity and or loans. However, they came in agreement that if it is not possible to finance it by equity and or loans, then grants becomes an option. IMAGE project was mainly financed by grants and there have not been any problem so far. What the project that was financed by grants need is good management as any other business will need.

6.2.4. It is recommended that the organizations that are struggling with the similar issue on financial sustainability to apply multi-approaches as we did in IMAGE project. Capacity building can be done in different areas and in different ways. It can be in finance or in resource mobilization and it does not have to be in form of training only. The findings revealed that the term could be used in different ways that aims on facilitating the achievement of the organization's mission and purpose. IMAGE project was a capacity building project as it aimed on building the institutional and financial capacity of St. Joseph Health Orphan Centre through social enterprises, IGAs and resource mobilization.

6.2.5. The recommend to organizations attempting to similar project to make sure that in all stages of the project development, key stakeholders are involved to ensure sustainability. Selected projects should also be economically viable. Service oriented organizations needs to think on introducing economic

elements in its programs to reduce dependence on external donors and ensure financial sustainability.

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