OPEN UNIVERSITY OF TANZANIA

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SOUTHERN NEW HAMPSHIRE UNIVERSITY

Master of Science in Community Economic Development (2007)

Formalization and Capacity Building of Enyorata Tanzania Cultural Group at Mwenge, Kinondoni

Elisifa King'ori Kinasha

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FORMALIZATION AND CAPACITY BUILDING OF
ENYORATA TANZANIA CULTURAL GROUP AT
MWENGE, KINONDONI
"SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENT FOR THE MSc. IN
COMMUNITY ECONOMIC DEVELOPMENT"

Elisifa King'ori Kinasha

CERTIFICATION

This is to certify that I have gone through this project report titled "Formalization and Capacity Building of Enyorata Tanzania Cultural Group" and found it acceptable for the partial fulfillment of the requirement of the Master of Science in Community Economic Development of the Southern New Hampshire University and Open University of Tanzania.

Supervisor: Mr. Zera Evans Baseki .

....

Date: ....

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DECLARATION

I Elisifa King'ori Kinasha declare that this report is for the purpose of partial fulfillment

of the requirements of Masters of Science in Community Economic Development. It is

the result of my own work, and has not been presented in any other University or

Institution of higher learning for a similar purpose.

Name: Elisifa Kingo'ri Kinasha

Signature: _____

Date: _31st May 2007_____

DEDICATION

This report is dedicated to my husband Abedi, my daughter Anita and son Philip for their support, love, encouragement and patience for the time of my graduate work. Finally I would like to thank all my friends for their support and encouragement.

ABSTRACT

This project is on Formalization and Capacity Building of Enyorata Tanzania Cultural Group. The group consists of 35 Maasai women and men based in Mwenge Village Kinondoni District who have organized themselves to make and trade in traditional handicrafts, collect and sell traditional medicines, assist each other when they have problems (such as death, sickness), learn to read and write and to enhance their culture. A Need Assessment study carried out for the group identified a number of factors that adversely affected the group's activities. These were low capital, lack of premises to conduct their business, lack of credit facilities to run their business properly and the lack of capacity in the areas of book keeping, record keeping and business skills.

These findings were similar to those found in a survey of the literature on the performance of small businesses in Tanzania.

This present project was selected on the basis of these findings. It was intended to assist the group first by facilitating its formalization and then by helping capacity building in entrepreneurship skills i.e. simple bookkeeping and marketing strategies. Formalization was to be achieved by assisting the group's formal recognition through registration at the Village Government and later at the Municipal Council levels.

The project period was 18 months, from September 2005 to February 2007. The target group members were all 35 founder members carrying out small scale business mainly on Maasai hand crafts.

A constitution for the group was developed and this was approved by all members. It was then approved at Mtaa and Ward levels respectively before it was submitted to the District Commissioner for registration. Further the group was trained on how to start their own savings and how they could join SACCOS to get credit to improve their business. Training on business skills was also imparted to the group. Although the group could not get any credit from financial institutions during the project life, they were able to start their own savings mobilization and already have funds in their account.

The project has helped the author to successfully achieve her objective of working with a Community Based Organization by improving its performance.

EXECUTIVE SUMMARY

This project is on Formalization and Capacity Building of Enyorata Tanzania Cultural group. The Community-Based Organization (CBO) selected by the author is known as Enyorata Tanzania Cultural Group. This is a group of Maasai women and men living in Mwenge village, Kinondoni Municipal Council in Dar es Salaam. The group deals in making and trading in traditional Maasai handicrafts, singing, selling traditional medicines and assisting each other in difficult times. Since the group is informal and not recognised at any government level, it cannot get any kind of support access credit facilities from financial institutions. The group is also doing its activities without any entrepreneurial skills to help it do a profitable business.

The author used knowledge obtained in the Community Economic Development (CED) training programme to work with the CBO members and took them through the process to identify problems affecting their daily activities. The CBO members together with the author identified project activities to be carried out by the author. CBO members participating in project activities facilitated the implementation of the work plan developed with collaboration of the author. Its members had the responsibility of providing an enabling environment to the author, which led to the institutional development and capacity building. The project selected is formalization and capacity building on entrepreneurship skills i.e. simple bookkeeping and marketing strategies. The project aimed at: first assisting the group to be formally recognized by getting registration at the village government and later at the Municipal Council level and secondly to develop and strengthen the organizational capacities both at office and for group members. It was expected that these would improve the productivity of the group activities as well as improve the well being of the members.

During Needs Assessment, the group identified the following problems:

(i)   Lack of formal recognition at various government levels i.e. Village government, Ward level and Municipal council level as a result of which could not access credit facilities,

(ii)   Lack of capacity in the field of business management, marketing strategy and leadership skills, and

(iii)   Lack of premises to carry out their business.

The desired conditions on the target community were as follows:

(i)   To build the ability of individuals and organization to work together to take control of their economic future;

(ii)   To strengthen individual skills and create opportunities for individual skill development. As individuals develop new skills and expertise, the capacity of both individuals and the community increase;

(iii)   If capacity on entrepreneurship is built, the community can venture into credit societies, and it will be easy for the providers to access them for the credit facilities or small loans and look for markets for their products; To increase peace and harmony, effectiveness in resources utilization and enable them to voice for more support from any opportunity they come across.

The most important goals of the project for Enyorata Tanzania Cultural Group were:

(i)   To have a well established and vibrant CBO;

(ii)   To have a group that was strong economically, recognized and associating with other similar organizations; and

(iii)   To improve the quality of human resource in the Maasai community.

The student assisted the CBO to develop its constitution; this was approved by all group members. The constitution was then approved at Mtaa and Ward level before it was submitted to the district Commissioner for final registration. The group was also trained on how to start their own savings and how they could join SACCOS to get credit to improve their business. Training on business skills was also imparted to the group. Although the group could not get any credit from financial institutions during project life, they have started their own savings and they already have income in their account. The project has helped the student achieve her objective of working with the CBO.

ACKNOWLEDGEMENT

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ABBREVIATIONS

BOT   Bank of Tanzania

CBO   Community Based Organization

CED   Community Economic Development

CDP   Community Development Policy

CIDA   Canadian International Development Agency

IMF   International Monetary Fund

LGA   Local Government Authority

MFI   Micro Financing Institution

MSE   Micro and Small Enterprises

NGO   Non Governmental Organizations

PRIDE   Promotion of Rural Initiative and Development Enterprises

SACCOS   Savings Credit and Cooperative Societies

SEDA   Small Enterprises Development Agency

SME   Small and Medium Enterprises

SNHU   Southern New Hampshire University

SPSS   Statistical Package for Social Science

USAID   United States Agency for International Development

WEDTF   Women Enterprises Development Trust Fund

WID   Women in Development

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CHAPTER ONE: COMMUNITY NEEDS ASSESSMENT

Community Need Assessment is a process to determine the current situation in the community (Carter and Beaulieu, 1992). This process will help local leaders to determine priority of the community needs and or preferred situation in the community. Community Need assessment is an involving exercise which need planning. It is therefore important to plan the exercise once you have decided to carry out a need assessment. One must know who will conduct the survey, what kind of information needs to be collected, how will the information be collected and be used. The technique to be used in determining the current situation is very important. There are several techniques for conducting need assessment, these include: structured discussions, popular theatre, questionnaires, observation and games (CEDPA Handbook). Information gathered at this stage helps in defining the problem and needs to be addressed for that particular community.

1.1   Community profile

Enyorata Tanzania cultural group is made up of about 35 Maasai women and men. The group started in 2002 and included mainly the Maasai who thronged Dar es Salaam in late 1990s. Maasai men came to work as night watchmen and some of them had their wives joining them. As they were idle during the day they organized themselves into groups whose main objectives was to increase their income in order to improve their livelihoods.

Enyorata Tanzania Cultural Group is an informal group doing business in making and trading in handicrafts as an income generating activity. It is a group doing business informally to earn their daily living. The Maasai believed to be the only tribe still maintaining their culture are a minority in Dar es Salaam. Most of the Maasai do not have permanent homes in Dar es Salaam. They are usually found in groups in areas around markets doing small businesses such as selling traditional medicines and

handicrafts. Men who are night guards during the night are also found in groups during the days either sleeping or singing under big trees. Apart from income generating activities, the Enyorata group also engages in social activities like learning to read and write, learning about health and hygiene, prayer group activities and supporting each other in difficult times.

The project aims to work with Enyorata group to assist its members realize the benefits of the group and also raise their income.

1.2   Community Needs Assessment

The community needs were determined at meetings held with members of the group. The techniques used to determine the needs of Enyorata community were through focus group discussion meetings, structured questionnaires and observation of the group at the site. These facilitated the development of a list of problems. The following are the main problems identified:

(i)   Lack of credit facilities to enable them do their activities profitably;

(ii)   Lack of permanent premises for carrying out their operations;

(iii)   Lack of steady and assured market for their goods;

(iv)   Lack of confidence on the part of women themselves and government policies towards the informal sector;

(v)   Not being able to exploit opportunities outside districts (groups), gender inequalities on land ownership, access to public services, how to conduct fund raising.

1.3   Research Objective

The objective of the survey was to determine problems affecting the small informal business of the Enyorata Tanzania cultural group.

1.3.1   Research methodology and design

Both research survey and literature reviews were used in this survey. The study is a descriptive research and utilizing data derived from surveys, and qualitative methods for gathering information required for the conclusions and recommendations of the study. The author utilized a cross-sectional design where subjects were assessed at a single point in time in their lives. A cross sectional study is fast and can study a large number of people at little cost or effort. As the data is collected at one point in time dropouts do not affect the quality of the data during the course of the study. Other advantages of this study design are:

(i)   It describes things as they are, so that people can plan. If they are unhappy with the picture a cross-sectional survey reveals, they can change it

(ii)   It is also relatively easy to perform, and

(iii)   Is cost effective.

A cross sectional study is also efficient at identifying association, but may have trouble deciding cause and effect. However, it is limited in that if things change rapidly, the survey information will possibly become outdated. The Formalization and Capacity Building project data was collected during organized meetings, using the Rapid Appraisal Methods hence at a single point.

1.3.2 Sample size

Sample size is critical in any survey, generally the larger the number in the sample, the higher the likelihood of a representative distribution of the population. Before any decision of the method to be used is made, one must bear in mind whether to go through the whole population or just a sample. This depends on how quickly data is needed, available resources, the need for credibility and familiarity with survey sampling methods.

There are two basic method of sampling: Probability – a probability sample is one in which each person in the population has an equal chance of being selected, and Non-probability sample is a sample in which the chance of an individual within the total population being chosen is not known. Non-probability sampling is the selection of a sampling unit by arbitrary methods, such as convenience and judgement. The selection of the sample for this survey was a convenience sample that is those who were able to attend the meeting and conducting their business.

A Valid Sample considers the population, sample size and selection. In this survey, the project sample was valid since for simple surveys a twenty five percent of the population is acceptable. However, the size of the sample was adequate out 35 members, 30 were interviewed i.e. 85.7 percent of the whole population. The overriding principle of validity is that it focuses on how a questionnaire or assessment process is used. Reliability is a characteristic of the instrument itself, but validity comes from the way the instrument is employed.

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Reliability of a measurement refers to the consistency or repeatability of the measurement of some phenomena. If a measurement instrument is reliable, it means the instrument can measure the same thing more than once or using more than one method it can yield the same result. Due to the choice of a research design i.e. Cross-sectional research design where subjects are assessed at a single time, the alternate-form was the appropriate reliable instrument for the author's project. Therefore I used different worded items or response sets to obtain the same information about a specific topic which is the knowledge on the entrepreneurship and informal businesses development

1.3.3 Data Collection

Two methods of data collection were employed in this survey. Secondary data was obtained through literature reviews and other study reports; Primary data was obtained through structured questionnaires, in-persons interviews and observation. In-person interviews which are face to face interviews were held using structured questions. This method was chosen because of the low level of education of the group members whereby most of them could not read or write. This method also has the advantage that the interviewer is able to clarify the terms that are unclear, control the order in which the questions are presented depending on the situation and to probe for additional information and details. Eligibility criteria for each group were as follows:

(i)   Structured questionnaire

- Must be members of the group,

- Must be able to read and write,

- Must be able to attend the meeting during data collection.

(ii)   In-person interviews

- Must be members of the community,

- Must be able to attend the meeting during interview session,

- Must be those who cannot read and write.

(ii)   Observation

- Members of the community,

- Must have participated in the above two groups.

Prior to the personal interview the author held focus group discussions with group members and discussed in detail the way forward and how to assist them. This was aimed at assisting the author when analyzing data and also to make respondents more relaxed and familiar during face to face interviews.

The survey questionnaire (appendix III) contained 14 questions in total out of which seven were forced choices between 'Yes and No', four were branching questions; the rest needed explanations from the respondents. Since the interview was face to face there was an added advantage of making more clarifications to the respondents.

1.3.4   Data Analysis

Data analysis means tallying and averaging responses, looking at the relationships and comparing them. In this particular study analysis involved qualitative and quantitative data. Responses to open ended questions were summarized, categorized and coded as

per questions in the questionnaire. The coding was also applied to closed ended questions. A code book was established to record all the responses to the research questions for easy entry into the spreadsheet of the computer software. Analysis was done using the Statistical Package for Social Science (SPSS) version 10.0. Statistical information are shown in appendix IV.

Descriptive statistical methods such as tallying, frequency distribution, mean, mode and median were employed in computing and analyzing the study results. In most cases frequency distribution and cross-tabulation were used to summarize and analyze the responses of respondents. The processed information or data that has been gathered from the survey was used to make recommendations and way forward.

1.3.5 Research findings

I   Questionnaires results

Like in any other scientific discipline, accurate data is required to be studied before any theory can be made, and before any conclusions are drawn. The original classical "Scientific Method" first requires the data followed by examination of the data, conclusion from the data, independent validation by other researchers of the data, and finally a mathematical theory is formally suggested to explain the data. Several techniques are available for presenting survey data clearly. These include: reproducing a summarized version of the questionnaire and its responses, tables, bar and line and graphs. The survey involved 30 respondents and all responded to the questionnaire.

Results presented therein are those obtained from the filled-in questionnaires and not from observations and literature review. The questionnaire used and statistical tables are also appended at the end of this paper.

- **Age, groups of respondents**

The age grouping of the respondents was categorized into three groups, that is between 15 and 20 years old, between 21 and 35 years old and above 36 years. The results show that out of the 30 respondents 4 are in the first category, while 16 and 10 are in the second and third categories respectively; and their percentages are 13.0%, 53.3% and 33.3% respectively. This implies that most of the respondents are adults in the middle age between 21 to 35 years old. (Table 1.1)

Table 1.1: Respondents' Age Frequency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-20years	4	13.3	13.3	13.3
	21-35years	16	53.3	53.3	66.7
	36 above years	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

- **Level of education of the respondents**

The level of education of respondents was analysed to find out how knowledgeable they were in issues that affected their business. We wanted to know if this has a causative effect on non registration of their organization as a CBO. The question on why they were not registered was open ended, therefore respondents were required to mention what they thought was the reason. In terms of education, respondents were found to have

only up to primary school education whereby 18 out 30 (60%) respondents had no formal education and 12 (40%) respondents had primary education. 17 respondents did not know how to read and write, and 13 respondents could read and write (Table 1.2).

Table 1.2: Respondents' Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13	43.3	43.3	43.3
	No	17	56.7	56.7	100.0
	Total	30	100.0	100.0	

- **Reasons for joining this group, and what they thought the importance of the business was.**

Respondents were asked to give reasons why they decided to join this group. The results were that 21 (70%) respondents said they joined the group for income generation activities and 9 (30%) respondents joined the group for socialization reasons. Also 23 respondents viewed the business activities in the group to be very important and 7 respondents (23.3%) found the business to be of moderate importance to them. (Table 1.3)

Table 1.3: Reasons for joining the Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Socialization	9	30.0	30.0	30.0
	Income generation	21	70.0	70.0	100.0
	Total	30	100.0	100.0	

- **Main causes of the problem**

The objective of this study was to find problems that affected informal businesses in the country. Respondents were therefore asked to mention the problems which they thought affected their businesses. The question was open ended. Many answers were obtained from the respondents, and therefore, grouping of answers during data entry was done. The following were found to be major groups of answers to this question: poor marketing skills, lack of permanent premises, low capital, competition in markets, lack of credit facilities and non committed leaders

The data was analysed using SPSS software, the causes were ranked and it was found that poor marketing skills had the highest frequency of 8 out of 30 and percentage of 26.7 in comparison with other causes. This was followed by Low capital and lack of premises, both had a frequency of 7 out of 30 and percentage of 23.3. Third was lack of credit facilities with a frequency of 6 out 30 and percentage of 20. Other factors of competition in markets and non committed leaders each had a frequency of and a percentage of 3.3. (Table 1.4)

Table 1.4: Problems affecting the business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Capital	7	23.3	23.3	23.3
	lackcredit	6	20.0	20.0	43.3
	premises	7	23.3	23.3	66.7
	poormrkt	8	26.7	26.7	93.3
	compmrkt	1	3.3	3.3	96.7
	noncommldrs	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

- **Suggested solutions to the problems identified above**

From the interviews conducted in the study area, respondents suggested the following actions as solutions to the problems identified. The need to be linked to credit financing institutions, availability of permanent premises, training on marketing and business skills, availability of loans and support from the Community Development Officer at Ward level (Table 1.5)

Table 1.5: Proposed Solution to Identified Problems

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Loans	5	16.7	16.7	16.7
	Business premises	5	16.7	16.7	33.3
	creditfac	8	26.7	26.7	60.0
	entrskills	8	26.7	26.7	86.7
	cdosupprt	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

- **Training on entrepreneurship skills and future plans**

25 respondents out 30 (83.3%) said they would attend training on entrepreneurship skills if these were conducted. When asked what the future plans of the organization were; respondents listed various issues as their priority in future. These were:

- More marketing is required – 16 respondents out of 30 (53.3%)

- Expand business or diversify to do other things – 12 respondents out of 30 (40%)

- Attend exhibitions to find new markets – 2 respondents out of 30 (6.7%). (Table 1.6)

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Table 1.6: Respondents replies on the need training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	83.3	83.3	83.3
	No	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

II   In-person Interviews

Respondents mentioned some of the problems they view as being obstacles to their growth as:

(i)   Low capital to operate meaningful business. This meant they could only buy small quantities of raw material to produce their products. Due to non availability of a reliable market, their products sometimes remain unsold for long periods of time thus making them unable to continue,

(ii)   Lack of reliable business premises: They are frequently harassed by Municipal officials for doing business in unauthorised premises,

(iii)   Respondents also gave reasons for starting this type of business as the need for a reliable source of income and for helping each other when in need,

(iv)   Respondents indicated that they were ready to attend entrepreneurship training if offered the opportunity.

III   Observations

The observation during this survey was that group members stayed in small groups depending on their activity sub-groups. This limited interaction and sharing of new ideas

among the group as a whole. Furthermore, their level of education limited their participation in discussion. Young members were more active and participated freely in discussion and indicated that they are ready to learn new ways of doing business.

These findings indicate that micro enterprises groups engaged in informal sector businesses are characterized by problems which are similar though at different levels. The survey was very useful; though the sample was not very big the results obtained are comparable to the previous surveys carried out elsewhere (Temu, 2000). The survey showed that problems affecting growth of small businesses in the informal sector are: low capital, premises to operate their businesses, inadequate markets and cooperation among group members. The survey also showed that group members are willing and ready to attend training on entrepreneurship if organized. Low level of education affects group members in that they are not able to follow current issues which can influence their businesses.

CHAPTER TWO: PROBLEM IDENTIFICATION

After carrying out need assessment and collecting all relevant information, one is in a position to select a particular problem which the project could address. During this stage more detailed information is collected about the community, resources available in terms of financing and staff, and stakeholders' analysis. Having collected the detailed information one can now write the goal and objective of a project to be implemented within a relative short time.

2.1 Problem Statement

(i) A situation that needs to be changed

The current situation of unemployment and underemployment in our urban areas is on the increase due to the fact that urbanization has been taking place at the rate higher than the capacity of the country to generate employment opportunities. Unemployment and inability of the formal sector to generate employment have therefore forced many people (both men and women) to join and survive on the ever- expanding informal sector by starting their own enterprises. The Informal sector has become a sanctuary for the provision of income and livelihood for the majority of rural and urban people.

(ii) Who is affected?

Men and women of different background and age have joined the informal sector, most of them are those who are less or non-educated, poor and unskilled, who had never been employed in the formal sector.

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(iii) **What are the causes of the problem**

Causes of the problem include: lack of access to loans from formal lending institutions lack of business skills and knowledge, limited markets, lack of premises for their operations, and government policies towards the informal sector.

(iv) **What is the size of the problem**

The informal sector in Tanzania is estimated to employ about 2.4 million people since 1991 (Bureau of Statistic and Ministry of Community Development, Gender and Children 1995). (Tundui 2002). From this data the problem is quite big.

(v) **How does the problem relate to the purpose of Enyorata group**

The Enyorata Tanzania cultural group is an informal group doing business in making handicrafts as an income generating activity. It is a group doing business informally to earn their daily living. Given the fact that many Maasai are also migrating to Dar es Salaam, they will find themselves in the same situation with businesses which do not grow and which are not able to support them.

(vi) **What will happen if nothing is done**

If nothing is done, the majority of unemployed people including youth and women will continue to suffer and deteriorating living conditions. Without solving the problem these people face, efforts to eradicate poverty will be fruitless.

2.2 Target community

The people who will be involved in the project are all members of the Enyorata group at various levels. Leaders will be involved in the preparation of the constitution while all members will participate in entrepreneurship trainings.

2.3 Stakeholders

The main stakeholders of the project are members of the CBO, Village government, Community members/ customers, Municipal Council, micro financial institutions, traders, and project student. The stakeholders participate in the project in various capacities as follows:

(i)   Individuals – effective participation in all activities such as attending meetings, making new products for sale,

(ii)   Village Government – support the group and assist them to get space for conducting their business,

(iii)   Community members/customers – participate and visit the group to purchase their   products,

(iv)   Municipal Council – assist and register the CBO,

(v)   Micro financial institutions – support the group and provide opportunity to access credit facilities,

(vi)   Traders – make available raw materials and

(vii)   Project student – assist the CBO in preparation of the constitution and organize trainings in entrepreneurship.

The stakeholders analysis and their participation is shown in details in Appendix V

2.4   Project goal in CED terms

The project goals are:

(v)   To have a well established and vibrant CBO,

(vi)   To have a group that is strong economically, recognized and associating with other similar organizations.

Prof. Yoel Camayad-Freixas of Southern New Hampshire University (SNHU) asked a question, 'YES IS IT CED?' According to him a CED project must bear elements that reflect the three components i.e. there should be a community element, an economic element and a development element (Y.Camayad – Freixas, 2003). The two goals reflect a CED project since the first element; the community will have full participation – genuine participation, empowerment and /or ownership. The researcher's project also is oriented on social development and advocating for economic benefit. Any undertaking which does not grow or expand is meaningless. In CED, development entails building *capacity* and project sustainability to continue once the designer leaves the activity. The project then will be sustainable after the realization of profit or economic benefits. It will enable them to determine which items have high turn-over, slow moving items and adjust accordingly. Full participation and ownership of all group members is also very important for this project to be sustainable.

2.5   Project objectives.

The project objectives were:

(i)   To formalize the CBO through registration;

(ii)   To develop capacities of group members and increase opportunities for them to use these capabilities, to thrive and improve their business and

(iii)   To increase the working capital of the group.

The project aimed at achieving completion of the above objectives by the prescribed dates. Prerequisites to achieve the above are full commitment from the leadership and cooperation from the government bodies involved in the process. The project had the resources in terms of human resources and funding. It did not need so much in terms of financial resources. The following were steps, which led to accomplishment of the objectives:

(i)   Meetings with Enyorata group to identify problems affecting their business,

(ii)   Literature review and background of the SMEs,

(iii)   Preparation of the constitution,

(iv)   Lodge the request of Enyorata for registration at District Commissioner's office,

(v)   Organize training courses

(vi)   Conduct the trainings and

(vii)   Monitoring and Evaluation.

2.6   Host organization

Enyorata Tanzania Cultural group was the host organization. The organization was facilitating the project, because it was in their own interests that the project goals were achieved. The group leadership has been working together with the author of this paper, contributing their time in planning and attending meetings with Village government leadership. They also contributed cash which was needed to start their savings.

CHAPTER THREE: LITERATURE REVIEW

Most of the countries in sub Sahara Africa economy depend on agriculture which accounts for more than 50% of the Gross Domestic Product (GDP), majority of the people live in the rural areas. External and internal factors in these countries lead to decline in terms of trade, slowing economic growth rate and expanding budget deficit. Developing countries consider small scale enterprise to be of greatest value in building up local production structure and in promoting economic growth. Others consider it more important as a means of creating employment and achieving a fairer distribution of national resources, income, knowledge and power. Small scale enterprise is also seen as an instrument for the development of local entrepreneurship, as a form of enterprise in which appropriate technology can be applied. Despite all these recognition by different governments, many have not been able to put in place policies to support its development.

The subject on micro and small enterprises (MSE) in Tanzania on their development and constraints faced in establishment of such enterprises is a well researched area. This chapter reviews some of the literature on the subject matter.

3.1   Theoretical literature

3.1.1 Entrepreneurship

Due to economic changes in the world, more and more individuals are looking for economic activities to fill the gaps (goods and services) created by unemployment and thus have set up their own enterprises.

Entrepreneurship has been defined by different people in different ways. Entrepreneurship is derived from the word entrepreneur, who is an entrepreneur? Entrepreneur is a person who undertakes and operates a new enterprise or venture and assumes some accountability for the inherent risks (Wikipedia). Jean –Baptiste defined an entrepreneur as one who combines the land of one, labour of another and the capital of yet another and thus produces a product (Nchimbi, 2003). Entrepreneurs organize the various components necessary to operate a business. Another school of thought define an entrepreneur as one who is innovative (R. Lipsey, 1980). Another definition of entrepreneurship as defined by Ewing Marion Kauffmann (Pages and Poole, 2003) refers to rapid growth of new and innovative businesses and is associated with individuals who create and seize business opportunities and pursue them without regard for resources under their control.

Entrepreneurship is thus the act of developing own business as an entrepreneur; assume the risk of becoming a manager of the firm regardless of whether you manage it in an innovative way or otherwise. It is also an ability some people have to accept risks and combine factors of production in order to produce goods and services in anticipation of profit.

The MSE sector has become the main source of employment and incomes for a majority of the people in developing countries; this sector provides employment to more than 50% of the labour force in most developed countries. It is also estimated that in Asia and the ASEAN countries about 60 to 70 percent of the jobs are created by this sector (Tundui, 2002). In Africa the sector accounts for a significant part of urban employment

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with about 67 percent of people derive their livelihood from this sector (The World Bank, 1997).

3.1.2 Emergence of Micro and Small and Enterprises (MSEs) and Small and Medium Enterprises (SMEs)

The term micro enterprise has been defined differently by various scholars. Some have defined it in terms of the number of employees, others in terms of volume of sales or investment, and others in terms of category or type of business, market size and ownership (Nchimbi, 2003). The quantitative measure is however, relative and it depends on where it is being used, because in developed countries what is termed as small, it is the biggest industry in developing countries. For example, in Tanzania, micro enterprises are those engaging up to 4 people or employing capital of up to US$ 5,000. Small enterprises have between 5 and 49 employees or capital of US$ 5,000 to US$ 200,000. Medium enterprises employ between 50 and 99 people or use capital investment from US$ 200,000 to US$ 800,000 (Olomi, 2006). While in UK, small enterprises are defined as business undertakings with annual turnover of two million pounds or less and employing up to 200 paid workers (Nchimbi, 2003). In developing countries, the business enterprises is divided into micro, small and medium, the definition is also given in terms of number of employees being between 1 and 10. In Tanzania, the definition used in the Small and Medium Enterprises (SME) policy uses both number of employees and capital investment in machinery. In this case, the micro enterprise is defined as the one with fewer than 4, a small enterprise with less than 49, medium enterprise with less than 99, and larger enterprise with over 100 employees.

Capital investment range from less than 5 million shillings to more than 800 million shillings (SME Development Policy, 2003). It thus follows from these definitions that micro enterprise is the smallest business at the lowest scale of any enterprise; it involves businesses with informal characteristics.

Despite the government efforts to solve the threatening of economic crisis, measures such as Structural Adjustment Programmes (SAPs) did not deter nor arrested the deteriorating living conditions of the people. Instead the SAPs increased the inability of the labour market to absorb the ever increasing number of college and university graduates coupled with freezing unemployment and retrenchment of workers. Due to this, people sought for ways to get/increase their income in order to improve living conditions (Tundui, 2002). In response, many micro and small businesses were started by individuals. The SME sector therefore grew rapidly in response to the sharp fall of incomes and the exploding problem of unemployment. Subsequently, many people turned out to the sector as either employees or owners. According to the International Finance Company of the World Bank, it is estimated that there are approximately 2.7 million enterprises in Tanzania alone (Olomi, 2006).

3.1.3 The Role MSEs and SMEs in Economic Development

The MSE can be both formal and informal. The informal sector in Tanzania is growing rapidly and it is estimated to employ about 2.4 million people since 1991 (Bureau of Statistic, Ministry of Community Development, Gender and Children 1995). According to Kutcha – Helbling, a growing informal sector is an indication that something is wrong in the system (Kutcha-Helbling, 2000).

The MSE sector has been growing rapidly in response to the sharp fall of incomes due to the many economic changes which have affected our country such as rising unemployment. Many people turned to the sector in search of alternative employment opportunities and to supplement their wage income. As a result, the MSE sector has become one of the agenda in the country, and it has been accepted that it could play an important role in accelerating economic growth, reduce income disparities and generate employment. A study conducted by NIGP –ESRF in 1996, confirmed that, MSE is characterized by trade related activities and manufacturing such as food processing, agro-based, tailoring, brick making, furniture production, and all play the same role as mentioned above.

Due to the above reasons, the SME sector has increasingly been accepted that it could play an important role in economic development through; reduction of income disparities, employment creation, increased foreign exchange, poverty reduction and increasing GDP (Cross, 1998; Morris, Jones & Nel, 1998). For example, the National Informal sector Survey in Tanzania of 1991 showed that employment creation through SME generated employment of more than 2.4 million people (Nchimbi, 2003, Tundui, 2002, Olomi, 2006). This sector also improves access to basic goods and social services on the part of the majority of the poor.

3.1.4   Factors Influencing SMEs Development
Although it has been accepted by many countries that MSEs and SMEs have played an important role in economic development, little has been done to promote their development.

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MSEs have been facing many challenges which are contributed to by traditional/cultural beliefs, socio-economic and other operational barriers that limit their ability and capacity to develop from one stage to the next. Studies conducted by various scholars have identified the following as problems faced in MSE sector: lack of access to credit markets and low capital; lack of access to raw materials, worn out and or aged parts, depreciating Tanzania shilling, bureaucracy and non conducive business environment. Lack of business skills and knowledge, weak physical and business support infrastructure (limited markets, lack of premises for their operation, telecommunication, transportation) (Koda, 1995; Liimatainen, 2002; Ho & Kontour, 2001; Tundui, 2002; NISS, 1991; Toroka and Wenga, 1997; Temu, 2000 and Nchimbi, 2003).

Lack of business skills and knowledge- Most of these enterprises are started and operated by individuals or family members. These enterprises lack competent operators due to lack of qualified staff and training in business development skills. It is only recently, training on entrepreneurship has been started in many institutions. For example, The Moshi Co-operative College which has a department for Continuing Education (Olomi, 2006), Dar es Salaam Business College. In addition to the formal education being provided at various schools/colleges, there are additional skills required in order to run a successful SME. These skills include:

- Business training,

- Entrepreneurship development,

- Information of what is going on and what is current,

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- Technology and technology development – research has shown that the choice of technology has direct consequences on the development of SMEs. The technology chosen must consider the type of locally available raw materials to be used, not to consider the hardware only but also the software part of it,

- Marketing – the network of distribution is insufficiently developed in developing countries. Marketing skills are thus very important in development of SMEs, to make sure the products reach the customers and at the right price, to determine the demand for new products. Marketing is thus affected by; poor packaging, poor food processing, strategies that do not focus on customers requirement resulting into lack of customer satisfaction.

Some of the local banks in the country (e.g. CRDB and Akiba Commercial Bank) have relaxed their rules for lending to small enterprises in efforts to assist them to grow. They also offer free training on how to operate businesses profitably. It emphasize that these micro businesses must improve their business skills (The Citizen, 2006).

Lack of premises for operation- It has now become common in the country especially in urban areas that, those who run informal micro enterprises are continuously harassed for operating in forbidden locations. This is a problem arising due to poor town planning. It has not taken into consideration such businesses, and allocated space for them. Also due to gender roles, women are unable to locate their businesses in lucrative places (Kuzilwa, et al, 2002)

Bureacracy and non Conducive environment - Government policies that were in place did not provide a conducive environment for entrepreneurship development. Registration and licensing procedures were cumbersome and frustrating to the smallest micro enterprises. Yet this was one of the conditions to access credit from micro finance institutions. It was seen as if the policies favoured foreigners (Nchimbi, 2003). Things have however changed after Trade liberalisation where due to International Monetary Fund (IMF) conditions, the government made Structural Adjustments Programme. During this period many policy papers were prepared in favour of the private sector such as the National Employment Policy of 1997 which recognised the importance of self employment, Sustainable Industrial Development Policy of 1996, Community Development Policy of 1996, and Small and Medium Enterprises (SME) Development Policy of 2003.

Lack of access to credit markets; lack of access to loans from formal lending institutions is widely seen as barrier to micro enterprises establishment: Micro enterprises, are not able to access credit facilities or loans from formal lending institutions due to conditions which are beyond their reach such as; lack of collateral due to property ownership practices, they are considered to be risky businesses, many banks do not operate SME financing window, therefore there are no special consideration for processing such loans, and inexperience of bank staff in issues related to micro finance. The government having realized this shortfall, it has directed local banks to review their lending conditions and many banks now have micro finance departments to deal with such enterprises. There are also many growing non governmental organizations that are

promoting micro enterprises to grow (Kuzilwa, et al, 2002). Some of these NGOs include FINCA, SEDA, SACCOS, FAIDA and MEDA. There is also a new initiative by the government whereby efforts are being made to assist informal business to be formalized. This is being done through the Property and Small Business Formalization (MKURABITA) a new initiative started by the government. The National Strategy for Growth and Poverty Reduction (NSGRP 2005) has also recognized that SMEs are found in various productive sectors and they do face many challenges including inadequate financing and technical and managerial skills.

A community can be located in a geographical area within a certain district or a group of people with the same need and vision. This type of community may decide to come together and find means to develop themselves economically. Economic development may be generating new income, creating micro and small business, building employee skills, promoting the entrepreneurship spirit and securing investment capital (CED Guide to Peace Corps Volunteers). The micro and small businesses may fit well to the community economic development (CED) concept if these are started by community members themselves. CED has been successful in alleviating poverty in both developed and developing countries, since most of the micro enterprises are started with the aim to increase income, this approach should be used by communities with the same need.

3.2 Empirical Literature

Empirical literature reveals that performance of the micro and small enterprises owned mostly by poor individuals have been affected by problems which are similar, these include: location of business, skills, low capital, and management. There have been

similar efforts carried out by various groups in the past to establish micro and small enterprises; these will be reviewed to learn experiences of others and enable one to plan accordingly. Such projects include:

3.2.1 Women Banana Traders in Rungwe District

This is a women's group of small scale banana traders in Rungwe District, Mbeya region. Banana trade in Rungwe district is a main source of income to maintain families, with some reinvestment for household assets and minimum business expansion. The women started this business on their own without any assistance and they survived. Although the business growth was low, the women were able to access resources which enhanced their status in the community and gave them some autonomy. Improvement in market arrangement, business management training and access to credit are cited as interventions needed to enhance the women business growth (Kuzilwa et la, 2000).

3.2.2 Ndasati Ee Maa

This group started in 1995 by a group of women who spoke the Maa language from Arusha region but living in Dar es Salaam. It started with member contributions to raise funds for its operations. The main objective of the group was to unite the Maa women living in Dar es Salaam and to preserve the culture and traditions of their tribe. Among the many activities implemented by the group to achieve the objective were; to run income generating activities for the group, to look for outlets and markets for selling Maa art products, to organize workshops, seminars and fairs and to provide soft loans to its members.

The group grew up from 7 members to more than 60 members in nine years; it was successfully registered as an association. The association was headed by an executive committee of seven members elected by the general meeting after every three years. From the researcher's own experience who was a member of this group, this association was very successful. However, it did not have any permanent employed staff. The top leadership at one time were women who were also involved in activities related to the ones run by the association. Members became busy with their own activities and had no time with the association to the extent of not even attending meetings. The association which was once flourishing and providing soft loans to its members died a natural death due to lack of commitment from members.

3.2.3   Buguruni Capentry Cooperative Society Limited

This is a society registered with 42 operators; the cooperative employs four wage workers. The group is organized and it has ten members leadership with a chairperson, treasurer, secretary and committee members. Although business has been good and the cooperative has been successful, members think their business could be improved if they could get more capital to inject into business and replace their old machinery. According to a survey done by Lwoga (Lwoga, 1995), they also cited lack of training in skills improvement, leadership and business management as areas affecting their business. Another critical issue the cooperative is facing is lack of a title deed for the land they are occupying.

3.2.4 Kilali Women Group

Kilali's women group was established in 1991 as a family welfare programme initiated by one of its patrons. The activities carried out by the group were adult education, making stoves and tailoring. The group first started as a church group, but now it caters across all religious affiliation. Initially the group had fifty members but it grew up and expanded to 250 members, and it is open to all regardless of age, marital status, ethnic background or religious affiliation. The original fifty women constitute leadership and sit on the committees. According to a survey carried out by Von Bulow (Bulow, 1997), the group managed to receive 2.5 million shillings from one businessman, whereby half of it was a loan and the other half a donation. The money is distributed as loans to group members to start their own individual projects and it is intended that the programme will operate as a revolving fund. Kilali women's group emphasizes that their activities are for family welfare and development. Through their membership in the group, they are able to meet other women and discuss and learn from each other. They learnt sewing, embroidery, knitting and modern cooking. The group benefited from the training they received and agreed that it is easier to receive training from extension workers in agriculture, gardening and livestock keeping and to participate in training courses at training institutions when they are in groups than individuals.

3.2.5 Msichoke Seaweed Farming group

This group was started in 2004 in Bagamoyo district –Coast region, it was started by an NGO called Action Aid. The main objective was to build capacity of seaweed farmers along the coast. According to Olomi), the farmers got support on training on good

farming, working tools, study tours. This enabled them to build their capacity to negotiate and sell their product to large buyers (Olomi, 2006).

3.3 Policy Review

Entrepreneurship development in Tanzania has been affected by both socio-economic and political environment. The government therefore designed and continues to implement policies and programmes that support and address the factors that influence development of SMEs as mentioned above. They are meant to widen the effective participation of the civil societies, private sector and individuals in the development initiatives and efforts.

There are policies papers, which have been prepared to deal with issues of empowerment, capacity building entrepreneurship, and financing for the private sector and micro and small enterprises. These policies have been reviewed to find out how they provide a framework to my project. This section will give a short analysis of existing government policies on entrepreneurship development in general. The policies and programmes are:

3.3.1 Small and Medium Enterprises (SME) Development Policy 2003

The SME Development Policy was approved by Parliament on 11 February 2003 and officially launched on 27 August 2003. The overall objective of the policy is "to foster job creation and income generation through promoting the creation of new SMEs and improving the performance and competitiveness of the existing ones to increase their participation and contribution to the Tanzanian economy".

Some of the policy statements and their strategies are geared towards the developments of SMEs such as:

(i)   Tackling the issue of gender and disadvantaged groups, in its policy statements it specifies that gender mainstreaming will be enhanced in all SME development initiatives and the strategies will be to:

(a)   facilitate SME service providers to design special programmes for women entrepreneurs and disadvantaged groups,

(b)   identify factors inhibiting women and disadvantaged groups from going into business and design programmes to address those factors.

(ii)   To develop entrepreneurship, the policy statement specifies promoting the development of entrepreneurship through making it easier for SMEs to access financial and non financial services and the strategies will be to:

(a)   promote entrepreneurial mind-set through education, training and other programmes,

(b)   build entrepreneurship development into school curricula,

(c)   introduce entrepreneurial training into vocational and technical training programmes,

(d)   promote entrepreneurship training programmes for key target groups.

This policy has tried to capture the problems which have been identified as hindering the development of SMEs and particularly women entrepreneurs in Tanzania. Experience has shown that most of the time good policies and strategies are prepared but

implementation becomes a problem. There is therefore need for follow up implementation at all levels i.e. government and other stakeholders

3.3.2   Community Development Policy (CDP)

Community Development Policy (CDP) by Ministry of Community Development, Women Affairs and Children, Dar-es-salaam, June 1996. Since independence Tanzania has been preparing and implementing policies, strategies, and long and short term plans which were intended to help the people bring about their own and housekeeping development. The third Phase Government has emphasized this by stressing that 'all those who can work should work'. On the basis of the above, a clear concept emerges that 'true development is the development of the people and it is brought about by the people themselves'. Thus, this Policy, which articulates and develops this concept, is a core one.

3.3.3   Policy on Women in Development (WID)

This policy was developed in 1992 to provide a correct interpretation of the concept of women in development and ensures that the society recognizes and appreciates the various activities performed by women and therefore establishes national plans and programmes to reduce their workload. The policy aims at ensuring full participation and involvement of women in national development programme so as to tap and fully utilize their abilities/potentials.

It has been observed in various studies that, micro and small enterprises have been affected by various problems such as lack of resources (lack of land ownership, skilled

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staff), access to credit facilities, lack of competence and weak physical and business support infrastructure. This policy tries to address these issues through the following policy directives:

- To provide women with training and consultancy support in order to enable them manage their enterprises profitably,

- To review procedures, statutory and customary laws which adversely affect the distribution of resources within the society by enacting new laws which ensures a fair allocation of resources,

- To establish institutions that will avail women with credit facilities,

- The government should recognise the contribution of the informal sector to the national income and prepare concrete plans for its development.

The Ministry of Gender, Children and Community Development has done a lot in implementing its own policy. For example, it has started a women development fund in the ministry, to assist micro and small enterprises. The ministry also started a special fund through Canada International Development Agency (CIDA) to train women in short and long courses, some of which are geared towards improvement of women skills in business and enterprises management. Women have been viewed as only able to operate at the low end of the micro –enterprise spectrum, the ministry and some of the NGOs have been able to organize trade fairs whereby women from all over the country were a given an opportunity to exhibit their products. Through these trade shows some women groups were able to demonstrate the diversity of women entrepreneurs in the economy and some have even grown to medium size. There is a need to publicize

examples of successful women entrepreneurs to dispel the myth that women's enterprises are only at the subsistence level.

3.3.4 Sustainable Industrial Development Policy –SIDP

This policy was developed to cover the period between "1996 – 2020". The policy defined the government role as to provide an enabling environment for promotion of private sector investment. It places special emphasis on promotion of small and medium industries, encouraging informal sector businesses to grow and formalise. In the process this will enable women, youth and the disabled to take part in economic activities.

3.3.5 The National Micro Finance Policy

This policy prepared in 2000 had an overall objective of establishing an efficient and effective micro finance system in the country to serve the low income cadre of the society and thereby contribute to economic growth and reduction of poverty. This policy is very important especially when it is known that one of the problems hindering MSE is lack of credit facilities. This policy will establish the framework within which micro-finance operations will develop, laying out the principles that will guide operations of the financial system and saving as a guide for coordinated intervention by the respective participants. There is a growing number of MFIs and trust funds operating in the country. For example, trust fund to assist micro and small enterprises (MSE) has been started in the President office "President Trust Fund", various bilateral donors e.g. The Netherlands, Danish government, Sweden, Canada, USAID, NGOs such as FINCA, PRIDE also have funds which extend credit facilities with softer conditions to MSE. All

these are meant to improve women accessibility to credit schemes towards their economic empowerment.

The Bank of Tanzania has also prepared a directory of all Micro Finance Institutions in the country district by district (BOT, 2005), this is a big step to be able to identify them, the challenge remains in dissemination to all beneficiaries.

3.4   Conclusion

Micro enterprises supported programmes have observed improvements in poor people in the communities. All these policies and the improvement of the other barriers mentioned above if planned around local needs may increase the success of CED. Individuals should join their efforts and work together and build on each other's skills while minimizing risks is a strategy that should be explored in other contexts where poor individuals are initiating economic activity for the first time.

CHAPTER FOUR: IMPLEMENTATION

During this stage, all parties involved in the project should agree on how they are going to implement it. It is at this stage that all planned activities are put into action. From the research findings four main activities were identified for implementation: formalization of the group as a CBO, develop capacity of the CBO members, and increase working capital of the CBO (See table 4.1).

Implementers of this project together we agreed on the strategy to implement the project, determined inputs and outputs that are needed to carry out the project. We also tried to identify constraints that may hinder achievement of the project goals and how they will overcome them.

According to Phil Bartle, there are three major stages during implementation of the project, these are: planning, actual implementation, monitoring and evaluation. These stages are supportive to each other and one of them cannot be done in isolation of the other two (P. Bartle, 2007).

4.1   Products and outputs

The project aims to achieve three objectives with the following outputs as indicated in table 4.1:

Table 4.1: Objective and outputs

Objectives	Indicators/Outputs
1. Formalization of the CBO through registration	a) Available constitution b) A fully registered CBO.
2. Develop capacities of group members	a) Training materials developed b) Organize and conduct entrepreneurship skills training c) At least 25 members of the group attended entrepreneurship training
3. To increase the working capital of the group	a) Group savings increased b) Credit/loans obtained by the group

4.2   Project Planning

The planning phase incorporated understanding community needs assessment, determination of goals and objectives to be achieved by the researcher's project. Planning project activities is the central component in the project development process. It involved the following major steps:

- **Identifying activities**

Identifying project activities is the most important step in the project planning phase (this has been achieved refer the Appendices). This was carried out with the involvement of all the stakeholders in a participatory way. The activities were based on the objectives of the project, taking into consideration the resources and constraints. The following activities were identified for implementation of this project:

(i)   Preparation of a constitution of the group by 30th April 2006,

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(ii)   Registration of the group as a fully recognized CBO by 15th June 2006 and

(iii)   Organize training on entrepreneurship skills for the group and (iv) orient the group on mobilization of savings.

*   **Sequencing**

It is essential to determine the right sequence of activities early on in the planning stage. Sorting out the right sequence prevents a waste of time and resources. Some activities have to be completed before others. Also, there are some activities that have to be conducted concurrently with others. All the activities were sequenced in the form of Gant chart as shown in appendix VI.

Time frame

Time frame helps to determine the earliest date that each activity will be started and completed within the framework; in this case 18 months in total have been distributed to the activities to ensure good utilization of time versus the available resources and expected constraints.

▪   **Assigning Responsibilities**

Planning project activities will not be completed without assigning responsibilities for different activities to specific individuals. One of the most important ingredients for project success is the motivation of the people who carry out activities. Motivation is generated if individuals are involved and if possible assigned responsibilities that they are willing to undertake. Some members of the group were therefore assigned with responsibilities in the project.

- **Inputs**

It is important to identify all necessary inputs required to accomplish the project before the project is started e.g. equipment, materials, and services needed. In this project, a venue for training was at the church, training materials and documents and services of trainers were also made available.

- **Staffing Pattern**

Enyorata group has their own leaders elected among themselves and these include:

- Chairperson

- Deputy Chairperson

- Treasurer

- Secretary

These leaders are responsible to day to day supervision of the group; they are working on voluntary basis.

- **Preparation of the budget**

The project budget had been prepared to take into account that this group is very small and they don't have extra resources to use. The budget was therefore very minimal, to cater for training documents and costs of hiring trainers. The venue was requested from the church centre which is nearby. The detailed budget for this project was to cater for the following activities:

(i)   Preparation of the constitution .... tshs 500,000/=

(ii)   Preparation of training materials ....tshs 300,000/=

(iii)   Production of training materials ....tshs 300,000/=

(iv)   Honorarium to trainers ....tshs 600,000/=

(v)   Opening of bank account ....tshs 100,000/=

(vi)   Initial stationery for proper documentation...........tshs 100,000/=

(vii)   Incidentals ....tshs 100,000/=

It was therefore expected that a total of Tshs 2.0 million would be sought from well

wishers to cover expenses mentioned above.

Table 4.2: Activities and Responsibilities

Activity	Resources required	Time frame	Measurable indicator/output	Responsible person
1. Prepare Constitution	Stationery	March to 30th May 06	Draft constitution	CBO members, Consultant/student
2. Lodge registration request at WEO*	Nil	End of June 06	Registration done	CBO-chairperson, Consultant/student, WEO
3. Organize training programmes	Stationery	Jul, 06	Training materials developed	Consultant/student
4. Conduct Training on entrepreneurship skills	Stationery, Trainers fees	Aug – Oct, 06	At least 25 members have attended the training	Trainers, CBO members, Consultant/student

* WEO – Ward Executive Officer

4.3 Project Implementation Plan

Implementation implies carrying out what has been planned. Project implementation involves a number of activities such as:

(i) Drafting of the constitution

(ii) Review of the draft constitution with group members and finalization,

(iii) Lodging the group request for registration,

(iv) Organize training programmes,

(v) Conduct training programmes,

(vi) Orient the group on mobilization of savings,

(vii) Monitor and evaluate the project.

4.3.1 Project Implementation Report

All the activities were carried out, although some of them not at hundred percent. The constitution had been prepared and approved by members of the group. Following approval of the constitution, registration of the group was lodged and it is still at the District Commissioner's office awaiting his signature. Training materials on entrepreneurship skills have been prepared. However, the training could not be conducted because most of the group members had travelled out of Dar es Salaam after the rains. Training will be conducted in February when some of them will have returned. Orientation on savings mobilization has been done and the group have been able to start saving their own money. Their constitution requires that each member should officially

join the group by contributing five thousand shillings as entrance fees and one thousand shillings as monthly subscription. Out of the total number, only 20 members have paid up their initial entrance fee and monthly subscription from October 2006 up to January 2007. This enabled them to save up to 180,000/= shillings from their own savings. Some of the members were not in Dar es Salaam at that time, but they had agreed in principle to contribute. All the money was still being kept by the treasurer, while arrangements were being made to open a bank account. Although, members agreed that keeping their money with one person was risky, during discussions they claimed that they had their own traditional ways of getting back the money in case of loss.

The group was informed that Urafiki Social Club's SACCOS was assisting such small groups provided they join it formally. They unanimously agreed to join.

4.3.2 Project Implementation Gantt Chart

All these activities have been put in the Gant chart as shown in Appendix VI

CHAPTER FIVE: MONITORING, EVALUATION AND SUSTAINABILITY

Monitoring and Evaluation are both concerned with collection, analysis and use of information to support informed decision making. Management should keep track of how the project is progressing in terms of implementation activities, expenditure, resource use and delivery results. A monitoring system should be in place before project start up. Monitoring and evaluation are inter – related therefore they should be planned together.

5.1   Monitoring

Monitoring is a continuous function that aims to provide management and stakeholders of an ongoing project with early indications of progress in the achievement of results. Monitoring is the systematic collection and analysis of information as a project progresses. It is aimed at improving the efficiency and effectiveness of a project or organization. It is based on targets set and activities planned during the planning phases of work. It helps to keep the work on track, and can let management know when things are going wrong. If done properly, it is an invaluable tool for good management and it provides a useful base for evaluation. It enables one to determine whether the resources available are sufficient and are being well utilized, whether the capacity is sufficient and appropriate, and whether it is doing what is planned to be done. Monitoring is carried out to:

(i)   Find out whether activities are being implemented according to plan,

(ii)   Discover/know any challenges that may necessitate adjustments to the project and

(vii)   Inform evaluation of the project.

Information from monitoring provides a basis for making decisions and taking corrective actions if any. Monitoring of this project was done monthly during scheduled meetings and it will be a continuous activity.

5.1.1   Management Information System

Management Information System (MIS) is defined as a system designed to collect and report information on a project and project activities to enable a manager to plan, monitor and evaluate the operations and performance of the project (CEDPA, 1994). In this project, the MIS was prepared through a consultative process that involved among other people, leaders of Enyorata group. Leaders were involved during initial stages where they facilitated carrying out discussions and interviews with group members. For further details see table 5.1 below.

5.1.2   Methodology used

The methodology employed to collect data was the same as that used during Community Need Assessment. It was principally through:-

- A participatory approach involving the targeted group of Enyorata Cultural group members in focus group discussion using structured questionnaires. Focus group discussion was done during the group monthly meetings, where progress of planned activities was discussed by members and the author. This helped members to appraise themselves on how they were involved. The semi structured

questionnaire was used during interview as they allowed respondents to be relaxed and focused. It also encouraged a two – way communication.

- Review of documents kept by the group, for example attendance register, cash collection register.

- Various field visits to the group premises were also made to see how many members were participating in group activities through observation and listening techniques. Reports were prepared after every field visit.

5.1.3 Monitoring questions

In this project, the following monitoring questions were used:

i) Does the group meet regularly as planned?

ii) How many group members attend meetings regularly

iii) Have you been involved in the preparation of your constitution?

iv) Has the group been registered?

v) Have the training needs of the members been identified?

vi) How many training sessions were conducted?

vii) Have the group members been mobilized to start saving from their own income and how many of them are participating?

Indicators:

i) Availability of the constitution

ii) Registration of the CBO

iii) Training materials developed and number trainings conducted

iv)   Number of group members participating in the savings scheme.

v)   Amount of savings mobilized.

Tools used for monitoring project activities were:

i)   Checklist of planned activities

ii)   Group discussion during monthly meetings.

iii)   Interviewing group members.

This has further been shown in detail in table 5.1 below.

Table No 5.1: Monitoring Plan

Objectives	Activity	Indicator	Data Source	Methods/Tools	Person responsible	Time frame
Formalization of the group	Drafting of Constitution, Submit document for registration	- Draft constitution available, - registration attained	- Reports - copy of the constitution - registration certificate	- follow up on implementation schedules, monthly meetings	Consultant, LGA officials	May,06 June,06
Capacity building to group members	Training on entrepreneurship skills	-Number of CBO members attending the training -Production and Sales increase	- reports	Interviewing group members, monthly meetings	CBO members, Consultant/student	Jul - Oct. 2006
Increase capital base	Orient on mobilization of savings	Amount of savings mobilized	Account record/cash register	Monthly meetings	Group members, consultant	August 2006

5.1.4 Sampling for interview

The following people participated in monitoring the activities of the project:

    i)   Project Advisor,

    ii)   Enyorata Cultural Group leaders,

    iii)   Selected Enyorata Cultural Group members,

    iv)   Local government officials.

5.1.5 Monitoring data analysis

    i)   Monitoring of the project was done continuously during monthly meeting,

    ii)   Data analysis was also done continuously by project leaders and project advisor,

    iii)   Results were presented and shared in normal monthly meeting with group members.

5.1.6 Monitoring Results

Based on the monitoring analysis, achievement has been made on the writing of the constitution, preparation of training materials and orientation on mobilization of savings. Table 5.2 below shows monitoring analysis and results of the project activities. Performance indicators show that constitution and other registration documents were submitted to the District Commissioner in November 2006 as against planned period of June 2006. Also, only 57% of members attended organized trainings, the rest could not attend because they travelled. Members started mobilizing their own funds for saving.

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Documents reviewed showed that attendance to the monthly meeting is erratic, some members leave and go upcountry, next time those who were absent will be present and others would have left. Cash register showed the number of members and amount collected in savings mobilization scheme.

Overall observation during discussion and interviews with CBO leaders indicated that most activities had been implemented and there were measurable outputs from the implemented activities.

However, during monitoring it was observed that some of the activities were either not completed as planned or took a long time to be completed due to the following:

(i)   External Support

During monitoring it was realized that some activities especially those which needed external support were not completed as planned. This necessitated rescheduling of such activities. However, other activities were implemented as planned, these are:.

Registration of the CBO could not be completed in time as planned because it took a long time to get hold of the Ward Chairperson to sign and forward it to the District Commissioner (DC). It took another four months to get the DC to sign the constitution.

Training on entrepreneurship skills was delayed due to the number of members who were present at the time of training. These activities were therefore rescheduled as shown in table 5.2.

(ii)   Costs/Expenditure

The budget estimated for this project was very small. However, during monitoring, it was realized that amendments had to be effected. The main reason for amendment was that there were insufficient funds to pay honoraria to trainers and to buy initial stationery for office use.

Table No 5.2: Monitoring Analysis and Results

Objectives	Activity	Data Source	Monitoring Tools	Planned Time frame	Actual implementation time	Performance Indicators
Formalization of the group	Drafting of Constitution, registration	- Reports - copy of the constitution - registration certificate	- follow up on implementation schedules, monthly meetings	May, 06 June, 06	October, 06 Nov, 06	- Draft constitution available, - registration documents submitted to DC's office
Capacity building to group members	Training on entrepreneurship skills	- reports	Interviewing group members, monthly meetings	Jul - Oct. 06	Dec, 06	- 20 CBO members attending the training
Increase capital base	Orient group members on mobilization of savings	Account record	Monthly meetings	Aug, 2006	Sept, 06	Group members have started saving from their own income.

5.2   Evaluation

Evaluation generally implies measurement, appraisal, or making judgements, it is a process designed to assess the degree to which the intended objectives have been achieved. In a project situation, evaluation implies a systematic examination of the project to determine its relevance, effectiveness, impact, or benefits to the target population. In this project, evaluation will be based on the achievement in registration of the group, number of group members who attended planned training programmes, impact of the trainings conducted and amount of savings the group have been able to mobilize.

Evaluation is a selective exercise that attempts to systematically and objectively assess progress and the achievement towards objective. Other researchers such as David Rider Smith, evaluation scientist has outlined the following points in carrying out evaluation:

i)   to what extent the project is achieving its stated objectives through planned activities.

ii)   if there are changes (+ve) in membership and in savings

iii)   whether trained members are utilizing entrepreneurial skills

iv)   whether trained members have viable economic activities

v)   if the organization is applying savings strategies

vi)   whether decision makers at community level are being informed.

These were the points used to guide the evaluation of this project. Evaluation should therefore be able to provide information that is credible and useful, to enable incorporation of lessons learned into the decision-making process.

5.2.1 Types of Evaluation

During evaluation of the project there are two types of evaluation that can be carried out: Summative and formative evaluation. In this project participatory evaluation was carried out at two levels: level one during implementation of the project and level two will be after completion of the project, say six months intervals. The formative evaluation primarily focused on an assessment of the way in which group members participated in development of their constitution, participated in the training organized and outcome achieved in mobilization of savings. The results of evaluation will be used to guide, improve the design of the project. Due to limitation of time, that is the period from which most the activities were completed, it was not possible to evaluate the outcome of the activities. This will be done six months later.

5.2.2 Methodology used.

The methodology used was not different from the one used during Needs Assessment. The study team comprised of the author, one person from the church and group members. The methodology employed to collect data was through

(i)   Participatory Rural Appraisal (PRA) involving group members in open discussion and applying of structured questionnaires. During open discussion, the author gave a briefing introduction on why we do evaluations and what we want to know after

evaluations. Together we reviewed the objective of our project, to bring all members at a common understanding. The structured questions were in such a way that relevance, effectiveness, efficiency; impact and sustainability facts were gathered.

(ii)   The above was combined with observation, and listening techniques,

(iii)   Interviews using structured questionnaires.

5.2.3   Sampling for Interviews

The sample size for the small survey was 15 people consisting of Enyorata group members, Village government leaders and two trustees from the church. All these have been involved in one way or another during implementation of the project.

5.2.4   Evaluation Questions

Structured questionnaires were prepared to lead the author in order to measure project performance outputs, the following questions were used;

(i)   To what extent have planned activities been implemented?

(ii)   What effects have been caused by the training?,

(iii)   To what extent the project results and project purpose been achieved?

(iv)   To what extent has savings strategy been achieved?

5.2.5   Evaluation data analysis

i)   Evaluation of this project was done in December 2006 (Mid-Term evaluation)

ii)   The organization selected the evaluation team based on required skills for

         undertaking a comprehensive and participatory evaluation.

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iii)   Preliminary results will be presented and shared in a meeting of Enyorata

         Cultural Group members in April 2007

vii)   Final results of the evaluation will be disseminated to stakeholders in June 2007.

5.2.6   Evaluation Results

From the evaluation carried out, all people interviewed indicated that the objective of the project will be achieved although not at the pace anticipated originally. Village government leaders and trustees all agreed that the preparation of the constitution is clear indication that the group is now serious and they are ready to change.

During focus group discussion, it was observed that group members are now more focused and looking forward to do their business in a more organized manner. This is supported by all members that the entrepreneurship training provided was useful.

Savings mobilization strategy was well received by members, this is evidenced by the number of members (60%) who have paid their initial fee as soon as the constitution was approved and continue to pay their monthly contribution.

During evaluation it was also noted that the group is faced by limitation on the literacy level. Members have noted this, and indicated that they are ready to join adult education classes if teachers are available. In summary; evaluation questions, indicators and outcome have been presented in the table 5.3 below.

Table 5.3: Evaluation analysis and outcome

Question	Purpose of question	Indicator	Outcome
To what extent have planned activities been implemented	To asses if the project results and project objective have been achieved, To assess the impact of registration	Existence of the constitution, The group has been registered, Training has been conducted	Registration documents submitted to DC's office. This has increased confidence of the group they know that they will be recognized. Planned activities have been carried out to a great extent.
To what extent was the training overall objective responded to the needs of the group	To determine whether training indeed led to results. To assess relevancy of the training conducted,	Number of group members who attended training, awareness of available opportunities	Some group members have attended the training organized, the group appears to be more unified
To what extent has savings strategy been achieved	To assess whether group members are now contributing willingly, To assess whether training has influenced saving habits, To assess sustainability of the strategy	Frequency of contribution - comparing before training and after, by asking the beneficiaries.	Members opinions were positive and very enthusiastic with the strategy, They have started monthly contribution and already have funds on the account.

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5.3 Sustainability

This refers to project continuity, the capacity of a project to continue functioning, supported by its own resources (human, material, and financial), even when external sources of funding have ended. The project will contribute to the community members, essential good practices in management of generated funds or profit.

5.3.1 Sustainability elements

This group is very small; their capital base is also very small, requirement by most of the financing institutions to have collateral as a condition to get a loan has affected this group. However, we have been able to start saving mobilization scheme within the group, this will help the group have a base and even join other existing SACCOS. Politically these small groups have not been recognized fully; although policies are there, their implementation is still a long way to go. During the recent exercise of cleaning the City streets, this group also found themselves not having a place to carry-out their business. Some had to stay at home. Socially, this group is affected very much by their culture; these are nomadic people, every time (mostly rainy season) they go back upcountry to take care of their cattle. Their level of education is very low, during research survey it was found that many respondents have primary school education whereby 18 out 30 (60%) respondents had no formal education and 12 (40%) respondents had primary education. Seventeen (17) respondents did not know how to read and write and 13 respondents could read and write. This makes it difficult for them to follow the trainings on entrepreneurship skills, or participate freely in other national events intended for similar groups. Together with the church, we had started an adult

learning class and also tried to introduce some of them to formal education through MEMKWA.

5.3.2 Sustainability plan

Registration of the group has made group members to have confidence and that their group is now recognized. Their participation in the activities like monthly meetings, preparation of the constitution and training has increased members enthusiasm. This itself is one of the ways to sustain the group activities. Furthermore, together we have agreed that the group will be meeting and contribute monthly as per constitution; those who do not abide by this will get penalty as stated in the constitution. To start with, the group has found a temporary office, where at least leaders could be found when needed by members or village government. Future plans are to look for business premises where they could be able to advertise their products.

5.3.3 Institutional plan

The Enyorata Cultural group leadership is fully committed to make sure that members are participating in all agreed plans so that their long term success goals are achieved. For example in financial terms, group members have started making their own savings which are intended to make loans which rotate within group members. Furthermore the group is planning to join one of the SACCOS to enhance their capital; with the knowledge gained in business skills they will improve their business. This group has been registered, it now entitle them to receive all facilities or privileges that are available at Municipal level.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS.

Entrepreneurship development in Tanzania has been affected by both socio-economic and political environments. Micro enterprises supported programmes have been observed to improve the livelihoods of people in poor communities.

Results

The project goal and objectives did not change over the life of the project. It was found in this study that Enyorata group lacked formal recognition at various levels as a result of which they could not access credit facilities and lacked premises to carry out their business. Therefore the desired conditions on the target community were as follows:

(i) To build the ability of individuals and organizations to work together to take control of their economic future.

(ii) To strengthen individual skills and create opportunities for individual skill development (entrepreneurship and look for markets for their products). As individuals develop new skills and expertise, the capacity of both the individual and the community increases.

(iii) To empower the community to venture into credit societies, and other financial facilities in order to obtain small loans,

(iv) To increase peace and harmony, effectiveness in resources utilization and enable them to voice for more support from any opportunity that comes along.

Objectives that were achieved are:

The constitution was prepared with the group and submitted to the relevant authorities for registration. Training was also given on saving and entrepreneurship skills, about sixty percent of members attended the training on entrepreneurship skills. This motivated the group to the extent that they started to save from their own income. Evaluation of Enyorata Group showed that the group is now more willing to work together than before. They have gained new skills in entrepreneurship, management, and decision making while working in their group. They are confident if they continue working like this their business will improve. They have also gained self-confidence and the respect and trust of their families. The group members in leadership roles have demonstrated not only their organizational leadership but also a nurturing nature that keeps teams working and highly motivated.

There are challenges, however, facing this group due to the nature of Maasai people who shift from place to place. The CBO members go back to their hometown villages during the rainy season to take care of their animals, thus disrupting continuity from time to time. This is what happened to the forty percent who did not attend training. More than sixty percent of them have not been to school at all, this has affected their own communication when required to prepare their own strategy. However, efforts are being made to have an adult learning class during their meetings.

It was expected that, if the project was completed hundred percent, the group would have had their own business premises, their capital increased from their own savings and

they would have been linked to financial institutions offering credits to groups similar to theirs.

Recommendations

Other people attempting similar projects need to have a clear understanding of the nature and culture of CBOs such as is exemplified in this project of the Enyorata and their activities before any attempt is made to work with a group. An example of a disadvantageous culture here was the Maasai people's practice of going back to their home villages each time they made a little money in order to support their families at home. Although not all would go at the same time the periodic absence of members sometimes for up to two months at a time disrupted the planned activities of their groups.

Village leadership should be involved in the process because they are instrumental in recognition of the CBO at various government levels. I strongly recommend that, efforts be made to help the Enyorata group to obtain permanent business premises.

Government efforts to develop these groups should be supported, the various policies in place such as; small and medium enterprises, women in development and microfinance policies are all geared towards helping development of this sector. All these policies and the improvement of the other barriers if planned around local needs may increase the success of CED. Giving the informal groups the opportunity to work together and build on each other's skills while minimizing risks is a strategy that should be explored in other contexts where individuals are initiating economic activity for the first time.

This project will continue to be assisted in the following areas:

- Teaching them to read and write by helping to start an adult education calss

- Training to the remaining untrained members and

- Linking them to financial institutions offering credits to similar groups.

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