

Business and Entrepreneurship Support Tanzania (BEST) annual report 2004

BEST's vision

A community of equal opportunities empowered to manage economic and social development activities sustainably.

BEST's mission

BEST is committed to socio-economic empowerment of small-scale entrepreneurs through business management training and consultancy, gender awareness raising and provision of credit.

BEST s' goals

1. Increase the income of small-scale entrepreneurs by providing business development services so as to improve their living standards.
2. Promoting networking with other development actors for sharing experiences and securing support.
3. Promoting gender awareness for increased participation of women and low income earners groups in business entrepreneurial development.
4. Improving the institutional capacity of BEST for effective and efficient delivery of services.

BESTs objectives

To provide financial and non-financial business development services (BDS) in the form of business management training for business entrepreneurs, business loans and to create gender sensitivity within the population. Also to advice business on management skills for the aim of reducing poverty among small-scale entrepreneurs.

Geographical location

BEST is situated in Arusha Region in Tanzania. It is Located at Themis Hill Njiro within Nane Nane Show Grounds near JKT House in Arusha Municipal.

Areas of operations

BEST operates in Arumeru and Arusha Districts. The area of operation is evergreen on the slopes of famous Mount Meru, where villagers are engaging in agricultural activities as well as dairy cattle keeping. The population density is high in the north and decrease slowly as you go away from the mountain areas. In lowland areas, the land is semi-arid. Villagers are occupied with local livestock keeping, agricultural activities and petty businesses. The Arusha district is surrounded by Arumeru District. People from Arumeru are intremingled with Arusha district. So there is no real demarcation of Arumeru and

Arusha Municipality because they are just near. Main occupation for small scale entrepreneurs in Municipal is conducting small businesses.

The rain fall is about 1000 mm in the northern zone (in the slopes mount Meru) and 500 mm in the mid zone and 300 mm in the lowlands. Temperature ranges from to 33⁰Centigrade in lowlands to 20⁰ Centigrade in the slopes of the Mountains.

BEST serves the area of 3,089 square kms, (Arumeru 2996sq kms and Arusha 93.0sq kms) with a total population of **799,526 people (2002 census), 407,346 women and 392,180 men.**

More people are found on the slopes of the mountains and fewer on the semi-arid lands. People are doing petty businesses in their three markets namely Usa River, Tengeru and Kikatiti. The market places are rather a semi-urban and situated near the main roads where accessibility of transport is available and people can do businesses.

Target group

The target group is women and men aged 15 – 60 (fifteen to sixty) years with low income, with or without business experience interested in learning issues related to basic business skills.

Program Activities

In the year ended March 2004 BEST has managed to do various activities, which are highlighted as follows:

Training of entrepreneurs

Training for small - scale entrepreneurs on business management skills was conducted in Arumeru and Arusha Districts. 1,343 entrepreneurs were trained. The trainings offered to the target group empower the entrepreneurs (especially women) and enabled them to increase the value of their businesses in terms of quantity and quality. If women earn an income, they get empowered and encouraged to participate in making decisions concerning the businesses and other household issues.

The main topics taught were:

- Business idea generation
- Marketing
- Business plan
- Pricing and costing
- Record keeping

Apart from business management trainings, dairy farmers received special trainings on milk processing for the purpose of adding value to their products. 85 clients attended the trainings.

The entrepreneurs requested the facilitation of HIV/AIDS subjects be included in their training package. This was seen as important aspect since HIV/AIDS is a killer disease and now is a crosscutting issue. So the separate session for HIV/AIDS was organized to fulfill the expectations of the participants. The sessions for HIV/AIDS subject was conducted to 111 participants in three sessions. The turn out was good.

The training helped entrepreneurs to identify and apply five new income generating activities originating from their localities. The identified Income Generating Activity (IGAs) were: efficient clay stoves, flower seed production, bee keeping, burnt bricks and tree nursery- Mlonge tree cultivation.

Formation of committees

In AHEAD project, the grass root committee for ensuring project sustainability at grass root level was formed. The committee has the responsibilities of ensuring project is envisaging sustainability by continue giving lessons and coaching entrepreneurs on better skills of doing businesses.

Training of BEST Staff

BEST staff were trained on relevant issues regarding to BEST activities. The trainings were targeted to equip BEST staff with more skills on carrying the planned activities. Mrs. Julieth Ngasa a program officer attended short courses on Project Monitoring and Evaluation. The training enabled her to perform better on the aspects of designing and implementing program activities.

Manager attended a short course on consulting skills at the University of Dar-es Salaam. The courses helped her to strengthen the advisory skills.

The secretary also attended the ICDL course to strengthen her computer skills. She will proceed with the trainings next year.

The board of directors and staff attended a strategic plan workshop where they learnt skills of preparing strategic plan for the organization. The workshop was useful as we managed to come up with a concrete BEST strategic plan. The process of constructing a strategic plan involved the collection of ideas from various stakeholders to make sure we incorporate their ideas and needs in the strategy.

Soon after the strategic plan workshop, the board and the staff attended the fundraising workshop as a strategy to start soliciting funds for BEST organization.

Networking with other NGO Forums.

BEST worked with other support actors in the district level. BEST found it important to work in collaboration with other actors so as to realize the objectives. It is not easy to accomplish objectives without the involvement of other actors. This is due to the fact that, the activities done by one NGO do complement the activity of others in realizing the goals and objectives. Thus BEST has seen the need of networking with other actors rather than working in isolation.

BEST in collaboration with other development actors in Arumeru District funded a one-day workshop on networking. The aim of the workshop was to create the awareness of working in collaboration as educational development actors in the district. The participants included educational actors from the district and some of the district councilors.

BEST is working with adults who need to have basic skills in reading and writing. To learn the business education someone need to be able to read and write. The issue of proper bookkeeping is important and need to be documented. Some people cannot read and write. Thus networking with other actors BEST can identify NGOs and other actors including the CBOs whom we can link those who cannot read and write in order to get the assistance.

Not only linking the entrepreneurs for assistance, but also networking allows sharing and exchange of information and ideas to different people. It is through networking that people can explore opportunities and better ways of doing things.

Facilitation of the credit

BEST is providing micro-credit to her clients. Since it is not a financial institution, BEST entered into a contract with Mount Meru Saccos to provide credit to her clients. The contract was for one year, renewable.

The entrepreneurs are trained at BEST on how to manage credit in groups and means of repaying. The women are organized in a group of five each and forwarded to Mt Meru Saccos to receive credit. Loans are issued in a sequence of 50,000/= to 150,000/= in the first phase. Then followed by 150,001/= to 300,000/= in the second. The third phase is from 300,001/= to 500,000/=. Each individual in a group receive the amount requested per phase, but the whole amount taken by the group is regarded as one loan.

In 2004, the amount of credit given to the entrepreneurs was Tshs 75,422,267.33. When the entrepreneur reaches the bar of Tshs 500,000/=: she is considered to be a mature client at this point she is advised to approach financial institutions to access bigger loans.

In year 2004, 485 clients received loans. Those women were from Arumeru District and Arusha municipal.

The provision of loan biases men due to donor conditions. The donor we have, the Macknight Foundation supports women groups in credit. However BEST have to link men entrepreneurs with other MFIs like the Mount Meru Saccos who are our partners since they issue individual loans. So for men to access credit in Mount Meru Saccos was easy. However, 15 clients (Men) interested to be linked to credit facilities referred to Mount Meru Saccos in 2004.

The credit has enabled women Micro-entrepreneurs to increase their working capital and realized more profit. The entrepreneurs are happy and need to continue borrowing money to boost their capital. In the beginning they were afraid of accessing the micro-finance facilities fearing that they could not be able to repay the loans. Soon after attended the BEST trainings, they became steady and do reliable businesses, which yield profit. Entrepreneurs apply techniques they learnt from the trainings in doing business.

The credit repayment rate was 98%. The most impressive issue is that, entrepreneurs could repay loans on time. The aging was very much observed. In case of delay, women could report on time to avoid inconveniences with Saccos.

To strengthen the capacity of Mount Meru in-group lending, our partner Trias Tanzania sent their micro finance advisor to Mount Meru Saccos to advise the Saccos on how to go about with the group loans. Important aspects regarding loan management were highlighted. The credit officer from Mount Meru Saccos received on the job training by the TRIAS Advisor when he was doing that assignment.

The Mount Meru Saccos were impressed with the assistance they received from Trias via BEST.

Purchase of office building and its premises

BEST has managed to secure the office building in 2004. This was great achievement as we can now think of office maintenance instead of office rent. For us this is a big success. The office was purchased from Incofin who was the owner of the building. The office is having enough space for secretary, trainers and the manager. The surrounding is suitable for the displaying of clients' items during the famous Nane Nane exhibition.

Since 2001 BEST was using her office as a classroom. This created inconveniences as telephones and guests could disturb the class. The existing training shed was in pathetic condition and thus participants could not use it as a class. Towards the end of year, the rehabilitation of the training shed was started. Due to lack of enough funds, the shed was left without windows, doors, ceiling board, painting and furniture's for the classroom. However the classroom is now in use. Tables, chairs and all classroom facilities are lacking. These can be slowly acquired from donations and contributions from people /donors interested to support such activities. We invite interested donors to provide support to this activity.

Purchase of a field car

BEST has purchased the second hand Toyota land cruiser for fieldwork. The car is now useful as it facilitates the movements to different directions and reaches more people. Before the purchase of this car we could not go to places with bad roads. With availability of this car, we managed to reach places like Ngurdoto and Mbuguni villages (in Arumeru District) something that could be impossible without a reliable car.

Preparation of Strategic plan

BEST as organization was operating without strategic plan. This was due to the historical background of its formation. The operation of the programs was taken as the BEST strategy. The existing plan ends in 2007. However BEST has learnt that, without proper strategy which will accommodate all BEST activities as well as having the mission and vision, will lead to confusion as why BEST exist and for whom.

Thus a constructive strategic plan was made. The process of constructing the strategy involved the visiting of membership organization to learn how membership organization works. After that a stakeholders meeting was held at Eland hotel Arusha for the purpose of collecting information from them on how they understand BEST and what they expect from us. The stakeholders meeting drawn people from the local government, TRIAS Tanzania, other support NGOs, BEST board of directors, BEST staff and beneficiaries.

In that meeting a clear picture on how BEST is performing her duties was highlighted and areas of concentration were also highlighted. People were very open in the discussions because they wanted BEST to come up with a concrete strategy. Different ideas from different actors were given as contribution of how BEST should operate and what to address and to who.

After the collection of relevant information, BEST sat as organization with the facilitator to reflect back and add input from stakeholders. The review of the vision, mission and the target group was done to make sure that BEST is moving in the right direction. BEST conducted a five days workshop in preparing the strategy. The process involved the board and staff under the facilitation of Mr. Lushakuzi who is OD consultant.

The exercise of making a strategic plan was done openly and in harmonious way. Staffs were open to discuss with the board and vice versa. The strategy is in place and it covers the period of 2008 – 2012. The plan was extended to that period because there are some issues that need prior preparations before year 2008 where the strategy will start to be in application.

For example the issue of securing donors to support some of the programs, BEST considers that it may take some time before getting a donor who might be interested in supporting our plans. Thus a period of two years was extended while looking for interested donors.

Finances

BEST is currently having one donor who is Trias. Trias is financing BEST in her two projects mainly LADS (Local Area Development Strategy) and AHEAD (Arumeru Holistic Empowerment And Development).

In AHEAD project BEST received 24,466,101.40 from Trias.

The expenditures exceeded the budget by over expenditure of 973,677.80 for the project activities. The over expenditure was covered by pre-financed funds from BEST local funds. The over expenditure will be carried on to the next financial year since the project is a continuous.

In the LADS project, BEST received 110,240,119.29 and there were no over expenditure for the project activities. The expenses were mainly for trainings, credit provision, staffing salaries and to cover office costs. The audit report for year 2004 is not yet out.

Main constraints/challenges:

The year was somehow exciting but with some challenges. The number of clients who wanted to be provided with loans was big compared to what we managed to serve. Due to less bureaucracy of accessing BESTs' loans, many clients are interested to join the program. Hence experiencing shortage of loan fund. We received over six hundred loan applicants and only 485 were served.

The issue of providing training to entrepreneurs before receiving loans has caused challenges to the clients who were not prepared to attend trainings. They considered five days training to be very long.

Low salaries caused difficulties to staff. Some of the staff expected to be paid high salaries that could enable them to meet their daily needs as well as to compete to the existing labour market. Failure to meet their expectations causes BEST to loose one of her trainer.

For those entrepreneurs who could not read and write it created challenges to the trainers as they could take some more hours to explain to them how to go about and sometimes caused delay as a result of language problem.

Some more opportunities of training of cross cutting issues such as training on HIV/AIDS was requested by the clients to be part of the training. BEST has to conduct that training because of the necessity of the subject. Giving money to people who are sick or who are at risk of contacting HIV/AIDS is uncertain. Therefore, the training on the HIV/AIDS subject by the entrepreneurial center seems to be a challenge but this is a reality. During the discussions it was spelt out that business entrepreneurs are busy with their businesses and have no opportunities of attending different classes. So combining

the subjects of entrepreneurship with those of HIV/AIDS to them is important and they recommend that, entrepreneurial classes to go together with HIV/AIDS prevention topics. The issue of segregating men from accessing credit has created some challenges to BEST. Men are not interested to join BESTs' trainings only, because their expectations of accessing credit like women are not fulfilled within BEST Program.

Lesson learnt

The trainings offered to the target group empower the entrepreneurs, (especially women), and enabled them to increase the value of their businesses in terms of quantity and quality. If women earn an income, they get empowered and encouraged to participate in making decisions concerning the businesses and other household issues. Women are eager to learn, the problem is that, they miss those opportunities.

BESTs' services are expanding very quickly. The number of clients trained each year exceed the targeted number. This is due to the fact that women are interested to learn, copy and implement good things from others.

When women are empowered they become very active and can easily cause changes in their environment. For example trained women entrepreneurs are no longer relying on local cattle with low milk production, instead they are now keeping the dairy cow with high yield and eager to learn more on better methods of dairy keeping. They also keep records that show the trend of their businesses. They can easily distinguish between profit and loss.

There is a need of networking with other development actors in the District to ensure wholeness in serving the community. Working in isolation will not speed up the development issues as they depend on each other. For example there will be no real development if a problem of raising income per household is addressed alone, while other issues like water and sanitation, health, roads, education, housing are left behind. So networking with other development actors is very important.

Fighting poverty is not an issue of a single unit. It needs the government efforts, civil societies, private sectors and community at large. So government should continue supporting development actors because they complement governments' activities.

Future plans

BEST will continue soliciting loan fund from interested donors so as to increase the existing credit capital. In the first instances women were afraid of borrowing. But after receiving business management training they developed the interest of borrowing.

BEST is planning to implement her strategic plan as from 2008- 2012. It will also continue linking male entrepreneurs to MFIs which issues individual loans.

To network with other NGO, Local government, CBOs for the purpose of exploring opportunities and also to be able to share and deliver quality services will continue be strengthened.

To link women entrepreneurs who cannot read and write to the institutions that are offering illiteracy services so that they can be able to join BEST trainings.

BEST will equip the classroom with modern teaching facilities. Also BEST will acquire relevant materials for business trainings and to add more trainers to support the programs. BEST will continue looking for donors who will be interested to support her operational plans.

To continue to strengthen the capacity of BEST staff so that they become up to date and knowledgeable on the subjects. For example BEST will train her staff on monitoring and evaluation so as to be able to develop Monitoring and evaluation plans or system for BEST.

To facilitate and implement strategies that will ensure sustainability. BEST will collaborate with membership organizations through training their members in entrepreneurial skills. For example Mount Meru Saccos.

Visitors

Year 2004 BEST received various guests who visited the organization for various issues. It is not possible to mention all of them. Below is a list of sampling guests who visited BEST.

No	Name	Position	Country/Institution
1	Els Jennen	Trias Regional Coordinator	TRIAS
2	Kristin Meerschaert	BEST Advisor	TRIAS
3	Dr E. M. Swai	Regional Veterinary Officer	VIC Arusha Tanzania
4	Jamal Kebchaoui	Consultant	National Dairy college France
5	Mrs Clara Brentyens	Markant Member of women entrepreneurs	Schoth Belgium
6	Ibrahim Kimani	Consultant	Dar-es –Salaam
7	Gasper Assey	Micro-finance consultant	Trias Tanzania
8	Kingu Ham	Lecturer	Tengeru Training center.

