

## **ABBREVIATIONS**

BEST:	Business and Entrepreneurship Support Tanzania
AHEAD:	Arumeru Holistic Empowerment And Development
LADS:	Local Area Development Strategy
CCC:	Community Coordinating Committee
GMt:	Grass-root Management training
TOT:	Training of Trainers
MEN/MEA:	Meru Education Network/ Mtandao wa Elimu Arumeru
CBO:	Community Based Organization
NGO:	Non – Governmental Organization

## **Business and Entrepreneurship Support Tanzania (BEST)**

### **Annual report 2005**

#### **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 intermingled 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 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 33<sup>0</sup> Centigrade in lowlands to 20<sup>0</sup> Centigrade in the slopes of the Mountains.

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

In Arumeru District, more people are found on the slopes of the mountains and fewer on the semi-arid lands. People are doing petty businesses in their famous markets namely Usa River, Tengeru and Kikatiti in the eastern part and Ngaramtoni ya Juu, Oldonyosambu and Kissongo in the western part. The market places are located in the semi-urban and situated near the main roads where accessibility of transport is available and people can do businesses.

#### **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.

## **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 2005 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. 884 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 and Record keeping. Other topics included the IGA trainings and food processing so as to add value to the products.

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 67 participants in three sessions. The turn out was good.

BEST identified income-generating activities and disseminated the information to 268 people from Arumeru District. After the dissemination of the information BEST conducted trainings on identified new income generating activities to the community of Arusha and Arumeru Districts as follows:

#### Indigenous poultry keeping

The Indigenous poultry keeping training was conducted to 169 people both from Arumeru and Arusha. Indigenous poultry keeping is a good IGA when properly handled. Entrepreneur was trained on how to prepare poultry feed, modality of feeding, types of diseases, disease preventions and how to treat diseases.

#### Sheep fattening

The training concerning sheep fattening was conducted to 73 people in Lemanyatta village in Arumeru District.

#### Dairy goat

Training on Dairy goat was 25 people in Arumeru District.

#### Soap making

Thirty three women (33) from Sekei learnt about soap making.

#### Tomato jam production

23 Women from Ngaramtoni ya Juu known as Sidai women group learnt about tomato jam production.

#### Artemisia Cultivation

LEA group comprising of 76 people from Lemanyatta learnt about artemisia Cultivation.

#### Turkey keeping

Turkey keeping was introduced to 81 villagers in Kissongo.

#### Bee keeping

Bee keeping training was conducted to 32 villagers in Nambala.

#### Improved stoves

Twenty-five (25) people from Nambala village were trained on improved for home use. This will decrease the usage of firewood and at the same time save the household income through minimal usage of household income for purchasing charcoal and firewood.

The identification of Income Generating Activities was conducted so as to enrich the entrepreneurial skills and increase income per household. Entrepreneurs and especially the low level cadre are used to copy businesses from one another. At the end of the day

they do not realize profit because they over flood the market. With income generating activities they diversified the businesses and grasp opportunities and hence realize profit.

The training on income generating activities helped entrepreneurs to increase the level of income. Some of the income generating activities such as Artemisia is still new and could not be applied due to drought.

### **Grass root committees**

In AHEAD project, the grass root committee for ensuring project sustainability at grass root level was given bicycles to enable them supervises the clients in effective and in efficient way. The committee has the responsibilities of ensuring project is envisaging sustainability by continue giving lessons and coaching entrepreneurs on better skills of doing businesses.

### **Follow-up visits**

BEST made follow up visit to 120 trained entrepreneurs to see how well they are progressing after the training. The visited entrepreneurs was given advise on how better they could do the business. The issue of keeping business record was emphasized during the visits.

### **Training of BEST Staff**

BEST staffs 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. BEST staff at different times attended different courses as indicated below:

- Participatory research methods
- TOT course at Danish Volunteer.
- Rural micro-finance
- Export promotions for Small and Medium Enterprises
- Planning, monitoring and evaluation
- Marketing strategies
- Advanced course in Transportation

The board of directors and staff attended a Human resource management and NGO administration courses where they learnt skills of administering personnel and NGOs. Also they attended a short course on NGO management. The trainings have enabled board members to improve their skills in managing NGOs and enhanced them to have vision on how to govern the organization in its growing stages. The board of directors attended their routine meetings on quarterly basis.

## **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 four MEN/MEA networking meetings. The MEN/MEA is comprised of the following NGOs: BEST, CADECT, SIC, APC, KAMAMA, AWLAHURICK, CH TRUST, KIDTF, Nganana Primary School and WAMATA. The aim of the meetings was to create the awareness of working in collaboration as educational development actors in the district. The participants included educational actors from the district authority. The network collaborates with Arumeru Education officer.

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 /stakeholders 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. BEST have been working with extension workers from the Arumeru Districts in different sessions. This relation has been very useful and we hope this collaboration should go on.

## **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 2005, the amount of credit given to the entrepreneurs was Tshs 101,713,296.00 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 2005, 422 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 who issue individual loans. However BEST is willing to issue loans to men if it obtains funds from other sources including donor who is interested in supporting men.

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. This has happen because entrepreneurs apply techniques they learnt from the trainings in doing and improving their 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.

Many requests regarding trainings on entrepreneurship is forwarded to BEST office every day. BEST experienced shortage of credit fund all over the year. Lack of enough credit funds made BEST to concentrate on training of the Income generating activities.

### **Renovating of the classroom**

BEST has started remodeling of her current classroom to fit at least a hundred people at a go. The first stage of renovating the classroom started in 2004. In this year BEST has made a continuation of uplifting the roof to be able to supply enough space and air in the classroom and make the participants sit comfortably.

Due to lack of enough funds, the classroom was left without windows, doors, ceiling board, painting and furniture's for the classroom. However we invite any interested person/donor to support the finishing of the classroom.

### **Finances**

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

In AHEAD project BEST received 26,764,836.08 from Trias. While in the LADS project, BEST received 81,972,246.85 and there were no over expenditure for the projects' activities. The expenses were mainly for trainings, Identification of new Income

Generating Activities, staffing salaries and to cover office operational costs. The audit report for year 2005 is not yet out.

**Main constraints/challenges:**

The year was somehow exciting but with some challenges. The number of clients who wanted loans from BEST was big while BEST couldn't have funds to serve them all. Due to less bureaucracy of accessing BESTs' loans, many clients are interested to join the program.

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 but in the mid of the trainings those entrepreneurs realized the importance of the training and suggested the extension of the trainings from five to ten days.

For those entrepreneurs who could not read and write, 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. More time for translation was needed.

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 seemed more important and they recommend that, entrepreneurial classes go together with HIV/AIDS prevention topics.

The issue of segregating men from accessing credit has created some challenges to BEST. Men are interested to join BEST trainings but from the fact that they are not accessing direct loans from BEST they have a feeling that BEST is segregating them. The subject of business and family made them aware of the family matters being taken care of by the two couple that is husband and wife. So they support their wives when they received credit from BEST or from the micro finance institutions.

**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 tremendously. This is due to the fact that women are interested to learn, implement and copy 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.

Adult education is still needed to villagers who cannot read and write. Development should come when people are educated and knowledgeable. They can act only when they are aware of the problem.

### **Future plans**

BEST will continue soliciting loan fund from interested donors to increase the existing credit capital and to support her operational plans. In the first instances women were afraid of borrowing. But after receiving business management training they developed the interest of borrowing. So more funds is needed to tackle this problem.

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

To continue strengthen the capacity of BEST staff so that they become up to date and knowledgeable on the subjects. Also 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 and other micro finance institutions.

### Visitors

Year 2005 BEST received various guests who visited the organization for various purposes. It is not possible to mention all of them. Below is a list of sampling guests who visited BEST.

No	Name	Organization/region	Country
1	Els Jennen	Trias Tanzania	Belgium
2	Mr Mwambashi	Arumeru –Education Department	Tanzania
3	Terry Michlling	Atlanta	USA
4	Bart De Boney	TRIAS	Belgium
5	Deogratias E. Assey	Bank of Tanzania	Tanzania
6	Koklyin De Clergy	TRIAS	Belgium
6	Herman Boonem	Embassy of Belgium	Belgium
7	Israel P. Ndanshau	EFTA Ltd Moshi	Tanzania
8	Elibariki Mtui	SNV	Tanzania
9	Fera Agricola	Trias	Uganda
10	Lucy M. Kampton	Arusha	Tanzania