

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

## **Annual report 2008**

### **Geographical location**

BEST is situated in Arusha Region in Tanzania. It is Located at Themis Hill Njiru 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.

## **The objective**

Provision of 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 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 2008 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. **468** 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.

Micro-entrepreneurs were taught on: Business idea generation, Marketing, Business planning, Pricing and costing and Record keeping. Other topics included training in IGAs.

Food processing techniques was taught to eighty entrepreneurs from two villages of Arumeru District and two of Arusha Municipal. The villagea are that Nambala village at Tengeru, Lemanyatta at Ngaramtoni ya juu (Olkokola), Baraa/Moshono and Migungania in the Arusha Municiple.

From each site 20 entrepreneurs was taught on Food processing techniques.

Trainings were mainly on processing of: tomato jam, tomato sauce and paste, mango pickle and nutritious porridge flour, vegetable preservation and milk processing. Trainings on marketing strategies as well as quality products were taught to all. The training of trainers (TOT) was taught to twenty participants. Each of the four villages was represented by a group of five members.

The trained clients have acquired those skills and now they are practicing them in their home. Some of the clients in Nambala village have been motivated to the extent that they transferred their learnt skills to other groups by organizing local food processing training where they trained others on how to process the vegetables. The Lemanyata group has decided to start a nursery for the purpose of transplanting it into big vegetable plots which will further be processed and stored for future use. The trained group have acquired and applied marketing and quality skills. Thus they are accessing the local market where they have gained their market share and have started realizing profit. Now demand for their product is high. In Lemanyatta people are asking for the nutritious porridge flour and it has become a marketable product. The demand has influenced other villagers to cultivate the products that are easily processed and preserved for future use.

The income growth per group is noticed. The interests obtained from the sales have been re-invested in the working capital to increase the groups' working capital. The groups are anxious in expanding their production but they are limited by the small working capital, processing machines such as flour processing machine, groundnut processing machine, fruits processing machines, milk processing machines and permanent rooms for carrying out the food processing activities.

The usages of the processed products have fetched the internal market. The nutritional (of people in the FOP Project) status per household has improved due to the application of the quality products. Now the food processors are having the long-term proposal of producing more quality and quantity goods that will make them increase sales and eventually increase income and finally reduce poverty at household level.

The Methodist Relief Development Fund (MRDF) funded the food-processing project

### **Governance**

The board of BEST Organization remained stable with six its members. The governing board has expanded activities for the organization. This created the Administrative, Business Management Training and Credit Departments. To ensure smooth running,

BEST employed three staffs in this year. The employed staffs are: Business trainer, Accountant and the Credit Officer. So right now the total number of staff is nine.

The board put in place the Credit Operating Policy and Procedures. This policy stipulates on how BEST credit will be managed. To reinforce the credit and operational services, the credit Officer is fully occupied in the credit department while the Accountant is partially occupied in credit and other organizational finances.

### **Handing over the Local Area Development Strategy (LADS Project)**

LADS project came to an end in 31<sup>st</sup> March 2008. TRIAS being a donor for the project made all necessary documents to ensure smooth handing over of the program. The program was mainly concerned with provision of business management trainings to entrepreneurs, provision of micro-credit through appointed agent, identification of new income generating activities and dissemination of information to clients, follow up of the trained clients and the training of gender.

### **The micro credit funds**

The program faced some problems that made BEST to face a serious and critical issues. The Mount Meru Saccos who was appointed to be the agent of BEST for disbursing the micro-credit to her clients misuses those funds. The credit funds amounted to Tshs 111 millions was already given to Mount Meru by 2007. Due to mismanagement of the funds BEST and TRIAS decided not to continue partnership with Mount Meru Saccos and thus asked Mount Meru Saccos to repay back the money. Only 23 millions Tshs have being recoverd. About 88,713,296.37 Tshs is still outstanding with Mount Meru Saccos.

The matter was forwarded to the Arusha District Commissioner to restore the situation. A joint meeting of District Commissioner, TRIAS donor, the Board of Directors BEST and that of Mount Meru Saccos was conducted. In that meetin the Mount Meru Saccos promises to follow that matter to ensure they start repaying those monies in portions. So far, nothing promising from Mount Meru Saccos as of to date. BEST is still making follow-up.

Having noted the problems resulted from the Agent, the board of BEST made a decision that BEST organization should start issuing the micro-credit herself. That was a hard decision originated from the two consecutive agents appointed to perform the work on behalf of BEST, the Mount Meru Saccos and Akiba Commercial Bank. The Akiba Commercial Bank did'n misuses the funds but failed to disburse the loan to the clients. That again cemented the idea that it is time for BEST to start issuing loans so that the intended clients can be served.

### **Micro-credit department**

BEST put in place the micro-credit policy, the Accountant and the credit officer to start working on the credit issues. Credit policy was read and approved by our current donor CORDAID. CORDAID gave micro-credit funds through the new project of War Against Poverty (WAP). With the support of CORDAID, department started functioning since November 2008. At a glance, clients are happy to receive loans through BEST. It is very early to comment much on the progress of the department.

### **Follow-up visits**

BEST made follow up visit to 75 trained entrepreneurs to see how well they are progressing after the training. The visited entrepreneurs were given advice on how better they could do the business. The issue of keeping business record was emphasized during the visits.

The Health officer Mr. Mushumbusi form visited food processors for advice. The health officer had chance of advising them on how better they can make the environment clean; produce quality products and how they can obtain the certificates of Tanzanian Bureau of Standards (TBS) so as to sell their products freely.

### **Training of BEST Staff**

BEST staffs received training on Business Development services (BDS) Conducted by the University of Dar-es Salaam in collaboration with TSM-Business School University of Twente. Also they successfully completed the fifth module of International trade course conducted by the Tanzanian Board of External Trade (BET). The courses will facilitate the trainers to deliver comprehensive trainings to the trainees.

### **Networking with other NGO Forums**

BEST works with other actors in the district and regional 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.

Due to networking BEST managed to provide services to SEDA and to Farm Africa clients. Those clients were taught on generation of business idea and modalities of conducting businesses in a profitable way.

BEST is a member of Arusha Non Governmental Organization Network (ANGONET). ANGONET has made available a web page where BEST has publicized her activities. The web page is <http://www.angonet-tz.org/members/best>

BEST was visited by the delegation from the Tanzanian National NGO Board in September 2008. The board was impressed by the activities conducted by BEST and asked other NGOs to visit BEST for learning purposes.

BEST extended her relationship with Tanzania Chamber of Commerce and Industrial Arusha (TCCIA). This collaboration has enabled BEST to get exposure to various Organized TCCIA business meetings.

## **Donors**

BEST was blessed to have two new donors in the year, the MRDF and CORDAID.

### **(a) MRDF**

The MRDF funded a one year Food Processing Project (FOP) from January to December 2008. Madam Samantha from MRDF offices, UK, visited BEST in March 2008. During her visit she managed to see the program staffs, program areas and the beneficiaries.

BEST enjoyed her visit because of her cooperation and enthusiasm. During her stays with BEST, staffs have chances of learning how MRDF works with partners and also she learnt and advises BEST on how better they can work and collaborate with Donors.

### **(b) CORDAID**

CORDAID started funding BEST from July 2008. They fund a War Against Poverty Project (WAP). WAP project is concerned with the provision of business management trainings to entrepreneurs, provision of micro-credits, identification of new income generating activities and dissemination of information to clients and follow up of the trained clients. WAP is a three-year project and is partially funded by CORDAID. BEST is looking for other interested donors to contribute to the project.

### **(c) TRIAS**

TRIAS phased out in March 2008. TRIAS funded a five year program called Local Area Development Program (LADS). The program started in April 2003 – March 2008. The program was implemented in Arumeru and Arusha Districts. The five year report of the implementation of the program was presented to the Arusha Regional Commissioners Office, District Commissioners of Arusha and Arumeru Districts and the District to the Executive Directors of Arusha Municipal, Arusha Rural and Meru Districts.

## **Challenges**

BEST is challenged by the high demand of her services to the clients. Since BEST is depending on donor funds, the provision of services is limited to the available resources. BEST is struggling to become financial sustainable. To become financial sustainable

BEST is working on her five year strategic plan where strategies of fundraising are stipulated including approaching donors, stakeholders and communities.

As TRIAS is phasing out March 2008, BEST is tasked to look for donors who will continue supporting the existing program which have proved positive contribute to growth of the household economy.

### **Lesson learnt**

Fighting poverty is not an issue of a single unit. It needs the government efforts, civil societies, the private sector and the community at large. Involvement of government in organizational plans is very important. This will make government aware of what other actors are doing in their localities and in case of problems, government is ready to act. If we refer to the problem of BEST with Mount Meru Saccos, we really see how the Arusha District Commissioner is working on it.

Adult education is still needed to villagers who cannot read and write. Development should come when people are educated and knowledgeable. People can act only when they are aware of the problem. Communities are ready to do things. The only problem is how people see them and help them. Commitment to serve people should really come from the heart.

The trainings offered to the target group empower the entrepreneurs, (especially women), and enable them 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.

BEST's 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 dairy cows 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 realize whether they are making a profit or 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.

## **Future plans**

BEST will continue soliciting funds from interested donors to increase the existing credit capital and to support her operational plans.

Networking with Central Government, Local government, NGOs and CBOs for the purpose of exploring opportunities and also to be able to share and deliver quality services will continue to be strengthened. BEST will continue linking women entrepreneurs who cannot read and write to institutions that are offering illiteracy services so that they can be able to join BEST trainings.

BEST will continue strengthen the capacity of its staff so that they become up to date and knowledgeable on various subjects. Also will facilitate and implement strategies that will ensure sustainability.

BEST will expand the area of service due to high demand of her services to different parts of the region.

BEST will research and develop demand led programs that will derive answers to some of the community problems/challenges.

## **Draft Accounts**