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**Integrated Training Programme for Women Entrepreneurship Development
in the Food Processing Sector in Tanzania, Phase II**

US/URT/96/182

UNITED REPUBLIC OF TANZANIA

Report of the evaluation mission*

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EXPLANATORY NOTES

CTA	Chief Technical Advisor
CTI	Confederation of Tanzanian Industries
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
MIC	Ministry of Industry and Commerce
NGO	Non-Governmental Organization
NFT	National Food technologist
NME	National Marketing expert
NPC	National Project Coordinator
PPR	Project Progress Report
SICATA	Small Scale Industries Consultancy and Training Assistance
SIDA	Swedish International Developing Agency
SIDO	Small Industries Development Organization
SME	Small and Medium Enterprises
TAFOPA	The Tanzania Food Processing Association
TBS	Tanzanian Bureau of Standards
TCDC	Technical Cooperation among Developing Countries
TIRDO	Tanzania Industrial Research Development Organization
TOR	Terms of Reference
TOT	Training of Trainers
UFR	UNIDO Field Representative
USAID	United States Agency for International Development

1 US Dollar = 700 Tanzanian Shillings (Tsh) (March 1999)

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EXECUTIVE SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The project, although not yet fully implemented has made significant achievements of its objectives and outputs. It has attracted much attention and generated considerable interest and enthusiasm among the participating women entrepreneurs and trainers in the 6 participating provinces. There are issues raised in this evaluation report which should be given priority during the continued implementation of the project which would further enhance its impact.

122 women entrepreneurs have been trained in long courses, exceeding the target of 90. Combining the results of both phases there are 276 trained entrepreneurs, of whom 70% have started their own businesses. An estimated 20% of the businesses are operating at the top level, being able to generate savings while another 40% break even. The project has identified 30 top performing entrepreneurs who would, with additional assistance, be able to grow and eventually graduate to the formal sector operating registered businesses. Although not explicitly stated in the project document, it is expected that the primary beneficiaries would be grass roots women. The women interviewed during the evaluation mission, who were selected by the project team, were not grass roots women and in general concerns have been raised that many of the women tend to be middle class. It would therefore be beneficial to develop clear selection criteria to ensure that this target group is adequately reached by the project.

The development objective is ambitious for a project whose primary beneficiaries are grass roots women operating micro enterprises from home. However, the project has certainly contributed to the development objective. It has enabled the women to improve their income generation allowing them to contribute to the family income, which has been especially important to those who have been retrenched in the economic downturn being experienced in Tanzania. For these entrepreneurs to have an impact on the country's industrial development in the long run they will need additional support to sustain their businesses and to graduate from home based informal sector to registered manufacturing enterprises.

19 new trainers have been trained in this phase, an together with the achievements of the first phase there are now 31 active trainers. In general the trainers are highly motivated, providing important follow-up and leadership to the women entrepreneurs. However, their levels of education vary widely and selection criteria should be developed. The trainers are not employed by the project, but are recruited on a fee basis to undertake training courses and to provide monitoring and follow-up for the entrepreneurs. They are typically teachers, community development officers and other civil servants, self employed people, SIDO employees and members of NGOs. There is a danger of this knowledge becoming diluted unless a mechanism is put in place to consolidate what has already being achieved.

In the design of the project TAFOPA was supposed to be able act as a forum and focal point for its members providing services such as networking, marketing, packaging and bulk purchasing and continuous training in managerial and technical skills. It was then recognized that the association was not yet a strong organization, well established to guarantee the ownership of the activities undertaken during the life of the project. It was stated that the project attached great importance to the establishment and efficient

functioning of the association.

During the implementation of the project the ownership and sustainability issues needed to be addressed at a very early stage. This would have allowed adequate time and resources to be committed, ensuring that the needed capacity building could be provided during the lifetime of the project. At this point the women's association is fragile and certainly not capable of sustaining the achievements of the project. Additionally, as it is now planned to create a Business Development Centre it is important to clearly define the role each organization will play in the future. According to the draft business plan this centre will offer services in Counseling/ consulting in technology use and acquisition; loan packaging and business planning; entrepreneurship training; business skills/technical training; project planning and evaluation; as well as supply of services for equipment and inputs.

The relationship between the Business Development Centre, TAFOPA, the trainers and the entrepreneurs should be institutionalized to consolidate the knowledge base of the trainers. The trainers should be the link between the entrepreneurs and the association through a follow-up mechanism to be established. Trainers should also act as the resource base for TAFOPA to deliver services to the members. A well developed institutional capacity building programme should be elaborated for TAFOPA to address both the strategic and operational issues. The strategic issues should include the role, mandate and financial sustainability of the association, and at the operational level issues should include the services to be provided to its members.

It is important that this be done by the members themselves, with the assistance of the UNIDO project, to establish ownership and ensure commitment. The work programme for the remainder of the project should clearly detail the technical assistance to be provided to TAFOPA.

New methodologies, tools and techniques have been introduced in solar drying of dried fruits, vegetables and spices and the production of essential oils. Marketing has been introduced into the standard training and a training manual has been prepared. However the entrepreneurs are still in need of additional assistance in marketing and product development.

Lack of capital to purchase equipment and raw material is seen as one of the major problems in achieving growth and expansion. Other problems include women's aversion to the risk of borrowing, problem with sourcing packaging materials and quality standards and cleaner production technologies not being met. Another major hurdle facing the women is the transition from the informal sector to the formal sector is the need for registered production facilities and TBS certification. It would have been beneficial to have incorporated more private sector inputs into the project at the design phase. For the entrepreneurs to succeed they need to have a strong and well developed appreciation for doing business in a competitive environment, surviving in an open economy, responding to changes quickly, taking risks, and being able to identify and profit from new opportunities. These skills could perhaps have been better developed if one of the project team had practical private sector experience.

1. INTRODUCTION

The evaluation is based on a fact finding mission which took place in Tanzania between 1 to 14 March 1999.

The evaluation was carried out on a tripartite basis with a team composed of

1. Ms. Susanne Fuchs-Nebel representing the donor (Government of Austria)
2. Ms. Khanifa Karamagi representing the Ministry of Industry and Commerce
3. Mr. Adam Zuku representing the Confederation of Tanzanian Industries
4. Ms. Patricia Scott representing UNIDO

The project evaluation activities started with the collection and review of the relevant documents and detailed briefing session with the project manager, the CTA and the representative of the donor. In Dar es Salaam the evaluation team had detailed meetings with the project team and relevant government officials. The team interviewed a sample of trainers and visited entrepreneurs in three of the six regions covered by the project.

This project is the second phase of UNIDO's assistance to entrepreneurship development to Tanzania. The first phase was implemented over three and a half years from August 1993 to February 1997.

A draft of the Conclusions and recommendations was presented to the tripartite review meeting on 12 March 1999 at Small industries Development Organization (SIDO). The meeting was chaired by the representative of the Ministry of Industry and Commerce. The participants included the Director General of SIDO, the national project team, The UNIDO Resident Representative, the UNIDO Project Manager, the Vice-president and Ombudswoman of TAFOPA, and three members of the evaluation team. The representative of the Austrian Government could not attend the meeting. Minutes of the meeting are attached at Annex 8.

The project is funded by the Government of Austria, which approved the Terms of Reference (attached as Annex 1) of the in-depth evaluation. The cost of the evaluation is covered by the project budget.

The team members would like to thank all parties who provided invaluable assistance by sharing their views, experiences and insights. It is the aim of the team to provide an objective assessment of the technical assistance being delivered by this project which will hopefully provide guidance on how the project could be continued to be implemented and for any possible follow-up activities.

The report has been prepared by the team members in their own personal capacity. Their observations and findings are the result of the in-depth evaluation and do not necessarily reflect the views of the Government of Austria and/or UNIDO.

2. PROJECT CONCEPT AND DESIGN

2.1 Socio-economic context

Tanzania is a vast agricultural country with a population of about 28 million people with a growth rate of 3% per annum (1990-96). Agriculture is the mainstay of Tanzania's economy providing a livelihood for about 84% of the economically active rural population. About 16% of the population live in urban areas earning their living through employment in the industrial, services and business sectors. Changes in policies and development strategy from the socialist planned economy to a liberalized market economy have resulted in serious socio-economic problems particularly in the areas of employment. Adjustments of the economy have led to massive unemployment from government retrenchments in the civil service and redundancies in the industrial sector previously dominated by parastatal enterprises.

Employment in the urban area has shifted to the informal sector promoting the Government's focus on development of small and medium scale enterprises. With the current increase in urban migration food processing has become an important sector for the self-employed. Traditionally this is an area dominated by women entrepreneurs. However, the production is characterized by traditional methods which inhibit productivity and quality control, which coupled with the lack of entrepreneurial skills, technology and capital present serious barriers to growth and profitability.

On the institutional level, there is lack of support in the area of specific policies for Small and Medium Enterprises Development particularly in the areas of the legal and regulatory requirements. In fact, the existing regulatory requirements inhibit the prospects to access capital from financial institutions.

The inequalities in education and employment opportunities coupled with cultural traditions, women in Tanzania bear the brunt of economic hardships despite their importance in the production of food and cash crops. Hence the issues of gender imbalance and empowerment of women are politically very important to the Government.

2.2 Institutional framework

The project is supported at the institutional level by the government of Tanzania through the Ministry of Industry and Commerce (MIC). The Industrial Support Institution and the national counterpart is the Small Scale Industries Development organization (SIDO), an agency of MIC.

MIC is responsible for overall industrial policy formulation implementation and monitoring. In respect to the project MIC is responsible for the development of SMEs and implementation of the government policy on redressing the gender imbalance and women empowerment. SIDO, a parastatal organization, has the mandate to promote the development of small scale industries and provide management and consultancy services in technology, finance, marketing, production and quality control. It provides training to entrepreneurs through Small Scale Industries Consultancy and Training Assistance (SICATA).

The Tanzania Food Processing Association (TAFOPA) with its network throughout the regions has been formed to give ownership of the project to the women entrepreneurs themselves to ensure future sustainability of the project.

2.3 Relevance

The project has so far provided training in entrepreneurship, food processing industrial techniques and marketing. It has also trained trainers to ensure continuity in providing training to the target beneficiaries.

The employment creation and poverty alleviation issues have been properly addressed as evidenced by the number of businesses established. Most entrepreneurs employ one or two people to assist in their operations.

A high percentage of entrepreneurs have proven that their business activities earn enough money to meet their daily needs and others have generated profits as evidenced by the acquisition of new assets in the form of production equipment.

The project in line with UNIDO's established policy to promote employment, raise income through entrepreneurial development which in the long will address poverty alleviation.

2.4 Project Design

This project is the second phase of the training programme for women entrepreneurs in the food processing industry in Tanzania. While the general aim of the first phase was to lay the ground work for increasing the participation of women in small scale processing industries, the second phase was expected to enhance the development of women entrepreneurs working in this sub-sector. The project includes elements of both capacity building and direct support. There are three immediate objectives, namely:

(1) - To provide additional methodologies, tools and techniques to women entrepreneurs to develop their products, perform market research and analysis, design comprehensive market strategies and to apply a marketing mix scheme.

There are four outputs (namely; product development, marketing analysis and strategy, product standards and product testing) and activities related to this objective aimed at providing direct support to the women to improve and expand their businesses thus enabling them to expand their range of products and improve their earning potential. The approach is logical and clearly stated and was not modified during the implementation of the project.

(II) - To strengthen the capacities of the women entrepreneurs and trainers to enhance the profitable growth of businesses through increased production, improved quality and marketing management in the food, spices and aromatic sector, taking into account cleaner production technologies.

There are five clearly and logically stated outputs (namely: training of trainers, training in accessing credit, performance monitoring system, and training of entrepreneurs) and activities related to this capacity building objective which were not modified during the implementation of the project.

(III) - To establish the Chakiwavya Business Association (later renamed TAFOPA) to represent the long-term interests of women entrepreneurs, and develop other infrastructural and long-term institutional linkages for future policies, programmes and activities to sustain the project's achievements.

There are two outputs (namely establishment of TAFOPA and a Steering Committee) related to this objective. The establishment of the women's group was to be the main focus of ownership and sustainability of this project. However, the association requires further capacity building to be able to provide support to its members. The second output, the establishment of a steering committee, has so far not been implemented. This committee was to lend strategic vision to the project and during the tripartite meeting it was decided to now implement this output.

The project document does not mention assumptions. However one major assumption was that SIDO would have been able to provide the Government's inputs, which due to financial problems they were hard pressed to provide.

The project document does however mention the risk that the delay in the registration and establishment of the association and insufficient time for course preparation could cause delays in project implementation. In fact the efficient functioning of the association is central to the sustainability of the achievements of the project.

3. IMPLEMENTATION

3.1 Budget and Expenditure

The table below shows the original budget compared to the latest budget revision:

Budget Line	Original Budget w/m	US\$	%	Latest Revision w/m	US\$	%	Balance available for 1999/2000 US\$
11-00 International Consultants	10.5	140,000	23	10.7	123,000	20	83,400
13-00 Admin.		30,000	5		30,000	5	15,000
15-00 Travel		25,000	4		29,000	5	8,300
16-00 Other Personnel		35,000	6		28,000	5	19,400
17-00 National Experts	140.0	180,000	28	95.0	146,400	24	54,900
Total Personnel		410,000	66		356,400	59	181,000
32-00 Study Tours		20,000	3		20,000	3	20,000
33-00 In service		152,000	25		155,200	25	46,800
Total Training		172,000	28		175,200	28	66,800
41.00 Expendable Equipment					10,400	1	7,500
42-00 Non expendable Equipment		30,000	5		60,000	10	19,400
Total Equipment		30,000	5		70,400	11	26,90
45-00		0					(20,410)
51-00 Misc.		8,000	1		18,000	2	(2,700)
TOTAL		620,000	100		620,000	100	251,600

The latest approved budget which is the seventh revision does not reflect any increase in the total budget allocation. Overall there are no major changes in the percentages allocated to each budget line. The allocation made for national experts was reduced from an estimated 140 w/m to 95, with the resulting decrease from 28% of the total budget to 24%. Additionally, the allocation for non-expendable equipment was increased 100% although still representing only 10% of the total budget.

There is an uncommitted balance of \$250,000 or 40% of the total budget available for 1999 and 2000 activities. The project was scheduled to be completed by the end 1999. It is foreseen the savings from the careful management of the project funds will be utilized to extend the project for approximately an additional six months.

3.2 Delivery of UNIDO Inputs

Personnel

(a) International

It was originally planned to recruit the CTA, who also served in a similar capacity during the first phase, for 4.5 w/m split missions. However she was recruited for a total of 7 weeks in three split missions. She is very familiar with the progress of the project and provided valuable support to the national team. The international expert on total quality management has so far not been recruited. There has been some discussion on whether to recruitment a national or international expert.

(b) National

Both the National Project Coordinator (NPC) and National Food technologist (NFT) were employed in the first phase of the project and the National Marketing expert (NME) was recruited in February 1997. At the time of the evaluation the trainer in spices and aromatic plants products was not yet recruited.

18 trainers were trained during the first phase of the project and received refresher courses during this phase. 19 additional trainers were trained and there are currently 37 active trainers.

Equipment

There were no delays in the delivery of the computer equipment. The increase in the budget allocation was due primarily to the procurement and installation of the demonstration production equipment and the purchase of a project vehicle.

3.3 Delivery of the client=s inputs

The implementing agency the Ministry of Industries and Trade, SIDO (Small Industries Development Organization) is responsible to provide the national inputs. However, SIDO has been experiencing financial constraints both from government budget cuts and the withdrawal of its major donor SIDA. These problems have of course affected their ability to deliver the committed inputs.

3.4 Activities/Use of the inputs

The project is not yet operationally complete. In fact 40% of the budget is available to be implemented in 1999 and 2000. As presented in section 4 of this report the outputs have not yet been fully implemented and the objectives to be fully achieved. There have been some elements of TCDC incorporated into the project. Two entrepreneurs who were granted special merit awards were given a trip to South Africa to visit wineries, and a trainer from Zimbabwe was included in one of the TOT courses.

3.5 Assumptions

The assumptions were not included in the project document. However, one major assumption made was that SIDO would be in a position to fully deliver the inputs such as logistic support, support staff and local consultants to which it was committed in the project document. SIDO, due to its severe financial difficulties, was hard pressed to meet these commitments. Therefore, resources from the project budget were used to supplement the inputs expected from SIDO.

3.6 Risks

The risks mentioned were that the delay in the registration and establishment of the association and insufficient time for course preparation could cause delays in the project implementation. The delay in the registration of the association has in fact negatively impacted on addressing the sustainability issues central to the project.

3.7 Project management

The responsibilities for project management were shared by the dedicated and highly motivated national project team and the UNIDO project manager. There are regular contacts with almost daily exchanges of e-mails to deal with situations as they arise. The CTA during three split missions provided guidance in improving the management, planning and administrative skills of the team.

The training courses are delivered by the trainers who have been trained in both the first and second phases of the project. The project document was silent on the exact modalities to be used in employing the services of trainers so the national project team and the CTA devised a system. The trainers are drawn from a varied background such as teachers, community development workers and self employed people.

The trainers in addition to delivering training courses are responsible for follow-up visits to the entrepreneurs for which they sign a contract with the project unit and are paid a fee. There have been some concerns raised in the difference in the education levels. Of the 19 trained under this project (a total of 37 in both phases), two withdrew and three were struck off because of inadequate performance. However on the whole the trainers are dedicated and are said to perform well.

The steering Committee proposed in the project document has not been formed. The Committee would have been composed of members from the Ministry of Industry and Trade, SIDO, UNIDO, TAFOPA

Republic of Austria's external cooperation agency, and other relevant business partners such as Chambers of Commerce and Industry; to foster long term linkages for strategic coordination and thereby consolidating the work undertaken by the project. During the TPR meeting it was explained that this committee would now be formed.

4. RESULTS

4.1 production of outputs

Output 1.1 Review and new application applications for product development, quality assurance of processed food and standards of products strengthened.

This output has been 60% achieved. New products such as spices and peanut butter have been developed and are being marketed. However, the issue of quality has not yet been fully addressed. A high level of quality is difficult to maintain because many entrepreneurs lack proper production premises, due partly to the absences of long-term loans for construction purposes at favorable rates, but also because individually they are not strong enough to consider moving to production facilities. For these reasons the entrepreneurs do not qualify for TBS certification.

The international quality expert envisaged in the project has not yet been recruited and it was decided to recruit a national expert instead. TBS was also approached to undertake this assignment, which they refused because it would conflict with their neutrality. It is again being considered to recruit an international expert. Additionally, UNIDO has been requested to provide quality control kits which will enable the producers to test their own products.

Output 1.2 Recommendations prepared for application of marketing research and analysis, marketing strategy and marketing mix.

This output has been 80% achieved. The product labels which were developed in the first phase were improved in the current phase. There are still considerable problems with packaging materials. For example, suppliers are often unwilling to supply such small quantities, so the project attempts to assist by buying bottles, labels and seals and selling to the producers at a modest profit. The sample of entrepreneurs visited complained about lack of markets for their products. In fact they mostly seem to be concentrating on the same range of products, namely mango pickles, fruit jams, fruit wines, peanut butter and nutritious flour.

Output 1.3 Recommendations for products=standards, in line with international quality standards for processed food items, prepared and proposed to relevant Government agencies.

This output has been 50% achieved. Standards for products are formulated by the TBS, which has already published standards for most products and are formulating new ones. The assistance being provided by the project in ongoing and the high cost of testing as well as the inability to qualify for TBS certification remain barriers to expansion of businesses.

Output 1.4 New range of products tested and at least five spices processed and essential oils produced.

This output has been 50% achieved. A small demonstration facility has been established on the SIDO premises. Five new spices and blends of spices have been introduced. A course on processing of spices and essential oils for ten trainers and a few entrepreneurs was carried out in 1998. The national market for spices and essential oils is very small and international expertise and markets would be needed for growth to be achieved. The products are still to be tested.

Output 2.1 A well functioning team of qualified and experienced trainers in 6 regions of Tanzania in place, with upgraded training and counseling capacities.

This output has been 80% achieved. There were two TOT courses, the first in 1994 for 18 participants and the second in June 1998 for 19 participants from The 6 regions, from both rural and urban areas. Ten trainers also had additional training in spices and essential oils processing, and an introduction to cleaner production and environmental aspects. Of the 37 trained there are now 31 active trainers (1 was from Zimbabwe, 1 died, 2 left the programme and 2 were struck off). The project also assisted SIDO in 1997 to train 12 trainers for a parallel 18 month programme being financed by DAVIDA for another 6 regions not being covered by this project (Kagera, Dodoma, Kigoma, Mbeya, Mwanza and Shinyanga).

Output 2.2 Guidelines and training provided for various credit/loan schemes, and essential linkages for small scale enterprises established.

This output has been 50% implemented. A joint seminar of credit providers and selected entrepreneurs was conducted on 5 March 1998. A credit expert was appointed in October 1998 and is working with TAFOPA. Her report is expected before the end of June 1999.

Output 2.3 The existing monitoring system used by the NPC and trainers reviewed and restructured.

This output has been 90% achieved. The monitoring systems are constantly being reviewed and updated. The project team now uses EXCEL which will assist in the analysis of data collected.

Output 2.4 A minimum of 90 women entrepreneurs trained in business development and technical skills in food processing resulting in high quality products, through 6 additional training courses over a period of three years.

This output has been 90% achieved. Some 122 women entrepreneurs and 5 men attended long courses (2 - 3 months). Another 2 long courses are planned for 1999. Additionally, over 409 women have participated in tailor made short courses. Specific courses on spices and solar drying are envisaged for

target regions. The numbers trained is impressive, however there is still much work to be done on achieving the quality standards.

Output 2.5 Approximately 20 to 30 selected entrepreneurs with viable medium-sized food processing enterprises have received additional training and encouragement for providing leadership.

This output has been 50% achieved. Training and study tours are planned for the most promising entrepreneurs. 8 entrepreneurs toured Kenya; 2 had additional training in management and technology skills in Zambia; 1 attended training in Israel on small business development; 2 participated in a workshop on strengthening food processing enterprises in Kampala, Uganda; and 2 were selected for entrepreneurship development study tour by USAID and visited mills in the USA. It is also planned that another group of entrepreneurs will visit a winery in South Africa. However, these efforts have not yet resulted in expanded profitable businesses capable of graduating into the formal sector. (See list of best performing entrepreneurs at Annex 4)

Output 3.1 The Chakiwavya Association (renamed TAFOPA) establishes its own office/secretariat and is registered as the business association representing the trained women entrepreneurs and provides the required services effectively (TOR refers).

TAFOPA - Tanzania Food Processors Association - was registered in November 1998 and is still very much nascent stage. The evaluation team interviewed the national chairperson and the ombudswoman at the Annual General Meeting and visited the main office. This organization is in much need of technical assistance before it can begin to serve its members and fulfill its terms of reference.

A small national office has been rented in a SIDO owned building. There is a part-time secretary who is also an entrepreneur who works for the office on a voluntary basis. TAFOPA is expected to survive on the dues paid by its members but collecting these dues has proven difficult. To get off the ground some efforts have been made to access funds for capacity building from ADF- African Development Foundation and the Norwegian Embassy.

In the design of the project this association was seen as the main vehicle for sustainability of the results of the project. Without further support and capacity building provided by the project this organization may not survive. Additionally, it is now planned to establish a Business Development Centre affiliated to SIDO to carry out functions originally planned to be undertaken by TAFOPA (such as training). If these two organizations are to succeed their roles and relationships must be clearly defined and understood by all the relevant parties. (See TOR at Annex 5)

Output 3.2 A Steering Committee as a national coordinating mechanism for policy coordination is set up, to enhance close collaboration, cooperation and long term involvement with bodies, agencies and organizations (TOR refers).

The committee was not established from the very beginning of the project. It was later discussed among the parties involved and it was decided that already the networking and linkages were working quite well on an informal basis and that there would be no benefits to be gained from the establishment of a formal group. This output was therefore not implemented. During the TPR this issue was discussed and it has now being decided to establish the committee, with members as outlined in the TOR attached as Annex 6.

4.2 Achievements of the purpose/immediate objectives (effectiveness)

(I) - To provide additional methodologies, tools and techniques to women entrepreneurs to develop their products, perform market research and analysis, design comprehensive market strategies and to apply a marketing mix scheme.

This objective has been partially achieved. New methodologies, tools and techniques have been introduced in solar drying of dried fruits, vegetables and spices and the production of essential oils. Marketing has been introduced into the standard training and a training manual has been prepared. However the entrepreneurs are still in need of more direct assistance in marketing and product development.

(II) - To strengthen the capacities of the women entrepreneurs and trainers to enhance the profitable growth of businesses through increased production, improved quality and marketing management in the food, spices and aromatic sector, taking into account cleaner production technologies.

This objective has been partially achieved. The leaders of TAFOPA estimate that only about 35% of the women trained produce regularly, another 35% produce for trade fairs and special orders and the remaining 30% hardly produce at all. Lack of capital to purchase equipment and raw material is seen as one of the major problems. Other problems include women's aversion to the risk of borrowing, problem with sourcing packaging materials and quality standards and cleaner production technologies not being met. A major hurdle facing the women is the transition from the informal sector to the formal sector is acquiring production facilities and TBS certification.

(III) - To establish the Chakiwayya Business Association to represent the long-term interests of women entrepreneurs, and develop other infrastructural and long-term institutional linkages for future policies, programmes and activities to sustain the project's achievements.

TAFOPA has been registered and has established a small office in a SIDO owned business. The regional groups do not maintain offices, but meet in each others homes. The association is not now in a position to carry out its described duties and will require capacity building both at the national and regional levels to build these skills.

4.3 Contribution of the development objective (impact)

The project aims at empowering women to fully participate in the development and growth of micro and small scale food processing industries, adding quality and value to local resources which enhance the development of this sub-sector at country level. This will strengthen the country's industrial capacity in the long run.

The development objective is ambitious for a project whose primary beneficiaries are grass roots women operating micro enterprises from home. However, the project has certainly contributed to the development objective. Although not yet fully implemented it has generated considerable interest and enthusiasm among the participating women entrepreneurs and trainers in the 6 participating provinces. The project has enabled the women to improve their income generation allowing them to contribute to the family income, which has been especially important to those who have been retrenched in the economic downturn being experienced in Tanzania.

For these entrepreneurs to have an impact on the country's industrial development in the long run they will need additional support to graduate from home based informal sector to registered enterprises manufacturing under the TBS certification.

4.4 Sustainability

In the design of the project the association was supposed to be able act as a forum and focal point for its members providing services such as networking, marketing, packaging and bulk purchasing and continuous training in managerial and technical skills. It was then recognized that the association was not yet a strong organization, well established to guarantee the ownership of the activities undertaken during the life of the project. It was stated that the project attached great importance to the establishment and efficient functioning of the association.

The association has in fact been established and its leaders elected. However, this association is not ready to address any of the critical issues affecting the performance of the members. So far there has been little or no capacity building and they have very little financial resources. The membership dues to be paid are low and many members have not paid. The leaders are now trying to access technical assistance funds from multilateral organizations to build the capacity of the organization.

The project has attracted a lot of attention and generated enthusiasm in the country. It is therefore important that with the remaining resources these issues be given priority.

5. CONCLUSIONS AND RECOMMENDATIONS

The evaluation team has concluded that the project has made significant achievements of the objectives and outputs. As this project is not yet concluded there are certain issues mentioned below which can be addressed in the continued implementation of the project which would further enhance its impact.

Women entrepreneurs .

Conclusions

The project aimed training a minimum of 90 entrepreneurs. It exceeded this target having trained about 122 women and 5 men entrepreneurs (total for both phases 276) in long training courses (about 3 months duration with 1 month classroom lectures and 2 months home practice with periodic visits from trainers). 70% of the women trained have started their own businesses. From the production activities these women can be grouped into three categories: 1) able to meet all basic needs plus savings (20%), 2) able to meet basic needs at subsistence level (40%), and 3) cannot meet basic needs of health, housing, education and food supply for the family (40%). (See selected impact indicators at Annex 3) However, there are still major barriers to growth such as, lack of access to credit, lack of willingness to take the risk of borrowing, low levels of production, lack of clearly identified markets, low technology, and lack of specialization and concentration on marketable products.

Recommendations

The women should be encouraged to work in teams to pool their efforts and resources in marketing, meeting large orders, accessing credit, bulk purchasing, sharing information and networking. This will require additional assistance in team building using participatory methods. Also, the project should provide more hands on assistance in marketing and in particular in identifying outlets for the products. TAFOPA should be strengthened to be able to provide the above services to their members.

Quality Standards

Conclusions

The quality standards are set by TBS and as such are outside the control of the project. Six products - jam, peanut butter, mango pickle, banana wine, sunflower oil and nutritious flour - have been tested by TBS. However, none of these products have received TBS certification mainly because they do not have registered production premises as is required by law. Approximately 25 have production premises which should meet the TBS requirements. However, there are additional costs and taxes associated registering production premises and paying for certification which the micro entrepreneurs find to be too expensive. Some entrepreneurs have not had their products tested because of the high costs. For these reasons they do not qualify for business licenses and are still considered to be operating in the informal sector. One of the main aims of the project was to assist the most promising entrepreneurs to grow and establish small and medium sized businesses in the formal sector. However this objective is still to be achieved.

Recommendations

The Government should be lobbied to establish policies and procedures favourable to the SMEs by simplifying the procedures and exemption of the cumbersome legal and regulatory requirements. TAFOPA and the Business Development Centre should join with other organizations such as CTI to lobby for these changes. However, at the entrepreneurial level quality standards should not be compromised.

Human resources development

Conclusions

20 Trainers were trained in this phase (total of 37 trained for both phases). There are now 31 active trainers. In general the trainers are highly motivated, providing important follow-up and leadership to the entrepreneurs. However, the educational background and capabilities vary widely, which could impact on the quality of the service they deliver. Additionally, the trainers are handling both business and technical issues in the training courses. The project team explained that it was difficult to get specialized skills, particularly in areas other than the capital.

The trainers are not employed by the project, but are recruited on a fee basis to undertake training courses and to provide monitoring and follow-up for the entrepreneurs. They are typically teachers, community development officers and other civil servants, self employed people, SIDO employees (2) and members of NGOs. There is a danger of this knowledge becoming diluted unless a mechanism is put in place to consolidate what has already being achieved.

As mentioned above, the project has had a significant impact with the women entrepreneurs trained. Further efforts should be made to boost the motivation of these women and to update both their managerial and technical skills.

Recommendations

The relationship between the Business Development Centre, TAFOPA, the trainers and the entrepreneurs should be institutionalized to consolidate the knowledge base of the trainers. The trainers should be the link between the entrepreneurs and the association through a follow-up mechanism to be established. Trainers should also act as the resource base for TAFOPA to deliver services to the members. Additionally, efforts should be made to arrange apprenticeship and internship programmes, utilizing the technical skills available in the country.

Selection criteria regarding education levels for the trainers should have been established to ensure a consistent quality of the training being delivered. As this is a second phase project the lessons learned in the first phase could have provided valuable insights into developing profiles and selection criteria for the teachers.

Infrastructure for business organizations

Conclusions

TAFOPA has been established and is a fledgling organization requiring capacity building in order to begin to fulfil its mandate. In the project document it is clearly stated that TAFOPA is an important element in the sustainability of the project and that the project would provide assistance to strengthen its capabilities. The Terms of Reference for TAFOPA are given in the project document. However, these functions are still being carried out by the project unit as TAFOPA is not yet functional.

The association has been registered and members have been elected. The national chairperson and the vice-chairperson undertook a promotional tour in December 1998 and January 1999 for five regions, which was financed by the project. However the constitution of TAFOPA does not reflect its mandate. A small office space has been rented in a SIDO owned building, however this office is not yet equipped nor is it really functioning. The project has prepared a draft plan to establish a Business Development Centre (See Annex 7) to be operated under the umbrella of SIDO on a semi-private basis. This business centre was not included in the design of the project and if both the centre and the association are to be in place their roles and relationships must be clearly defined.

Recommendations

A well developed institutional capacity building programme should be elaborated for TAFOPA to address both the strategic and operational issues. The strategic issues should include the role, mandate and financial sustainability of the association, and at the operational level issues should include the services to be provided to its members. It is important that this be done by the members themselves, with the assistance of the UNIDO project, to establish ownership and commitment. Additionally, the work programme for the remainder of the project should clearly detail the technical assistance to be provided to TAFOPA and the Business Development Centre.

Linkages with institutions for a balanced strategy

Conclusions

As mentioned in the project document the steering committee with members from UNIDO, the donor, TAFOPA, SIDO, The ministry of Industry and Trade and other relevant local public and private sector bodies should have provided linkages with other relevant projects and institutions in Tanzania for a balanced strategy for entrepreneurial development. This committee was seen not to be necessary as these roles were being performed on an informal basis and was not formed. However, the evaluation team is not able to determine whether the informal relationships could adequately fulfill the functions detailed in the committee's terms of reference. Additionally, there are numerous donor funded projects in Tanzania in areas such as SME development, women entrepreneurship development, and provision of credit. The committee could have played a pivotal role in establishing linkages with the other relevant projects and programmes currently being implemented.

Other important linkages were established such as: A trainer from Zimbabwe participated in the last TOT course; and a project team member and two TAFOPA members and two trainers attended the International workshop on strategies for strengthening small scale food processing enterprises in eastern and southern Africa in Uganda in November 1998.

Recommendations

The steering committee should be formed to address certain of the key issues still to be dealt with by the project. The project team has now taken the decision to form the committee and the terms of reference are attached at Annex 6. Efforts should be made to build on contacts already made during the international workshop and to establish new contacts.

Local and export markets for high quality foods

Conclusions

The project has trained trainers and established a demonstration production facility at the SIDO premises for spices and essential oils. The local market for spices is currently small and would require promotion to grow.

Recommendations

The processing of spices and aromatic plants is newly introduced into the product range. Linkages should be established with organizations such as AMKA (an export promotion NGO) to explore the possibilities of tapping into the growing export markets for organically grown products. The project should also look into the possibility of encouraging groups of producers to meet orders for identified markets.

Clean production issues

Conclusions

The programme has started to incorporate cleaner production and environmental issues into its activities. A basic cleaner production course was conducted for 19 trainers and entrepreneurs in Dar-es-Salaam by the cleaner production centre. Also seminars on waste management and use of renewable energy resources were held with entrepreneurs and trainers in Dar-es-Salaam and Morogoro by an international expert.

Recommendations

The project should explore innovative mechanisms to address this issue. In addition to continued cooperation with the cleaner production centre, linkages should be established with other organizations such as CARMATEC (a centre for research and development of appropriate rural technologies) and TIRDO (Tanzania Industrial Research Development Organization) to explore the possibilities of having energy efficient and clean production equipment designed to meet the needs of the entrepreneurs.

6. LESSONS LEARNED

During the implementation of the project the ownership and sustainability issues needed to be addressed at a very early stage. This would have allowed adequate time and resources to be committed, ensuring that the needed capacity building could be provided during the lifetime of the project. At this point the women's association is fragile and certainly not capable of sustaining the achievements of the project. Additionally, as a business development centre will be created it is important to clarify the role each organization will play in carrying out the activities to provide continued support to entrepreneurship support and development.

It would have been beneficial to have incorporated more private sector inputs into the project at the design phase. For the entrepreneurs to succeed they need to have a strong and well developed appreciation for doing business in a competitive environment, surviving in a open economy, responding to changes quickly, and being able to identify and profit from new opportunities. These skills would have been better developed if more private sector inputs had been incorporated into the project.

Selection criteria regarding education levels for the trainers should have been established to ensure a consistent quality of the training being delivered. As this is a second phase project the lessons learned in the first phase could have provided valuable insights into developing profiles and selection criteria for the teachers.