The group promoter's resource book

A practical guide to building rural self-help groups

Food and Agriculture Organization of the United Nations
The group promoter's resource book

NOTE TO USERS
If you have any comments on or suggestions for improvements to this resource book, write to:

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Your comments and suggestions will help us to improve future editions

Food and Agriculture Organization of the United Nations

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Introduction

This resource book shows how group promoters (GPs) can help men and women in rural communities to join together and work to improve their income and living conditions. It presents a participatory approach in which GPs play a key role. Their task is to help the poor to form sustainable self-help groups and undertake income-generating activities.

**Why focus on forming groups?**

By working in groups, rather than as individuals, the rural poor are able to combine and make best use of their skills and resources. They can exchange views and ideas and choose the best options. Working together makes work lighter and easier. Most important of all, a group has more bargaining power than an individual.

**Why focus on small groups?**

Small groups of less than 20 persons usually work better than larger groups. This is because members get to know and trust each other and tend to work more closely and with fewer formalities.

**Why focus on income-generation?**

Poor people usually organize themselves into a group in order to increase their income. This is an important objective: higher incomes allow members to satisfy their needs and also to invest in other productive activities. In addition, working together in income generation is a good way for the members to learn to cooperate and achieve other goals.
Who should use this resource book?
The resource book has been designed and written mainly for group promoters, extension workers and development project staff. You can take it with you into the villages and use it directly in planning and conducting group meetings. The resource book may also be useful in the training of group promoters.

How is the resource book organized?
The resource book is divided into three sections.

Section I describes the group promoter's functions and working methods, and basic participatory learning methods:
Chapter 1: The role of a group promoter
Chapter 2: Working methods of a group promoter
Chapter 3: Using participatory learning methods

Section 2 describes key steps in building self-help groups of the rural poor:
Chapter 1: Group formation
Chapter 2: Inter-group associations
Chapter 3: Income generation
Chapter 4: Participatory monitoring and evaluation (PMOE)

The Annexes contain participatory learning and rural appraisal techniques, as well as a list of publications and addresses for further information on the self-help group approach.

How to use the resource book
Newly appointed GPs are urged to study Section I before taking up duties in the field.

Section 2 provides practical, step-by-step suggestions for the GP on how to form groups and how to help them increase their income and attain self-reliance. For each step, you will find guidelines with suggestions on how to proceed and what methods to use. You should adjust the suggestions and methods to suit the local situation and the customs of your people.

Techniques described in Annexes 1 and 2 should be studied and used during various phases of group development.
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The role of a group promoter

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As a group promoter (or GP), you are a key agent in rural development and in the development of your country. Your task is to help the rural poor to build their capacity to organize and manage their own activities. Whereas extension agents, community development workers and project field staff normally deal with entire rural communities, group promoters assist exclusively the poor. GPs do not treat the rural poor as passive recipients of assistance. You must work side by side with the poor, building up their confidence in their own abilities and promoting their self-reliance.

Essentially, your job is to serve as a facilitator, with three basic roles:

◆ **Group advisor**
You strengthen the rural poor’s leadership, organizational and planning capacities.

◆ **Participatory trainer**
You teach group members basic technical, literacy and problem-solving skills.
“Link person”
You facilitate communication between the groups and government and NGO development services, such as banks, the extension service and input supply agencies.

Profile of a GP
Group promoters come from a variety of backgrounds. In countries where there is a lack of well-qualified personnel willing to work in isolated villages, GPs are recruited from among young men and women with a secondary education.

In other countries, group promoters are university graduates. Many GPs are drawn from extension services or similar government agencies or from development NGOs already working in rural areas.

Qualities of a group promoter
To be effective, you must have some experience in working with people and local organizations in rural areas. You should be familiar with the problems of the rural poor and have a strong commitment to live with, work with and assist them for at least two years. You should also be familiar with the language and culture of the target action area in which you will work.

It will help if you have a rural background, at least secondary-level education, and experience in community or rural development or in such fields as social work, elementary economics or sociology, agriculture and extension.

Your “clients”
One group promoter can organize about 15 groups in three years. Thus, each GP should reach directly in three years, some 150 households, or at least 900 people, including group members and their dependants.
Advantages of the small group approach

**Economies of scale**  Providing development services to individual small scale farmers is too expensive for most governments, Small self-help groups overcome this problem because they represent many farmers, not just one. When they deal with a group, development services are more efficient and have greater impact. For example: an extension agent can train many farmers at a single meeting; a bank can provide one big loan for the season instead of many small ones; the group can take over responsibility for distributing fertilizer and seed.

**More production and income**  Given better access to credit, inputs and information, the poor can achieve higher levels of production and income. Increased income creates savings, which can then be used to expand production even further and to meet other needs.

**Acquisition of new skills**  In a small group, the poor learn very quickly how to work together, analyse problems together and plan together. These are important skills that can be used in the development, at a later time, of inter-group federations and national-level organizations.

**Sustainability**  Small groups help the poor become more self-reliant and can be linked up into a network of self-sustaining rural organizations. This carries important benefits - the increased efficiency of development services stimulates economic growth in rural areas and overall national development; politically, participation allows the poor to contribute constructively to development.
Training of group promoters
GP training aims at introducing you to participatory approaches and procedures and fostering motivation and team spirit. You will need, in particular, management training in production planning and implementation, transfer of appropriate technology, marketing, communication techniques, leadership, team-building, record-keeping and writing of reports.

An inception training workshop of at least three weeks should be given in or near the target area for all GPs, along with other project staff and key officials of the delivery system. The curriculum should be pragmatic and include work experience presentations by participants.

After this inception training, you will need initial field training of two to three months. This period coincides with the start of your field activities in the action area. You should learn to prepare and carry out village and household surveys, to solve problems met in the field and to cooperate with other development and service agencies.

Follow-up training of GPs should be carried out at monthly meetings to evaluate team performance, to identify and solve problems in your work and to prepare field workshops and refresher courses. You might also collaborate in issuing a project newsletter and take part in exchange visits to other participatory projects.

Posting group promoters in rural areas
GPs are expected to live in - or very close to- the villages in which they work. Once villages have been identified, at least two group promoters should be assigned to each cluster and begin work in a core village (in many cases male-female teams may be more effective).

As a GP, you should be always available to the members of the groups. Your image among the population in your action area is important. You should gradually build up confidential relationships with the local community, including the poor, the big farmers, local government officials and community leaders.

Through daily interaction with the poor, you will gradually come to be regarded as a friend and guide, and not as an official or outsider who interferes with the local culture and habits.
Withdrawal of the group promoter

As a group promoter, your main objective is to help the rural poor to improve their living conditions and become self-reliant. You promote self-reliance by involving the group members in activities that allow them to develop leadership and technical skills.

You should encourage group-to-group exchanges, and ensure that one or more group members is present whenever you deal with development services or government officers.

When and how should you begin to gradually withdraw from your groups? The disengagement process is a delicate one and depends on the rate at which each group develops. Experience indicates that it takes from three to five years for groups to achieve complete self-reliance. Once a group is capable of gaining access to government and NGO services and taking other initiatives without your assistance, you can gradually withdraw to concentrate on serving other more needy groups. You may need to make only occasional return visits to ensure that progress continues.

Setting up inter-group federations is important, as these bodies can gradually assume many of your responsibilities. Self-reliance may not always mean total disengagement: in some cases, the inter-group associations may hire you to perform certain specific functions.
CHAPTER 2

Working methods of a group promoter

Group promoters are involved in many activities to help their groups. We will look here at these activities and see how you can organize yourself to perform them effectively.

As a group promoter you have three main tasks:
• To help the rural poor form sustainable self-help groups
• To help the groups undertake profitable, financially sustainable activities
• To guide them in participatory monitoring and evaluation (PMOE) of their progress

Remember: you are a facilitator
As a GP you must never forget that your task is to help group members become self-reliant, i.e. able to manage their affairs on their own. Your role changes over time - from initiating and leading to guiding and assisting, and finally to advising.
Initiating and leading, however, does not mean teaching - and even less dictating. You will be working with adults who have a lot of knowledge and expertise in their fields. It is your task to help them realize the hidden potential of their knowledge and expertise and develop the confidence to decide and do things on their own.

You have to make it clear that you are a facilitator and advisor to the group, not a member. So, you cannot become a chairperson, secretary or treasurer, nor participate in the election of group leaders.

People will probably not be accustomed to this participatory approach. They may think their role is to listen, rather than speak. Help them by asking their views, listening to them and encouraging their active involvement. Ask them questions, don’t simply give them answers. They will gradually come to appreciate your style and approach.

The groups will need your services less and less as they progress, until eventually you will need to visit them only at their request or to check on progress. Withdrawing is not easy, but it means that you have done your work well - and that is something to be proud of!

**Direct assistance to self-help groups**

To assist group properly, you have to:

- Attend group meetings
- Visit the groups when they carry out their group activities
- Visit with and talk to individual members and other people from the community
- Organize workshops, training sessions, and evaluations for group members
- Follow up on items discussed in the meetings, workshops, training sessions and evaluations.

**Ideal behaviour in group promoting**

Listen before you speak - Be respectful - Be patient - Never promise anything before you are sure you can keep it - Always keep your promises
What to do during group meetings
At the end of any meeting with a group, it is essential that the members feel that they have not wasted their time and that you have listened carefully to their opinions. To help members get the most from their meetings, you should help the group leaders:
• To structure the meeting by setting beforehand an agenda with topics and priorities
• To allow flexibility so that the agenda can be changed if other topics arise during the meeting
• To report about the previous meeting and any other important group events
• To encourage members to participate in discussions - do not allow one or a few members to dominate the others
• To use participatory learning methods to provoke discussions
• To encourage decision making - but do not push for decisions

What to do when visiting a group income-generating activity
You can take the following actions to find out if and where the group needs assistance:
• Discuss problems and try to help the members solve them
• Monitor member attendance and activities during work time
• Monitor the work plan, production plan and the follow-up of items discussed in meetings, workshops and evaluations
• Check that decisions they are being followed - offer assistance if necessary
• Check group records and make sure they are complete and up-to-date.
Planning a training course or workshop

In planning a training course or workshop, you should first define who the session/workshop is meant for - group members, assisting staff or others. Then decide why a session/workshop is necessary - what is the need?

After choosing a relevant topic and set specific objectives, decide when and where the training should take place (remember that women may not always be able to attend meetings).

Consider also what items should be discussed, what training methods and techniques should be used and who will act as resource persons.

At this point, you should make a work plan to make sure the workshop/session runs smoothly. The workplan should include:
- Materials needed for the session - e.g. books and posters
- Supplies - poster-size paper or newsprint or flip-chart, markers, pens, tape, and food and drink
- Funding
- Reservation of the training location and invitations
- Transport and accommodation
- The programme of the workshop or course
- Instructions for resource persons
- Secretaries for reporting

You should also decide who should write a report - every workshop or training should be recorded to remind the group of what was done and the reaction of the participants. The report should cover:
- The topic and why it was chosen (i.e. need and objectives)
- When and where the training took place
- Who organized the training and who attended
- A brief description of each topic
- Recommendations and evaluation
Organizing workshops, training sessions and evaluations
Organize workshops or training sessions to improve the members’ understanding of specific items or to improve certain skills. A training session can also be part of a regular meeting.
Training topics for group members should include:

◆ General participatory techniques
These include techniques that enhance member participation in decision making. Subjects include group dynamics, leadership, planning of group activities, saving and credit, accounting, enterprise management, monitoring and evaluation, and negotiating and bargaining. Training might also centre on eliminating social problems, such as alcoholism and gambling.

◆ Specialized training
Specialized training is tailored to the groups’ specific needs. It includes training in crop production, small livestock development, soil and water conservation, small-scale aquaculture, forestry and group marketing, and non-farm activities such as crop processing, weaving, tailoring, pottery, and production of house-building materials or handicrafts.

◆ Training in home and community development
Subjects include health, sanitation, first-aid, nutrition and child care, as well as management, leadership and village development.

◆ Other topics
Other recommended training topics include legal matters (such as tenancy rights), mortgaging, wages, and banking and administrative procedures. Useful information on these topics is frequently not communicated to the poor. Group literacy classes for adult women and men help them to analyse their problems and plan actions, and reduce their dependency upon literate villagers or group members.
Not all rural people feel comfortable in groups. Some people are shy and do not speak up easily. Other people dominate discussions or do not listen. Many find it difficult to make the compromises needed to reach an agreement. In order to involve all the members in group activities, you will need to know and use participatory learning methods.

**Participatory learning**
Participatory learning is a creative problem-solving method, in which every member participates actively. The approach involves specific attitudes, skills and knowledge. In the participatory approach, the learning process is just as important as the subject being learned.

The groups you will form are ideal laboratories for participatory learning, since they are small enough to allow every member to participate.

**Characteristics of participatory learning**
- Originates from the needs and problems of group members
- Uses each group member’s knowledge, experience and skills
- Considers every participant a trainee and a trainer
- Uses practical real life activities so participants learn by doing
- Takes place at a location and in a setting where participants feel at ease.

**Benefits of participatory learning**
- Gives group members better insight and understanding of their situation
• Makes them more aware of their own values, attitudes, skills and knowledge
• Allows them to discover their hidden talents and capacities
• Gives them experiences in problem solving and decision making
• Above all, increases their self-confidence and self-esteem.

The role of the GP in participatory learning
As a group promoter, you are both a facilitator and a participant. As a participant, you contribute your knowledge, ideas and experiences. You also learn from the rural people. As facilitator:
• You guide the discussions - you introduce the session, structure the discussion and summarize regularly
• You ask, probe and listen: “what do you mean”, “why do you think so?”
• You acknowledge the people’s views and opinions
• You give participants time to express opinions and ask others to listen
• You stimulate creative ideas
• You encourage everybody to contribute
• You look for practical methods to promote people’s involvement
• You consider carefully how participants react to each other

Make room for the women!
You need to pay special attention to women’s participation in discussions and activities. You can increase their involvement by encouraging them and discouraging men who dominate discussions.
Use the special techniques outlined below and in Annex 1. You can also encourage members to form separate men and women’s discussion or working groups.
Facilitating participatory learning
There are many techniques to promote participatory learning. They are briefly described in Annex 1, beginning on page 101. Study them carefully, test them with your supervisor and other GPs, and apply them in your work. The techniques can be used in meetings, workshops, evaluation and during visits.

Preparation
Facilitating participatory learning requires careful preparation and flexible handling of group meetings and training sessions.
You should plan the following:
• Choose a topic for the session related to a perceived need or problem among group members. Write a clear objective for your session
• If you think it is necessary, you may use a warm-up technique to make members feel at ease (see below)
• Prepare a list of step-by-step guide questions and possible answers
• Choose from Annex 1, techniques which fit the topic and objective of the session. Consider the level of understanding and experiences of the participants, the time available and techniques used in other sessions
• Arrange the meeting place in such a way that people will feel at ease to participate and that everybody can see each other;

During the session
• Explain the choice of topic and ask the participants some of their experiences. Their reactions will give you a better understanding of the way they feel about the topic and related issues. Other issues may be revealed. If it is important to consider the new issue, do so.
• Follow the step-by-step questions you prepared or use them together with the participatory technique chosen. However, be flexible, the questions should be used as a guide only and not a rigid session of question and answers.

After the session
At the end of the training session or a workshop, you need to know how the people, men and women, feel about it and if the group has achieved its objectives. It is important that the
participants think about what has happened and what they have learned or gained

Several factors influence the success or failure of a workshop

- The topic: Was it relevant and clear?
- Member’ participation: Was it active?
- Presentation of resource persons: Was there a good, clear explanation of subject, appropriate methods?
- The chairperson: Did he/she provide a good introduction and final summary?
- The programme: Was it well timed, with a relevant agenda?
- Attendance: Did women as well as men attend?
- Organization: Was the locality suitable? Was the date and time convenient for participants? Were the materials adequate?

**Ask simple questions**

By asking simple questions, a GP can stimulate discussion among group members and give them experience in problem solving and decision making. For example, in a discussion about the writing of a group constitution, the GP asked the following questions:

**Questions:** What is a group constitution?

**Answer:** A set of agreed rules that says how our group will work together.

Q. **Why** does your group need a constitution?
A. To guide and to discipline members

Q. **Who** is the constitution meant for?
A. For ourselves

Q. **Who** should write the constitution?
A. We should write it ourselves

Q. **How** can a constitution be made?
A. Through discussion about our needs and problems, and by meeting and working together.

Q. **When** should the constitution be made?
A. We will make some simple rules as soon as possible; later we will add more.

Q. **Where** should the constitution be kept?
A. In our record book - with a copy for the chief...
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Four key actions are required in building sustainable self-help groups. They are:

• Formation of groups
• creation of inter-groups associations
• development of income-generating activities
• participatory monitoring and evaluation

Section 1 of this resource book describes the steps involved in each of these actions. In practice, the steps do not occur in isolation, but are inter-related and may occur in a different order. They are intended, therefore, as guidelines, not as rigid rules.

When necessary, they should be modified to suit local conditions and the stage of development of each particular group. The time needed for each step will depend on the skills of the members, the skills and experience of their group promoter and the social, economic and political setting.
CHAPTER 1

Group formation

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Your main task as a group promoter is to help the rural poor to take control of their lives and work together for their own benefit. A vital step in this process is the formation of small self-help groups of the poor.

Group formation cannot be achieved simply by calling people together. To be effective, a group has to be democratic – all members of the group should participate directly in discussions, decision making, income generation and sharing of benefits. To be sustainable, the group must be capable of functioning without its group promoter.

In this Chapter, we outline five steps that contribute to the formation of successful participatory self-help groups.
STEP 1
Entering the community

The first and most important task of a group promoter to gain acceptance by the general community. This step can sometimes be a very long walk. So start slowly, with small steps.

Prepare yourself
Gather information about the community and its leaders from other development workers and government officers. Who lives there? What do they do for a living? What are the community's main problems? What organizations help the people?

Introduce yourself
It may be necessary to obtain first the support of local leaders. Go to elders, chiefs or other influential people in the community. Tell them about the aims of the project – that it will try to improve general living conditions in the village and introduce new production methods and other means of increasing people’s incomes. The local leaders may then organize a meeting to introduce you to the all the villagers. If so, go with one of your supervisors.

Gather basic information
See how you can best introduce your work to the people of the community, how to identify men and women who have low incomes, and how you can begin your work. To do these things,
you need to gather information on the community.

The best way to gather information is by living in the community. Visit the villagers frequently - at home, at work and in their fields. Talk with them and observe what they do.

Some people may be reluctant to give you certain information. How much land a person owns or controls may be a sensitive issue. So, often it is easier to ask indirect questions, such as “How much maize or rice did you produce last year?” From the answer you can probably estimate the size of the landholding by yourself.

**Work to gain the people’s confidence**

Gaining the villager’s trust may take time. Listen to the people and show them respect. Talk with people from various backgrounds. Do not try to control discussions nor impose your own way of thinking.

In the beginning, people may not express their true feelings and views or reveal everything about their community and families. Many problems are kept secret, especially those related to
decision making in the village. Here, your personal skills and knowledge of local traditions are very important.

The presence of other assisting agencies will also affect how you work. People develop expectations, both good and bad, based on their experiences with people who have come to help them before. It is important to find out what people think about their previous “helpers” and what people expect from you.

5. Cross Check the Information
The same information collected from different sources often varies. It is important to check information obtained from different sources until you have a good idea of how accurate the information is. Cross-checking in this way should be used to confirm that you have the right information.

Talking to women
Note that the villagers will probably treat female and male group promoters differently. It is often easier for a female to contact women villagers. Male group promoters may have trouble meeting women at particular hours or places. For a female, it may be more difficult to attend gatherings of men in the community.

Men and women have different needs, perceptions and ideas. They should be approached differently and, often, separately. In many communities women are not allowed to express their ideas in public in the way that men do. They may be expected to follow the views of their husbands or fathers, and so do not or dare not offer a different opinion or speak out freely.

Women may talk more openly in informal gatherings or in formal organizations of their own.
STEP 2

Identifying the poor

Once people know you and trust you, they will usually provide the information you need. You can now proceed to the next step: to identify low-income groups in the community. Use your own knowledge together with suggestions of the members of the community to identify the poorer men and women.

In most developing countries, the rural population can be divided into three broad socio-economic categories: the big farmers who usually control most of the land and have greatest access to development services; the middle farmers, who have sufficient resources to meet their income and food needs; and the poor who live at subsistence level.

Who are the poor?
The rural poor depend on full-time or part-time employment in agriculture, forestry, fisheries, handicrafts and related occupations. They include small and marginal landowner-farmers, tenants, sharecroppers, landless labourers and small fishermen, as well as rural artisans, nomadic pastoralists and refugees. Their main source of labour is their family and they have little or no access to inputs, credit, markets, training, extension and other services.

Different levels of poverty
Different levels of poverty exist among the poor. Small farmers are sometimes considered “marginally poor” because they own some land and can meet their food needs for most of the year. Usually worse off are landless labourers and hawkers (the very poor), who depend on the bigger farmers for employment. The most deprived people in rural areas are destitutes, such as widows and the handicapped, who often live on charity.
Poverty is a sensitive issue
Remember that identifying and assisting the poor is a sensitive issue. It is a delicate matter to focus assistance on a certain section of the community, and even more so to organize them into groups aiming at self-reliance. Also, people generally do not like to say that they are disadvantaged or poor. People might not describe women as less advantaged, although many women - even the wives of better-off men - often have limited access to information and income.
You can get information on socio-economic differences through informal interviews and short questionnaires, by indirect questions for sensitive information or by more participatory methods. (See Annex I for more information).

It may be wise to start with small farmers
While group formation seeks to benefit all of the rural poor, it need not necessarily start with the poorest people. In fact, sometimes it is a good idea to involve first the marginally poor small farmers rather than the very poor or destitutes.
Experience has shown that small farmers are often keener to create organizations because they can afford to risk some of their assets in group activities. The very poor have fewer assets and more debts, and are more dependent on their employers. For this group, risk-taking can pose a threat to their very survival. Involvement of poorer people can be achieved in later phases.
STEP 3

Discussing group formation

The next step is to identify poorer people who are interested in working together in a group. You could also identify existing groups that might be interested in working with you.

Call a meeting
Organize one or more meetings with poorer members of the community to discuss their situation and expectations and to explain what you can do to assist them.

Choose a time and place convenient and appropriate for both men and women. It may be necessary to organize separate sessions for women to ensure that they also have a chance to say what they think.

The meeting should discuss general ideas only. You should start the discussion, but then encourage people to speak freely. Sometimes it will take a while to get discussions started. The poor (and especially women) may not be used to your approach - usually, they only listen at meetings. So, ask questions and encourage their active participation in the discussion.
Discuss the present situation
Ask the people - both men and women - about their problems and needs. Ask them how they try to solve these problems and fulfil their needs.

Explain what you can do to help
Tell the participants how you can help, your aims, the focus on participation and your working method (see Section 1).

Discuss the participatory group approach
Explain your focus on participation and cooperation in groups. Explain that a participatory self-help group is made up of like-minded people who work together for a common purpose with as much involvement as possible of all the members.

   Explain to them that successful groups have certain common features.

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<td>• Members have common interests</td>
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<td>• Members have clear objectives</td>
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<td>• Members are honest and work hard to achieve their objectives</td>
</tr>
<tr>
<td>• Members write the constitution for their group and agree to obey it</td>
</tr>
<tr>
<td>• Members hold regular meetings</td>
</tr>
<tr>
<td>• Members elect a committee</td>
</tr>
<tr>
<td>• Members participate in discussions, decision making, activities, savings, record-keeping and sharing benefits.</td>
</tr>
</tbody>
</table>

Explain the benefits of participatory groups by comparing these groups with other forms of local cooperation. These include informal groupings, such as mutual assistance societies and formal organizations such as cooperatives. What are the aims of these other organizations? Who participates? What roles do they play? What are the advantages and disadvantages of the organizations?

Explain that in a participatory self-help group, all members benefit from their combined skills and resources.
Discuss the need for a common bond
Common economic and social interests of members help to bind a group together. Major social and economic differences between members can lead to friction and conflict.

Discuss carefully the problems that can occur if more influential or richer individuals become group members. Powerful individuals may dominate the group or use it for their own benefit. For example, a trader or big farmer may try to join a group so that he can offer the other members loans or convince them to work for him. In the long run, such people prevent the group from achieving self-reliance. It is therefore a very good idea to exclude the non-poor from the groups.

Sometimes, however, such people may bring relevant knowledge or contacts to the group. They should be admitted, as long as they are willing to participate equally and do not try to exploit the others.

Discuss goals and expectations
Help the people to describe their goals and expectations. People usually express their goals in very general terms - for example, “to generate income for community development” or “to help the family”. It is important that they define their objectives in a clear way. What do the people want to do? How and when do they expect to achieve it?

Groups often fail because members expect too much too soon. They think that by forming a group, their problems will be quickly solved. Members are disappointed when these unrealistic expectations cannot be met and the group may collapse. Remind the people that the advantages of group action can only be realised through hard work, self-sacrifice and a clear focus on realistic group objectives.

You can help the people to establish realistic goals by drawing up a list of their objectives. Read each objective aloud and let the participants decide whether it is “clear” or “vague”. If an objective is found to be “vague”, discuss it with the group until they are able to re-state it in clear terms. For example:

- “I want to buy school books and uniforms for my children for next school year by generating income” is clear.
- “I want to improve my children’s education” is vague.
Assess the costs and benefits of cooperation
Ask the people what they hope to gain by working together. Then ask them to estimate what it will cost. For example, meeting together regularly requires giving up free time. Members will have to contribute labour and savings to finance the group’s activities.

Do the benefits outweigh the costs? If so, do all members agree to pay those costs? Only if the answer is a unanimous “Yes” should you proceed to the next step.

Discuss follow-up
At this stage you should have a good insight into the people’s problems, needs and ideas for solutions. At the end of the meeting, you should identify those who are interested in forming a self-help group. Arrange with them to hold a further meeting to begin the process of group formation.
STEP 4
Establishing a group

Once interested men and women have a better idea of what they want to do and how they can do it, a group can be established.

Four basic principles in group formation
Four basic principles should be followed in group formation:

◆ The group should be small
The ideal number of members is between eight and 15. In a small group, all members have the chance to speak and to contribute their energy and ideas to group development. Small groups are less likely to be divided by arguments or dominated by a minority.

◆ The groups should be homogeneous
Members should live under similar economic conditions and have close social affinity. Homogeneity reduces conflict within the group - members with similar backgrounds are more likely to trust each other and accept joint liability for their activities.

◆ The group should be formed around income-generating activities
Income-generating activities are crucial to group development because they produce assets that help build self-reliance.

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Groups should be voluntary and democratic
Members should decide who can join their group, who will lead them, what rules they will follow, and what activities they will undertake. Decisions should be taken by consensus or a majority vote.
Formation of viable and stable groups requires patience and, in most cases, a period of from two to six months. You should avoid both overly rapid formation and overly long delays, which may dampen the interest of potential group members.

Discuss membership
Make a list of people interested in forming a group. Explain to them that the group should not become too large. Groups of 8 to 15 members are usually the most effective. Remind people that membership implies certain rights and benefits, such as the right to attend group meetings and share in profits from group activities. However, it also implies the following obligations:
• To attend meetings regularly;
• To pay a membership fee (this ensures that only serious persons apply for group membership and helps raise initial capital for financing the group activities);
• To elect the group leadership;
• To make regular contributions to the group savings fund if established;
• To repay group loans quickly;
• To help other members when in need.

Discuss women’s participation
Promoting women’s participation in groups when men are around can be difficult. This is because women are reluctant to air their views or challenge the views of males in public. What can be done?
In group formation, be flexible. In many places, the natural tendency may be to form mixed groups, with both male and female members. Be aware that, because men generally dominate such groups, they do not always provide the best learning environments for teaching leadership skills to women. Forming all-female groups may be a good first step. If a mixed group has already been formed, suggest breaking them into
separate husbands and wives’ sub-groups, so that the women can meet separately from the men and gain self-confidence in speaking and publicly presenting their views.

Women are generally more home-bound than men. This may make it more difficult for them to attend meetings. To help them, you should first identify the occasions in which women traditionally meet (e.g. when they go to collect water or gather for certain events). You can then identify the most suitable circumstances for getting poor women together to discuss their common problems.

If men object to the formation of separate all-female groups, mixed groups can be formed, but measures should be taken by the GP to ensure female participation in group decision making. For example, it might be agreed that a percentage of the members and group officers should be female.

Men may need to be shown the benefit of increased women’s participation in decision making. For example, in some rural areas, women tend to be more concerned with details than men and tend to make better treasurers and secretaries than men. Women also tend to save more regularly than men and are more concerned with paying back debts.

Remember that women are less likely to be able to read and write than men. In this case, more attention has to be given to encouraging women’s participation. Always encourage the participation of non-literate members in the group.

**Choose a name for the group**

The members should choose a name for the group. In some countries, people name their groups after their village or locality, followed by a number if there is more than one group. Other groups have names like “Unity” or “Working together”.

**Decide when and how often to meet**

Schedule meeting days and times that are convenient for the members. Frequent meetings (weekly or bi-weekly) are desirable especially during the early stage of group formation and learning. Stress the need for regular attendance at these meetings.
Set specific objectives
Help the members agree on clear objectives for their group (see discussion on expectations and clear and vague goals in Step 3).

Once people have agreed to work together for a common purpose you can help them establish a participatory self-help group.

Initially, you will play a major role. Later, as the group gains experience and confidence, you should gradually reduce your involvement and start shifting your attention to starting up other groups and activities.

You should encourage all members - men and women - to participate in discussions and decision making. You should help members acquire skills and organize training and workshops to exchange ideas with other groups. Also, you should help the group monitor and evaluate its decisions and actions.

Overcoming opposition to group formation
The process of group formation often faces serious obstacles. The poor may not be receptive to your ideas for several reasons. Heavy work loads and generally poor health often leave them with little energy for “participation”. Their low level of education and geographic isolation cuts them off from progressive ideas.

Remember also that the poor are usually dependent on big farmers, traders and middlemen. They are accustomed to leaving initiatives and decisions to these people and may be afraid to become involved in groups or organizations. In fact, local power-holders - and even slightly better-off farmers - may see the groups as a threat to the social order.

At local level, you can overcome such antagonism by winning the support of traditional, administrative and other leaders. You and your supervisor may need to call meetings to sensitize leaders to your objectives and, above all, to illustrate the benefits of your activities to the area as a whole. These benefits include improvements in community living standards, an increased flow of services to the village and, consequently, greater prestige for the village and its leaders.
Discuss the importance of attending meetings
Make it clear that group meetings are the most important place for discussions, learning and decision making. Members who do not attend meetings are not able to participate properly in the group. If a member cannot come to a meeting, they should report in advance giving the reason for their absence. The group can record attendance on a sheet like that shown below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Ms.D</th>
<th>Ms.N</th>
<th>Ms.S</th>
<th>Mrs.G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>4/6</td>
<td>4/6</td>
<td>4/6</td>
<td>4/6</td>
</tr>
<tr>
<td>Present</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Fined</td>
<td>-</td>
<td>yes</td>
<td>-</td>
<td>yes</td>
</tr>
<tr>
<td>Amount paid</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Date</td>
<td>11/6</td>
<td>11/6</td>
<td>11/6</td>
<td>11/6</td>
</tr>
<tr>
<td>Present</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Fined</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>yes</td>
</tr>
<tr>
<td>Amount paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
</tbody>
</table>

If members stop attending meetings, you should try to find out why. For example, members may stay away because they cannot afford to pay the membership fee. In that case, the group should discuss whether member fees should be reduced.

In other cases, it might be that the member fails to receive any benefit from meetings. You need to find out why. Maintaining group unity and commitment is important and sometimes requires adjustments in objectives and ways of achieving them. Members’ interests can change and the group must adjust to these changes if it is to be a success.

Discuss the importance of good communication
Communication between members is very important. Poor communication can create irritation and misunderstanding. Good communication will strengthen relations between members. Communication needs to be two way: group leaders should discuss the group’s affairs with their members and the members should
discuss freely with their leaders. Working together as equals in the group helps to build confidence and cooperation. This, in turn, makes the group successful.

**Discuss the building blocks of a self-help group**

A cohesive and sustainable group consists of four key elements or *building blocks*. They are:

- **Leadership**
  A group that is well led usually succeeds. Leaders and committee members must be chosen carefully.

- **Contributions**
  Regular group savings are essential. Members’ contributions to their group activities help to build a sense of group ownership and solidarity.

- **The group constitution**
  A constitution - that is, a written record of the purpose and rules for the group - helps the group avoid internal conflicts and makes the responsibilities of each member clear.

- **Record-keeping**
  Records help the group remember what has been decided at meetings. They are very important in monitoring and evaluation.

The form each of these building blocks takes depends on the ideas and experiences of the members. The final form of the group must be agreed by the members themselves, and adjusted to suit their needs and views.
Leadership

To function properly, a group needs a simple but effective structure, consisting of ordinary members and a management committee made up of a chairman, secretary and treasurer. In a self-help group, the leaders play an important role.

In most groups, the most outspoken or out-going members are chosen as chairperson and secretary. However, other members may have hidden or unrecognised skills. To strengthen the group, all the skills and abilities of its individual members should be used as much as possible. Gradual rotation of leadership positions among all members can help exploit these abilities.

What is “leadership”? Leadership involves overseeing and monitoring the group’s activities. These tasks are carried out by a few people who are recognised and accepted by all members. Usually, leader refers to a group’s chairperson, but it may also refer to the whole committee, consisting of chairperson, secretary and treasurer.

Desirable qualities of leaders

Members of participatory groups in Swaziland mentioned the following desirable qualifications for group leaders:

- Active, energetic and good at motivating others
- Respectful but not shy
- Brave, honest and patient
- Able to work with others
- Able to communicate with others
- Not a drunkard and not a gossip
- Able to keep group secrets
Why is leadership Important?
Supervision and coordination help a group to run smoothly, to grow strong and to achieve its goals.

What is participatory leadership?
Participatory leadership means, first that all members have equal opportunity to participate and that all members can become leaders. It means that elections to change leaders should take place regularly. Rotation of duties gives all members a chance to develop leadership skills. This, in turn, makes the group more effective and helps promote further participation.
Second, participatory leaders encourage all members to be fully involved in group affairs by keeping them informed, by delegating tasks and by having open discussions.

Who can become a leader?
Every member of the group with the necessary skills can become a leader. It’s difficult to be a treasurer if you cannot add up, or a secretary if you cannot write, but it is possible - though more difficult - to become a chairman without being able to read.

What are the duties of a leader?
The leader’s responsibilities are:
• To monitor group progress and achievement of objectives
• To ensure that the group’s constitution is obeyed
• To encourage participation by all members in discussion, decision making and work
• To introduce new ideas into the group, and encourage members to do the same
• To report about the work of individual members and the group as a whole.
• To represent the group on special occasions.
How can leaders be found?
Some people are “natural leaders”. Others have skills that remain hidden because they never had the opportunity to display or develop them. Discussion about the selection of qualified members may reveal their hidden skills. These skills may be enhanced through training.

How often should leaders be changed?
Changing leaders frequently can be unsettling and make long-term planning difficult. On the other hand, rotating leadership more frequently within the group provides all members with the chance to develop organizational and leadership skills. A balanced approach is needed. Depending on the particular group activity, the leadership could be changed each month, each season or each year.

Forming a management committee
Discuss with the group the duties of the committee members. Explore with them the qualities that are needed to carry out specific duties and how committee members should be elected.
Once agreement is reached, help the group to elect its committee. After election of the committee, you should spend time helping the committee members to improve their skills.

What are the duties of a management committee?
• To prepare the agenda and to schedule meetings
• To report about committee actions
• To make suggestions and give advice to the group
• To promote decision making
• To implement actions after decision making
• To ensure the agreed constitution is followed and to discipline members of the group
• To delegate tasks in order to encourage participation
• To contact resource persons, groups, and institutions
• To organize training for members
• To report on progress of the group
• To help with problems that group members cannot solve
• To represent the group.

**What are the duties of a chairperson?**
• To organize meetings and review sessions
• To chair meetings and summarise them at the end
• To encourage participation by all members in discussion, decision making and work
• To ensure the group constitution is followed
• To ensure that the secretary and treasurer do their jobs
• To ensure members pay their contributions as agreed
• To delegate work and assignments
• To ensure that the work plan is followed
• To maintain harmony in the group
• To represent the group at meetings with others.

**What are the duties of the secretary?**
• To write the agenda and minutes, and keep a record of attendance at meetings
• To maintain all group records
• To read aloud the minutes of meetings
• To deal with letters to and from the group
• To assist the chairperson.

**What are the duties of a treasurer?**
• To keep the financial records of the group
• To safeguard and manage the money
• To report to the members about expenditures and receipts and the balance available in cash or at the bank
• To give receipts for money received
• To count the money kept by the group, in the presence of the members
• To keep the cash book and the receipts of purchases, sales and received money
• To manage the use of the group fund.
BLOCK 2

Member contributions

The next building block in group development is member contributions, either in cash or in kind. You should discuss with the group why and how members should pay contributions.

What are member contributions?
Contributions are regular payments made to the group in kind and or in cash by group members. It is important to specify in writing what the money will be used for.

Why are contributions important?
Contributing encourages unity, since all members do something visible for the common good of the group. Contributions also help the group cover costs - from small expenses such as writing materials and transportation to larger expenses such as start-up investment for an income-generating activity. Finally, contributions are a form of insurance which cushions the group enterprise from unforeseen difficulties or provides emergency assistance to group members in time of need.

How should contributions be made?
Every member should be obliged by the group constitution to pay a fixed amount to the treasurer on a certain day each week or each month. The size of the contribution must be set with the agreement of all members and will depend on the proposed use.

It is important that the treasurer gives receipts and keeps proper records of each member’s contributions (see Chart 2, opposite). The treasurer should report to the group any expenditures and the current cash balance. If some money was spent, he or she
must document how much and for what purpose. If the money was lent, the treasurer must document the size of the loan, to whom it was lent and when will it be paid back.

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Amount</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/3/93</td>
<td>Mrs. D.</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>4/3/93</td>
<td>Ms. S.</td>
<td>10.00</td>
<td>20.00</td>
</tr>
<tr>
<td>4/3/93</td>
<td>Mrs. K.</td>
<td>5.00</td>
<td>25.00</td>
</tr>
<tr>
<td>4/4/93</td>
<td>Mrs. L.</td>
<td>10.00</td>
<td>35.00</td>
</tr>
<tr>
<td>4/4/93</td>
<td>Mrs. D.</td>
<td>5.00</td>
<td>40.00</td>
</tr>
<tr>
<td>4/4/93</td>
<td>Ms. S</td>
<td>10.00</td>
<td>50.00</td>
</tr>
</tbody>
</table>
At first, group members may not understand the importance of having a constitution. You should point out that rules are needed to minimise conflict and improve efficiency of group decision making. Use experiences from previous meetings to show that rules are necessary to guide and discipline members.

What is a group constitution?
A constitution is a written agreement made by the members of a group. The constitution sets out what is expected from them and what they can expect from the group.

Why is a constitution necessary?
A constitution provides a clear and consistent set of guidelines to define each member’s rights and obligations to the group. In a participatory group, the constitution is meant only for the benefit and use of the members. It is made by the members and can only be changed by the members.

What goes into the constitution?
There is no blueprint for a group constitution. It should be made step by step, through discussion about the specific experiences of a group. The first draft is made when a group is formed. Rules can be added or changed as new issues arise. Chart 3 (opposite) presents items that could be discussed by members at a meeting on the group constitution.
Chart 3  **Sample items for discussion in setting a group constitution**

<table>
<thead>
<tr>
<th>Item</th>
<th>Issues for discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Objectives of the group</td>
</tr>
<tr>
<td>2</td>
<td>Membership</td>
</tr>
<tr>
<td>3</td>
<td>Committee</td>
</tr>
<tr>
<td>4</td>
<td>Disciplinary action against committee members</td>
</tr>
<tr>
<td>5</td>
<td>Meeting Schedule</td>
</tr>
<tr>
<td>6</td>
<td>Contributions</td>
</tr>
<tr>
<td>7</td>
<td>Disciplinary actions against members</td>
</tr>
<tr>
<td>8</td>
<td>Record keeping</td>
</tr>
<tr>
<td>9</td>
<td>Savings</td>
</tr>
<tr>
<td>10</td>
<td>Profit</td>
</tr>
<tr>
<td>11</td>
<td>Loans</td>
</tr>
</tbody>
</table>
Keeping records

It is important for group members to know what actions have been taken by the group, or what or how much has been bought, sold or repaid. If these actions are not recorded, misunderstandings may develop between members. An important building block in group development, therefore, is record-keeping.

Like other processes in group formation, the development of record-keeping is a step-by-step process. Discuss with the members what records are important to keep. Start with the names of the group and its members and incoming money. Later, they should begin to record the minutes of meetings.

A sample format for recording the minutes of group meetings is given in Chart 4 (opposite). Remember that records need to be understandable to all members, even those who cannot read. If some members cannot read, suggest that records be made using symbols.

What is record-keeping?
Record-keeping is the maintenance of information concerning the group for future reference - for example, information about the group’s organization, activities and income. Keep records
simple so that all group members can understand them. Well-informed group members are likely to make better decisions than misinformed groups.

**Why is record-keeping important?**
- It helps members remember what has happened
- It provides information and data to monitor progress
- It provides information and data for evaluation.

**Who is responsible for record-keeping?**
Records are kept by the management committee but should be reviewed frequently by all members at meetings to assess problems encountered and progress toward achieving the group’s objectives.

**When is record-keeping done and where?**
Record-keeping should be done on a regular basis (i.e., daily, weekly or monthly), or whenever meetings are held or activities take place. Information should be kept in record books, not on loose sheets of paper. Information about agreements, assignments and finances are important and care should be taken not to lose them.

If some members of the group are illiterate, use symbols rather than text to represent products or money.

---

**Chart 4 Sample format for minutes of a group meeting**

<table>
<thead>
<tr>
<th>DATE</th>
<th>AGENDA</th>
<th>DISCUSSED Yes/No</th>
<th>DECISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/6</td>
<td>Workshop Purchase of feed Later arrival fine of committee members</td>
<td>Yes Yes Yes</td>
<td>3 members to go</td>
</tr>
<tr>
<td>11/6</td>
<td>Report workshop Report sale of chickens</td>
<td>Yes Yes</td>
<td>adjust constitution all members to advertise at school</td>
</tr>
<tr>
<td>18/6</td>
<td>.................</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STEP 5

Self-reliance and sustainability

Once the group has been formed and has developed its own rules, record-keeping system and income-generating activities, your role changes from initiator and active participant to assistant and advisor.

Your goal now is to guide the group towards self-reliance and sustainability. The members will develop and refine their record-keeping system, and their group constitution and objectives. In the beginning you will spend a lot of time with the group, but after two or three years your assistance will be reduced to irregular visits to monitor progress and to discuss new problems and issues.

At this advanced stage of group formation, you can still help the group in a number of important functions.

Building human and financial self-reliance
You, the group promoter, should encourage group members to take their own initiatives and slowly reduce the frequency of your visits.

Taking initiative involves some risk, but group savings can help protect against such dangers. As savings increase, the group can do more on its own and becomes less dependent on others.
Diversifying activities
Once a group’s initial activity becomes profitable, the group may want to begin other activities. Members may also decide to use their profits to start non-income-producing activities, such as building community infrastructure (e.g. schools and grain stores). Some groups may also decide to take action to secure land rights, negotiate higher prices for their products or satisfy other socio-economic objectives. In all of these diverse actions, you can help the groups to arrange contacts with people or organizations who can help them.

Building confidence and self-esteem
You can help strengthen the group members’ confidence and self-esteem by recognising their knowledge and skills and the positive aspects of their group or enterprise. But you should also help them recognise weaker points as well.

Of course, it is not always pleasant to discuss low achievement or bad performance, especially in the presence of outsiders. Some members may feel threatened and try to hide what went wrong or blame others. Therefore, emphasise that set-backs or failures should be seen as useful lessons that help the group to avoid further failures and to improve its performance. Such a positive approach helps maintain and build self-confidence.

Forming other groups
The example of a successful and profitable group may encourage other people in the community to organize groups of their own. For example, men may come to accept - and even support - the formation of women’s groups. Also, women themselves may express interest in forming a group of their own.

Promoting cooperation among groups
Helping a group become sustainable is a slow process. Problems, such as jealousy between members or quarrels between families, can seriously affect the group. It can also be difficult to ensure that women participate fully.

Remember that a group is not isolated from the community and will be influenced by local social, political and economic
changes. Groups face many constraints and often fall apart. One common cause of group collapse is the failure of an economic activity to produce the hoped-for profit.

To help them grow stronger, encourage the groups to contact each other in order to exchange ideas or products, to help solve problems, to organize help from outside agencies or to coordinate activities such as land preparation and the harvest. Such cooperation help groups to solve common problems by acting together. Inter-group linkages also can protect individual groups against political or economic difficulties.

Cooperation is usually informal at the beginning. Eventually, it can be formalised through an inter-group association, which is often recognised and even registered more easily. An association of groups is more powerful than single groups. However, it also requires greater management skill, especially if it has many activities. Some associations concentrate on obtaining economic benefits for member groups, such as access to credit, inputs and markets. Others have social aims, such as building schools, health centres or other community services.

**Links to other organizations**

Achieving group sustainability also requires links between groups and outside organizations.

Groups need to be taught how to approach and deal with government and NGO officers. Such officers are not always sympathetic to the poor. Often they target their services mainly at the bigger farmers and members of the rural elite.

GPs and members need to convince such officers that assistance to self-help groups is important. They need to be shown that it is in their own interest to serve the groups. For example, the success of small groups can make the officer “look good”, which in turn leads to promotion and salary increases.

Inter-group associations can help in linking groups to
government and NGO services. Local and national level project coordinating committees can also help. The committee’s members should include representatives from government and NGO service delivery agencies active in the project area.

**Linkages between service agencies**
Better coordination among agencies which provide services to the project area can improve the flow of development support to the groups. You can help set up these links by arranging meetings with the service agencies to discuss your project.

**Measuring self-reliance**
Experience has shown that building a network of sustainable self-help groups takes time. As a GP, you play a pivotal role in initiating and sustaining this learning process in its initial phases. However, it is vital that you recognise when groups have reached a point of self-sustainability and no longer require your assistance. The groups can use a number of indicators to measure their progress. These include:

- *Regularity of group meetings and level of member attendance.* When regular meetings and high attendance continue in the absence of the GP, the group is obviously highly motivated and well on the way to achieving self-reliance.
- *Shared leadership and member participation in group decision making.* Groups that share leadership responsibilities and in which there is a high level of participation in decision making learn more quickly and develop a broader leadership base. Groups dominated by a minority are unstable and vulnerable to leadership crises.
- *Continuous growth in group savings.* Group saving is a key measure of members’ faith in and financial commitment to group activities. It is also a good indicator of the profitability of the group activity. Groups which do not save, or save very little, are less likely to achieve sustainability.
- *High rates of loan repayment.* A group’s capacity to repay loans on time is another indicator of group financial discipline and the profitability of its income-generating activity.
- *Group problem-solving.* A group which solves problems and
takes initiatives for its self-development in the absence of the GP has a high level of member confidence.

- **Effective links with development services.** The self-reliance of a group also depends on its ability to maintain links with government and NGO development services, in the absence of its GP.
CHAPTER 2

Inter-group associations

Step 1  Promoting inter-group associations  55
Step 2  Forming an inter-group association  59
Small groups become more efficient when they link up in inter-group associations (IGAs).

Inter-group associations offer economies of scale both in group activities and in the delivery of development services. IGAs can also represent the broader interests of their members in discussions with local authorities. In this way, the poor become increasingly self-confident, earn greater recognition from the wider community and are able to make a greater contribution to development.

All IGAs should begin with realistic objectives and produce concrete benefits to members in the short term. At a later stage, they may be legalized as pre-cooperatives or federations in order to obtain legal recognition, services and facilities.

The following steps will help you to introduce the idea of an inter-group association and - when the groups request it - to establish an IGA in your action area.
STEP 1

Promoting inter-group associations

As groups develop, they eventually face problems or challenges that a single group cannot solve alone. Linking up with other groups can help them to solve these problems.

For example, the bulk purchase of inputs or collective marketing of produce is cheaper if done in association with other groups. In addition, social projects - such as construction of a village health centre or drilling a community well - are more easily carried out by a number of groups acting together.

An inter-group federation represents its constituent groups and must be accountable to all group members. It should have a facilitating, coordinating and educational role and become a source of technical assistance, economies of scale and guidance. It can eventually perform many of the functions of group promoters.

Recommended size of inter-group associations

IGAs with few member groups (say three to 10 groups) seem to work better than those with larger memberships. Also, IGAs whose member groups are within easy walking distance of each other do much better than IGAs whose groups are spread over a wide area. Large distances between groups makes communication more difficult and discourages member participation in decision making.
The need for inter-group associations will develop gradually as potential member groups become convinced that the benefits of establishing an IGA outweigh the shared costs. Experience has shown that this typically occurs at the end of the second or beginning of the third year of group development.

**Building awareness of the role of IGAs**
Organizing IGAs too soon, i.e. not long after the formation of individual self-help groups, often leads to weak structures that do not always represent the needs of member groups. *So go slowly!* Concentrate first on building awareness of the possible roles IGAs can play in solving group and community problems and the potential benefits - and costs - of inter-group cooperation.

**Field workshops on IGAs**
Often the best way to begin is by arranging inter-group field workshops that bring together groups which live in neighbouring areas or have similar enterprises. These get-togethers provide excellent opportunities for groups to discuss their activities, their problems and achievements. This, in turn, can help them identify common problems and decide whether inter-group cooperation would help solve them.

If an IGA is to succeed, it is very important that the member groups share a common economic activity or social interest -otherwise the groups are unlikely to be able to work well together.

**Setting IGA objectives**
In discussions, groups may identify activities they could carry out together. Some activities may be of interest to a few groups only. Other activities may be too ambitious for the proposed association to carry out. The best objectives are usually those which are realistic and have the support of all interested groups.

The groups may decide they want to have several objectives. This can be confusing and lead to arguments about which one is more important. If the IGA has too many goals, often little or nothing is done about any of them. So, if the groups have more than one objective for their IGA, they should decide which to pursue first, which second and which third.
Once the objectives have been agreed, they should be written down as part of the constitution of the IGA.

**Preparing the IGA constitution**

A constitution is a written record of the purpose and the rules for the group. A typical IGA constitution should cover the following topics:

- Aim and purpose of the association;
- List of its prioritised objectives;
• Rules for membership, eligibility and dismissal, and member duties and responsibilities; including payment of dues and handling of money;
• Description of IGA organizational structure;
• Election of IGA leaders, their duties and responsibilities and terms-of-office;
• How often IGA meetings should be held and how many members are necessary for decision making for each committee;
• How profits and losses should be shared amongst the IGA’s constituent groups at the end of the financial year;
• Rules for changing the constitution.
STEP 2
Forming an inter-group association

Discuss all the points listed in Step 1 at informal meetings with the groups. Once a draft constitution has been written, a first meeting of all interested groups should be called to discuss, revise, approve and sign the final IGA constitution.

At the meeting, you should advise the groups to consider a number of issues related to the running of the new association.

Promote participatory management
The Management Committee should report regularly to the Executive Committee and to all IGA member groups on its activities and transactions. It is vital that the committee conducts its affairs in a transparent manner and has the trust of its member groups.

Decide on group contributions for IGA activities
What services will the IGA provide and how will they be funded? IGAs need a lot of voluntary support from member groups and elected officers. But they also need to have an income in order to grow and to serve the interests of their members. Money is needed to pay some of the “running costs” of the association - for example, pens, record books or an “emergency fund” for providing short-term loans to deserving members or groups in time of need.

This money can come from group contributions, IGA fees for services to members and from profits from IGA activities. Paying membership fees is not only an important contribution to the IGA in financial terms. It also represents an important “vote of
confidence” in the organization. If member groups choose to pay their dues, they generally do so because they feel they get some service from their organization in return. If members do not pay, it normally means they are dissatisfied with the IGA.

**Establish an IGA record-keeping system**

Operating an inter-group association is quite different from running a single self-help group. IGAs are bigger and their activities tend to be more varied.

The larger an organization, the more important it is to keep detailed records. For example, it is important to know which group or persons contributed to the IGA, what was decided at the last meeting, how much was received in member dues and which groups have not paid up, and what was the exact amount of money deposited in the bank by the IGA treasurer.

A good IGA record system is like a good memory. It helps the members keep track of decisions and events, and also helps them monitor their IGA’s performance.

The IGA records should be simple enough for all to understand. Records should be openly reviewed and discussed at each meeting and all entries should be dated. Records needed include:

- Minutes of meetings
- A cash journal, recording all IGA receipts and withdrawals
- A member contribution book to keep track of each group’s contributions
- IGA income-generating activity accounts book, which lists income earned, expenses paid and the value of all equipment and other assets and liabilities held by the IGA
- A correspondence file, with relevant correspondence kept in chronological order in a folder or notebook.

**Monitor and evaluate IGA performance regularly**

Records should be reviewed regularly and performance evaluated at meetings. IGA leaders have been entrusted with the responsibility of running the organization by the overall membership. They should also be held accountable to them. This requires continuous monitoring on the part of the members to safeguard their interests. In fact, the IGA might set up a monitoring committee to perform that function.
CHAPTER 3

Income generation

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Step 2  Launching the group activity  88
Self-help groups are best organized around an income-generating activity. This is because without increased income and savings, it is difficult for a group to achieve any other goals. Therefore, you should encourage the groups to start up a group enterprise which will earn a profit for re-investment in further activities.

These undertakings should be based on local experience and low-cost technology. They are do not meant to replace but to supplement members’ normal production.

As a group promoter, you have a crucial role in helping the group develop a successful enterprise. You should treat income generation as a process with a number of steps and guide the members through the process. You do not need particular technical knowledge about enterprises. If you need information about a particular subject, you should contact the local agricultural extension or rural development service.

It is important that - as far as possible - each group identifies, plans, carries out and evaluates its own activities. This is essential for group development and self-reliance. As a group promoter, you have an important role in encouraging group activities, especially in the initial stages; but remember: you are a facilitator and adviser, not a leader.

This chapter describes a number of steps you can follow to start an income-generating activity. Although the steps are presented separately here, many of them overlap with the steps in group formation.
STEP 1
Preparing for income generation

Before choosing a group activity, members should discuss and agree together what they expect from income generation.

Discuss the benefits of group income generation
Explain to the members that generating income through group cooperation has a number of advantages over individual efforts.
For example:
• More hands make the work easier
• Work can be divided
• Work can continue even if a member gets sick
• It saves money (e.g. by buying in bulk, selling in bulk and saving in transport and time)
• Members share information and skills - they learn from each other and training is easier to arrange for groups
• Access to resources increases (e.g., loans, hired labour, land, assistance from extension workers)
• It gives group members - especially women - more self-esteem and status.

Discuss problems in group income generation
Explain that generating income as a group also involves costs:
• Group decision making takes more time
• Defining roles and responsibilities may be more difficult - remember, if everyone is in charge, no-one is in charge
• One of the members may turn out to be a “free rider” who contributes little in terms of time and money to the group activity, but expects an equal share of the profits
• Distributing profits according to work and contributions can be problematic.
Discuss members’ expectations and wishes

To help the group understand and express its expectations, ask questions such as:

- How much money do you expect to earn?
- How long do you think it will take you to receive your first dividend?
- Is that expectation realistic?
- Where do you like to work (at home, nearby, far away)?
- How much time can you spend on training?
- How much money can you contribute?
- How much time would you like to spend working together?
- How will you arrange child care?

Discuss ideas for income generation

Members will have many ideas about activities for income generation. You should help them decide which ideas are economically feasible.

Hold a brainstorming session. List any ideas the members have about activities for income generation. Do not criticise any ideas at this stage, just try to get as many ideas together as possible. Sometimes unlikely ideas lead to other more practical ones.
Discuss the building blocks of a group activity
As with a successful and sustainable group, successful income generation requires a number of key building blocks. They are:

◆ Feasibility
The group activity must be able to produce a product that people want to buy.

◆ Profitability
The activity must produce more income than it spends.

◆ Planning
The group must decide in advance the goal, tasks and resources of the activity.

◆ Marketing
The group must strive to satisfy its customers.

◆ Savings
Savings provide the resources needed to start or expand the group activity.

◆ Loans
Loans can be sought for a group activity - but only after the group has demonstrated its ability to save regularly.

The following section describes each of these building blocks in detail.
INCOME GENERATION • PREPARING FOR INCOME GENERATION

BLOCK 1
Feasibility

Choosing an income-generating activity that makes little or no profit can do great harm to a self-help group. Before starting, members need to know whether the activity is practical, whether there is a market for their output and whether or not it is likely to make them money. To answer these questions, they need to do a feasibility study.

Rule No.1: “the customer is always right”
No enterprise can succeed if nobody buys its products. Help the group understand the basic principle that the customer is more important than the product.

To find out which ideas might be feasible from the list suggested in your brainstorming session (see page 64), ask the group members:
• What products do local people need?
• Which of those products can they buy locally and which not?
• Who sells those products locally?
• What is the selling price, cost and profit?
• What skills do the members have that could be useful for the suggested activities?
What enterprise do the members think will produce enough income to keep the enterprise going and provide a dividend?

**Conducting a feasibility study**

The members should choose the activities which seem to offer the most potential and then subject the activities to a feasibility study. The feasibility study will usually take at least a month, but the information collected will be very useful in deciding on which activity to start.

A feasibility study is a simple exercise aimed at finding out whether a proposed activity is a good idea or not. It tries to find out whether the members are able to produce a product that people want to buy and that can be sold for a profit.

By first doing a study, a group can avoid investing money, time and energy in an enterprise that might fail to produce a profit. Moreover, it helps the group decide on the best way to set up their enterprise, in terms of market, resources and risks.

**Steps in a feasibility study**

1. **Find out if there is market for the product**

   *Help the group to study:*
   - The market, i.e. the customers who buy the product
   - The competition, i.e. those who sell similar products.

   *Gather information about potential customers:*
   - Who are they (men, women, children, age, education)?
   - Where do they live?
   - How much can they afford to pay?
   - When do they need the product?
   - What do they expect from the product?

   *Gather information about competitors:*
   - Who are they?
   - Where do they sell?
   - What do they sell and to whom?
   - What price do they ask?
   - What conditions of payment do they offer (cash, credit, barter)?
   - When do they sell?
How can members get this information?
The group should get information on customers and competitors by talking to or watching customers, sellers and producers.

Getting information from local business people is not straightforward. Information on prices and quality is simple enough to collect, but information on their costs, sources of supply and profit margins is more difficult - businessmen do not like to give this information to potential competitors!

Direct questions often do not get you very far but a lot of information can be collected indirectly by talking with other customers, other businessmen and suppliers.

You can help the group by organizing training sessions to prepare the members. They need both knowledge and confidence to approach people! Proper planning is very important.

Conclusion: Is there room for the group’s product?
• If “yes” Continue with the next step of the feasibility study.
• If “no” : Study the market for a different product.

2. Find out what resources are needed

Needed resources may include the following:
• Materials: What materials and equipment are needed? How much, where and how often are they available? Are they accessible (to men and women)?
• Transport: What kind of transport is needed? When and how can it be arranged?
• Skills: What skills are needed? Is training required? How can it be arranged and how much time does it take?
• Facilities: Are electricity, water or other facilities needed? Is child care needed?
• Time: Do all members have time available to start up and help run the activity? Is there time for adequate training?
• Labour: Are hired workers needed? Do they need training? If members will do the work, who will do what?
3. Discuss start-up and operating costs
To succeed, the group must have enough money to start up the activity and run it until it begins to make a profit. To estimate start-up and operating expenses, list all of the resources that cost money, and estimate the expenses for one production cycle (i.e., the period of time needed for producing one batch or set of items) and for one year. Charts 6 and 7 on the following page give sample worksheets for calculating these costs.

*How can members get this information?*
Other sellers, producers and specialists are useful sources of information on expenses. Train the members to give them the confidence to approach authorities or experts.
Conclusion: Are the costs reasonable?
• If “yes”: Continue with the next step of the feasibility study.
• If “no”: Search for alternative sources of resources, or choose a different activity for market analysis.

4. Identify sources of money for start-up and operating costs
It is important that the group identify the best source of funding for starting up the enterprise. People tend to think that money should come from outside - e.g. a loan from local lenders or formal institutions such as bank and credit unions, or a grant.

However, each has a number of disadvantages. For one thing, they can create dependency instead of self-reliance.

Therefore, stress that the group’s own resources should always be the primary source of funds.
Should the group seek grants or subsidies?
Living off grants or subsidies distorts the real costs and real profitability of an activity. What will happen when the subsidies or grants stop? Frequently this happens and the activity collapses. Grants can also carry hidden conditions which undermine the group’s self-reliance. Nevertheless, a one-time grant to cover the start-up costs can help a group to take off, especially in areas where many grant-supplying organizations operate.

Should the group seek a loan?
Loans should be considered carefully. Is repayment possible in the time specified, especially in bad periods? The temptation is to borrow large amounts for activities which may prove to be too complicated or ambitious.

Remember: It is better to start small with existing means than to attempt a more sophisticated but riskier business.

If members do want to apply for credit, you will need to discuss interest rates and how long it will take to recover the loan. Invite a specialist to assist.

If members decide to take a loan, emphasise “savings first” (see Savings, page 80). Credit should be linked to savings.

It is the responsibility of the group to make agreements with lending institutions. Make sure that a practical loan delivery and repayment schedule is developed.

In general, stress that while loans can help, they should never be the main source of funds. The main source should be the group’s own resources.

Conclusion: Are the group’s own resources sufficient?
• If “yes”: Continue with the last step of the feasibility study.
• If “no”: Consider grants, loans or other outside sources as a supplement to the group resources to help cover start up costs

5. Discuss the risks
An enterprise can fail for many reasons. There are risks associated with the group itself - e.g. members may not cooperate or may not have the organizational and management skills to run the activity. Other risks are beyond the control of the group - e.g. government policies, changes in demand, costs/prices, weather, diseases and theft.
The group should discuss these and determine how the identified risks can be reduced. Proper training and group unity help to reduce risks within the group. External risks are more difficult to predict and to prevent. It is important to be well-informed about developments.

Conclusion: Is it worthwhile to take the risk?
- If “yes”: Continue with the last step of the feasibility study.
- If “no”: Think of ways to reduce the risk and minimise the damage that could occur, or consider an alternative enterprise.

6. Assess profitability
Once the enterprise seems feasible in terms of the market, resources and risks, a last but crucial assessment has to be made before deciding to go ahead. It is essential to know if the money earned is enough to cover the costs and to produce a profit. Help the group estimate profitability, as shown in the next building block.
An enterprise is “profitable” when it produces more money (or income) than it spends. Before investing money in an activity, the group should calculate whether the income they hope to produce will cover their start-up and operating costs and leave some profit for reinvestment to help their activity to grow.

If the group goes ahead without making such an analysis, it could find itself with an unprofitable business and heavy debts.

Consider the risks!
In estimating profitability, the group should consider the risks involved. Will prices remain stable? What happens if there is a drought? The group must be particularly careful when estimating production costs and revenues. For example, when calculating the amount of grain the group could produce, it should use an average yield, not a high yield. When estimating costs of inputs and sale prices, it is better to remember that input prices tend to rise, while output prices are often less than expected.

Remember: It is always better to under-estimate your profits than to find that the profit is less than you predicted - or that there is a loss!
Steps in a profitability study

1. Estimate the sales price

   Sales price = cost + profit

   Look at the costs per cycle, which the group has calculated (see Chart 7, page 70). It should then list the quantity or number of items it estimates to produce per cycle. Then divide:

   Total cost: number of items x cost per item

   Now, discuss how much profit should be added to the cost of each item. Can the customers pay this sales price? Is the price competitive?

2. Estimate annual income from sales

   Calculate the income from sales per week, month or production cycle, whichever is appropriate for the type of enterprise:

   Sales price per item x number of items sold = sales income (per week, month or cycle)

   Then calculate the sales price per year by multiplying the sales income by the number of weeks, months or cycles in the year as appropriate.

3. Prepare a cash flow chart

   Make a cash flow chart (i.e., a summary of cash coming in and going out). Chart 8 (opposite) presents an example.

4 Calculate the profit of the enterprise

   Payment of interest on loans is considered as a cost here but repayment of the loan principal and any other money borrowed from members is not.

   The profit or loss can now be calculated from the cash flow chart. First calculate the cost of sales:

   Cost of sales = Start up expenses + operating expenses - repayment of loan principal

   Then calculate profits or losses like this:

   Profit = income from sales - costs of sales
## Chart 8  Cash flow chart for group activities

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<td></td>
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<tr>
<td>SUB-TOTAL</td>
<td></td>
<td></td>
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<tr>
<td>TOTAL PROFIT OR LOSS</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Profit varies by month and can even become negative (meaning a loss) in some months. So, calculate the total profit over the whole year.

Now you have a better idea about the profitability of the enterprise:

• Is there likely to be a profit in the first year?
• How much profit do you expect in the following two years (is it increasing?)

When start-up expenses have been paid off the profits will start to rise. So, it is important to see at what stage the activity is likely to make a profit and if there are enough funds to keep the enterprise going until then.

Within a reasonable period (one to three years depending on the size of the activity), the profits should be sufficient to have paid off any loan and to have repaid any money the members have contributed. The enterprise will then be making money, which can be shared among the members or used for reinvestment.

If it is not, the group should re-consider the activity.

**Finally, consider inflation**

In some countries, inflation can be a serious problem. When calculating costs and profits, consider the effect of inflation on the value of profits. Would the group be able to increase the sales price high enough to keep the enterprise profitable?

For example: Because of an annual inflation rate of 20%, the money needed for five bags of fertiliser in January buys only four bags in December.

**Conclusion: Does the enterprise seem profitable?**

• If “yes”: It may be worthwhile to try it.
• If “yes”: Develop an alternative plan.
Discuss planning with the group. Remind them that everyone plans things in their life. When we are hungry we plan a meal: to collect enough fuelwood, to get the food and to assemble the cooking utensils.

Four steps in planning
In the same way, planning helps the group do the right things at the right time in order to achieve their objectives. There are four main steps:

1. Help the members make a work plan for the activity
A work plan is a tentative timetable indicating:
   • What to do
   • When to do it
   • Who will do it
   First, list chronologically things to be done. For example: to hold a meeting, obtain land or a work place, find a specialist for advice and training, obtain funds, buy inputs, find transport, organize specific work activities, work out the price of the product, repay the loan and discuss profit sharing.
Consider proper timing: when drafting the timetable, start with the most crucial activity (e.g. appropriate sowing or sales period). Remember to include the time needed for training and approval of any loan application. A sample work plan for a poultry-production enterprise is given in Chart 9 (below).

<table>
<thead>
<tr>
<th>What to do</th>
<th>When</th>
<th>By whom</th>
<th>When done</th>
<th>By whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee</td>
<td>June</td>
<td>8 members</td>
<td>4/6 - 7/7</td>
<td>7 members</td>
</tr>
<tr>
<td>Buy chickens</td>
<td>July</td>
<td>Ms. A.</td>
<td>10/7</td>
<td>Ms. A.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. B.</td>
<td></td>
<td>Mrs. C.</td>
</tr>
<tr>
<td>Buy feed</td>
<td>July</td>
<td>Mrs. D.</td>
<td>10/7</td>
<td>Mrs. D.</td>
</tr>
<tr>
<td>Feed chickens</td>
<td>July weekly</td>
<td>Ms. A.</td>
<td>10/7-16/7</td>
<td>Ms. A.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. B.</td>
<td>..........</td>
<td>Mrs. C.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. C.</td>
<td>17/7-23/7</td>
<td>Mrs. D.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs. D.</td>
<td>..........</td>
<td>Mrs. E.</td>
</tr>
</tbody>
</table>
Marketing

Marketing means satisfying customers’ needs. It begins with the production of an item and ends when the customer buys it. If nobody wants to buy a group’s products, it cannot make a profit and members will soon lose interest. Therefore, ways have to be found to satisfy the customers, and to sell enough to produce a profit.

The six P’s of marketing

◆ Product
The product needs to be of good quality, readily available, well-stored, properly packed and attractive.

◆ Place
The place where the product is sold should be central, easy-to-find and clean, with good display and storage facilities.

◆ Price
The price of the product must be reasonable, competitive and displayed clearly. Consider special prices to attract customers and offer fair payment arrangements.

◆ Promotion
Promotion of the product should consist of good slogans, names and signs, attractive sales techniques, product displays and demonstrations.

◆ Plan
Operation of the business has to be flexible. The group’s plans should be reviewed regularly and changed if necessary.

◆ People
The people who sell the product should be polite and honest, and provide good service.
saving means setting aside available resources or income for future use. Savings can be in cash or in kind. Savings in kind include things such as grain, non-perishable cash crops, animals and raw materials which can be sold and so turned into cash. Savings in cash are deposits of local currency or cash balances in bank accounts, etc.

The importance of saving
Saving lies at the heart of development. Unless the poor save, they will never become better off. Although saving involves sacrifice, it is an important discipline all groups should learn.

- Savings provide investment capital for starting or expanding an enterprise
- Savings provide money for expenses such as transportation and stationery
- Savings serve as an insurance fund that can be used in emergencies or to guard against risk
- Savings can be lent to members (or non-members)
- Savings are a measure of the members’ financial commitment to their enterprise
- Saving promotes members’ financial discipline, increases group cohesion and builds group financial self-reliance.

How to promote saving
Start a discussion on ways of saving and on reasons for the lack of saving. Ask the group to think about what they spend and to see if there are ways to reduce their spending or to increase their income.

Often, members will be reluctant to discuss family affairs in public. In this case, divide the members into smaller groups and ask them to list all items that an average family uses together with the cost of those items. If it seems that the family cannot
Keep group savings in the bank or at home?
Money can be kept by the group or in the bank. Both places have advantages and disadvantages. They are:

<table>
<thead>
<tr>
<th></th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>Easy access</td>
<td>Easy to steal</td>
</tr>
<tr>
<td>Bank</td>
<td>Much safer</td>
<td>Difficulty in access</td>
</tr>
</tbody>
</table>

cover expenses from its income, ask the members to suggest where they could find the money they need. If they suggest “borrowing money”, encourage them to try instead to manage better their existing resources. Afterwards, encourage the members to repeat the exercise at home using their own budget and expenses.

Promoting savings is not always a popular topic with group members, since it always requires some sacrifice on their part. However, you should stress that using savings rather than outside credit to finance the group’s activity is more likely to promote long-term group self-reliance. This is because:

- Savings increase the group’s resources for investment in productive activities
- Savings reduce the group’s dependency on outsiders, thus increasing its self-reliance and ability to adjust as the market changes
- Savings serve as a form of “group insurance against risk” which can be used to assist group members in emergencies or as a credit fund for lending to members
- Savings increase each member’s “financial interest” in the group, which improves his or her sense of ownership of the group
- Savings promote group financial discipline which leads to high loan repayment rates (banks are more likely to loan to groups that save than those that do not)
- Regular group saving is the best test of group sustainability
(if members are ready to entrust their savings to the group, the group must be doing well);
• Group saving can be more productive than saving as individuals. This is because it lowers the bank’s costs - members only have to keep one account and only one member need make the trip to the bank. Banks usually provide better service to large account holders than smaller account holders

### Points to stress when promoting saving

• Everyone saves - even a poor farmer stores some of his/her harvest to eat later or for seed
• Savings first - group savings should be the starting point for group development, and proof of regular savings should be a *pre-condition* for a group loan
• Good savers are good credit risks - they tend to have higher loan repayment rates than poor savers
• It is not important *how much* you save, but that you save *something*
• Saving money is the same as earning money
• Saving is a discipline - every time a group meets, its members should add something to the group fund
• Save for a clearly defined purpose - it is easier to save and convince all members to save if it is for a good purpose.

### Methods of group saving

There are many ways to save. Here are some options for groups:

**Bank accounts**

Open a group account in a nearby bank or credit union and put member contributions into the account regularly.

**Savings kept by the treasurer**

Group members save regularly, but keep their funds locally with their treasurer.
Cash contributions
Every member brings to a group meeting an equal amount of cash which is added to the group savings fund.

Rotating funds
Everyone brings an equal amount of grain to a meeting which is then put in a storage container held by the group treasurer. Once the container is full, the grain is sold and the cash used to increase the group savings fund;

Alternatively, every week members bring an equal amount of cash to the treasurer. At the end of an agreed period, the savings are given to one of the group members. Then saving begins again and at the end of the same number of weeks another member receives the money. The process continues until all members in the group have benefited from the fund.

Lending of group savings
If the bank is far away, some groups may prefer to hold their group savings locally. Once the fund becomes large enough, they may decide to lend part of their funds to individual members to help them meet their short-term emergency credit needs.

Loans issued from group funds should be small and should be

Maintaining group discipline in saving
The best way to save is for all members to save the same amount each time they meet and to fine those members who do not do so. This keeps out those who just want to use the group for their own benefit without contributing as much as others.

Handling of group savings should be governed special rules to ensure accountability. For example:

• Group rules should state the purpose of the savings, the amount to be contributed, the dates of payment, how the treasurer should keep records, where the money should be kept, and how defaulting members would be disciplined.
• A sub-committee should be elected to handle the money.
• Record-keeping should be precise.
repaid in a short time, (e.g. one to two months) so that other members can also use the fund.

Many groups charge interest on loans to members from the group fund. Generally, groups charge members high rates of interest, averaging about 10 percent per month (local moneylenders normally charge more for this kind of emergency credit). This may seem like a lot, but members usually don’t mind paying because the interest is put into the group fund and helps it grow.

Finally, there is a risk that a member fails to repay his or her loans or interest. However, this risk is very low in an effective group because the defaulter would be viewed by the other members as “stealing from their fund”. This group pressure is a guarantee that members behave correctly.

Problems in promoting group savings
Some people think of individual saving as selfish behaviour. Groups which save may also sometimes be regarded as “selfish groups” by others in the community;

Saving in kind has its own problems. It is bulky and more visible than cash savings. Grain can get eaten by insects or damaged by rain. Animals can get sick, die or be stolen.

Savings in cash has problems, too. Cash can also be stolen. But perhaps the biggest danger is inflation. If savings aren’t reinvested or re-lent frequently, their purchasing power is reduced by inflation.

Record-keeping can be a problem in groups where literacy and numeracy skills are low. The secret is to keep accounting systems simple and participatory. The group treasurer should report on the amount of money in the fund at each meeting, as well as on any money to be paid into the fund. If money is kept locally, it should be counted and checked by the members at each meeting.
A group should not be encouraged to seek credit until it has demonstrated its ability to save regularly and has already saved an amount equal to a significant part of the proposed loan.

A loan is not a gift
Explain to the group, if necessary, that commercial banks lend money as a business. They make their money from the interest they charge on loans and their fees for other services. So, if the group borrows from a bank and does not repay the loan or the interest, the bank may take immediate legal action against them.

Governments and donors sometimes provide loans, often with very low interest rates. So why not encourage the group to take these kinds of loan? Simply because this type of easy money can also create problems which, in the end, reduce the self-reliance of the group. Politicians may lend money for personal reasons - for example, to influence voting at election time.

Groups should therefore be careful about accepting such loans. They should carefully assess hidden dangers and risks.

Why group loans?
Borrowing as a group has advantages over borrowing as an individual. Banks often don’t like to issue small loans. They prefer
larger loans. This is because the paperwork and administrative costs for a large loan are often the same as for a small one. Individual members may also find it difficult to borrow since individual borrower costs are high. So group members can save by grouping their loan request together, thus lowering the cost per member.

Group loans are usually granted with group liability. This means that each member is individually responsible for repaying his or her part of the group loan. If any member fails to repay his or her part, the other group members must repay it. This rule ensures that all group members repay their part of the loan - otherwise, the group will not be able to borrow from the bank the following season.

How much should the group borrow?
Groups tend to borrow more funds than they can use properly. Experience has shown that for most groups, a loan should not be more than three times the amount they have saved. Loans should only be granted to finance well-defined group income-generating activities.

The group should develop a clear plan for an income-generating activity before applying for a loan. The plan should state clearly the expected costs and income, the potential risks and estimated cash flow throughout the year. A cash flow chart (see Chart 8, page 75) can be used for this purpose.

The GP should assist the group in analysing its investment plan and weighing the risks. What if the rains fail? What if the output price falls or the cost of inputs increases? Will the group be able to meet its loan repayments when they are called for? Does the group have sufficient savings to use if it faces an emergency.

Making sure groups repay their loans on time
Group members must be convinced of the importance of repaying their loans in full and on time. This can be a difficult job, especially when there are other lending programmes nearby that are “just giving money away”. How can you make sure loans are repaid?
Group members need to be shown that not repaying the loan will hurt the group.
• It shows the group does not keep its word, thus damaging the group’s social and business reputation
• Loan defaulting represents failure in the eyes of other groups and lowers the other groups’ opinion of the defaulters
• Non-repayment may lead to problems with the police
• Groups which do not repay loans are less independent and are more open to control by outsiders and creditors
• Groups which do not repay loans will be denied further loans by the bank.
STEP 2
Launching the group activity

Having carried out a feasibility study, estimated profitability, made a work plan and plans for marketing and savings/loans, the group is now ready to start the enterprise. You should guide them during preparations. Prepare yourself well, too. Organize training, inviting specialists where necessary.

The group has to assign tasks and responsibilities. Members need to buy or order inputs, mobilise funds, produce and/or process, keep records and organize sales. The enterprise structure can be similar to the group structure, or be more or less complex, with committees and sub-committees. The important point is that each member knows who is doing what and who is responsible for the different aspects of the activity

Help with record-keeping
Record-keeping for the group was discussed on pages 46-47. Group enterprises need special records so that members know what is expected from them, what is needed and what has been done. You can help the members decide what must be recorded and suggest ways of doing it. The fewer and simpler the records, the better.

It is particularly important to keep records of work and marketing
plans, money coming in and going out, inputs, and products produced and sold. Chart 10 (above) presents a sample recording sheet.

Some types of enterprises need a lot of time before production can start and income is produced. For example, in the case of poultry production, a shed would have to be built

### Monitor progress
The group should meet regularly to discuss progress and problems. Make sure that everybody participates. Members will carry out the activities and accept responsibilities if they have the feeling that they are taken seriously and that the enterprise is “theirs”.

### Looking back and looking forward
Once the products are sold, the production cycle is finished This is an appropriate time to look back and to the future:

- Are they satisfied with their first joint activity? What went right? What went wrong? Do the members want to continue? How can they improve their work?

- What is the economic outlook for the second production cycle? How much money was earned? How much is needed for re-investment? What should be done with the balance. Should it be distributed among the members or saved? Is it time to

---

### Chart 10 Sample cash flow balance sheet for a poultry group

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Number</th>
<th>Cash in</th>
<th>Cash out</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>Member savings</td>
<td>8</td>
<td>80</td>
<td>-</td>
<td>80</td>
</tr>
<tr>
<td>5.3</td>
<td>Fines of members</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>81</td>
</tr>
<tr>
<td>10.3</td>
<td>Chickens sold</td>
<td>50</td>
<td>300</td>
<td>-</td>
<td>381</td>
</tr>
<tr>
<td>14.3</td>
<td>Feed bought</td>
<td>8</td>
<td>-</td>
<td>160</td>
<td>221</td>
</tr>
<tr>
<td>16.3</td>
<td>Savings (bank)</td>
<td>-</td>
<td>-</td>
<td>200</td>
<td>21</td>
</tr>
<tr>
<td>4.4</td>
<td>Members savings</td>
<td>7</td>
<td>70</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td>5.4</td>
<td>Chickens bought</td>
<td>40</td>
<td>-</td>
<td>88</td>
<td>3</td>
</tr>
</tbody>
</table>
expand the enterprise? You may need to use all of your skills to help control the first discussion about profit sharing, which is often quite heated.

As the group continues, the members will learn how to operate the enterprise more efficiently. They will become better at planning, keeping records and selling their product. They will also become more skilled in adapting to changing market conditions. If all goes well, the activity will produce higher profits, not only for sharing but also for expansion of the enterprise.

**Expanding and diversifying the group activity**

The members may decide to expand or to diversify their enterprise. In some cases, expansion and diversification can increase risks. Sometimes, it can help the enterprise by spreading the risk among several activities. Advise the group that - as with any enterprise - a feasibility study is essential beforehand.

They should investigate:
- Is there a market (ask customers or try to sell a few new products)?
- Does the group have enough time and resources?
- Do tasks need to be divided?
- Can the group manage a bigger loan?

Achieving financial sustainability goes together with reaching group sustainability. The key to sustainability is in reviewing plans and adjusting them wherever necessary - in other words, in participatory monitoring and evaluation, the topic of the next Chapter.
CHAPTER 4

Participatory monitoring and evaluation

Step 1  Introducing PMOE  93
Step 2  Developing PMOE methods  95
Monitoring and evaluation (M&E) are essential functions of any development effort. Properly performed, they help to identify problems, to measure progress toward objectives and to evaluate results. Since one of the main aims of participatory projects is to develop the rural poor’s own capacity to identify and solve their problems, they must be involved directly in all phases of monitoring and evaluation.

In participatory development, monitoring and evaluation are intended primarily to meet the information needs of the group members and to help solve their problems they confront. Thus, participatory monitoring and evaluation (or PMOE) is a learning tool that helps groups to strengthen their problem-solving capacity and achieve self-reliance.
As a group promoter, your job is to help group members to solve their problems and manage their own affairs. In this process, monitoring and evaluation are useful tools.

In the beginning, you need to help the members understand the importance of monitoring and evaluation and build their capacity to monitor and evaluate by themselves.

What is monitoring and evaluation?

◆ **Monitoring** means keeping regular records of group decisions, actions and finances, and checking that actions are taken according to plan.

◆ **Evaluation** means analysing the group’s records in order to assess whether the group and its enterprise are achieving objectives and to identify possible improvements if the group lags behind. When this assessment takes place regularly, it is called *ongoing evaluation.*
Since participation is a basic principle of your approach, monitoring and evaluation should be participatory too. This means that all the members have to take part in participatory monitoring and ongoing evaluation or PMOE.

**Explain why PMOE is important?**

- PMOE helps assess whether the group’s activities are on the right track
- PMOE suggests ways of adjusting or changing plans if necessary to improve performance
- PMOE involves members in the planning and implementation of activities as much as possible.

PMOE helps the group to improve its effectiveness by continuously assessing its own progress and periodically evaluating the results. In this way, it can learn from past mistakes and thus increase its self-reliance and strength.

**Group development is not a competition...**

PMOE is *not* a system for reporting progress and results to a higher authority or for comparing one group’s performance with that of other groups. The group members should decide themselves what areas they will monitor and evaluate. They should collect the data themselves, analyse the results and use those results to improve their group. It is important that group PMOE charts are not used to make comparisons with other groups. When this happens, group members tend to rate themselves artificially high. This reduces the value of PMOE as a self improvement tool.
STEP 2
Developing PMOE methods

The best way to demonstrate to members the benefits of participatory monitoring and evaluation is to do it in a way suited to their skills and traditions.

Use records developed during the course of their income-generating activity, such as the work plan or the cash flow chart. Discuss how the actual progress and activities differ from the planned activities and the estimated cash flow. Discuss what changes might be introduced to improve performance.

Monitoring charts
Simple charts such as Chart 11 (below) help group members to monitor progress and problems in their group activity. Develop a chart using the following steps:
• Write the name of the group and the date on a large sheet of paper, and divide the sheet into four columns.
• List the members plans for a given period of time in the first column.

Chart 11 Sample review chart for a poultry group

<table>
<thead>
<tr>
<th>Task planned</th>
<th>Result</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy 100 chickens</td>
<td>Bought</td>
<td></td>
</tr>
<tr>
<td>Vaccinate new chickens</td>
<td>50 vaccinated</td>
<td>Shortage of vaccine</td>
</tr>
<tr>
<td>Sell 100 chickens</td>
<td>80 sold</td>
<td></td>
</tr>
<tr>
<td>Hold 2 meetings</td>
<td>Meetings held</td>
<td>Only 5 out of 9 members attended</td>
</tr>
</tbody>
</table>
• Meet with the members again at the end of that period of time. Write the date of the follow-up meeting on the top of the second column.

• Ask the members whether they are happy or unhappy about the results of each planned task. Discuss problems and constraints they encountered.

• Once the members have reached agreement on the results, ask them to draw in the third column a symbol (such as a face) representing their judgement. Use a four point scale representing excellent, good, poor and bad.

• Ask the members to make new plans for the next time period on another sheet.

• Repeat the exercise regularly.

Many other aspects of the group and its activities should be monitored - e.g. attendance and participation at meetings, sharing of responsibilities, financial records, distribution of benefits and progress toward self reliance. It is up to the group members themselves to decide what aspects would be useful for them to

Chart 12 Sample chart for recording sharing of profits

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly egg production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly egg sales</td>
<td>1295</td>
<td>1341</td>
<td>1348</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1065</td>
<td>1065</td>
<td>1093</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Distribution of eggs/Distribution of cash profits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr J.</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2.60</td>
<td>$3.60</td>
<td>$3.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms E</td>
<td>24</td>
<td>36</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4.04</td>
<td>$4.56</td>
<td>$4.56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs M</td>
<td>48</td>
<td>60</td>
<td>48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3.08</td>
<td>$3.60</td>
<td>$4.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr T</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2.60</td>
<td>$3.60</td>
<td>$3.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs W</td>
<td>24</td>
<td>36</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4.04</td>
<td>$4.56</td>
<td>$5.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr L</td>
<td>12</td>
<td>24</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4.52</td>
<td>$5.04</td>
<td>$5.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total eggs consumed</strong></td>
<td>228</td>
<td>276</td>
<td>252</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total net income</strong></td>
<td>$42.60</td>
<td>$42.60</td>
<td>$43.72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Broken or damaged eggs</strong></td>
<td>2</td>
<td>-</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
monitor and evaluate.

Examples of ways of monitoring distribution of benefits and attendance at meetings are given in Charts 12 and 13.

**Self-evaluation**

While recognising that self-criticism is not easy, you should introduce evaluation to the group as a positive exercise which allows the members learn from each other.

Try to use simple methods for evaluation, carried out by the members themselves. One of the most effective methods is to use a series of questions with four possible replies.

For example, to measure the extent that responsibility is shared within the group, ask the following question:

“How widely are responsibilities for group activities shared?”

The group members then have to agree amongst themselves which of the following four answers comes closest to their opinion,

<table>
<thead>
<tr>
<th>Recorded data/symbol</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>. . .</td>
<td>Two short, one full length meeting attended during the month</td>
</tr>
<tr>
<td>7 6 6 7 6.5</td>
<td>Attendance at four meetings was 7, 6, 7 and 6 - an average of 6.5 for the month</td>
</tr>
<tr>
<td>OK</td>
<td>Group considers attendance rates are satisfactory</td>
</tr>
<tr>
<td></td>
<td>(Colour normally used rather than shading)</td>
</tr>
<tr>
<td>√ √ X √</td>
<td>Group considers attendance at 3 out of 4 meetings was satisfactory/good</td>
</tr>
<tr>
<td>90%</td>
<td>Ninety percent average attendance for the month</td>
</tr>
<tr>
<td>7/8 6/8 7/8 8/8</td>
<td>Of 8 group members, weekly meetings were attended by 7, 6, 7 and 8 respectively</td>
</tr>
<tr>
<td>4 3</td>
<td>On a 1-4 scale, attendance was rated 4 (excellent) and 3 (good) for 2 meetings held.</td>
</tr>
<tr>
<td>smiley face</td>
<td>Attendance at meetings was excellent on two occasions, good on one occasion.</td>
</tr>
</tbody>
</table>
using the following scale:

3 = Most or all members have responsibility as officers, committee members, activity leaders or other responsible roles
2 = Many members have such responsibility
1 = Some members have such responsibility
0 = Only a few members have such responsibilities.

To measure how democratically group work is shared between members, the question and answers could be as follows:

“How is group work shared among members?”
3 = Group work is clearly and fairly shared among all members
2 = Group work is carried out by most members
1 = Group work is done by some members
0 = Group work is not clearly or fairly shared

It is important that all members agree on the final answer. A series of such questions can be used to measure progress of the group over time. It is important to remember that, as with all PMOE, the purpose of the exercise is to help the group to improve itself - not to provide data for the benefit of others.

**Monitoring progress towards self-sustainability**

It is important to encourage the group how to monitor its progress towards self-sustainability. Group PMOE systems should be geared to monitoring this progress using their own simple set of ranking indicators. Indicators may include regularity of group meetings and growth in savings. Each group should assign scores for good, satisfactory and unsatisfactory performance.
ANNEX 1
Participatory learning techniques 101

ANNEX 2
Participatory rural appraisal techniques 108

ANNEX 3
Sources 110

ANNEX 4
Addresses 112
This Annex lists participatory learning techniques that GPs should use during group formation and development of income-generating enterprises.

The list is intended as a guide only. Be creative when using methods. Try to use drawings rather than words as much as possible. Use pictures, drawings, a flannel board, puppets and so on. Write and draw on poster-size sheets of paper. Special attention should be paid to women’s roles and work. For more details and more ideas, see the list of sources (page 110).

Activity profile
Ask different people about their daily activities. Where, when and how much money do they spend? Interview and observe or ask them to write notes.

Approach members constructively
Reward members either verbally or through privilege for taking initiative and for actions of any kind. Everyone needs to know their contributions are appreciated. Even if their comments are not practical, a reply can begin with “That’s a good point but what about…”, or “That’s an interesting point, what do others think?”

Assignments (theoretical and practical)
Ask participants to practise new roles and new skills - e.g. ask a different person to act as a chairperson or fill in record book. Set assignments to find out the current market prices for something. As an exercise, work out the likely demand for a product - e.g. chickens - in a village for one year.
**Brainstorming**
Ask members to think of any ideas that come to mind. List all the ideas without evaluation or judgement. The quantity, not the quality, is what matters. Ideas can be discussed later for practicality. Sometimes unlikely or seemingly ridiculous ideas lead to a more practical idea which would otherwise not have been considered.

**Case studies**
Discuss an imaginary or real situation from the village (e.g. a successful group of marketing women) to encourage discussion on marketing strategies. Use the case study to ask questions about an activity the group is working on.

**Community surveys**
Survey individuals in the community for their knowledge or opinions. Ask a number of people who represent the audience you are thinking about. For example, if you are trying to find out the extent of demand for wooden chairs in the village, ask a number of people - men, women, village elders, school teachers, etc. If you want to know which people are poor, ask several people about their jobs, houses and standard of living and if they think they are above or below average for the village.

**Consultation with specialists**
Carry out an interview with a specialist or knowledgeable person on an issue for which you need more information - e.g. for chicken-raising, contact your local extension agent. For a health issue, contact your local health centre.

**Critical Incident**
Use problem situations to analyse advantages and disadvantages and possible solutions to a given situation. Pictures or drawings will help. For example: “A group has saved up a lot of money - enough to build a chicken house and start up a chicken raising activity. Just before they go to buy the materials, the treasurer tells them all the money has been burnt. What should they do?” Hold a discussion on the issue.

**Describing visual images**
Choose a photograph or drawing with a clear, relevant message. Before displaying the image, ask three volunteers to leave the
room. Discuss with the other participants how to describe the picture. Ask person A to return and listen to a description of the image (without seeing it). Let person A tell B and B tell C. Ask C to draw the picture. Discuss. Use this to highlight how messages become distorted when passed from one person to another.

**Field visits and excursions**
These can be combined with observation and interviewing. Arrange a visit to a place of relevance to the group - e.g. if they want to start a carpentry activity, arrange a trip to a carpentry business in another village (but far enough away so they would not compete if the activity becomes successful). A visit to another group successfully running an activity your group would like to try can be very useful in building members’ confidence.

**Folk songs**
Ask people to sing local traditional songs and explain them. You will learn a lot about values, practices and local terminology.

**Good, bad or in-between**
Show participants pictures, each with a scene that could be interpreted as good, bad or in-between, depending on the point of view. Ask participants to sort the scenes into the three categories, and discuss the different alternatives.

**How to make a meal**
Use a daily activity like cooking to illustrate the importance of sequencing and planning. Write out the sequence of activities that have to be done to cook a meal. Show how they have to be done in a certain order and need to be planned in advance.

**Information collection**
Ask members to collect information on relevant subjects at the local library, offices, service organizations, etc. This is useful for finding out what is needed or the likely results of an idea before trying it out in practice.

**Interview**
Ask questions of key informants individually or as a group, near a meeting point such as a tea shop or a village pump. Use semi-
structured interviews (i.e. with some guideline questions prepared in advance) or open interviews. Interviewing each other is also a good way to practice interviewing skills.

**Local histories**
Ask villagers for a detailed account of the past and how things have changed.

**Making puzzles**
Cut large sheets of paper into two or more puzzle pieces, then mark the “right” side. Give each participant a piece and ask them to combine the pieces with or without talking. Watch what happens and use the results to discuss communication and group cooperation.

**Making something together**
Provide materials and objects and ask participants to make something. Watch and use the results to discuss communication and cooperation

**Memory game**
Show 20 objects found locally. Ask the participants to remember them. Put them in a bag one by one. Then ask one volunteer to name them and write them down on a list. Ask the other participants as a group to write them down as well. Compare the lists and discuss the advantages of cooperation.

**Participation game**
Give five sticks to each participant. Start a discussion. Everybody who speaks has to give away one of her/his sticks. No one may speak without sticks. Discuss subjects such as dominance, shyness and importance of participation.

**Participatory discussion**
Used in combination with other methods. Gather the members in small or large groups and discuss a topic of interest. Provoke reactions by using open questions: “What do you see here? Why do you think it happens? When this happens in your situation, what problem does it cause? What can we do about it?” Ask questions that need definite answers: “When was the last time ... and what did you do then? What did you do yesterday? How many ...? What happens in your family ...?”
Pictures, posters or story cards
Present a story about a relevant topic using pictures, and discuss the content and results. Use together with case studies or critical incidents.

Practical demonstration
Show exactly how something should be done - e.g. filling in a record book. Then ask the members concerned to do the same thing. If you do not have the skill in question, ask an expert to demonstrate - e.g. for fertilizer application, you could ask an extension worker.

Preference ranking
Ask villagers to rank items according to the villagers’ criteria (e.g. for six seed varieties - which is best to worst for harvesting, fodder, food, storage, etc.).

Presentation by a resource person
Ask a specialist to give a presentation in a workshop - for instance a market women or trader explaining about purchase and sale.

Presentation of a progress report
Ask a participant to give a personal report about the group’s progress. Discuss the presentation among the group. If one member is very critical, you can always ask them to do better!

Presentation of experiences
Ask one participant to describe personal experiences related to daily life or work - e.g. a woman telling what she does from morning until evening, or a man telling how he runs his market stall.

Problem-solving
Make a table with four columns. List main problems of participants in the first column, possible solutions in the second column, what prevents them from solving the problem in the third column, and what will help them solve the problem in the fourth column. Discuss.

Puppet shows
Use puppets to express opposing ideas (e.g. chatting and
quarrelling about “women’s work”). Puppets are particularly good for discussing controversial issues as they are not “real” and so can be allowed to say what they like without causing offence.

**Skits or plays**
Ask participants to do a short skit or role-play on the subject being discussed (e.g. participants act out the election of a committee or selling their goods at market). This can also do a mime (a play without words).

**Socio-economic dimensions**
A wealth/well-being ranking or sorting exercise - make cards or slips of paper, each with one household name written on it. Ask villagers or participants to sort the cards into piles according to “wealth”. You can combine this method with social mapping.

**Song composing**
Ask members to make up and sing a song about something the participants have learnt (e.g. how to increase group cooperation).

Spoken messages (also known as “Chinese whispers”)
Think of a message that suits the situation (e.g. “tomorrow we will start interviewing market women about how they sell their chickens”). Give the message to one member and tell him/her to pass the message around from one person to another by whispering. Ask the last person to repeat what she/he has heard. Discuss how and why the message changed, how misunderstanding can be avoided, and what can be learnt from this game.

**Systematic walk**
Take a systematic walk through the village and surroundings, observing the village structure and processes. Ask how and why people do what they do. Listen more than talk.

**Testing and experimenting**
Carry out practical trials or experiments (e.g. test different seed varieties to see which work best).
Time line
Ask the members to draw a line and mark on it major events in the community, with the approximate dates. Discuss changes that have occurred.

Two-circle exercise
Draw two circles - one circle represents the community, the other the group in the community. List the problems in the community and list the problems that affect the group especially in the group circle. Discuss how the problems are connected, possible solutions to the problems and how solving group problems will affect the community.

Venn diagrams
Ask people to draw a circle to represent themselves and other circles to represent groups and institutions with which they have relations. The distance to their circle indicates the strength of the relation, the size of the circle their importance to the people. Circles can overlap.
Participatory rural appraisal (PRA) is a set of participatory and largely visual techniques for assessing group and community resources, identifying and prioritising problems and appraising strategies for solving them.

Key characteristics of PRA

Some features of PRA which make it well-suited as a learning and problem-solving tool for the rural poor are:

- It encourages group participation and discussion
- The information to be processed is collected by group members themselves
- It is presented in highly visual form, usually out in the open and on the ground, using pictures, symbols and locally available materials
- Once displayed, the information is “transparent rather than hidden” - all members can comment on it, revise it and criticise it. This assists in cross-checking and verifying collected data.

Some useful PRA techniques

Participatory mapping

- Create a wall or ground map with group participation. Members should do the marking, drawing and colouring with a minimum of interference and instruction by outsiders.
- Using pencils, pens or local materials (e.g. small rocks, different coloured sands or powders, plant material) members should draw maps that depict/illustrate certain things. Each group member is then asked “to hold the stick” to explain the map or to criticise it or revise it.
- Create resource maps showing the location of houses,
resources, infrastructure and terrain features - useful for analysing certain community-level problems.

- Create social maps, showing who is related to whom and where they live - useful in conducting PPP baseline surveys, etc.

**Seasonal calendars**
These charts show monthly changes in climate (rainfall or temperature) or agricultural activities (agricultural hours worked, different activities undertaken, crop cycles). The calendars are useful in identifying planting and harvesting times, labour constraints and marketing opportunities.

**Matrices**
These are grid formats used to illustrate links between different activities or factors. They are useful in information gathering and analysis. An example is “problem-solving matrices,” where a series of problems affecting a group are placed on the vertical axis and their possible causes placed on the horizontal axis as below:

<table>
<thead>
<tr>
<th>Problems</th>
<th>Possible causes:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other work</td>
</tr>
<tr>
<td>Low member attendance</td>
<td></td>
</tr>
<tr>
<td>Low savings</td>
<td></td>
</tr>
<tr>
<td>Lack of unity</td>
<td></td>
</tr>
</tbody>
</table>

The matrix technique is useful for identifying and prioritising problems, in spotting inter-relationships, etc.
ANNEX 3

Sources

Berold, Robert & Coliette Caine (eds.), *People’s workbook, working together to change your community*. EDA. Johannesburg, 1981


Crone, Catherine D. & Carman St. John Hunter (eds.), *From the field, tested participatory activities for trainers*. World Education, New York, 1980


*ILEIA Newsletter, for low external input and sustainable agriculture*. Leusden


Natpracha, Patchanee & Alexandra Stephens, *Taking hold of rural life*. FAO, Regional Office for Asia and the Pacific (RAPA), Bangkok, 1990


*RPA Notes*, series on Rapid Rural Appraisal and Participatory Rural Appraisal, Sustainable Agriculture Programme, IIED, London. (This reference provides pictures and more detailed information on a variety of PRA methods.)


ANNEX 4

Addresses

OEF International
1815 H Street, N.W.
Washington, DC 20006
USA

PACT, Inc.
777 United Nations Plaza
New York, NY 10017
USA

Small Farmer Group
Development Unit
Ministry of Agricultural Development and Research
Gatambe, Peradeniya
Sri Lanka

EDA (Environmental and Development Agency)
Box 62054, Marshallton
2107 Johannesburg
South Africa

Intermediate Technology Development Group
Myson House, Railway Terrace
Rugby CV 21 3 HT
United Kingdom

IIED (International Institute for Environment and Development)
3 Endsleigh Street
London WC1H ODD
United Kingdom

Information Centre for Low-External-Input and Sustainable Agriculture (ILEIA)
P.O. Box 64
3830 AB Leusden
The Netherlands

World Education
1414 Sixth Avenue
New York,
New York 10019
USA
The group promoter (or GP) is a key figure in rural development. He or she has three important tasks: to help the rural poor to form small, autonomous groups, to help group members develop their skills, and to facilitate communication between groups and development services.

This resource book is designed to guide GPs in all phases of group development. It provides a step-by-step approach to identifying the poor in rural communities, forming groups, linking them in associations and building group income generating activities.

It includes detailed suggestions for strengthening democracy within groups and for planning group enterprises.