

Chapter 3:

Working with groups



This chapter deals in detail with the issue of forming and working with urban producer groups. Beginning with a summary of why UPA groups form and the advantages and benefits they can bring for members, the chapter then goes on to discuss how to analyse a group's situation and how they can improve it using a SWOT analysis process.

Further information on group structure and dynamics and participatory methods for working with groups are given in Annexes I and II.

Key points



How and why form groups?

New or existing groups

Participatory procedures

GA actions

- **Survey the community**
- **Analyse problems and opportunities**
- **Conduct SWOT analysis**
- **Analyse SWOT to see how to improve the situation**
- **Prioritise actions**
- **Review resources needed**
- **Carry out the actions**

Managing the business

Mobilising resources



Common concerns, common threats

Initially, fodder grass producers in **Hyderabad, India** held informal discussions among the farmers regarding fodder grass varieties and related areas, but with no formal organization as a group.

A common concern was to find a suitable market place in the city and after some discussion, the farmers formed an association of fodder producers - the 'Green Grass Growers Association'. A market place was arranged on an open private land space. However, once daily fodder trading began, there was no attempt to register the Association or to take up any further activities. The fodder market continued until 1982, when the landowners asked them to leave. Eventually, a mosque agreed to lease some land adjoining the mosque to them on an annual basis. Since then the fodder grass market has been functioning from there.

In the mid nineties, the market place again came under threat as a result of a by-law issued by the city authorities which prohibited the movement of buffalo, bullock carts, fodder transport vehicles etc., due to their nuisance to traffic. This common threat led to renewed collective action among the producers and brokers. Following legal action, the group were allowed to stay in their existing market location. The group of farmers also formed and registered a new organization, the 'Farmers Green Paragrass Growing Society' in 1999. The major objective of the society was to seek government land for the formal establishment of a green fodder market. Finally, it was agreed to provide a vacant government plot to the producers group.

However, there are several problems associated with use of the allocated plot such as maintenance, repairs to pipelines, access to the site and a fall in support for the producers following a change in government. The land is also under threat of acquisition from a government development scheme. A new collective association has since been formed to represent the farmers in negotiations with the government. The farmers are presently trying to mobilize public opinion on the issue through the media and other forums.

(City case studies, Hyderabad, India)

How and why do UPA groups form?

Individuals are rarely able to have much influence on solving the key issues identified in Chapter 2. They have little power and influence with city authorities or a landlord who threatens to take over their land.



They also have little or no access to credit, loans, training and advice.

Individual producers generally come together initially because of a common need. This may be to combat a threat to the land they farm, to lobby authorities for access to markets, resources or services, to access credit, loans etc. (generally only available to groups), or to gain economies of scale through bulk purchase/sale (such as through cooperatives).

Social role

There can also be social reasons for a group to form such as rehabilitation of youths from drug use/abuse, support for orphaned children and HIV infected and affected members of the communities.

Eighty percent of the groups registered with the Department of Culture and Social Services in Nairobi are Self Help Groups (SHGs). The rest are Community Based Organisations (CBOs) or Savings and Credit organisations (SACCOs).



Nairobi, Kenya

*Through the LIPOs (Low Income Producer's Organizations) in **Nairobi, Kenya** the social role of UPA comes to the fore. The most important aspect of the social role of the groups is their role in HIV/AIDS management through involvement of the affected and infected. This helps reduce the stigma associated with the HIV/AIDS pandemic within communities. Another role is in helping reduce stress caused by retirement and retrenchment, providing them with an alternative occupation. Youth previously involved in social vices have been helped through UPA youth groups while street children have been rehabilitated through the same programmes.*

(City Case Studies, Nairobi, Kenya)



Uthiru Muthua SACCO

This group began in 2003 with an initiative from extension officers who wanted to reach more farmers. However, the group saw the need for collective bargaining and pooling of resources and began providing microfinance services on its own by giving soft loans to members. They also started receiving microfinance loans from SISDO (an NGO). With success in this venture, they decided to move to a higher level and register as a SACCO with the Ministry of Cooperative Development, partly also because interest rates from the microfinance loans were too high.

With this arrangement they have been able to access loans from the Cooperative Bank of Kenya. They have to raise 60% of the total applied for as a group, while the bank provides the remaining 40%. The 60% is the collateral instead of land and other property as is the norm with bank loans. They then lend out money to members at 12% interest

Another important feature of this group is that other than the usual leadership roles it has several committees e.g. credit, supervision and education to run its affairs. It has penalties and fines for group members who violate rules as set out in its constitution. For instance they require proof of a hospital visit if that is the reason given for skipping a meeting.

The group has both youth members and members of up to 50 years old and more. It has a total membership of 60 people with the majority being women. They mainly engage in crop and livestock keeping as far as UPA is concerned and some small scale trading. Small scale businesses were started with loans from the larger group though members run them on individual basis.

As a group they have special projects e.g. Small scale processing such as production of jams, yoghurt etc and handicraft making. The group has good access to extension services and most other services due its proximity to Nairobi and the main highway. It also has secure land tenure and no consumer attitude problems toward their produce.

(City case studies, Nairobi, Kenya)

Groups are usually location specific – and often relatively homogeneous in terms of social status, ethnic background and religion. This makes it easy to get to know each other, it is easier and cheaper to arrange meetings and it is easier to build trust between members.

The role and status of men and women within the groups varies very widely with some being all or mostly women members (such as in Harare),

others are mixed but with relative equality between genders, and others are men only or dominated by men (as in the fodder producers in Hyderabad).

There is considerable variation between cities within countries as well as between countries. Often there is a gender division in terms of activities with, in many cases, women being the main group involved in processing and marketing, whilst men are involved in production.

By working together, a group can take advantage of the skills of different members. Some may be good at figures, some are good with their hands, some are very quick to learn technical things and others are good with people. Members can also learn from each other.

Work can also be divided amongst the group members, making the best of the time everybody has available. This ensures that the group's work goes on even if one person is sick or not available one day. Even the hardest or most tedious jobs are easier or less unpleasant when people work together to do them.

It is easier for groups to get assistance – training, loans, advice from development agencies etc. It is difficult for development agencies to



Main reasons for working in groups

- *Sharing of skills and information*
- *Sharing of resources of production*
- *Bulk/joint purchase of inputs*
- *Provide a venue to share problems and find solutions*
- *Joint marketing of produce*
- *Allow access to agricultural extension and other advisory channels*
- *Through group savings and credit schemes, provide the funding for increased production*
- *Through mutual self-help schemes, provide insurance for illness and other urgent funding needs*
- *Allow access to NGO and government grants, subsidies and funding*
- *Provide a joint voice for communicating with or putting pressure on authorities*
- *Provide legitimacy through group registration*



reach individuals because it is too expensive, inefficient and impractical. But if people work together in groups, they can more easily be reached and are better able to request assistance. For example, an extension agent can work with the whole group at once rather than each person separately. A bank can provide a single large loan to the group rather than individual small loans to each member. Seed, fertilizer etc. can be bought in bulk for all members and produce can be marketed together, cutting the costs.

Groups give members, especially women, more self-confidence and status. People are usually more willing to try something new if they are not alone, or can at least ask others what they think.

Decision making. One problem with groups is that while decisions taken in a group are often better and more realistic than those made by individuals, it takes longer to make decisions and as such, is not practical or appropriate in all cases.

Many issues influence the effectiveness of groups, such as the type and quality of leadership, the group dynamics, access to resources, level of member participation etc. Sometimes groups are formed solely in order to access support from others. In other cases, a group may be formed for a common productive or social purpose and later look for outside support.



Low income producer organisations in Accra are based on specific business activities: vegetable farming, pig production, grass cutter production, etc. The advantages in organizing around specific businesses are clear: it reduces the risk of attending to different interests. The major challenges of vegetable farming concern water for irrigation, fertile land, effective pesticides, while that of the grass cutters concerns all year round feed. The organisations are largely location specific. This makes familiarity with one another easy and builds trust quickly. Dzorwulu is less than 5 kilometres away from Osu where Marine Drive Vegetable Farmers Association is, but producers in these locations prefer to associate as different groups. Indeed, many of the members of the Ablekuma Grasscutter Farmers Association have reorganized as new groups in different parts of Accra.

(City case studies, Accra, Ghana)

Types of group – social, political and production

Not all groups are suited to carrying out production activities. A group may be formed mainly for social support of members (mutual support in terms of friendship, advice, mutual self help and even sport and entertainment). The success of such a social group, depends on the



extent to which members feel these roles are satisfied by being part of the group (e.g. how much they enjoy it, how much they appreciate the mutual support mechanisms etc.). Similarly for a political group, the success will be measured by progress towards its political aims (such as changing municipal policy to be more supportive of urban agriculture).

The success of a production group on the other hand, depends more on how profitable it is – for example, how successful it is at jointly producing and selling the members produce. How satisfied a member of such a group will be will depend to a large extent on the increase in income s/he gains from being a part of the group.

Not all producer groups will want to do everything together and another possibility is for the group to mainly aim to provide **services to its members**. Examples of services could be access to inputs, bulk purchase of supplies, group marketing or policy lobbying. Group members could then run actual production activities individually. In some situations this approach can be very successful, since, if properly managed, it can combine good points of both individual and group business.

One of the most widespread form of producer group is the



“Since we organised ourselves as urban producers, we have been able to participate in the participatory municipal budgeting process (in which citizens can participate in the decision-making on allocation of public resources). We thus have negotiated some money for an agro-industry. We could not have done this individually”.

Interview with Tomaza Ramos, urban producer-Rosario:

Video - Small urban producers organisations. FAO-FCIT, ETC UA, IPES and IDRC. 2006.

cooperative which can vary from a few tens of members to several thousand. The larger groups can have considerable influence on policy making and can provide major services to their members in terms of bulk purchase and sales, advisory and training services.



Characteristics of successful groups

- A sound leadership, recognized and accepted by the whole group
- Members have a common bond
- The group has clear agreed objectives
- Commitment by all group members to work well together
- Members participate in discussions, decision-making, activities, savings, record-keeping and sharing benefits.
- Members keep accurate records of their activities, finances and meetings
- Group discipline, i.e. holding regular activities, regular meetings, having a set of rules which members agree to follow
- Existing group savings and willingness to contribute regularly to them
- Resources within the group (i.e. materials, skills) which could be used to develop a small business
- Preferably a maximum of 15 members (it is more difficult for bigger groups to run a small business)
- Realism regarding possible achievements
- At least one group member who is numerate (can do simple arithmetic)
- At least one member who is literate (can read a write simple text).

(The more group members who are numerate and literate the better, but if none can read, write or count, it will be very difficult for them to run a business on their own. If they need to use relatives or others to keep group accounts this can cause difficulties as they can easily be cheated and it will be difficult to check for themselves if this is happening).

Group Enterprise Book – FAO, available free from:
<http://www.fao.org/sd/PPdirect/PPre0018.htm>



New groups or existing groups?

In general, it is found to be simpler and more effective to work with existing groups than to try to form new groups, since an established group should already be used to working together and have agreed goals and rules of operation.

In some cases though, it may be necessary to form new groups, particularly if an area is made up largely of migrants or refugees who do not know each other. This is a common issue amongst urban producers.

If a new group is to be formed, a critical issue is that members have a common objective and motivation for working together. If a group is formed only to access credit, or other inputs, they often have little incentive for working together in other areas. Similarly, if a group is put together by an outside organisation, they may continue to rely on others for their organisation and motivation rather than looking to themselves. As such they will not be sustainable in the long term.

Ruai Dairy Goats Self Help Group



*This group is based on the outskirts of **Nairobi, Kenya** and most of its members have secure land tenure and high literacy levels. They are able to source information and training and have made good networks from their own initiative. They are also members of NEFSALF, a farmers network. They have been able to acquire superior breeds of dairy goats and are aiming at becoming professional breeders as a commercial activity.*

Their main reason for keeping dairy goats is that they have small plots of land that cannot sustain other forms of UPA. They have an office and through the more literate members, they are able to access Internet facilities. They are very cohesive and have put structures in place to ensure they are self-sustaining but still write proposals to seek support in other areas of interest.

(City case studies, Nairobi, Kenya)

Using participatory procedures

In working with groups, the GA's role should be that of a facilitator. This means that s/he works with the groups to help them solve problems and gain the maximum benefit from the skills and knowledge they have within the group:



- Guide the discussions – help the group members structure the discussions and summarize regularly unless (or until) someone in the group is able to do this.
- Encourage everybody to contribute in giving their views and opinions – particularly the quieter members (often women or young people). Gradually everyone will gain the confidence to contribute to the discussions.
- Help ensure members are given the time to express opinions and ask others to listen.
- Look for practical ways to get all members involved and contributing to the group.

It is generally most effective to encourage groups to learn from each other. However, there are many different types of groups and group leadership. Some are formed from individuals with a common interest or objective and work together as equals, others have been formed by one or two dominant leaders and are controlled by them. Still others are not really groups at all, but small businesses with an employer and employee relationship. There are also many different leadership styles and what is appropriate depends on the skills, knowledge and experience of the group members as well as their contributions to the business of the group.

Transitory members

A particular problem with many urban agriculture groups is that members are often transitory and only work part time in urban agriculture. Some then find other work and leave the group. Others may move to another area and new members may want to join at any time. As such, the more open the group is to discussion and learning from each other, the better the group will be able to survive such changes. This means encouraging members to learn different roles within the group so that the group does not collapse when one key person leaves. The key characteristics of this type of participatory learning in groups is that the learning originates from the needs and problems of group members and every participant is considered as both a trainee and trainer – all have something to contribute to the success of the group.

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.

Women's participation



The level of women's participation in groups varies considerably by country, city and even within cities according to the communities. In some cities, women have equal rights with men and play equal parts in groups including leadership roles. In other's women are only allowed to take part in women only groups and their activities are restricted. Where women's role is restricted, promoting their participation in groups can be difficult as they are often reluctant to air their views or challenge the views of men in public.

What can be done?

Be flexible about group membership. In many places, the natural tendency may be to form mixed groups, with both male and female members. However, because men generally dominate such groups, they often do not provide the best environment for making the most of the skills and resources women can bring to the group. Forming all-women groups may be a good first step. If a mixed group is already in operation, it may be practical to suggest breaking 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. If men object to the formation of separate all-female groups, mixed groups can be formed, but measures should be taken by the GA to encourage 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, women are often more concerned with details than men and tend to make better treasurers and secretaries. Women also tend to save more regularly than men and are more concerned with paying back debts. Women, however, are less likely to have had the opportunity to learn to read and write than men. In this case, more attention has to be given to encouraging women's participation.

More information on group organisation and group dynamics is given in Annex I covering the following important aspects:

- Motivation, common goal and purpose
- Membership
- Group dynamics
- Decision making
- Conflict management
- Self reliance and sustainability

The GA should be familiar with this material before beginning to work directly with the groups. Example techniques for participatory learning in groups are given in Annex II.



Group Advisor actions

The following steps can be carried out directly with the community and producers groups where the GA works. The process analyses the situation and the problems and opportunities for improvement for the producers group then helps them to prioritise activities they can carry out.



Step 1: Survey the community

Gather information about the community and its leaders from other development workers and government officers. Who lives there?



What producer groups are there? What do they produce? Do they process produce? Do they market directly? Where? What organizations help these people?

What are their main problems? What successes have they had? What is the membership, structure and management of the groups? What about women and youth membership and roles? Do they keep records? Are they registered? Do they have a savings and loan scheme? What is their main goal?

If there are no existing or no appropriate groups, would it be worthwhile attempting to form

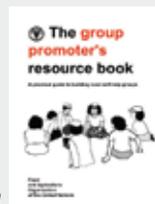


The main elements of the process of group formation are:

1. Identify who you want to work with e.g. the poorest of the poor, those with some resources, recent migrants, those already engaged in some form of agriculture already, those with previous experience etc.
2. Discuss group formation to see who is interested, who has common goals and objectives, what skills and resources they will be able to bring to the group etc.
3. Establish the group through discussion and training on the main aspects of:
 - leadership,
 - member contributions
 - group rules
 - keeping records

Group formation is covered in more detail in the group promoters manual available free for download at:

http://www.fao.org/sd/2001/PE0303_en.htm



one or more new groups? Be aware that 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.

Existing groups may well be reluctant to provide much information initially, so it may be best to first approach leaders in the community and ask them to introduce you and your aims in working with them. If other organizations are working in the area, this 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 therefore, to find out what people think about their previous 'helpers' and what people expect from you.

Note that the same information collected from different sources often varies. It is important to check information from different sources until you have a good idea of how accurate the information is.



Step 2: Analyse problems and opportunities with the group

In discussions with a group, the role of the GA is to help the group help themselves. In some areas, particularly regarding city or national policy, an individual producer group may have little direct control or influence, and the GA may have to work on their behalf. In all areas though, whether learning new skills, starting group savings, or working to improve input supplies or markets, the group members should be actively involved wherever possible. The aim is to help the group be self-reliant, not to carry out actions on their behalf.

Never promise what cannot be delivered – apart from the disillusionment it causes, it makes it much harder to carry out work with the group in the future if they have been disappointed once.

Hold a general meeting with the group to discuss their situation – what they produce now, what problems they have with production and with the group itself and what they think can be done about it. At this stage, do not offer any direct solutions. Tell them that you will discuss this with them at the next meeting (**see below**). The purpose of this initial meeting is to become familiar with the group and for them to get used to you.

Ask them what other opportunities they think there are for improving their incomes.

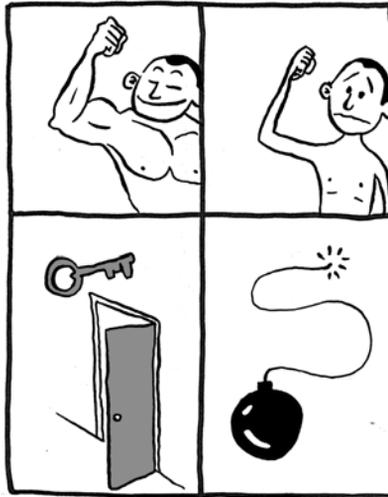


Step 3: Help the group carry out a simple SWOT analysis

In the next meeting, help the group to carry out a SWOT analysis of their situation. Discuss their Strengths, Weaknesses, Opportunities and Threats (SWOT), to help them identify where there are ways in which they can make progress.

- Strengths: are attributes of the group that are helpful in making a living from UPA
- Weaknesses: are attributes of the group that are make it difficult to making a living from UPA.
- Opportunities: are external conditions that are helpful to the group in making a living from UPA.
- Threats: are external conditions that are harmful to the group in making a living from UPA.

STRENGTHS WEAKNESSES



OPPORTUNITIES THREATS

An example of an overall SWOT analysis for UPA

Strengths	Weaknesses
<p><i>Ready market for produce</i></p> <p><i>Proximity to market and customers</i></p> <p><i>No/low transport costs</i></p> <p><i>Proximity to services – electricity, water, gas, aid agencies, NGOs, government services</i></p>	<p><i>Illegality in many cases</i></p> <p><i>Shortage of land</i></p> <p><i>Lack of tenure</i></p> <p><i>Poor image of UPA produce</i></p> <p><i>Low quality/unhygienic production</i></p> <p><i>Clashes with industrialised outlook of the city</i></p> <p><i>Limited information available on urban agriculture</i></p>
Opportunities	Threats
<p><i>Use of urban waste for compost</i></p> <p><i>Use of grey water and waste water for irrigation</i></p> <p><i>Continued growth of cities leads to growing demand for produce</i></p> <p><i>Niche markets for mushrooms, small animals, flowers and ornamentals, medicinal plants, fisheries, fodder and fruit trees</i></p> <p><i>Environmental benefits, particularly from trees and green areas.</i></p>	<p><i>Legislation/policy environment against UPA</i></p> <p><i>Health risks from unhygienic or polluted production, processing and marketing</i></p> <p><i>Environmental hazards from agricultural chemicals, waste products, noise and smell nuisance</i></p> <p><i>Pressure on land - confiscation</i></p>



Step 4: Use the SWOT analysis to see how they could improve their situation

Ask and help the group to answer each of the following questions:

- How can we use or improve each **Strength**?
- What can we do to reduce or remove each **Weakness**?
- How can we make use of each **Opportunity**?
- What can we do to reduce or remove each **Threat**?

Wherever possible, try to encourage the group to think what they as a group can do. i.e. not just what you as the GA could do, or what government/municipal authorities should do. It is much simpler and more practical for the group to take action itself than to try to get others to take action.

There will, however, be areas such as the policy environment, access to water, or land tenure that are largely outside the influence of an individual group. An Inter-group association, or other network or partner organisation (**see Chapter 5**) can be one way to approach such issues. In other cases, the GA may need to act as the intermediary initially between the group or groups and government or other organisations (**see Chapters 5-7**).

Even where the group cannot directly influence one of the elements of the SWOT analysis, they can help to analyse and understand what needs to be done and what is the most promising approach to achieve the action.

An example of an expansion of the above SWOT analysis to show what could be done and who/what organisation could take action is given in Annex III



Step 5: Prioritise actions

Having analysed the SWOT and decided what can be done, and who needs to do it, help the group to prioritise the actions according to what can be done most easily and what will make the biggest difference. It may be that several actions can be taken simultaneously. For example, a group may be interested in investigating a new niche market such as mushroom production. This might need both a market investigation/study by the group members to see what the demand is for the mushrooms and also arranging a short training course and visit to existing mushroom producers to learn the techniques and begin production.

Other actions may be priorities for the GA to take on behalf of the group. E.g. to arrange a meeting with city planners and his/her NGO/Aid agency or other organisation to discuss city mapping for available vacant land.



Example of prioritised actions

1. Offer direct delivery of produce to homes (build on a strength): Group members
2. Investigate market for mushrooms (investigate an opportunity): Group members
3. Learn about more hygienic production techniques (reduce a weakness): GA to arrange training/expert talk/demonstration through Dept of Agriculture or Dept of Health
4. Raise issues of temporary land tenure licences with municipal authority: GA to discuss through an NGO group meeting with Donors and/or government



Step 6: Review the resources needed

Help the group to review what resources are needed to carry out the actions. Are funds needed? Does the group already have the funds or can they access them? Do they have the skills needed or do they need advice, information or training? How can this be arranged? It can be useful to carry out a role play to imagine carrying out the activity here (**see Annex II**). For example, to grow mushrooms, where will they be grown? Where will they get the materials? How will

they package and transport them? Where will they sell them? To who? When? How will they pay for everything? (**See also mobilising resources, this chapter – below**).

Which actions are most practical to begin with now? Does the order need to be changed? Do more resources need to be saved for first?

In general it is best to begin with simple activities and those which require few or no resources until the group gain confidence that they can change their situation. Then discuss larger and more complex actions and business activities – which may also need savings and credit funds to be established first (**see below**).

Step 7: Carry out the actions.



The group and the GA now need to actually carry out the actions agreed. There will inevitably be some successes and some problems and set backs in carrying out the actions. These can be discussed in the next group meeting, and a decision made on what to do next for that issue or to work on another action instead.

Eventually, the aim should be for the group to make all their own decisions or directly contact extension/advisory staff and government officials/NGO organisations without the intervention of the GA (**see next section**).

Managing production activities

Managing an urban agriculture business is much the same in principle as managing any other business. To be successful, costs need to be kept as low as possible and profits as high as possible.

Cash coming in and going out (cash flow) has to be constantly watched so that bills that have to be paid are planned for in advance. Income has to be clearly separated from profits so that enough funding is kept back to enable the business to keep going. Equipment and



premises need to be maintained, and the group accounts need to be kept up to date.

These aspects of running a business are covered in the **group enterprise resource book** – including:

- The Balance Sheet
- The Profit and Loss Account
- Cash Flow
- Profit or loss sharing among the group members
- Maintenance of premises and equipment
- Monitoring the business
- Marketing
- Expanding the business

If the group does not keep regular accounts, or needs training in these aspects, make use of the group enterprise resource book to conduct training on these aspects. You can either do this yourself if you are competent in these areas, or ask an outside resource person to assist.

Mobilizing members' resources and external resources

The starting place for funds and resources for the producers group should be the members themselves.

Operation of a group's production activities needs ultimately to be paid for by the profits from the business itself (since otherwise the business is not viable). However, there can be difficulties in the start up costs of a new business, in cash flow during the business cycle (see the group enterprise book for more details) or in the expansion costs for a growing business or new enterprise. In such cases, savings and loans are needed are either from within the group, or from an outside source.

Savings first

For all businesses, resources, time and money need to be put in before anything is gained back. This can be a major problem for the poorest and loans may be needed for the start up phases. The habit of saving before providing loans must be encouraged, however, since loans need to be repaid and unless a group is familiar with the need to set aside money regularly, they will quickly get into difficulties. For the poor, this is particularly difficult as there are so many demands on any funds that they do have – for food, medicine, clothes and schooling amongst others.



The main sources of outside funds are banks and other financial institutions, NGOs and development agencies, relatives and friends and local money lenders.

The local money lenders should be avoided at all costs as their interest rates are far above any other lenders. They generally only continue to exist because people are desperate for cash in the short term and hence have no choice. They also often do not realize the real cost of the loans since the interest is usually demanded over the short term. (e.g. 10% per month rather than 10% per year).

Encouraging group savings that can be used for emergency funds for members as well as to fund a business, helps members to get away from the trap of money lenders.

Discuss the advantages of group savings and help the group to set up a regular group savings scheme.

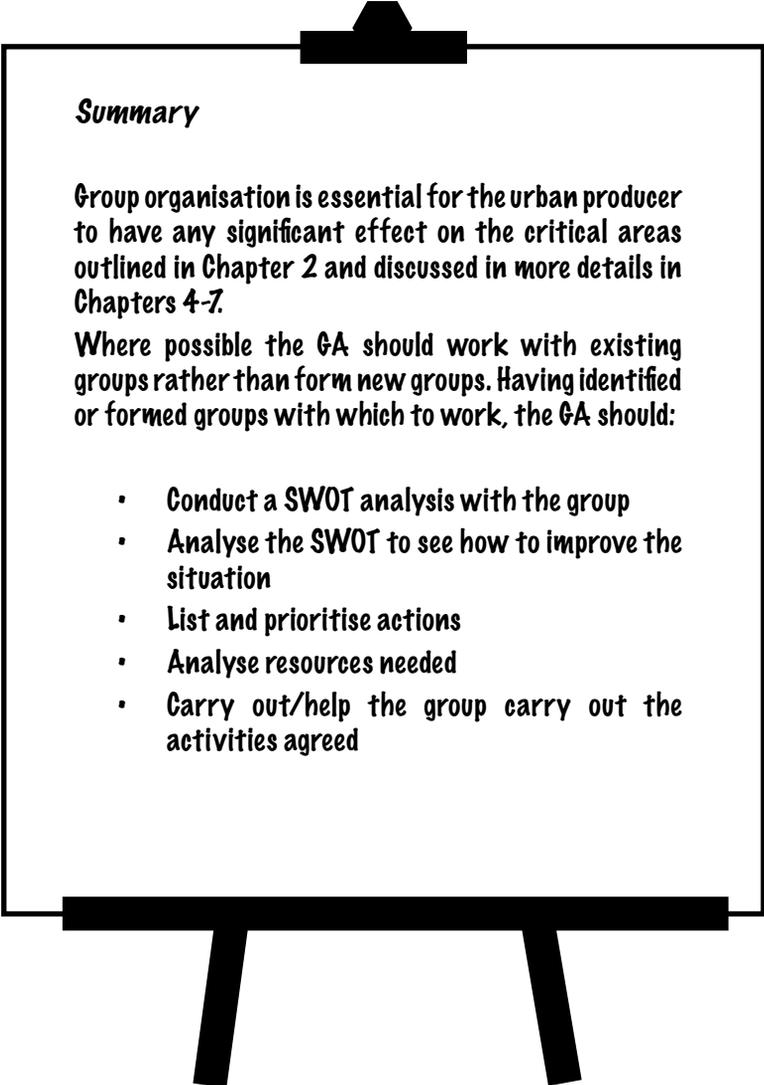
Once this has been established and payments are regularly made into it, the GA can help the group to look for outside funding as a start up loan for a business if needed.

Communicating with members

Urban producer group members need to be in touch with each other for marketing of their produce, distribution of inputs, meeting together and working with the GA. For small groups, the most effective media for the members to keep in touch with each other and with the GA is still by word of mouth, and by written messages. Illiteracy and innumeracy can be a major problem with some members and groups, but most groups will have at least some members who can read and write.

In many cities today, urban groups also increasingly have access to mobile phones and the SMS is an effective way to pass messages between members and between groups.



A graphic of a clipboard with a black border and a black clip at the top. The text is contained within the white space of the clipboard.

Summary

Group organisation is essential for the urban producer to have any significant effect on the critical areas outlined in Chapter 2 and discussed in more details in Chapters 4-7.

Where possible the GA should work with existing groups rather than form new groups. Having identified or formed groups with which to work, the GA should:

- **Conduct a SWOT analysis with the group**
- **Analyse the SWOT to see how to improve the situation**
- **List and prioritise actions**
- **Analyse resources needed**
- **Carry out/help the group carry out the activities agreed**

