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INCOME GENERATION ACTIVITIES MANUAL

RETURNING "PROFIT" TO IGAS



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INCOME GENERATION ACTIVITIES MANUAL

RETURNING “PROFIT” TO IGAs

AUTHORS: OKSANA CHIKINA, CHF INTERNATIONAL

SAO SILVA, DAI

EDITOR: JENNIFER SHAW, CHF INTERNATIONAL

DARFUR, SUDAN

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Questions and comments are most welcome, and should be addressed to Oksana Chikina (ochikina@chfsudan.org) and Sao Silva (sao_silva@dai.com).

ACRONYMS & ABBREVIATIONS

CBO	Community-Based Organization
CHF	Cooperative Housing Foundation
DAI	Development Alternatives Incorporated
GBV	Gender-Based Violence
HH	Household
IDP	Internally Displaced Person
IGA	Income Generation Activity
INGO	International Non-Governmental Organization
M&E	Monitoring & Evaluation
NGO	Non-Governmental Organization
OFDA	Office of Foreign Disaster Assistance (USAID)
OTI	Office of Transition Initiatives (USAID)
PD	Profit Distribution
PSA	Psycho/Social Support Activity
TOT	Training of Trainers
USAID	United States Agency for International Development

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INTRODUCTION TO THE IGA MANUAL

Income Generation Activities (IGAs) are not new to Sudan, nor are they unique to a specific organization, environment, or community. For most people around the world, generating income is a necessity – it is done to survive. Unfortunately, many of the activities that prove to be economically viable in a region are neither socially nor environmentally sustainable. Take the collection and sale of firewood in Darfur today. In times of crisis, the need to generate income remains (or increases), but responsibility often shifts to different members of the family, including women and children. Facing increased pressure to provide for families, women and girls in particular are often forced to engage in activities that increase the risk of exposure to gender-based violence (GBV).

This manual introduces a set of tools for identifying and conducting IGAs that will be flexible enough to respond to market variations (including the transition from conflict to post-conflict settings), taking into consideration protection, social and environmental concerns. It was designed to help individuals and communities to diversify their options, reducing dependency on IGAs that threaten personal safety and the environment. Hopefully, community groups and marginalized populations (female-headed households, orphans, youth, etc.) will have the chance to learn and apply this methodology to create better opportunities for themselves.

What does this Manual Offer and Whom is It For?

To begin with, the IGA manual introduces a set of concepts and tools for strengthening basic business skills. Applied in combination, these tools assist in making sound decisions regarding the overall sustainability of an IGA, including its economic viability and social / environmental impact. In addition to profit margins, individuals are therefore encouraged to consider how a potential IGA will affect health and personal safety, relations within communities and families, and between men and women.

Next, the manual discusses how to strengthen community structures around income generation activities. Piloted in IDP camps, urban/semi-urban settings and rural villages, the methodology teaches individuals how to evaluate their options, allowing communities to create more opportunities for themselves. The manual offers tools that were developed based on experiences with small savings groups, associations and CBOs.

It should be made clear from the beginning that this manual does not provide answers or advice on specific business activities. It does not disclose which IGAs will be profitable for the very simple reason that it can't! Perhaps the biggest mistake of organizations promoting IGAs is the assumption that an activity will be profitable and sustainable because it has succeeded elsewhere. The reality of markets, regardless if they are big or small, in stable or volatile environments is very different. A few simple rules should be kept in mind:

- What generates income today may not generate income tomorrow.
- Supply must be flexible enough to respond to fluctuations in demand.
- Influenced by their environments, markets change constantly, calling for flexibility and creativity.

Keeping these points in mind, this manual provides a framework for making sound decisions, rather than handing out prefabricated answers. If the tools presented here are applied systematically to a specific market and operating environment, individuals and communities will be able to identify which activities are best for them. In addition, they will know how to recognize changes in the market and respond effectively.

The manual was designed for trainers and practitioners working in the field on community driven development, particularly targeting professionals implementing programs in areas transitioning from conflict to post-conflict environments. It can serve a diverse audience, either in whole or in part, but the tools should be adapted according to the specific context and application. Although the methodology has grown out of experiences in Darfur, it is flexible enough to be used in various regions and operating environments. It was developed based on the assumption that sustainable IGAs can be implemented in conflict and post-conflict affected areas, as well as settings of transition and development. At a minimum, organizations must have access to communities and be able to provide the necessary support and supervision.

Origins of the Manual

After developing a project to establish youth centers in February 2006, CHF discovered that many IGAs undertaken within its Darfur programs were not actually generating income. In fact, most of the subsidized activities were creating significant losses. As CHF digested and shared these findings, it became clear that the problem was widespread among other organizations as well. DAI was also supporting income generation activities, with the aim of addressing socio-economic gender gaps and reducing the risk of exposure to violence, in particular for women and girls. Both organizations

realized that the psycho/social support aspect of projects received so much attention that profit was often disregarded altogether. It was no longer a surprise that communities were returning to organizations after learning various skills (be it pasta making, tailoring, etc.), asking for more inputs. They wanted to use the newly acquired skills, lured by the possibility of generating income, but how? With the support of USAID's Office of Transition Initiatives (OTI) and Office of Foreign Disaster Assistance (OFDA), CHF set out with DAI to address this issue, which reflected a lack of knowledge rather than lack of skills.

The process of returning "profit" to IGAs began by contacting four international and 21 national NGOs that were already conducting such activities in communities throughout Darfur. Following an assessment of their organizational capacity and local expertise, a two-part workshop was organized by CHF/DAI in Nyala in August 2006. Held in Arabic, it specifically targeted those who work in the field. The first part of the workshop introduced tools and concepts, followed by a 10-day break, whereby participants were given an opportunity to apply what they had learned in their regular working environment. Part two of the workshop was structured around recommendations and lessons learned during implementation in the field.

The manual's basic training package is primarily a result of this workshop, reflecting the experiences and opinions of implementing organizations currently working in communities in Darfur. Ownership of the basic training package therefore belongs to the 25 organizations that took part in the process of creating and testing it.

DAI developed grant programs with several of the participating national NGOs. These organizations then worked on dissemination and implementation of the methodology, primarily in IDP camps. CHF introduced elements of the basic training package within its women and youth centers in IDP camps and host communities. Additional tools that were created to accommodate CHF's program objectives and needs are presented in Part II. Those tools are designed to strengthen community structures through application of the IGA methodology.

To capture lessons learned from the workshop and direct implementation, various mechanisms were designed to solicit feedback from beneficiaries and to evaluate impact. These M&E tools are introduced in Part III and form an integral part of the methodology.

The IGA manual can be used in whole or in part, depending on the programmatic priorities of implementing agencies. It is part of an ongoing initiative, which will hopefully receive further inputs from those working on IGAs and/or disseminating the IGA methodology in Darfur.

PART I: SHARING THE IGA METHODOLOGY

Part one presents the IGA methodology in the form of a basic training package, and reviews how an IGA workshop can be structured around it. Regardless of whether the workshop targets communities or potential trainers of the methodology, its content is the same. Participants are introduced to a general business cycle that is divided into five steps: 1) market assessment, 2) cost / benefit analysis, 3) production & marketing, 4) basic bookkeeping, and 5) strategies for continued success at the market (establishing a market niche). The basic training package provides definitions, tools, case studies and discussion points for facilitators to use while walking participants through each phase of a business cycle.

Part one is divided into two chapters: chapter one provides a set of suggestions and guidelines for structuring an IGA workshop, including a sub-section on gender-analysis and other vital crosscutting issues, followed by the basic training package in chapter two.

Chapter 1: Designing an IGA Workshop

The purpose of sharing the IGA methodology is to provide individuals and communities with a set of tools to evaluate potential business activities, while considering crosscutting issues, such as the environment, gender relations and exposure to gender-based violence. IGA workshops can either target communities or train trainers (ToTs). Community workshops are result-oriented, which means participants should leave with an income generation activity in mind. ToTs workshops, on the other hand, should focus on the process of sharing the methodology.

Workshop participants and facilitators should be selected with care. In addition to program-specific requirements, the selection process should aim for representation by both men and women, taking into consideration socio-cultural backgrounds. The language needs of participants will vary, and this should be kept in mind when planning and conducting a workshop. If facilitators do not speak the local language, close collaboration with interpreters will be required. Tools and templates will have to be adapted to accommodate local languages, dialects and knowledge. Furthermore, the training package will have to be modified to meet the needs of illiterate participants. Literacy is not a prerequisite for carrying out successful income generation activities!

For ToT workshops, in particular, facilitators should have experience sharing training methodologies and utilizing participatory approaches. In-depth knowledge of crosscutting issues will also be an important condition for a workshop's success.

Addressing Gender Relations and Other Crosscutting Issues

The IGA methodology encourages brainstorming, discussion and debate on the risks and benefits of potential IGAs. It is **not** the facilitators' duty to force certain topics. Issues should be addressed with respect for participants' comfort levels, keeping in mind that the degree of risk individuals are willing to take will depend on personal circumstances.

Crosscutting Issues

Remember to consider the impact an income generation activity will have on:

- **The environment**
- **Personal safety**
- **Health**
- **Family relations**
- **Community relations, including relations between IDPs & host communities**
- **Gender relations, including gender balance and gender-based violence**

Keep in mind that IGAs can also create opportunities to bring together individuals from different backgrounds or sides of a conflict, encouraging contact and fostering understanding.

The promotion of gender balance, i.e. equal access to opportunities for both men and women, should be an important part of IGA initiatives. Gender issues, including the risk of exposure to gender-based violence, have therefore been integrated into the basic training package through case studies, group

exercises and discussion points. It is important, however, to keep in mind that participants may need to be introduced to the concepts of gender and gender mainstreaming.

‘Gender’ does not refer to men and women, but to *social relations* between the two, including roles and responsibilities typically associated with being either male or female. Such relations differ from place to place and change over time, defined by the characteristics a particular society associates with being either male or female.

Too often, gender is mistaken for women’s issues or is assumed to reflect the biological difference between men and women. Consequently, a good way to reinforce the concept of *gender* is by distinguishing it from the word *sex*. Sex is biological (male vs. female) and gender is a social construction (masculine vs. feminine). Biological attributes are passed on from generation to generation – through sexual reproduction, whereas social norms are acquired and sustained through various means of communication. Definitions of masculine and feminine vary drastically between communities, but more importantly change with time.

In most parts of the world, men and women perform different roles within society and the economy. Unfortunately, the social division of labor tends to deny women equal access to resources, as well as power in decision-making processes that affect their lives. For this reason, it is essential to consider gender dynamics when developing an IGA. Gaining the right to access and control resources is one of the main objectives of gender mainstreaming.

Because gender imbalances generally give men greater power within communities, women and girls are at greater risk of being exposed to gender-based violence. The most common types of GBV include:

- Sexual assault and/or harassment
- Sexual and economic exploitation
- Denial of basic human rights
- Harmful traditional practices
- Denial of access to resources

Therefore, it is important to remember that although some IGAs may be identified as highly profitable, they can increase an individual’s risk of exposure to violence. For additional resources on GBV and gender-mainstreaming strategies, please refer to Appendix 4 (Working Concepts) and Appendix 5 (Additional Resources on Gender Mainstreaming Strategies).

Planning the Workshop

Workshop Agenda

Duration of a community workshop: **minimum 4 days**

Duration of a TOT workshop: **minimum 6 days**

Number of participants per facilitator: **10 – 15**

Number of concepts introduced per day: **1-2**

All participants should receive an agenda outlining the tentative schedule and planned activities at the beginning of the workshop. Facilitators should develop a separate agenda that includes plans for each session and group activity, and distributes roles and responsibilities amongst them. Sample agendas can be found in appendix 1 and 2.

Each chapter of the basic training package follows the same sequence, detailed below, providing the general structure for an IGA workshop. Relevant crosscutting issues are addressed throughout the various sections.

Step 1: Defining the concept and its purpose

Definitions can and should be adapted to the needs of various target groups. Facilitators must have the ability to sense how well concepts are understood, and provide additional explanations when necessary. If the workshop is for potential trainers, facilitators should allow participants more time to internalize concepts. This manual assumes that potential ToTs have facilitation experience and are familiarized with ToTs techniques.

Step 2: Presenting the tool

Each of the tools (templates, checklists, etc.) should be presented as precisely as possible. Facilitators should invest the necessary time and effort to assure that tools are understood before moving on to group exercises.

Step 3: Distributing case studies

Group work on case studies follows the presentation of tools. Cases provided in the manual can and should be adapted to reflect local currencies, practices, etc. It is important to keep in mind that cases need to alternate between positive and negative outcomes.

To begin with, facilitators should divide participants into groups of five to seven people, distributing the first case study, with a time limit, to all groups for review. An indication of approximately how much time will be required is provided for each group of case studies in the basic training package. Findings are then discussed in a large group. Next, participants return to small groups and work through the remaining cases. In the second round, groups should feel more confident in their ability to apply the concepts.

Facilitators should not attempt to intervene in group discussions with answers. In some cases, information is intentionally left out of case study directions. Groups are expected to make use of their own understanding of the market / market prices in solving the cases.

Step 4: Discussing case study findings

Sufficient time should be allowed for case study debriefings. Answers to the cases are not right or wrong, so participants are likely to come up with ideas that facilitators themselves have never considered. This is okay! New ideas should be discussed together, rather than dismissed. Facilitators are not required to have all the correct answers, but should rely on common sense. What works in one environment does not necessarily work in another!

It is important that each group has an opportunity to present their findings – even if this means distributing fewer cases to larger groups. Mistakes made can lead to some of the most fruitful discussions, and are an important part of the learning process. Common mistakes noted throughout the training package are in no way exhaustive, so facilitators should be ready to respond to various scenarios and possible confusion.

In conflict and post-conflict settings, people are often driven to IGAs they would otherwise not consider due to the dangers involved. Activities may pose a threat to personal health and security, family or community relations, as well as the environment. Obvious examples include illegal activities, like brewing alcohol, or carrying out an activity that would normally be restricted to another group (be it men, women, or a specific ethnic group). In other cases, threats arise because activities require

people to leave safe environments (such as the collection of firewood increasing risk of exposure to violence). On the other hand, traditional gender dynamics are often challenged in conflict / post-conflict environments, with a new set of opportunities arising. Viable options that would otherwise be overlooked may now be considered, increasing the range of IGAs that are considered socially acceptable for men and women. Discussing ways to reduce risks involved in IGAs and increase opportunities should always be a priority for facilitators.

Practical Application

Regardless of whether workshops are targeting communities or potential trainers, participants should be given a chance to apply all tools to an idea of their own. Days of the workshop should combine introduction and application of the new concepts with intensive group work on a business plan.

Participants should be divided into small groups of five to seven people. These groups will work together every day for approximately three hours, applying the concepts to a business idea of their own. Each day, the idea is developed a step further. What starts as a market assessment eventually culminates in a business plan. For communities, the business plan is often what they take home as a framework for their IGA. For ToTs, developing a business plan reinforces concepts and helps future facilitators see the business cycle more clearly.

At the end of the day, sufficient time should be allowed for participants to reflect back on what they learned. Detailed feedback mechanisms are introduced in Part III.

Final Day of the Workshop

On the last day, each group should present a business plan, developed during the IGA workshop. It is crucial that each group has an opportunity to present. By this point, feedback on presentations should come primarily from participants, giving them a chance to provide comments and pose questions. Such discussions are likely to take a lot of time, and should be carefully structured by facilitators. At this stage, facilitators should act primarily as observers, providing clarification and final comments.

There will be no right or wrong answers regarding the start-up of an IGA. It is important that participants correctly apply all tools they were given. Facilitators should be aware of this in advance and not feel threatened. Discussions and presentations should address crosscutting issues, including socio-cultural factors and gender dynamics that may challenge new businesses, especially in conflict-affected areas.

Sample business plans can be found in appendix 3, and give a good example of what can be expected during final presentations.



WARNING

It should **not** be assumed that participants are able to apply the tools successfully without running into problems. It is recommended to conduct a refresher course within 3 months of the original training to review the methodology and address questions and concerns!

Chapter 2: Basic Training Package



IGA workshop participants conduct group work in Nyala, August 2006.

1. Market Assessment

Market Assessment: the process of collecting information about goods and services that may or may not be available at the market in order to determine how a business can participate in a profitable way and fill market gaps.

Before starting a business, it is essential to know about the quality and quantities of goods and services available on the market. In addition, understanding the buyers / potential consumers of goods and services is equally important, in order to fill market gaps. What would buyers like to see that isn't available? What can they afford?

Answers to these kinds of questions help determine whether a business will find sufficient demand for goods or services. There are two main components to a market assessment:

- 1) Physically going to the market to observe what is bought and sold, discussing with the merchants.
- 2) Talking to people who are likely to visit the market (potential buyers), which does not need to happen at the market itself.

Common Mistakes:

- ◆ Assessing the market, but not talking to potential buyers.
Talk to people on the streets and in their homes!
- ◆ Assessing only one market without visiting others.
Go to as many markets as possible!
- ◆ Assessing only a limited number of social and/or age groups.
Talk with both men and women, the elderly and youth!

The purpose of carrying out a market assessment is to develop a picture of whether / how a proposed business activity can fill existing gaps for particular goods or services at the market. To do so, preferences of potential buyers must be understood, together with their socio-economic and cultural status and the needs of men and women.

In addition to economic considerations, a market assessment should also focus on the socio-cultural and environmental impact of an activity. Is the activity culturally appropriate? Will significant risks to personal health and security arise, and if so, how can they be minimized? What tensions might be generated within a community? Between men and women? How is the environment affected?

Tip for
Facilitators

To encourage discussion on the socio-cultural and environmental impact of IGAs, the following exercise can be conducted:

Ask participants to identify IGAs that carry a negative socio-cultural or environmental impact. What are the risks involved in these activities? Do they increase chances of being exposed to violence? What alternatives exist? How do risks vary between conflict and post-conflict settings?

Market assessments are as complicated or simple as one makes them. Some last for months, conducted by many people; others involve one person talking to ten potential buyers and visiting three markets. Assessments aim to collect information about markets and consumers from many different angles. Always consider social and cultural and environmental risks; and the different needs of men and women. The '4WH Formula' can help structure these efforts:



Group Exercise: Market Assessment Questionnaire

In the beginning, the concept of market assessment might be difficult for participants to understand. The following group exercise has been designed to help participants grasp the importance of carrying out a market assessment, and to recognize how it functions.

Informal Market Assessment Questionnaire

Instructions for Facilitators:

1. Begin by explaining that you are going to conduct a market assessment in order to understand what kind of business has potential for success in the area. You (the facilitator) are planning on opening a small shop across the street from the training venue, and expect participants to make up the majority of potential buyers. For this reason, workshop participants are your interviewees.

Note: *The main purpose of the exercise is to help participants recognize the **diverse** needs and preferences of potential buyers at the market. If participants are homogenous, fictional identity cards should be distributed at the beginning of the exercise. Identities should represent a broad spectrum of individuals from diverse socio-economic and cultural backgrounds. The following kinds of information should be included: 1) sex, 2) age, 2) marital status, 3) number of children, 4) place of residence, 5) type of employment (if any), 6) household monthly income, and 7) number of family members living together.*

2. In an informal manner, ask the interviewees a series of questions related to their socio-economic status and preferences. Write down results as you receive them. Pose enough questions to draw conclusions regarding “potential buyers,” but avoid asking more than 15 total. The following questions can be used or adapted:

- 1) How many interviewees are male / female?
- 2) How many interviewees are between 20 and 35 years old?
- 3) How many interviewees are between 36 and 45 years old?
- 4) How many interviewees are between 46 and 60 years old?
- 5) How many interviewees are married?
- 6) How many interviewees have fewer than 3 children?
- 7) How many interviewees have 4 or more children?
- 8) How many interviewees are from the area?
- 9) How many interviewees are employed and receive regular financial incentives?
- 10) The household monthly income of how many interviewees is below 50,000 SDD?
- 11) The household monthly income of how many interviewees is between 50,000 SDD and 100,000 SD?
- 12) The household monthly income of how many interviewees is above 100,000 SDD?
- 13) How many interviewees live together with more than 5 other family members?

4. After information has been collected, analyze it. Remind participants that they are expected to make up the majority of customers. The information collected therefore serves as an **informal market assessment**. As a shop owner, list the types of products you are likely to offer and why. Refer to the sample results and analysis below.

The following example shows how information collected from 38 participants at an IGA workshop was analyzed based on answers the set of questions above.

Sample Results:

1. 12 participants were male and 26 were female.
2. 29 participants were 20 – 35 years old.
3. Six participants were 36 – 45 years old.
4. Two participants were 46 – 60 years old.
5. Seven participants were married.
6. Four participants had fewer than three children.
7. Six participants had 4 - 5 children.
8. 18 participants lived in Nyala and 18 came from other places in Darfur.
9. All participants were employed.
10. Monthly HH income of 20 participants did not exceed 50,000 SDD.
11. Monthly HH income of four participants was between 50,000 and 100,000 SDD.
12. Monthly HH income of five participants was above 100,000 SDD.
13. 10 participants lived together with more than five family members.

Sample Analysis:

- Based on age, the store should carry many goods targeting young people, such as trendy watch belts for men and inexpensive handbags or purses for women.
- It should possibly carry some makeup and perfume to attract the female participants.
- It should also carry sweets for the children in case family members (sisters, aunts, etc.) want to buy treats on their way home.
- Since half the participants came from outside Nyala, the store should carry something very special and distinctive to Nyala, which can then be taken away as a souvenir.
- Based on the household income, the store should focus primarily on cheaper goods that will be affordable for the majority of participants.
- The store should also carry some basic stationery so that participants who have lost or forgotten their notebooks and pens could easily pick up the necessary items.



Preferences do not reflect ability to buy!

Ideally, the analysis should identify gaps in the market (existing demand for products that are not available). If so, this is a good opportunity to emphasize the importance of understanding **preferences** of potential buyers to fill market gaps. But be careful! Preferences do not reveal whether people are actually **able**, based on their household income, to purchase the goods or services of which they are in need.

This exercise generally opens the way for a smooth transition to the market assessment checklist.

Market Assessment Checklist

Conducting a market assessment does not require huge amounts of time and energy. Certain things, however, need to be kept in mind. The following checklist can be used as a guide to asking the most relevant questions.

Market Assessment Checklist

Essential Questions

I. The Market (Physical Place)

1. What types of goods / services are available at the market?
2. What is not available, but has potential demand (i.e. something people are willing and **able** to buy)?
3. Who are the current consumers/buyers of goods and services at the market?
4. What are the prices and what influences them (seasons, geographical location, availability, security, environment, etc.)?

II. Potential Market (Demand)

1. Who (if any) are the potential consumers/buyers of the goods or services to be made available?
2. What are the individual, social and cultural preferences of current and potential buyers?
3. Are the needs of men and women similar?
4. Are these preferences currently satisfied at the markets? If not, how can you satisfy demand in the most effective/efficient way?

Case Studies

Directions: To begin with, divide participants into small groups, distributing the first case study. Move between groups, closely monitoring how well concepts have been understood, and addressing any questions. Discuss findings together with all participants. Next, distribute the remaining cases, having participants return to small groups for 20-30 minutes to complete them. Afterwards, every team should present its findings on a flipchart or whiteboard, followed by discussion.



Tip for Facilitators

These cases have been designed to reinforce the skills needed for conducting a successful market assessment. It is especially important to allow for (and encourage) discussion on the impact a certain business activity may have on an individual/family/community and the environment. Will sensitive socio-cultural practices influence success? Is the activity traditionally limited either to men or women? Might the activity place certain groups in danger's way? How can risks be minimized?

Case Study 1 – Leather Crafts

A group of 25 women in Otash IDP Camp want to start a leather business in Nyala (wallets, belts, bags, etc.). They are not registered officially as a group. Some of the women have experience in handicrafts (baskets, mats, etc.), but none have ever worked with leather. Most of the women are illiterate. It is their intention to sell the final products at Nyala's central market.

- 1) Advise these women how to carry out a market assessment.**
- 2) What larger issues should be taken into consideration for this particular project, be it socio-cultural, rapports between men and women, environmental, etc.?**

Case Study 2 – Brick Making

A group of 10 IDPs and host community members (five men and five women) want to start a business making bricks in El Fasher.

- 1) Advise this group how to carry out a market assessment.**
- 2) What larger issues should be taken into consideration for this particular project, be it socio-cultural, rapports between men and women, environmental, etc.?**

Case Study 3 – Production & Sale of Sun-Dried Tomatoes

Samira used to produce and sell sun-dried tomatoes together with her husband. She is now a widow and lives in Dar el Salam IDP Camp with her five children. She thinks she can resume her former activity. Samira identified a plot of land a 20-minute walking distance from her place in the camp and contacted other women to join her.

- 1) Advise Samira how to carry out a market assessment.**
- 2) What larger issues should be taken into consideration for this particular project, be it socio-cultural, rapports between men and women, environmental, etc.?**

Case Review and Conclusions

There are no right or wrong answers to these case studies. Business activities have to respond to market fluctuations, which are influenced by the socio-political environment and economic status of buyers. People move, household income changes, the environment changes, and competitors come and go. A good idea today may not be a good idea next month, which means that answers cannot be prescribed!

In facilitating case reviews, it is important to focus on how carefully the market assessment was conducted. The quality of this process should be emphasized in discussions. Facilitators should refer back to the market assessment checklist during each presentation. Did participants remember to visit more than one market? What questions did they ask? Who asked the questions? Which questions were missing? Who did they talk to? Would it have been better to talk to other people? Did participants identify potential risks that activities may pose to personal security, family / community relations, or the environment? Did they consider the roles that men and women play in the community? Furthermore, did they propose ways to minimize these risks?

In concluding this section, it is important to remind participants how simple a market assessment can be. Reassure participants that their market assessments will be successful, if they keep a few things in mind, summarized in the abbreviation 'F.O.S' below.

*** F.O.S. ***

Flexible:

- People change.
- Markets change.
- Environments change.

Ongoing

- Assess markets on a regular basis.

Simple

- You do not need extra forms.
- You do not have to be literate.
- Talking to people is all you need to do!

2. Cost/Benefit Analysis

Cost/Benefit Analysis: the process of quantifying anticipated costs, revenues, and profits involved in a particular business activity in order to determine whether that activity will generate profit or loss.

Profit is the central goal of any business activity. Without carefully studying the cost and revenue of an activity in a particular setting, it is difficult to know whether that activity will generate profit. A bakery in one town may be profitable, but this does not mean that bakeries will necessarily be successful in every other town. Once a market assessment has been conducted, and a favorable activity identified, a cost/benefit analysis can help determine whether it makes sense to start an IGA from a financial viewpoint. A cost/benefit analysis also gives a good indication how much capital will be required to do so.

BASIC DEFINITIONS

Cost: Money spent on raw materials, **labor**, and additional items.

Revenue: Money received.

Profit: Money received minus money spent.

Profit Margin Template

The profit margin template follows three steps: 1) calculation of costs, 2) calculation of revenue, and 3) calculation of profit.

Tip for
Facilitators

For most, this will be the most difficult tool in the manual – and the most detailed – so sufficient time will be required to review each element, one-by-one, before introducing the case studies. Participants should be reminded to consider **all** costs: budgeting for spare parts, taxes, transportation, family labor, etc. A set of explanatory notes accompanies the template.

Profit Margin Template

COST

Raw Materials				
	<i>Item</i>	<i>Unit Cost</i>	<i>Quantity Required</i>	<i>Total</i>
1				
2				
3				
4				
5				
	Total Cost of Raw Materials			
Labor				
	<i>Item</i>	<i>Unit Cost</i>	<i>Quantity Required</i>	<i>Total</i>
1	Wage for Production			
2	Wage for Sales			
3	Wage Other			
	Total Labor Cost			
Additional Costs				
	<i>Item</i>	<i>Unit Cost</i>	<i>Quantity Required</i>	<i>Total</i>
1	Transportation			
2	Other Costs			
3	Taxes			
	Total Additional Costs			
	TOTAL COST			

REVENUE

	<i>Item</i>	<i>Unit Price</i>	<i>Quantity Produced</i>	<i>Revenue</i>
1				
2				
3				
	TOTAL REVENUE			

PROFIT

1	Revenue	
2	Cost	
3	Net Profit	

Profit Margin Template - Explanatory Notes

Calculating Cost *Resources required for one business cycle*

Raw Materials				
	Item <i>List all items required for production.</i>	Unit Cost <i>List cost of each individual item.</i>	Quantity Required <i>List number of items required for one business cycle.</i>	Total Cost <i>Multiply cost of one item by the quantity required.</i>
1				
2				
Total Cost of Raw Materials				<i>Sum of total costs of all materials above</i>
Labor				
	Item	Unit Cost	Quantity Required	Total Cost
1	Wage for Production *It <i>might make sense to start the calculations from the total cost column and, based on the length of one business cycle, determine how many workers would need to be hired.</i>	<i>Consider time of one business cycle and the method of payment, for example per item produced, per hour/day of work, etc.</i>	<i>Depending on the length of one business cycle, consider how many people will be employed.</i>	<i>Multiply the unit cost by quantity required.</i>
2	Wage for Sales See <i>above, think about efficiency.</i>			
3	Wage Other See <i>above, think about efficiency.</i>			
Total Labor Cost				<i>Sum of total costs of all labor costs above</i>
Additional Costs				
	Item	Unit Cost	Quantity Required	Total Cost
1	Transportation <i>Think about the most efficient means of transportation that is cost & time effective.</i>	<i>Cost of one-time transportation</i>	<i>Number of transportation cycles</i>	<i>Multiply the unit cost by quantity required.</i>
2	Other Unexpected Costs <i>Think about taxes and other costs that might influence production cycles.</i>			
Total Additional Costs				<i>Sum of total costs for all additional costs</i>
TOTAL COST				<i>Sum of all Total Cost columns above</i>

Calculating Revenue *Profit from sales of all items produced*

Item	Unit Price	Quantity Produced	Revenue
<i>List all items produced for sale.</i>	<i>Expected price at the market.</i>	<i>Quantity produced within 1 business cycle</i>	<i>Multiply unit price by quantity produced.</i>
TOTAL REVENUE			<i>Sum of all columns above</i>

*Important: these calculations are based on the assumption that all goods produced will be sold and therefore **reflect expected (versus actual)** revenue.

Calculating Profit

1	Revenue	<i>Refer to the Total Revenue table.</i>
2	Cost	<i>Refer to the Total Cost table.</i>
3	Net Profit	<i>Deduct Total Cost from Total Revenue.</i>



Reminder

Always take into consideration the permits, necessary authorization, taxes or duties that may need to be obtained for a given IGA.

Case Studies

Directions: To begin with, divide participants into small groups, distributing the first case study. Move between groups, addressing issues that may not have been fully understood during the explanation. Discuss findings together with all participants.

Next, distribute the remaining cases, having participants return to small groups for approximately one hour to complete the profit margin template. During exercises, the template should be followed as carefully as possible. Cases should then be presented on a flipchart or whiteboard, followed by discussion.



Tip for
Facilitators

**Not all materials are listed in the case descriptions. Participants are expected to come up with market prices for the final products, costs for transportation and taxes, etc.*

**Figures used below were selected at a certain period in time and do not necessarily reflect "correct answers" to the cases, but rather serve to guide facilitators through the template.*

Case Study 1 – Leather Crafts

Your women's group has conducted a market assessment and established a network of suppliers for raw materials and other needs (vocational training, equipment, etc.). The production process is set and you have identified 3 shops at a Nyala market willing to accept your products.

Each goatskin costs 500 - 600 SDD.

Out of each skin, the group can make 2 bags, 3 wallets and 4 belts.

Is it a profitable business?

Case Study 2 – Brick Making

You have conducted a market assessment for brick making. Given that many returnees have to reinforce their houses, a need and market exist for this income generation activity. You have identified a piece of land where you can produce bricks and made all necessary arrangements with the landowner. Your group is ready to start production.

Cost of renting land: 3,000 SDD per month

Water: Free

Firewood: 1,500 SDD per donkey cart

Grass: 300 per donkey cart

Other?

Is it a profitable business?

Case Study 3 – Production & Sale of Sun-Dried Tomatoes

Samira has identified a plot of land for cultivation and reached an agreement with the landowner. There are 20 women working together to produce tomatoes and seven men will be selling the product in the IDP camp and at the El Fasher market.

Land: 1,000 SDD per month

Seeds: 2,000 SDD per kg

Water: 500 SDD per donkey cart

Other?

Is it a profitable business?

Case Review and Conclusions

Solving Case Study 1 – Leather Crafts

Note: There are 25 women working on production. It is necessary to consider the total cost of raw materials that would be used by all participants during one business cycle.

COST

Raw Materials				
	Item	Unit Cost	Quantity Required	Total
1	Goat skin	500 SDD	5	2,500 SDD
2	Thread	50 SDD	25	1,250 SDD
3	Needles	25 SDD	50	1,250 SDD
4	Buckles	100 SDD	20	2,000 SDD
5	Leather punch	200 SDD	10	2,000 SDD
Total Cost of Raw Materials				9,000 SDD
Labor				
	Item	Unit Cost	Quantity Required	Total
	Production			
1	Leather bag	700 SDD	10	7,000 SDD
2	Wallet	200 SDD	15	3,000 SDD
3	Belt	350 SDD	10	3,500 SDD
	* Assuming extra labor for sales	will be covered from the profit		
Total Labor Costs				13,500 SDD
Additional Costs				
	Item	Unit Cost	Quantity Required	Total
1	Transportation	50 SDD	10	500 SDD
2	Other unexpected costs			3,000 SDD
3	Taxes			
Total Additional Costs				3,500 SDD
TOTAL COST				26,000 SDD

REVENUE

	Item	Unit Price	Quantity Produced	Revenue
	Bag	3,000 SDD	10	30,000 SDD
	Wallet	600 SDD	15	9,000 SDD
	Belt	700 SDD	10	7,000 SDD
TOTAL REVENUE				46,000 SDD

PROFIT

1	Total Revenue	46,000 SDD
2	Total Cost	26,000 SDD
3	Net Profit	20,000 SDD

Analysis: The business is profitable.

Solving Case Study 2 – Brick Making

Note: There are 10 people working on production. It is necessary to consider the total cost of raw materials that would be used by all participants during one business cycle.

COSTS

Raw Materials				
	Item	Unit Cost	Quantity Required	Total
1	Firewood	1,500 SDD	5	7,500 SDD
2	Donkey dung	300 SDD	5	1,500 SDD
3	Metal frames	200 SDD	10	2,000 SDD
Total Cost of Raw Materials				9,000 SDD
Labor				
	Item	Unit Cost	Quantity Required	Total
	Brick	40 SDD	800	32,000 SDD
	<i>* Assuming extra labor for sales will be covered from the profit</i>			
Total Labor Cost				25,000 SDD
Additional Costs				
	Item	Unit Cost	Quantity Required	Total
1	Transportation	200 SDD	2	400 SDD
2	Land lease	3,000 SDD	1	3,000 SDD
3	Taxes			
Total Additional Costs				3,400 SDD
TOTAL COST				37,400 SDD

REVENUE

	Item	Unit Price	Quantity Produced	Revenue
1	Brick	50 SDD	800	40,000 SDD
TOTAL REVENUE				40,000 SDD

PROFIT

1	Total Revenue	40,000 SDD
2	Total Cost	37,400 SDD
3	Net Profit	2,600 SDD

Analysis: The group is making profit.

Solving Case Study 3 – Production of Sun-Dried Tomatoes

Note: There are 27 people working in production and sales. It is necessary to consider the total cost of raw materials that would be used by all participants during one business cycle.

COST

Raw Materials				
	Item	Unit Cost	Quantity Required	Total
1	Seeds	2,000 SDD	0.5	1,000 SDD
2	Insecticide	3,000 SDD	5	1,500 SDD
3	Plastic Bags for Germination (roll)	200 SDD	5	1,000 SDD
4	Water	500 SDD	100	50,000 SDD
5	Drying Nets	100 SDD	20	20,000 SDD
Total Cost of Raw Materials				73,500 SDD
Labor				
	Item	Unit Cost	Quantity Required	Total
	Cultivation	1,000 SDD	20	20,000 SDD
	* Assuming extra labor for sales	will be covered from the profit		
Total Labor Costs				20,000 SDD
Additional Costs				
	Item	Unit Cost	Quantity Required	Total
1	Transportation	200 SDD	4	800 SDD
2	Land Lease	1,000 SDD	1	1,000 SDD
3	Taxes			
Total Additional Costs				1,800 SDD
TOTAL COST				95,300 SDD

REVENUE

	Item	Unit Price	Quantity Produced	Revenue
1	Sun-Dried Tomatoes (kg)	1,000 SDD	80	80,000 SDD
TOTAL REVENUE				80,000 SDD

PROFIT

1	Total Revenue	80,000 SDD
2	Total Cost	95,300 SDD
3	Net Profit	- 15,300 SDD

Analysis: Considering the current prices, the business is going to generate losses.

In concluding the discussion, it is wise to return to the definition of profit (revenue – cost) to remind participants that a cost/benefit analysis **assumes** 100% of the products were sold at a set price. In reality, this is rarely the case! It is important to keep in mind that real profit margins depend on more than planning. They will be influenced by fluctuating sales prices and the number of goods sold – factors affected by the behavior of competitors and buyers.

In addition, remind participants to consider the socio-cultural implications of an IGA. Even if determined profitable, an activity may be socially unacceptable and/or increase the risk of exposure to violence. The setting, conflict vs. post-conflict, will also impact demand, timing and sales.

3. Production & Marketing

A Note on Production

The manual does not focus on the production phase of a business cycle, which must occur before goods can be marketed. Necessary conditions for successful production include: adequate technical training and skills, an emphasis on quality, and sufficient equipment for the given business activity. The risks involved in production, be it to health, personal safety or the environment, should be considered as well. Facilitators can open a brief discussion on production, but it is not part of the training, per se.

A cost/benefit analysis has been conducted, considering both the economical and social potential risks; the business activity is expected to generate profit, and production is complete. It is time to take goods to the market!

Marketing: ways of presenting and promoting goods or services that help increase sales at the market.

The concept of marketing is simple, and most participants will easily grasp its meaning and importance. Success in selling goods or services is dependent on a number of factors beyond the quantity and quality produced. Marketing techniques include the manner in which goods are displayed or packaged, the location where they are sold/offered, and how a seller interacts with customers. The purpose of this section is to remind participants to pay attention to marketing within their business activities.

Role-Play Exercise: Marketing Strategies

The best way to understand the importance of marketing is through visual demonstrations of good and bad marketing. The following role-play exercises are a fun way to create appreciation for good marketing skills.

Facilitators lead the exercises, acting out one or two skits with assistance from volunteer participants. Two examples are given below, but there is no need to follow these during workshops. The skits, lasting just a couple of minutes, do not require extra props. Whatever is available in the classroom can be used. The key here is improvisation!



Experience shows that most participants are tired by the time marketing is addressed. This chapter is designed to reenergize the group, and skits should encourage movement and laughter. This comes naturally because the concept is easy. What's more, everyone has enjoyed good marketing and been a victim of bad marketing!

***If this is a TOT workshop:** have the participants work in small groups to develop and present their own skits so they become familiar with the process of facilitating role-play exercises.

Skit #1 – Marketing Soft Drinks

Two stands are selling soft drinks – one on each side of the road. A potential buyer has approached the first stand and is interested in buying a drink. At stand #1:

- The seller is seated behind the table, talking on the phone with a friend.
- Soft drinks are scattered across the table, and some have fallen to the ground.
- So much dust has collected on the containers that it's difficult to see whether bottles contain Fanta, Coca-Cola, or water...

When the potential buyer asks about the price and types of drinks available, the seller looks angry. Nevertheless, she stops talking on the phone long enough to say: 200 SDD.

Out of the corner of his eye, the potential buyer sees another stand across the street. Unimpressed by stand #1, he crosses the road, hoping to have better luck there. At stand #2:

- The seller immediately stands up from behind the table to greet the buyer.
- She introduces the drinks (nicely arranged by type and size), apologizing that she doesn't have Coca-Cola, but that all drinks cost 220 SDD.

When the buyer asks for a discount, she smiles and says that's not possible, but offers him a drink that is cold and a seat in the shade. The buyer happily accepts.

Skit #2 – Marketing Tomatoes

Two stands at the market are selling vegetables next to one another. A potential buyer has approached the first stand, looking for tomatoes. At stand #1:

- Vegetables are not sorted: eggplant, cucumbers and tomatoes are mixed on the table.
- The seller is busy weaving a basket, and doesn't look up when the customer pauses in front of her stand.

When the potential buyer points out that some tomatoes are no longer good, and asks about the price, she replies: everything is 400 SDD / kg.

The buyer moves on to the stand next door. At stand #2:

- The seller is weaving a basket, but looks up to greet the customer with a smile and ask what she is looking for.
- Vegetables are neatly arranged. There is one pile of perfect tomatoes and another with slightly damaged ones.
- The seller quickly apologizes for the quality of some tomatoes, which were damaged during transport, and offers a 50% discount on the damaged ones if the customer takes the same amount of good tomatoes at 500 SDD / kg.

When the potential buyer asks whether there would be a way to transport a large amount of tomatoes, the seller smiles and offers one of her recently woven baskets for free, if the customer takes at least 5 kg of tomatoes.

Case Studies

Directions: Each team receives the same case study and is given approximately 15 minutes to discuss marketing techniques for the specific scenario. Discuss findings together with all participants. Next, distribute the remaining cases for discussion in small groups. Cases should then be presented on a flipchart or whiteboard, followed by discussion.



Tip for
Facilitators

*Participants should be encouraged to consider the impact marketing techniques may have on buyers and sellers. Are the strategies culturally appropriate? Will marketing of goods/services pose any risks to health or personal safety? Who can produce and sell the goods/services? Is it men **and** women, young people, or one social/ethnic group in particular? Why is this?*

Case Study 1 – Leather Crafts

Your women's group produced 10 leather bags, 20 wallets and 10 belts in one week.

How are you going to market these items? If you sell them directly, how will you display and store the products?

Case Study 2 – Brick Making

Your group has managed to produce 500 bricks in one week.

How will you sell them, especially during the raining season?

Case Study 3 – Production & Sale of Sun-Dried Tomatoes

Samira and her colleagues prepared 200 kg of sun-dried tomatoes to sell at the market.

Who should sell the product? How should it be presented? How can they compete with other vendors selling the same product?

Case Review and Conclusions

There are no set answers to these case studies. Important is that participants pay attention to details. For example, products should be stored in an orderly manner, in a clean, dry place. When on display, a selection of different samples should be neatly arranged so buyers can see the options available. Social specificities and needs of different groups (both men and women) should also be considered.

Participants should be encouraged to consider alternative strategies for the cases. If a group decides to build a small shelter from local materials to keep bricks dry, discussion might follow regarding other options that could have been chosen. For example, rather than incurring costs for shelter, the price of bricks could be dropped, or they could be sold at another location.



Common Mistakes

- ◆ Trying to market inappropriate items to various socio-economic groups.
- ◆ Forgetting the degree to which marketing techniques can affect sales!

As the session comes to an end, it is necessary to draw participants' attention back to the importance of quality. Only with quality goods and services, which satisfy customers, can marketing strategies be successful. In conclusion, various marketing techniques discussed in this session can be revisited. The box below presents a few reminders.

Marketing Tips:

- Target various age and socio-economic groups.
- Take into consideration women and men needs.
- Explore new locations and market venues.
- Pay careful attention to presentation and packaging.
- Provide high quality customer service; be available to serve the customer with a smile.
- Include additional goods & services that increase convenience for customers. *Example: sell baskets for transportation in addition to the main products being sold.*

4. Bookkeeping

Bookkeeping: a way to record and keep track of expenses and revenues.

When done properly, bookkeeping reveals three important things about a business, including:

1. How much has been spent.
2. How much has been sold.
3. How much has been earned.



Common Mistakes

- ◆ Not considering all labor costs involved.
- ◆ Not considering time spent on transportation and sales.

Bookkeeping Template

The most important thing to remember about bookkeeping is that **all** transactions need to be registered as accurately as possible, including dates, type, monetary value, and its effect on the balance.

Tip for
Facilitators

Participants might confuse bookkeeping with cost/benefit analysis. If so, remind them that bookkeeping is the process of registering income. Cost/benefit analysis, on the other hand, is a tool for planning – an educated guess of anticipated costs and revenues (including the risks involved), which helps decide whether to engage in a certain business activity.

The basic bookkeeping template below has been designed for recording all transactions in a simple and accurate way. Illiterate individuals will need to rely on alternatives, be it the use of symbols to complete the template, or assistance from literate neighbors, school children, etc.

Basic Bookkeeping Template

Date	Transaction	Money In	Money Out	Balance
				<i>Register initial balance</i>
Week I Total				<i>Register the final balance for the week</i>
				<i>Register the balance of week I</i>
Week II Total				<i>Register the final balance for the week</i>
				<i>Register the balance of week II</i>
Week III Total				<i>Register the final balance for the week</i>
				<i>Register the balance of week III</i>
Week IV Total				<i>Register the final balance for the week</i>
Monthly Balance				<i>Register total balance of the month</i>

***Notes:** Numbers of cells should be modified according to the number of transactions taking place.
The balance should be recorded after each transaction.

Total = 1+2+3+4+5+6+...

Balance = (Total) Money Received – (Total) Money Spent

Monthly Balance = Balance (Week I) + Balance (Week II) + Balance (Week III) + Balance (Week IV)

Balance from each month is transferred to the next month on line 1 as “Money In”

Directions: Each team receives the same case study and is given approximately 20 minutes to complete the bookkeeping forms and determine whether the business is profitable. After discussing the first case study, the remaining cases are distributed. During exercises, the template should be followed as precisely as possible. Once complete, cases should be presented on a flipchart or whiteboard, followed by discussion.



Tip for
Facilitators

*Make sure **not** to give out information that may be missing in case study descriptions; it is the job of participants to use their understanding of the current market situation to complete the exercises. Case studies intentionally leave out some of the information needed to complete forms thoroughly, in order to encourage thought and creativity.*

**Remember to use appropriate alternatives for illiterate participants.*

Case Study 1 – Carpentry

In Kalma Camp, a group of 5 carpenters is currently producing chairs, beds, tables and benches to be sold inside the camp.

Knowing that:

- ✓ Each board of wood costs 300 SDD
- ✓ The group already had most tools, but needed to buy some additional tools during this month (total cost = 3,000 SDD)
- ✓ They spent 2,000 SDD on basic materials (glue, nails, etc.)

- ✓ The selling price of a chair is 700 SDD
- ✓ The selling price of a table is 2,500 SDD
- ✓ The selling price of a bench is 1,000 SDD
- ✓ The selling price of a bed is 3,500 SDD

During July:

- ✓ 50 boards of wood were purchased
- ✓ 30 chairs were sold
- ✓ 5 tables were sold
- ✓ 7 benches were sold
- ✓ 3 beds were sold

Please complete the bookkeeping template, using the information above and any other information that may be required but is not provided.

Case Study 2 – Pottery

A group of 10 women in Kutum recently started a pottery business. They had the skills needed for the business. With income generated from sales, they managed to pay for machinery and assume responsibility for all aspects of the business, from purchasing raw materials to selling the products.

Knowing that:

- ✓ Each wheelbarrow has 50 kg of clay soil and costs 7,500 SDD
- ✓ Water is free
- ✓ All 10 women participate in the production process
- ✓ Only five women sell pots at the market
- ✓ Each pot is sold for 500 SDD at the market
- ✓ From each wheelbarrow of clay soil they can produce around 150 pots

During July:

- ✓ One wheelbarrow of clay soil was purchased
- ✓ 125 pots were sold

Please complete the bookkeeping template, using the information above and any other information that may be required but is not provided.

Case Study 3 – Pasta Making

A group of 20 IDP women started a business making pasta in Dereig Camp two months ago. Trained by an NGO, the women received initial inputs for start up. With income generated from sales they were able to purchase pasta-making machines. Now, during the second cycle, the women have assumed responsibility for all aspects of the business, from purchasing raw materials to sales.

Knowing that:

- ✓ Each 50 kg bag of flour costs 7,500 SDD
- ✓ Water is free
- ✓ All 20 women participate in the production process
- ✓ Only 10 women sell pasta at the market
- ✓ Each bag of pasta/spaghetti is sold for 50 SDD
- ✓ From each bag of flour 150 bags of pasta/spaghetti can be produced

During July:

- ✓ One 50 kg bag of flour was purchased
- ✓ 125 bags of pasta were sold

Please complete the bookkeeping template, using the information above and any other information that may be required but is not provided.

Case Review and Conclusions

Solving Case Study 1 – Carpentry

Date	Transaction	Money In	Money Out	Balance
Week I				0
02/07/06	Wood boards		50x300=15,000 SDD	- 15,000 SDD
04/07/06	Glue, nails, etc.		2,000 SDD	- 17,000 SDD
05/07/06	Tools		3,000 SDD	- 20,000 SDD
Week I Total				-20,000 SDD
Week II				-20,000 SDD
07/07/06	Sale of chairs	30x700=21,000		1,000 SDD
13/07/06	Sale of tables	5x2,500=12,500		13,500 SDD
Week II Total				14,500 SDD
Week III				14,500 SDD
18/07/06	Sale of benches	7x1,000=7,000		21,500 SDD
Week III Total				21,500 SDD
	Sale of beds	3x3,500=10,500		32,000 SDD
Week IV Total				32,000 SDD
Monthly Balance				32,000 SDD

Outcome: The group's balance at the end of July is 32,000 SDD. It is successful.

Note: Instructions for the case do not include labor and transportation costs. If groups come up with these costs on their own, they should be praised. Otherwise, it is important to point out that the profit of 32,000 SDD does reflect revenue. Labor and transportation costs should be deducted in order to assess the actual profit.

Solving Case Study 2 – Pottery

Date	Transaction	Money In	Money Out	Balance
Week I				0
10/07/06	Clay		7,500 SDD	- 7,500 SDD
16/07/06	Firewood		10,000 SDD	- 17,500 SDD
Week I Total				-17,500 SDD
Week II				-17,500 SDD
19/07/06	Sale of 50 pots	500x50=25,000		7,500 SDD
Week II Total				7,500 SDD
Week III				7,500 SDD
26/07/06	Sale of 75 pots	500x75=37,500		45,000 SDD
Week III Total				45,000 SDD
Week IV Total				45,000 SDD
Monthly Balance				45,000 SDD

Outcome: The group's balance at the end of July is 45,000 SDD. It can be considered successful.

Note: Not only is clay required for producing pots, but firewood as well. Furthermore, transportation and extra labor costs for sales people have not been mentioned in the instructions. If groups come up with these additional costs (firewood, transportation, extra labor costs), they should be praised. Otherwise, it is important to point out that the figure of 45,000 SDD does not reflect the group's actual profits.

Solving Case Study 3 – Pasta Making Bookkeeping Template

Date	Transaction	Money In	Money Out	Balance
Week I				0
02/07/06	Flour		7,500 SDD	- 7,500 SDD
04/07/06	Eggs		30x1,000=3,000	- 10,500 SDD
05/07/06	Gelatin		3,000 SDD	- 13,500 SDD
Week I Total				-13,500 SDD
Week II				-13,500 SDD
07/07/06	Sale of 50 bags of pasta	50x50=2,500		- 11,000 SDD
Week II Total				- 11,000 SDD
Week III				- 11,000 SDD
18/07/06	Sale of 50 bags of pasta	50x50=2,500		- 8,500 SDD
Week III Total				- 8,500 SDD
Total				
	Sale of 50 bags of pasta	50x50=2,500		- 6,000 SDD
Week IV Total				- 6,000 SDD
Monthly Balance				- 6,000 SDD

Outcome: The group's balance at the end of July is - 6,000 SDD. It is experiencing losses.

Note: There are many other ingredients required for pasta production, most of which are not mentioned in the instructions. Transportation and additional labor costs for sales people are also not included in instructions. If groups come up with these costs on their own, this should be praised. Otherwise, it is important to point out that the figure of - 6,000 SDD does not reflect total losses experienced by the group.

Bookkeeping is not complex, but it must be thorough. In ending this section, participants should be reminded to: 1) register **all** expenditures and income after each transaction, 2) update the balance daily, and 3) verify the balance on a weekly/monthly basis.

5. Market Niche

Market Niche: a condition (or set of conditions) that allows a producer/seller and their competitors to continue making enough profit to justify costs.

The concept of market niche should not be confused with a physical location at the market! It is a set of factors or conditions that need to be paid attention to once a business is up and running, in order to assure continued profit from the activity. Because the market is constantly changing, especially in conflict and post-conflict affected areas, including the cost, availability and demand for particular goods or services, an IGA is always at risk of becoming redundant. Finding and maintaining a niche in the market requires continuous monitoring of changes that may: 1) threaten a business activity or 2) allow for increase in profits by introducing new products or services.

There are many ways to establish and maintain a market niche, but solutions to individual situations must be identified on a case-by-case basis. Some strategies are introduced below:

- 1. Identify new products that are not available on the market, which a sufficient number of people would be willing and able to buy.**

Example: The people in Otash IDP Camp were using plastic bags to collect their garbage and transport fruits and vegetables. Palm leaves were available, but were only used to produce mats and tightly woven baskets. One day, women realized they could produce loosely woven baskets (as was traditionally done in the countryside, but not in Otash camp), and market them for garbage collection and transport. They introduced the baskets with success.



Encourage participants to share ideas and personal experiences to help reinforce the message. Are there similar success stories from local markets? Which products might help establish a market niche?

- 2. Change the business activity to respond flexibly to market supply & demand.**

Example: A well-established baker in town discovered that sales had started dropping, not long after a new bakery opened in town. He visited the new bakery and discovered significantly higher prices, but also a much better selection. The baker decided to start experimenting with new types of bread as well. He kept general prices the same, selling only specialty items at a higher price. Sales began to increase again.

3. Lower prices.

Example: A brick maker discovered that he had a surplus of bricks just before the rains were to start. He calculated that dropping the sales price and selling bricks quickly would be more profitable than investing in material to keep them dry.

4. Reduce costs.

- ◆ **Lower labor costs** – labor can either be paid based on unit, total output or time. Calculations should always be made in advance to see which option makes more sense, depending on contribution and output required.

Example: Women are being paid to weave grass mats. For the business to determine how labor should be paid, labor costs should be compared for the following methods of payment: 1) weaving one grass mat, 2) weaving 30 grass mats, regardless of the time it takes and 3) one hour of weaving grass mats, regardless of the number of units.

As a rule:

- Production of items requiring high technical skills (e.g., crafts, clothing, etc.) should be paid per unit.
 - Delivery of a certain amount of work requiring a flexible amount of time (e.g., construction of a building) should be paid based on the total output.
 - Providing services that are used occasionally (e.g., vaccination of animals) should be reimbursed based on time.
- ◆ **Purchase goods wholesale rather than retail** – cost estimates for materials vary depending on the quantities being purchased. Be sure to consider whether it makes more sense to buy materials needed in retail or wholesale.

Example: A baker is purchasing individual, 500-gram bags of flour from the supermarket next door. With time, he discovers that the price of flour can be reduced by 40% if he buys at least 100 kg in bulk.

5. Change markets / target other customers.

Example: Fatma grows and sells tomatoes, and finds herself with a surplus at the end of the season. There are so many tomatoes, that they can never be sold before rotting. After some consideration, Fatma decides to produce sun-dried tomatoes to sell once the season has ended.



Common Mistake

- ◆ Confusing market niche with market assessment.

Market assessment is an activity and market niche is a condition. Maintaining a market niche requires regular market assessments.

Market Niche Checklist

The following checklist reviews the most important questions to pose in order to maintain a market niche:

Market Niche Checklist

1. What types of goods or services do you currently offer?
2. What is the level of current demand?
3. How many other people are offering the same goods/services at the same market?
4. How does this influence your position at the market?
5. What is the quality of the goods/services you offer in relation to those of your competitors?
6. What is the price of the goods/services you offer in relation to those of your competitors?
7. How can you diversify the types of goods/services offered, in order to attract more clients and/or generate more profit?
8. How can you successfully cooperate with other businesses to offer goods/services that are currently not available?
9. What other factors should be considered (acceptance, (in)security, mobility, gender dynamics, etc.)?

Case Studies

Directions: Divide the participants into small groups, distributing the first case study. Move between them to monitor whether the concept of market niche has been understood and address any remaining questions. Discuss findings with the participants. Next, distribute the remaining cases and have participants return once more to small groups for 20-30 minutes. Afterwards, every team should present its findings on a flipchart or whiteboard, followed by discussion.



Tip for Facilitators

This is the final exercise so encourage participants to address concepts from all previous sections. Cases have been designed to generate maximum discussion around basic business skills, socio-cultural / environmental issues, and gender dynamics.

Case Study 1 – IDP Camp

Fatuma lives with her children in Kalma IDP Camp and recently became a widow. Before her husband died, she was assisting him in his tailoring business. She now has the option of taking over the business or joining other women in the collection and sale of firewood.

Which market niche strategy would you recommend to Fatuma and why?

Case Study 2 – Urban Area

While visiting relatives in El Fasher, Jamila saw nice leather handbags, engraved with palm leaves. She learned that the bags are produced at an INGO women's center in Zam Zam Camp and sell quite well in El Fasher town. Upon returning home to Nyala, Jamila decides she would like to produce the same bags as an income generation activity. She contacts 4 other women to join her in the business venture.

What market niche strategy has Jamila used?

Case Study 3 – Rural Area

Nasreddin and his family are beekeepers. They live next to a main road, with a market every Thursday, where merchants and other farmers come to sell and exchange products. With honey prices falling in recent months, Nasreddin is hoping to cooperate with other businesses in the area to diversify his activities.

Without giving up beekeeping, which potential business partners could Nasreddin approach?

Case Review and Conclusions

There are no solutions to the case studies, as such. Market niche completes the basic training package, so the review should be organized in a way that previous concepts can be revisited, drawing the workshop to a close. By now, participants should be able to explain the purpose behind each step of a business cycle. During group presentations, facilitators can pose the following questions to help tie the concepts together:

- Would a market assessment need to be carried out first? Why / why not?
- Would a cost/benefit analysis need to be carried out? Why / why not?
- Are the technical skills for production in place?
- What market techniques might maximize chances for success?
- Might a niche be found in the market? Why / why not?

Facilitators should also foster discussion on larger issues related to the socio-cultural / environmental impact of an activity. The degree to which these matters are addressed will depend on the participants' comfort levels and background of facilitators. Following are points that can provide a framework for discussion:

- Will personal safety be compromised? How can this be avoided / minimized?
- Can this activity be conducted both in rural and urban areas? In IDP camps?
- Can this activity be conducted in conflict-affected areas?
- How will success of the activity be influenced by family / community / inter-ethnic relations? What kind of mediation might be useful to overcome obstacles?
- How will culturally constructed relations between men and women influence this activity? Will potential tension increase / decrease? Will the risk of exposure to gender-based violence increase / decrease?
- Will the activity have a positive / negative impact on the environment? If negative, how can this be avoided / minimized?
- Will the activity have a negative / positive impact on health?

Routine market assessments, cost/benefit analysis, quality production, marketing and bookkeeping are all prerequisites for establishing and maintaining a market niche. In concluding this section, remind participants to keep their eyes open and look for new ideas, and to be aware of the impact IGAs may have on individuals, families, gender dynamics and the environment. A successful business will respond to changes in the market with flexibility and creativity.

Notes on Concluding the Workshop

The basic training package introduced a set of concepts and tools for identifying and successfully conducting IGAs. In addition to case studies, groups independently applied the methodology to a business idea of their own, taking relevant crosscutting issues into consideration. Following discussion on market niche, groups should complete the business plans, for which there is no specific structure. Creativity should be welcomed; there are no right or wrong answers to the IGAs proposed. Sample business plans can be found in appendix 3, and show how diverse they can be. Group presentations should be the focus the workshop's final day.

Presentations allow participants to reflect back on all they have learned during the workshop. Feedback, for the most part, should be provided by the participants themselves. Mistakes should not be criticized, but discussed and clarified. Every mistake that surfaces during the workshop is less likely to be made outside the training room! Business plans should be evaluated based on how tools were applied in the decision-making process.

For communities, the business plan is often a framework for their IGA – something tangible to take home. Potential trainers should be able to see the business cycle clearly, with the business plan reinforcing the application of concepts and tools.

PART II: APPLYING THE METHODOLOGY WITHIN COMMUNITY STRUCTURES

Part I presented a methodology to guide individuals through the process of identifying and conducting IGAs that are appropriate for their given environment (rural, urban, IDP settlement, etc.). Groups of individuals can use the concepts and tools for the same purpose. Part II focuses on applying the IGA methodology within community structures, be it savings groups, associations or community-based organizations (CBOs), in order to increase their chances for success and sustainability. Additional tools address the more complex nature of profit distribution within community groups.

The tools presented in Part II are designed to supplement the basic training package presented in Part I. If a workshop is targeting community groups, it should introduce the specific profit distribution template to participants (i.e., for savings groups, associations or CBOs) **after** they have identified potential IGAs (market assessment) and conducted a cost/benefit analysis.

Part II reflects CHF's experience introducing the IGA methodology to communities in Darfur, and supporting IGAs as a means of strengthening community structures. In some cases, local groups were already loosely organized and operated in communities when CHF arrived; others were established with support and supervision. Tools introduced in the following chapters were piloted with savings groups, associations and CBOs in IDP camps, urban/semi-urban settings and rural communities. They have been modified to reflect lessons learned, and are currently being used with success.

The basic assumption of Part II is that organizations interested in applying the IGA methodology have experience establishing and/or strengthening savings groups, associations and CBOs. The intention is to show how, if introduced and conducted in the right way, IGAs can increase the sustainability of community structures. If organizations provide tools for groups to identify viable IGAs themselves, ownership is more robust. It is assumed that organizations adopt gender-mainstreaming strategies and are sensitive to socio-cultural factors in their operating environment, in particular when identifying target groups. Uneven support, be it for one ethnic group, sex or community, can provoke social tensions.

Strengthening community structures around IGAs will require far more than conducting workshops. To succeed, financial and technical inputs will be needed, including skills training and close mentoring. As emphasized repeatedly, organizations should be prepared to provide the necessary support over an extended period of time before groups are left to operate independently.

Application	Target Group	Basic Requirements
Delivery of Basic Business Trainings	Community groups already involved in IGAs of some kind or Community groups with access to potential funding ¹ that plan to start some kind of IGAs	<ul style="list-style-type: none"> ● Experienced facilitators with sound background in basic microeconomics ● Basic training materials (stationery, etc.) ● Transportation and access to target groups
Training of potential trainers in methodology	Development practitioners working in the field of microfinance, community development, psycho/social support and/or IGAs.	<ul style="list-style-type: none"> ● Very experienced facilitators with strong backgrounds in community development, gender awareness (in a specific context) and microeconomics / micro enterprise development. ● Training materials
Developing potential IGAs / grants / loans with community groups	Savings groups (production groups of 3-7 people) Associations CBOs NGOs	<ul style="list-style-type: none"> ● Trained facilitators with experience in community development ● Basic training materials (stationery, etc.) ● Transportation and access to target groups ● Capacity to support (funding and technical assistance) and monitor identified activities for a minimum of 2- 3 business cycles ● Capacity to support (funding and technical assistance, including management and supervision) and monitor the identified activities / set of activities over an extended period of time (minimum of one year)

¹ Experience shows that without access to funds, developing of a business plan based on this methodology might result in frustrations on the part of community members.

Chapter 1: Savings Groups

Savings Group: a group of 3-7 people, engaged in an income generation activity on a regular basis.

In women's centers in Otash and Kalma IDP camps, women producing traditional woven crafts were divided into groups of five. They worked closely together, sharing skills and ideas. Each group received support from CHF for three production cycles, including raw materials and facilitation of market access.

The benefits of working in small groups were numerous. The women provided each other with a social support structure, sharing life experiences while carrying out daily work together. Coming from different ethnic and cultural backgrounds, the women were able to share intricate patterns and weaving styles with one another, increasing the success of goods at the market.

By using a simple profit distribution template, the group could react to unexpected difficulties. When one woman's shelter burned, the group used its emergency fund to support the victim with basic necessities. The depreciation fund provided necessary production supplies for her to restart business activities. Being able to anticipate their expenditures and profit, the women felt more confident about the future of their businesses.

What distinguishes a savings group from a group of five friends coming together to work? They are not an organization nor do they rely on loans, so there is no group pressure. Nevertheless, a limited amount of structure helps hold the group together. Once a savings group has covered its labor costs, it can decide how to use the remaining profit. Distributing profits in an organized manner can increase chances for sustainability.

Savings groups are not complicated. They do not need to be registered, nor do they require a management structure. In order to function effectively, members must assure that roles and responsibilities are distributed amongst them, and that individuals are able to look after all aspects of the business, including production, procurement, bookkeeping and marketing/sales.

Profit Distribution

The profit distribution template below provides a simple way of doing so.

Note: *When dealing with illiterate people, use measurements that group members will easily understand, avoiding percentages.*

Profit Distribution Template for Savings Groups

		<i>Percentage</i>	<i>Number</i>
	Net Profit	100%	
1	Emergency Fund		
2	Depreciation Fund		
3	Further Investment		
4	Profit to be Distributed Among Members		

Explanatory Notes: Profit Distribution Template for Savings Groups

		<i>Percentage</i>	<i>Number</i>
	Net Profit	<i>Consider 100%</i>	<i>Refer to the estimated profit calculated.</i>
1	Emergency Fund*	<i>Determine percentage based on the type of activity and risks involved.</i>	<i>Calculate based on the figures of Net Profit.</i>
2	Depreciation Fund**	<i>Determine percentage based on the type of activity and equipment required.</i>	
3	Further Investment***	<i>Determine percentage based on the ability and willingness of group members to expand the business.</i>	
4	Profit to be Distributed Among Members	<i>In addition to the labor costs</i>	

* The emergency fund might also be used as a social support fund, particularly for women's groups. This is similar to the concept of *sunduk* in Darfur, whereby women in neighborhoods contribute a small percentage of income to a common fund. This fund is used for emergencies and major events (weddings, funerals, etc.).

**Funds that will be used for repairs and/or purchase of new equipment.

*** Not all businesses need to expand. While making a decision about expansion, it is important to consider the social needs of the group members (i.e., family and household responsibilities) and fluctuations of the markets.

Supporting Savings Groups

It is not sufficient to assume that teaching savings groups how to use a profit distribution template will enable them to succeed. As stated previously, in order to succeed, groups will have to be supported in various ways for an extended period of time. Depending on progress (i.e., business success of a savings group), support provided by an organization can gradually be reduced with each business cycle, as the following example illustrates:

Cycle 1: Groups are provided with raw materials and basic business trainings that ideally include modules on other crosscutting issues introduced in this manual. The organization acts as a link between the savings group, suppliers and the markets. At the end of the cycle, profit is distributed according to the distribution template (introduced above).

Cycle 2: During the second cycle, 50–60% of the necessary inputs should be provided by the donor organization. Groups assume responsibility for maintaining contacts with suppliers and merchants/sales agents. Organizations should monitor these exchanges. Further business and management trainings are offered according to specific needs of each group.

Cycle 3: Groups are responsible for all aspects of the business, receiving only technical advice and supervision from the donor organization. Depending on the specific activities and needs, additional trainings and/or technical consultations may be needed before the group graduates.

Introducing a profit distribution scheme can help savings groups use capital more effectively, and assist them in becoming full-fledged businesses. If an organization is committed to supporting savings groups, it must be prepared to do so for 2-3 business cycles.

Chapter 2: Associations

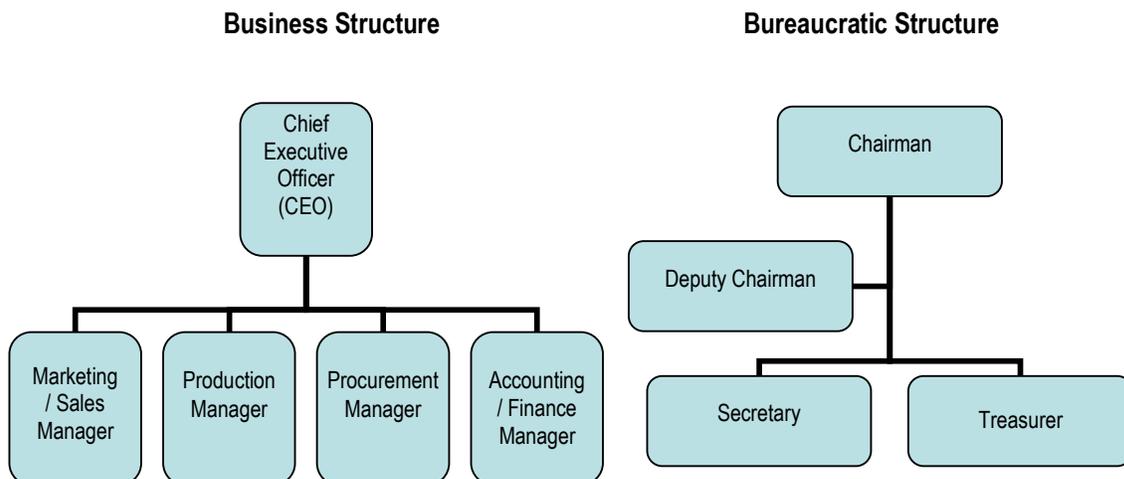
Association: a group of people (or a set of groups) engaged in the same trade.

Mat weavers in rural communities northeast of Nyala, South Darfur discovered demand for palm-leaf mats had suddenly increased. Due to high concentrations of displaced people, individuals and organizations wanted to purchase mats for constructing shelters. A group of mat weavers decided it would be to their advantage to register as an association, rather than working alone.

With time, the official status enabled them to access orders from international organizations. Working together, the weavers were able to satisfy large orders quickly, something they were never able to do before. In addition, the association reduced costs by transporting larger quantities to the market at once and purchasing raw materials wholesale.

Due to the large number of individuals / groups within an association, success of its performance on the market requires an effective management structure to coordinate and oversee performance. An association can either adopt a bureaucratic or business-style management structure, as illustrated below.

Proposed Management Structures



When choosing a structure, an association should keep in mind the need to address marketing & sales, procurement, production, and finance (bookkeeping), and consider who will assume these responsibilities. While many advantages and disadvantages exist for both structures, the most important differences relate to how decisions are made and the relationship between roles and responsibilities. The advantage of a business structure is that roles and responsibilities are defined and distributed clearly (as per title). Power, however, is concentrated among a limited number of individuals. With a bureaucratic structure, the decision-making process is based on consensus, but the roles do not assume responsibility for business-related activities, requiring additional people to work on marketing, procurement, etc.

Profit Distribution

As with savings groups, a profit distribution scheme can help associations organize and use their profit to ensure sustainability. The profit distribution template below was designed to accommodate a more complicated organizational structure.

Profit Distribution Template for Associations

		Percentage	Number
	Net Profit	100%	
1	Emergency Fund		
2	Depreciation Fund		
3	Further Investment		
4	(Administrative) Overhead		
5	Profit to be Distributed Among Members		

Explanatory Notes: Profit Distribution Template for Associations

		Percentage	Number
	Net Profit	<i>Consider 100%</i>	<i>Refer to the estimated profit calculated.</i>
1	Emergency Fund*	<i>Determine percentage based on the type of activity and risks involved.</i>	<i>Calculate based on the figures of Net Profit.</i>
2	Depreciation Fund**	<i>Determine percentage based on the type of activity and equipment required.</i>	
3	Further Investment***	<i>Determine percentage based on the ability and willingness of group members to expand the business.</i>	
4	Administrative Costs (Overhead)	<i>15-25% recommended</i>	
5	Profit to be Distributed Among Members	<i>Determine percentage based on the numbers of members and total figures of profit.</i>	

* The emergency fund might also be used as a social support fund, particularly for women's groups (sunduk).

** Funds that will be used for repairs and/or purchase of new equipment.

*** Not all businesses need to expand. While making a decision about expansion, it is important to consider social needs of the group members (i.e., family and household responsibilities) and market fluctuations.

Supporting Associations

The degree to which an association will require financial/technical inputs and supervision from an organization will depend on program objectives, i.e., whether a new association is being created or existing structures are being strengthened. If an association is being established, strong technical support will have to accompany material inputs. Members of the association will have to develop skills required for successful production, together with the capacity to function as an organization. In either case, monitoring and supervision will be vital. Similar to the three cycles described in the chapter above, an organization's support should be reduced gradually, before an association is left to function on its own. Regardless of the nature of assistance provided, a commitment of at least one year is strongly recommended.

Chapter 3: Community-Based Organizations

CBO: a group of individuals that come together with a commitment to create positive change within a community.

Encouraged by CHF, a group of Kalma youth leaders set out to increase the number of options available in the IDP camp. The idea was to establish a community center offering IGAs and psycho/social support activities (education and sports) to large numbers of youth between the age of 18 and 35. CHF's aim was to develop leadership capacity amongst the youth and ensure that the center would be capable of functioning once external support came to an end.

Youth were requested to elect management committees (made up of representatives from various socio-economic backgrounds within the camp), and single-handedly recruit teachers and trainers. During discussions and planning sessions facilitated by CHF, it was discovered that IGAs could form the central pillar of the center's strategy for sustainability. The basic training package presented in this manual was applied to identify IGAs with maximum potential for success within the context of Kalma Camp. In addition, CHF provided the center with construction supplies, and all material inputs required for conducting the six IGAs identified.

Since opening in March 2006, Kalma Youth Center has been serving more than 2,000 individuals, providing trainings in adult literacy, English, health and hygiene, and vocational trainings in carpentry, blacksmithing, tailoring, and welding. It is directly managed by sixteen people from eight camp sectors and has become a place for community celebrations, gatherings, and bringing together IDP youth, NGOs and UN agencies. Profit obtained through IGAs currently covers 30% of operational costs. With encouragement from CHF, Kalma Youth Center obtained the official status of a CBO, and now undertakes fundraising efforts on its own. In addition to CHF, it currently receives support from DAI, UNICEF and UNFPA.

A CBO that combines IGAs and psycho/social support activities should have a strong management structure, which accommodates the needs of both kinds of activities. Like any other organization, it will require a focal point for overall coordination (administrative and programmatic) and a finance officer. Moreover, representatives from all of the activities should take part in decision-making processes, given that the organization's success depends on its ability to mobilize resources from local markets (IGAs) and potential donors.

Profit Distribution

The profit distribution template for CBOs is a tool for managing and developing programs, which can also assist in the process of resource mobilization. In contrast to the profit distribution templates

previously introduced, a direct percentage of the profit generated from IGAs operating within a CBO goes towards maintaining psycho/social support activities provided by the organization.

Profit Distribution Template for CBOs

		Percentage	Number
	Net Profit	100%	
	Direct PD per activity		
1	Emergency Fund		
2	Depreciation Fund		
3	Further Investment		
	Support of the Umbrella CBO		
1	Administrative Costs (Overhead)		
2	Salaries of Trainers		
3	Stationery		
4	Common Fund		

Explanatory Notes: Profit Distribution Template for CBOs

		Percentage	Number
	Net Profit	100%	<i>Refer to the estimated profit calculated.</i>
	Direct PD per activity	<i>60% - 70% as total is recommended.</i>	<i>Calculate based on the figures of Net Profit.</i>
1	Emergency Fund	<i>Determine percentage based on the type of activity and risks involved.</i>	
2	Depreciation Fund*	<i>Determine percentage based on the type of activity and equipment required.</i>	
3	Further Investment**	<i>Determine percentage based on the ability and willingness of group members to expand the business and the needs of the umbrella organization.</i>	
	Support of the Umbrella CBO	<i>30-40% recommended</i>	
1	Administrative Cost (Overhead)	<i>15% - 20% recommended</i>	
2	Salaries of the Trainers	<i>Determine percentage based on the agreed / required (nominal) contribution to the salaries of trainers and teachers of psycho/social support activities.</i>	
3	Stationery	<i>Determine percentage based on needs of psycho/social support activities.</i>	
4	Common Fund***	<i>5-10% recommended</i>	

*Funds that will be used for repairs and/or purchase of new equipment.

** Not all businesses need to expand. While making a decision about expansion, it is important to consider social needs of the group members (i.e., family and household responsibilities) and market fluctuations.

*** Common fund can be used as an emergency fund for the umbrella organization, as well as a social support fund for members / participants.

Reminder!

*A CBO does **not** distribute profit amongst its members. Profit generated is channeled towards achieving the organization's mission of creating social benefits that are community oriented. This manual assumes that CBOs exist to improve the human condition. Income is generated in order to increase an organization's sustainability.*

Supporting CBOs

Assisting CBOs to incorporate both IGAs and PSAs within their structure will require more resolve than strengthening savings groups and associations. Material inputs must be matched with attentive monitoring and supervision, in order to address the questions and concerns that are bound to arise when a CBO decides to adopt the profit distribution scheme presented above. Before a CBO is left to function on its own, it should be able to secure funds independently. An organization's phase-out of support should incorporate a shift from providing material inputs to technical assistance. Due to the complex nature of programs, an organization should be prepared for a commitment of at least one year.



Why should a percentage of the income generated by profitable IGAs be used to support non-profitable psycho/social activities?

Incorporating IGAs into programming significantly increases a CBOs chances for long-term success because it is:

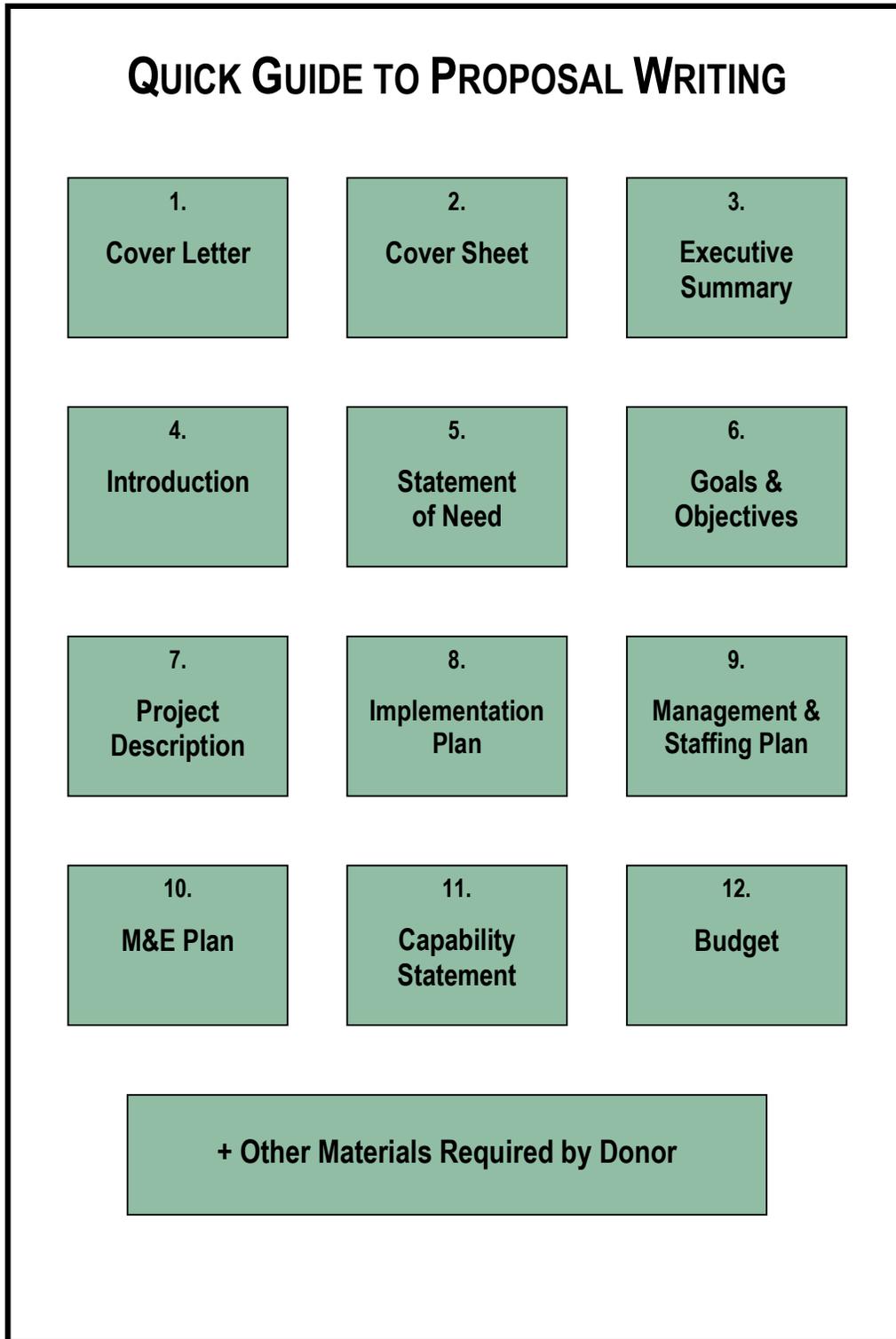
- Less vulnerable to fluctuations in the funding pipeline.
- More likely to appeal to donors, given its proven capacity to manage and generate funds.

How many IGAs can a CBO incorporate? This will depend on resources available, but multiple income generation activities can be conducted at once. It is important to keep in mind that each IGA will need to complete a separate profit distribution template. When combined, these templates will form a business plan, illustrating the degree to which PSAs can be supported by profit generated from IGAs.

It is unlikely that the profit channeled towards psycho/social support will be adequate to sustain quality programs and cover administrative costs of a CBO. Therefore, it will need to apply for grants to supplement income from IGAs. Strengthening organizational capacity to mobilize external resources (applying for grants from other donor agencies) should be a priority.

Writing an IGA Proposal

The structure of a proposal will depend on a donor's rules and regulations. A generic framework, including the most important elements, is introduced below:



What should be unique about an IGA proposal? The following tool has been designed to assist grant seekers and donors in writing and evaluating applications for funding.

Checklist: Writing IGA Proposals

1. **Why** is this project / IGA necessary?
2. **Who** are the direct beneficiaries / target population and the indirect beneficiaries?
 - a. Justify the choice.
 - b. How will the IGA improve the target group's socio-economic situation?
 - c. In which way this IGA correlates with the mandate of the organization?
3. **Where** will implementation of the activity / project / IGA take place?
 - a. Why? Justify the choice.
4. **What** is being proposed?
 - a. Specify and justify the type of activity selected.
5. Is it a complete business cycle?
 - a. Attach results of market assessment; cost/benefit analysis, and marketing strategy.
 - b. Describe M&E mechanisms that will be used.
6. How are larger issues addressed / considered in this proposal?
 - a. Protecting personal health and safety
 - b. Incorporating gender mainstreaming
 - c. Assessing environmental impact (positive / negative)
 - d. Assessing potential socio-cultural impact (positive / negative)

Concluding Notes

Built off the general philosophy of the IGA methodology, tools introduced in this chapter are meant only to assist implementers / organizations in facilitation of the decision-making process. Individual beneficiaries should **want** to form savings groups, people should **see** the value in coming together as an association, and community members should **want** to manage and establish structures of the CBOs.

It is a given that successful implementation of tools introduced in the previous three chapters will require modifications and flexibility. Adjustments should be made according to the context, but also based on feedback received along the way.

PART III: MONITORING & EVALUATION

The importance of monitoring and evaluation, within every development program, cannot be overstated. Timely incorporated into the process of implementation, structured feedback solicited from beneficiaries can substantially improve program quality and maximize impact.

*M&E tools are an integral part of the IGA methodology. Individuals, for example, **evaluate** their potential business options within the basic training package and must constantly **monitor** conditions of the market to maintain their market niche: both social and economic. Savings groups, associations and CBOs have to monitor their performance in order to improve chances for success.*

While the basic training package introduces a general set of concepts and tools, it can be supplemented with additional material or further simplified, depending on the needs of participants. Within IGA workshops, facilitators should therefore solicit feedback in order to understand how well participants are able to absorb information in the manner it is presented.

Part III of the manual introduces various M&E tools that can be used by workshop facilitators and organizations supporting community structures applying the IGA methodology. The table below provides a summary of the tools that follow:

	Target Group	Monitoring Tool	Evaluation Tool
Workshops <i>(Teaching Process)</i>	Community	End of Day Questions	Final Evaluation
	TOT	Daily Feedback for Facilitators	Final Evaluation
Practical Application	Savings Groups	Savings Group Monitoring Sheet	Savings Group Evaluation Sheet
	Associations	Associations Monitoring Sheet	Associations Evaluation Sheet
	CBOs	CBOs Monitoring Sheet	CBOs Evaluation Sheet

Like all tools provided in this manual, the M&E templates will need to be adapted for each training session and/or program. They can supplement existing tools.

It is important to remember that for practical application, (i.e., working with savings groups, associations and CBOs), collecting and retaining baseline data will be essential. Monitoring changes within selected indicators will assist in tracking progress in implementation. Monthly household income of participants will be the most relevant indicator. Other factors as social and cultural improvements should also be considered.

Chapter 1: M&E Tools for Community Workshops

Tool 1: End of the Day Questions

End of the Day Questions

Depending on the level of participants, feedback can either be solicited in written or oral form. Questions asked should target the quality of presentations, relevance, and pace of the workshop, providing facilitators with an opportunity to adjust content for the following day.

Sample Questions on Process:

How did it go today?

Was the pace of the workshop too slow?

Was it too fast?

Was the content too difficult?

Was the content too easy?

In case of oral feedback, it is important to draw participants' attention back to the content of the day, allowing several people to voice their opinions.

Sample Questions on Content:

What did I learn today?

What was the most interesting part?

What was the most boring part?

What did I already know?

Sample Questions on Facilitation:

How did you like the facilitation style?

Were your questions addressed and learning needs accommodated?

Other Comments (Voluntary)

Tool 2: Post Workshop Evaluation

Sample Workshop Evaluation Questionnaire

I. Content

1. Overall, how useful did you find the content of this workshop?

Very Useful	Useful	Indifferent	Not Useful	Not Useful at All
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2. How useful did you find specific presentations?

Session	Very Useful	Useful	Indifferent	Not Useful	Not Useful At All
Market Assessment					
Cost/Benefit Analysis					
Bookkeeping					
Marketing					
Market Niche					

3. How useful were the case studies?

Very Useful	Useful	Indifferent	Not Useful	Not Useful at All
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4. How useful was the group work?

Very Useful	Useful	Indifferent	Not Useful	Not Useful at All
--------------------	---------------	--------------------	-------------------	--------------------------

5. What session did you like the most? Why?

6. What session did you like the least? Why?

II. Pace of the workshop?

Too fast	Fast	Normal	Slow	Too Slow
----------	------	--------	------	----------

III. What topics that would be useful for your group were not covered?

Additional Comments:

Thank you very much!

We look very forward to working with you in the field

Chapter 2: M&E Tools for TOT Workshops

Tool 1: Daily Feedback for Facilitators

Daily Feedback for Facilitators

Depending on the level and background of participants, feedback can either be solicited in written or oral form (or a combination of both). For TOT workshops, in particular, written feedback is recommended, as it is more effective at drawing future trainers' attention to the process of the day.

Questions asked should target the quality of presentations, relevance, and the workshop's pace, providing facilitators with an opportunity to adjust content for the following day. Facilitators should also help participants summarize their experiences and reflect not only on content, but also on the facilitation and presentation styles.

Sample Questions on Process:

How did today go?

Was the pace of the workshop too slow?

Was it too fast?

Was the content too difficult?

Was the content too easy?

Sample Questions on Content:

What did you learn today?

What part was the most interesting?

What part was the most boring?

What did you already know?

Sample Questions on Facilitation:

How did you like the facilitation style?

Were your questions addressed and learning needs accommodated?

Other Comments (Voluntary)

Tool 2: Post Workshop Evaluation

Post Workshop Evaluation (TOT)

I. Content

1. Overall, how useful did you find the content of this workshop?

Very Useful	Useful	Indifferent	Not Useful	Not Useful at All
--------------------	---------------	--------------------	-------------------	--------------------------

2. How useful did you find specific presentations?

Session	Very Useful	Useful	Indifferent	Not Useful	Not Useful At All
Market Assessment					
Cost/Benefit Analysis					
Bookkeeping					
Marketing					
Market Niche					

3. How useful were the case studies?

Very Useful	Useful	Indifferent	Not Useful	Not Useful at All
--------------------	---------------	--------------------	-------------------	--------------------------

4. How useful was the work on group project?

Very Useful	Useful	Indifferent	Not Useful	Not Useful at All
--------------------	---------------	--------------------	-------------------	--------------------------

5. What session did you like the most? Why?

6. What session did you like the least? Why?

II. Quality

1. How do you feel about the overall organization of the workshop?

Very Good	Good	Indifferent	Bad	Very Bad
-----------	------	-------------	-----	----------

2. What do you think about the quality of handouts?

Very Good	Good	Indifferent	Bad	Very Bad
-----------	------	-------------	-----	----------

3. Quality of presentations?

Very Good	Good	Indifferent	Bad	Very Bad
-----------	------	-------------	-----	----------

4. Quality of case studies?

Very Good	Good	Indifferent	Bad	Very Bad
-----------	------	-------------	-----	----------

5. Pace of the workshop?

Too fast	Fast	Normal	Slow	Too Slow
----------	------	--------	------	----------

Comments:

Chapter 3: M&E Tools for Savings Groups

Tool 1: Monitoring Savings Groups

Savings Group Monitoring Sheet

Name of Group:

Location:

Members:

Start Date:

Part I. Implementation

	1 st Cycle	2 nd Cycle	3 rd Cycle
Inputs Provided <i>List all material inputs including funds, raw materials, etc.</i>			
Goods Produced <i># of items produced</i>			
Goods Sold <i># of items sold</i>			
Cost <i>Total cost covered by the group, including labor.</i>			
Revenue <i>All money received after the sale of products</i>			
Profit <i>Net profit generated by the group</i>			

Part II. Capacity

On a scale from 1 to 5 (one being the lowest and five the highest), evaluate the following categories per each cycle:

Utilization of the Profit Distribution Template

1 st Cycle	2 nd Cycle	3 rd Cycle

Bookkeeping Practices

1 st Cycle	2 nd Cycle	3 rd Cycle

Capacity to Work with Suppliers

1 st Cycle	2 nd Cycle	3 rd Cycle

Capacity to Function Independently

1 st Cycle	2 nd Cycle	3 rd Cycle

Part II. Comments

Tool 2: Evaluating Savings Groups

Savings Group Evaluation Sheet

Name of Group:

Location:

Members:

Start Date:

End Date of the Third Cycle:

Part I. Program Impact on Individuals

1. Percentage Increase in Household Income (PIHHI) of the participants at the time of graduation.²

Note: Accurate calculation of this figure requires initial data of the household income of the participants.

$$\text{PIHHI} = (\text{final HH income} - \text{initial HH income}) * 100\% / \text{initial HH income}$$

2. Changes in psycho/social conditions of the participants (qualitative).

Part II. Group's Capacity to Function Independently

On a scale from 1 to 10 (one is the lowest, 10 is the highest), assess whether the groups are capable of functioning on their own (i.e., without **any** external assistance).

1. Ability to work with suppliers

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to produce quality goods

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

3. Ability to sell the goods produced at the market

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

4. Ability to track expenditures and revenues (bookkeeping)

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

5. Ability to generate profit

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

² Graduation is referred to as the end of a project (ideally, end of the third cycle), which does not mean that the group ceases to exist.

6. Ability to recycle profit

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

7. Ability to distribute profit generated

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

Part II. Comments

Chapter 4: M&E Tools for Associations

Tool 1: Monitoring Associations

Associations Monitoring Sheet³

Name of Association:

Location:

Members:

Date Established:

Project Start Date:

Part I. Implementation

	Month 1	Month 2	Month 3	Month 4	Month 5
Inputs Provided <i>List all material inputs, including funds, raw materials, etc.</i>					
Individuals Involved in Production <i># of individuals involved in production</i>					
Goods Produced <i># of items produced</i>					
Goods Sold <i># of items sold</i>					
Cost <i>Total cost, including labor.</i>					
Revenue <i>All money received after the sale of products</i>					
Profit <i>Net profit generated by the group</i>					

³ The template was designed based on the assumption that an association will be supported for a period of one year, with a mid-term evaluation (in month six and final evaluation in month 12 (see Mid-Term / Final Evaluation Template for Associations).

Part II. Organizational Capacity

On a scale from 1 to 5 (one being the lowest and five the highest), evaluate the following issues each month:

Utilization of the Profit Distribution Template

Month 1	Month 2	Month 3	Month 4	Month 5

Bookkeeping Practices

Month 1	Month 2	Month 3	Month 4	Month 5

Capacity to Work with Suppliers

Month 1	Month 2	Month 3	Month 4	Month 5

Capacity to Address Organizational Issues

Month 1	Month 2	Month 3	Month 4	Month 5

Capacity to Function Independently

Month 1	Month 2	Month 3	Month 4	Month 5

Part III. Comments

Tool 2: Evaluating Associations

Associations Evaluation Sheet⁴

Name of Association:

Location:

Members:

Date Established:

Project Start Date:

Part I. Program Impact on Individuals⁵

1. Percentage Increase in Household Income (PIHHI) of the participants at the time of evaluation.

Note: Accurate calculation of this figure requires initial data of the household income of participants.

$$\text{PIHHI} = (\text{final HH income} - \text{initial HH income}) * 100\% / \text{initial HH income}$$

2. Changes in psycho/social conditions (well-being) of the participants (qualitative).

Part II. Organizational Capacity

On a scale from 1 to 10 (one is the lowest, 10 is the highest), assess whether the association is capable of functioning on its own (i.e., without **any** external assistance).

1. Ability to work with suppliers

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to produce quality goods

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

3. Ability to sell the goods produced at the market

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

4. Ability to track expenditures and revenues (bookkeeping)

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

⁴ This sheet can be used for conducting mid-term evaluations (ideally after six months of implementation) as well as final evaluations.

⁵ In case the number of members is high, it is not necessary to collect data from all participants. Interviewing and monitoring 10% of the participants should be sufficient to collect information for this particular indicator.

5. Ability to generate profit

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

6. Ability to recycle profit

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

7. Ability to distribute profit generated

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

Part II. Comments

Chapter 4: M&E Tools for CBOs

Tool 1: Monitoring CBOs

Community-Based Organization (CBO) Monitoring Sheet⁶

Name of CBO:

Location:

Members of Management Committee:

Date Established:

Project Start Date:

Part I. Implementation

A. IGAs

		Month 1	Month 2	Month 3	Month 4	Month 5
IGA I	Inputs Provided <i>List all material inputs including funds, raw materials, etc.</i>					
	Individuals Involved in Production <i># individuals involved in production</i>					
	Goods Produced <i># items produced</i>					
	Goods Sold <i># items sold</i>					
	Cost <i>Total cost, including labor</i>					
	Revenue <i>All money received after the sale of products</i>					
	Profit <i>Net profit generated by the group</i>					

⁶ The template was designed based on the assumption that a CBO will be supported for a period of one year, with a mid-term evaluation in month six and final evaluation in month 12 (see Mid-Term / Final Evaluation Template for CBOs).

		Month 1	Month 2	Month 3	Month 4	Month 5
IGA II	Inputs Provided <i>List all material inputs including funds, raw materials, etc.</i>					
	Individuals Involved in Production <i># individuals involved</i>					
	Goods Produced <i># items produced</i>					
	Goods Sold <i># items sold</i>					
	Cost <i>Total cost, including labor</i>					
	Revenue <i>All money received after the sale of products</i>					
	Profit <i>Net profit generated by the group</i>					
		Month 1	Month 2	Month 3	Month 4	Month 5
IGA III	Inputs Provided <i>List all material inputs including funds, raw materials, etc.</i>					
	Individuals Involved in Production <i># of individuals involved in production</i>					
	Goods Produced <i># items produced</i>					
	Goods Sold <i># items sold</i>					
	Cost <i>Total cost, including labor</i>					
	Revenue <i>All money received after the sale of products</i>					
	Profit <i>Net profit generated by the group</i>					

B. PSAs

		Month 1	Month 2	Month 3	Month 4	Month 5
Activity I	Inputs Provided <i>List all inputs including trainings, stationery, etc.</i>					
	Sessions <i># sessions held</i>					
	Hours <i># hours of activity provided</i>					
	Participants/beneficiaries <i># individuals participating in activity/training</i>					
		Month 1	Month 2	Month 3	Month 4	Month 5
Activity II	Inputs Provided <i>List all inputs including trainings, stationery, etc.</i>					
	Sessions <i># sessions held</i>					
	Hours <i># hours of activity provided</i>					
	Participants/beneficiaries <i># individuals participating in activity/training</i>					
		Month 1	Month 2	Month 3	Month 4	Month 5
Activity III	Inputs Provided <i>List all inputs including trainings, stationery, etc.</i>					
	Sessions <i># sessions held</i>					
	Hours <i># hours of activity provided</i>					
	Participants/beneficiaries <i># individuals participating in activity/training</i>					

C. Fundraising

	Month 1	Month 2	Month 3	Month 4	Month 5
In-kind contributions from other donors <i>List all inputs including trainings, stationery, etc. received from external donors</i>					
Cash contributions <i>List all cash contributions from external donors</i>					

Part II. Organizational Capacity

On a scale from 1 to 5 (one being the lowest and five the highest), evaluate the following categories each month:

Capacity to Provide Services (IGAs and PSAs)

Month 1	Month 2	Month 3	Month 4	Month 5

Utilization of the Profit Distribution Template

Month 1	Month 2	Month 3	Month 4	Month 5

Financial Practices (Bookkeeping for IGAs and Financial Reports to Donors)

Month 1	Month 2	Month 3	Month 4	Month 5

Capacity to Address Organizational Issues

Month 1	Month 2	Month 3	Month 4	Month 5

Capacity to Comply with Rules and Regulations as a Sub-Grantee⁷

Month 1	Month 2	Month 3	Month 4	Month 5

Capacity to Mobilize External Resources (i.e., from other donors)

Month 1	Month 2	Month 3	Month 4	Month 5

Part III. Comments

⁷ Assuming that the CBO is supported via a sub-grant.

Tool 2: Evaluating CBOs

Community-Based Organization (CBO) Evaluation Sheet⁸

Name of CBO:

Location:

Members of Management Committee:

Date Established:

Project Start Date:

Part I. Program Impact on Individuals⁹

1. Percentage Increase in Household Income (PIHHI) of participants at the time of evaluation (i.e., within a period of six to 12 months).

Note: Accurate calculation of this figure requires initial data of the household income of participants.

$$\text{PIHHI} = (\text{final HH income} - \text{initial HH income}) * 100\% / \text{initial HH income}$$

2. Changes in psycho/social conditions (well-being) of the participants in IGAs (qualitative).

Interview at least one participant in each activity

3. Changes in psycho/social conditions (well-being) of the beneficiaries of PSAs (qualitative).

Interview at least one participant in each activity

Part II. Organizational Capacity

On a scale from 1 to 10 (one is the lowest, ten is the highest), assess whether the association is capable of functioning on its own (i.e., without **any** external assistance).

A. Capacity to Function Independently

IGA

1. Ability to produce quality goods

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to sell the goods produced at the market

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

3. Ability to work with suppliers

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

⁸ This sheet can be used for conducting a mid-term evaluation (ideally after six months of implementation) as well as final evaluations.

⁹ In case the number of members is high, it is not necessary to collect data from all participants. Interviewing and monitoring 10% of the participants in **each IGA** should be sufficient to collect information for this indicator.

PSA

1. Ability to address needs of the community

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to provide quality services

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

B. Utilization of the Profit Distribution Template

1. Ability to generate profit

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to recycle profit

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

3. Ability to distribute profit generated

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

C. Bookkeeping Practices

- Ability to track expenditures and revenues (bookkeeping)

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

D. Capacity to Address Organizational Issues

1. Ability to coordinate all elements of the business cycle (including procurement, production, marketing and sales) for multiple activities

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to coordinate PSAs and IGAs

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

3. Ability to resolve conflict

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

E. Capacity to Comply with Rules and Regulations as a Sub-grantee

1. Ability to report on activities taking place under the organization's umbrella

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to adhere to financial rules and regulations of the sub-grant

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

F. Capacity to Mobilize External Resources (i.e., from other donors)

1. Ability to coordinate with other agencies (including NGOs and donor agencies)

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

2. Ability to write grant proposals

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

Part II. Comments

APPENDICES

Appendix 1: Sample External Agenda

Returning Profit to Income Generation Activities (IGAs)

(TOT) Workshop Agenda:

- Day I Market and Gender Analysis
- Day II Cost/Benefit Analysis
- Day III Bookkeeping and Marketing
- Day IV Market Niche Business Plan Presentations

Daily Activity Plan:

Day 1 Morning Session: Market Analysis

- 9:00 Registration and welcome, introductions of participants and the course
- 10:00 – 10:30 Market Analysis: introduction
- 10:30 – 11:20 Market Assessment Questionnaire exercise
- 11:30 – 12:20 Group Work Case I
- 12:20 – 1:00 Debriefing

1:00 – 1:30 Lunch

Day 1 Afternoon Session: Market Analysis (continued)

- 1:30 – 2:00 Group Work Case II, Case III
- 2:00 – 3:00 Debriefing
- 3:00 – 3:30 Market Analysis: conclusions
- 3:30 – 4:30 Gender Analysis
- 4:30 – 5:30 Group work on business plans
- 5:30 – 6:00 Wrap up

Day 2 Morning Session: Cost/Benefit Analysis

- 9:00 Registration
- 9:30 – 10:00 Introduction of the concepts and profit margin templates
- 10:00 – 10:30 Group Work Case I
- 10:30 – 11:30 Debriefing
- 11:30 – 12:30 Group Work Case II, Case III

1:00 – 1:30 Lunch

Day 2 Afternoon Session: Cost/Benefit Analysis

- 1:30 – 3:00 Debriefing
- 3:00 – 4:30 Group Work on business plans
- 4:30 Wrap up

Day 3 Morning Session: Marketing

- 9:00 Registration
- 9:30 – 10:00 Presentation of Marketing Skits
- 10:00 – 10:30 Group Work on Marketing Skits
- 10:30 – 11:30 Presentations
- 11:30 – 12:00 Group Work Case I, Case II, Case III
- 12:00 – 1:00 Group presentations

1:00 – 1:30 Lunch

Day 3 Afternoon Session: Bookkeeping

- 1:30 – 2:00 Presentation of concepts
- 2:00 – 2:40 Group Work Case I, Case II, Case III
- 2:40 – 3:20 Group presentations
- 3:30 – 4:30 Group Work on business plans
- 4:30 Wrap up

Day 4 Morning Session: Market Niche

- 9:00 Registration
- 9:30 – 10:00 Presentation of concepts
- 10:00 – 10:30 Group Work on Case I
- 10:30 – 11:00 Debriefing of Case I
- 11:00 – 11:30 Group Work Case II, Case III
- 11:30 – 12:30 Group presentations
- 12:30 – 1:00 Group Work on business plans

1:00 – 1:30 Lunch

Day 4 Afternoon Session: Business Plan Presentations

- 1:30 – 2:30 Group Work on business plans (continued)
- 2:30 – 4:00 Presentation of business plans
- 4:00 – 4:30 Debriefing of the workshop
- 4:30 – 5:00 Course evaluation, concluding remarks

Appendix 2: Sample Internal Agenda

Returning Profit to Income Generation Activities (IGAs)

(TOT) Workshop Agenda for Facilitators:

- Day I Market and Gender Analysis
- Day II Cost/Benefit Analysis
- Day III Bookkeeping and Marketing
- Day IV Market Niche Business Plan Presentations

Guidelines:

- . Presentations, including Arabic translations, are not more than 30 minutes
- . Each presentation is followed by a short Q&A and then by practical exercises done in groups
- . Groups are assigned by facilitators based on different techniques
- . Each exercise/case should not take more than 15-20 minutes followed by a 15-minute debriefing.
- . Participants are encouraged to be active throughout the training period and to observe facilitation styles and techniques as well as the content
- . Feedback on the process and content is solicited on a daily basis

Daily Activity Plan:

Day 1 Morning Session: Market Analysis

- Arrive at 8 am, prepare refreshments, handouts, set up equipment, etc. *Facilitator 1, Facilitator 2*
- 9:00 Registration and welcome, introductions of participants and the course. *Facilitator 1*
Prepare registration sheets and handouts
- 10:00 – 10:30 Market Analysis: introduction *Facilitator 2*
Prepare: handouts, extra copies of market analysis checklist
- 10:30 – 11:20 Market Assessment Questionnaire exercise *Facilitator 1*
- 11:30 – 12:20 Group Work Case I
Groups are divided based on numbers
- 12:20 – 1:00 Debriefing *Facilitator 1*
- 1:00 – 1:30 Lunch**

Day 1 Afternoon Session: Market Analysis (continued)

1:30 – 2:00	Group Work Case II, Case III Participants work in the same groups	
2:00 – 3:00	Debriefing	<i>Facilitator 1</i>
3:00 – 3:30	Market Analysis: conclusions	<i>Facilitator 1</i>
3:30 – 4:30	Gender Analysis	<i>Facilitator 2</i>
4:30 – 5:30	Group work on business plans Groups are divided based on organizations (have to be as diverse as possible) Prepare flip chars, markets	<i>Facilitator 1, Facilitator 2</i>
5:30 – 6:00	Wrap up Prepare daily feedback for facilitators templates	<i>Facilitator 2</i>

Day 2 Morning Session: Cost/Benefit Analysis

	Arrive at 8 am, prepare refreshments, handouts, set up equipment, etc.	<i>Facilitator 1, Facilitator 2</i>
9:00	Registration Prepare registration sheets	
9:30 – 10:00	Introduction of the concepts and profit margin templates Prepare extra copies of the templates, flip charts, markers	<i>Facilitator 2</i>
10:00 – 10:30	Group Work Case I Groups are divided based on colors of their clothing	
10:30 – 11:30	Debriefing	<i>Facilitator 2</i>
11:30 – 12:30	Group Work Case II, Case III Participants work in the same groups	

1:00 – 1:30 Lunch

Day 2 Afternoon Session: Cost/Benefit Analysis

1:30 – 3:00	Debriefing	<i>Facilitator 1, 2</i>
3:00 – 4:30	Group Work on business plans	
4:30	Wrap up Prepare daily feedback for facilitators templates	<i>Facilitator 1</i>

Day 3 Morning Session: Marketing

	Arrive at 8 am, prepare refreshments, handouts, set up equipment, etc.	<i>Facilitator 1, Facilitator 2</i>
9:00	Registration Prepare registration sheets	
9:30 – 10:00	Presentation of Marketing Skits	<i>Facilitator 1, Facilitator 2</i>
10:00 – 10:30	Group Work on Marketing Skits Prepare some extra materials: pens, pencils, biscuits, etc. Participants are divided based on gender (male/female ratio in each group)	
10:30 – 11:30	Presentations	<i>Facilitator 1, Facilitator 2</i>
11:30 – 12:00	Group Work Case I, Case II, Case III Participants work in the same groups	
12:00 – 1:00	Group presentations	<i>Facilitator 2</i>
1:00 – 1:30	Lunch	

Day 3 Afternoon Session: Bookkeeping

1:30 – 2:00	Presentation of concepts Prepare handouts, extra copies of the bookkeeping templates, flip charts, markers	<i>Facilitator 1</i>
2:00 – 2:40	Group Work Case I, Case II, Case III Participants remain in the same groups	
2:40 – 3:20	Group presentations	<i>Facilitator 1</i>
3:30 – 4:30	Group Work on business plans	<i>Facilitator 1, Facilitator 2</i>
4:30	Wrap up Prepare daily feedback for facilitators' templates	<i>Facilitator 2</i>

Day 4 Morning Session: Market Niche

	Arrive at 8 am, prepare refreshments, handouts, set up equipment, etc. Prepare graduation certificates	<i>Facilitator 1, Facilitator 2</i>
9:00	Registration Prepare registration sheets	
9:30 – 10:00	Presentation of concepts for Market Niche Prepare handouts and checklist	<i>Facilitator 1</i>
10:00 – 10:30	Group Work on Case I Groups are divided based on their favorite animals (3-5 different kinds)	
10:30 – 11:00	Debriefing of Case I	<i>Facilitator 1</i>

11:00 – 11:30	Group Work Case II, Case III	
11:30 – 12:30	Group presentations	<i>Facilitator 1</i>
12:30 – 1:00	Group Work on business plans	<i>Facilitator 1, Facilitator 2</i>
1:00 – 1:30	Lunch	

Day 4 Afternoon Session: Business Plan Presentations

1:30 – 2:30	Group Work on business plans (continued)	<i>Facilitator 1, Facilitator 2</i>
2:30 – 4:00	Presentation of business plans	<i>Facilitator 2</i>
4:00 – 4:30	Debriefing of the course	<i>Facilitator 1, Facilitator 2</i>
4:30 – 5:00	Course evaluation, concluding remarks	<i>Facilitator 1, Facilitator 2</i>
	Prepare course certificates, workshop evaluation forms	

Appendix 3: Sample Business Plans from Nyala Workshop (August 2006)

PRODUCTION OF CLAY POTS

Project title: Handcraft clay production (pots)
Implementing body: Inspiring Empty Hearts Group
Implementation site: Otash

Total amount of funds requested: 85,000 SDD

Following an assessment carried by a group from the area, three markets in Nyala were selected: 1) People's Market, 2) El Fasher Lorry Stop Market and 3) the big market. It was found that there is high demand and need for clay pots.

COSTS:

Raw materials

- Manure = 2,500
- Firewood = 10,000
- Water = 1,500
- Hay = 1,500
- Clay = 2,000
- Other = 2,500
- **Total = 20,000 SDD**

Labor

- Production workers (150) pots = 30,000
- Marketing = 5,000
- Other Costs = 5,000
- **Total = 40,000 SDD**

Transportation / Extra Costs

- Transportation = 20,000
- Fees & taxes = 5,000
- **Total = 25,000 SDD**

Total Costs: 20,000 + 40,000 + 25,000 = **85,000 SDD**

REVENUES:

Selling price = 800 SDD/pot
150 pots x 800 = **120,000 SDD (total sales)**

Profit = Sales – Costs

120,000 – 85,000 = **35,000 SDD profit**

Points to be considered before starting the project:

- Market assessment (evaluating market supply and demand)
- Cost/benefit analysis (Production)
- Profit margin
- Bookkeeping

POULTRY FARM

Project title: Poultry Farm

Implementation site: Bilel

Targeting: Bilel community and Nyala markets

Project's start date: 1/9/2006

Market analysis

Objective: To address the continued demand for poultry products

Dealers: Distributors, local markets and the town

Daily production: 8 dozen eggs

Selling price: 400 SD / dozen

Monthly revenues: $8 \times 30 \times 400 = 96,000$ SDD

Production period of 6 months: $6 \times 96,000 = 576,000$ SDD

Profit = Selling price – Total cost

$576,000 - 228,000 = 348,000$ SDD

Total profit = 348,000 SDD

The project is economically viable.

COSTS

Raw material	Quantity	Unit cost (SDD)	Total cost (SDD)
Chicks	50	1,000	50,000
Chicken coops	120	5,000	20,000
Feed costs			60,000
<i>Total (Materials)</i>			<i>130,000</i>
Labor / day	120	200	24,000
Production costs			30,000
Transportation & Others Costs			44,000
Total			228,000 SDD

Appendix 4: Working Concepts

The following definitions summarize the most commonly applied terminology related to gender dynamics and gender-based violence. While neither are extensive nor definitive, they establish a common understanding and approach to complex concepts.

Gender: Social differences between men and women that are learned, and, although deeply rooted in a culture or society, are malleable and change with time. Differences can vary widely within and between communities, societies and cultures.

Gender dynamics: Socially defined relationships established between men and women within a community, or between societies, which define power relations based on gender-related social differences.

Sex: Biological and physiological differences between women and men.

Gender discrimination: A form of social discrimination within society that emphasizes inequality based on gender relations. Every culture has social institutions (whether cultural, social, political, economic and/or religious) that perpetuate discrimination. Employment opportunities, for example, are generally not the same for women and men.

Gender-based violence (GBV): An umbrella term for any violent act carried out against a person's will that is a result of gender-based power inequities. GBV violates an individual's fundamental human rights. It is an abuse of power, which involves force and/or threats and coercion, but is not necessarily physical. Violence may be of an economic, sexual, physical, psychological, and/or socio-cultural nature. Most of the time, gender-based violence has a greater negative impact on women and girls. For this reason, the terms GBV and "violence against women" are often used interchangeably. The term "gender-based violence" is often considered preferable, however, because it highlights a woman's increased vulnerability to violence due to her status within society. Nevertheless, it is important to remember that men and boys can also be victims of GBV. Those carrying out gender-based violence may be strangers, family, community members, and/or those acting on behalf of socio-cultural or political institutions.

Sexual and gender-based violence: Violence involving men and women, whereby the female is usually the victim and the male the perpetrator.

Survivor: An individual who has experienced violence or other forms of abuse.

Perpetrator: A person who has committed violence or other forms of abuse against others.

Equality: Recognizing that individuals are different but not unequal. The biological differences between men and women do not reflect the superiority or inferiority of either sex. Men and women are human beings, equal but not identical. Therefore, they have the same right to life and well-being.

Equity: Treating men and women in a manner that takes into consideration the specificities of each sex. Maintaining equity may require the creation of more opportunities for traditionally marginalized and disadvantaged individuals or groups. The term **equity** does not exclude equality between men and women. Equity introduces the notion of entitlements or rights: to a job, education, access to health care, protection under a legal system, etc. In addition, the concept implies that both sexes share the same obligations and are capable of facing the same responsibilities.

Social division of labor: Gender analysis shows that division of labor is no longer based on sex, but on social factors that try to legitimize the division by portraying it as a result of biological differences. Specific tasks and needs are allocated to men and women based on socio-economic and cultural contexts. In most societies, due to gender discrimination that favors men, women carry out the least profitable

activities, in particular domestic activities. Their contribution to the economy (often informal) does not receive proper recognition.

Access and control of resources: The social division of labor attributing subordinate roles to women reduces their access to resources and/or benefits derived from those resources. Frequently, women have the right to use a specific resource, but not assert control over the nature of its use. In other cases, they have access to resources, but only limited decision-making power, such as the use of agricultural land without control or ownership. Achievement of equal access to, and control of resources is one of the main objectives of gender mainstreaming. Power in decision-making processes will guarantee access to resources *and* their benefits.

Appendix 5: Additional Resources on Gender Mainstreaming Strategies

United Nations Development Fund for Women (UNIFEM). "Getting it Right, Doing it Right: Gender and Disarmament, Demobilization and Reintegration," October 2004.

Electronic Documents

ACORD. "Cycles of Violence: Gender Relations and Armed Conflict," May 2005.
http://www.acord.org.uk/cycles_of_violence.pdf

CIDA. "Gender Equality and Humanitarian Assistance: A guide to the issues," 2003.
[http://www.acdi-cida.gc.ca/INET/IMAGES.NSF/vLUIImages/Africa/\\$file/Guide-Gender.pdf](http://www.acdi-cida.gc.ca/INET/IMAGES.NSF/vLUIImages/Africa/$file/Guide-Gender.pdf)

European Commission. "Towards a Community Framework Strategy on Gender Equality (2001-2005)," June 2000. http://ec.europa.eu/employment_social/equ_opp/strategy/com2000_335_en.pdf

FAO. "FAO Plan of Action for Women in Development," November 1995.
<http://www.fao.org/sd/WPdirect/WPre0001.htm>

Institute of Development Studies. "Gender and Development: Concepts and Definitions," February 2000.
<http://www.bridge.ids.ac.uk/reports/re55.pdf>

Inter-Agency Standing Committee (IASC). "Guidelines for Gender-Based Violence Interventions in Humanitarian Settings – Focusing on Prevention of and Response to Sexual Violence in Emergencies."
http://www.humanitarianinfo.org/iasc/content/subsidi/tf_gender/gbv.asp

International Center for Research on Women. "Gender Equity and Peace Building – From Rhetoric to Reality: Finding the Way," 2003. http://www.icrw.org/docs/gender_peace_report_0303.pdf

Prime II. "Gender Sensitivity Assessment," 2003.
http://www.prime2.org/prime2/pdf/9-11_BP_GSA_Curricula_Web.swf

RHRC Consortium. "Checklist for Action: Prevention and Response to Gender-Based Violence in Displaced Settings," June 2004. <http://www.rhrc.org/pdf/Checklist.pdf>

RHRC Consortium. "Training Manual/Facilitators Guide: Interagency and Multisectoral Prevention and Response to Gender-based Violence in Populations Affected by Armed Conflict," 2004.
http://www.womenwarpeace.org/issues/violence/GBV_nairobi/PR_manual.pdf

Sahaj/Sahayog/Tathapi. "Working with Men on Gender, Sexuality, Violence and Health," April 2005.
<http://www.sahayogindia.org/English%20manual.pdf>

SNV, Gender Mainstreaming: Gender Training and Women's Empowerment Training.
http://www.snvworld.org/cds/Rggen/gender-mainstreaming_training.htm

UNICEF. "UNICEF Training of Trainers on Gender-Based Violence: Focusing on Sexual Exploitation and Abuse," 2003. <http://www.reliefweb.int/library/documents/2003/unicef-tot-25sep.pdf>

UNICEF/UNFPA. "The Effects of Conflict on Health and Well-being of Women and Girls in Darfur," 2005.
http://www.unicef.org/infobycountry/files/sitan_unfpaunicef.pdf

Women's Commission for Refugee Women and Children (WCRWC). "Gender-based Violence Tools Manual: For Assessment & Program Design, Monitoring & Evaluation in Conflict-affected Settings," November 2003. http://www.womenscommission.org/reports/gbv_tools.shtml

Women's Commission for Refugee Women and Children (WCRWC). "Finding Trees in the Desert: Firewood collection and alternatives in Darfur," March 2006. http://www.womenscommission.org/pdf/df_fuel.pdf

Websites

End Violence Against Women: Information and Resources
<http://www.endvaw.org>

Practical Action
<http://www.practicalaction.org>

Stylus Publishing, Development and Third World Studies: Gender and Development
<http://www.styluspub.com/books/Books.aspx?type=topic&ID=367>

Women Watch, United Nations Inter-Agency Network on Women and Gender Equality
<http://www.un.org/womenwatch>