



Strengthening a network of associations for the production and marketing of quality local products in Swaziland

01 February 2009 –30 June 2010



R2. Shewula Community Resource Centre strengthened and local Associations network empowered.

As the Amendment stated the Management Training has been conducted by LULOTE, a Local Ngo accredited to International Labor Organization (ILO) as Master Trainer for ILO Training Package.

The particular feature of the training is the way of teaching, by practical exercises based on concepts that are part of the experience of the trainees.

The LULOTE was required to assess the Associations before Training Implementation to adapt the suitable Training "Enlarge your Business" to the grass-root understanding capacity and to their level of education. The assessment has been carried out on the 16th of April by collecting information based on the Associations situation in terms of business management ability through interviews (See Attached Format Used). The interviews elaboration was made by LULOTE and forwarded to COSPE. COSPE appointed LULOTE, as an additional task, to select those who can best apply and teach other members as the Target Group of the Training.



The relevant findings of the assessment are:

- The education level: 11 non educated interviewees and 9 at the primary level. This means that the level of understanding on business principles and management skills is fairly low.
- Current Business Activity: 18 interviewees reported no business activity in place but 22 stated are in business more than one year
- Feasible Ideas: 11 of the participants indicated that they have feasibility business ideas but the concern is if they do have an understanding of a "feasible business idea".
- Knowledge on business: on calculating total profit the capacity is marked at poor for 16 interviewees.

According to the Assessment results COSPE worked with LULOTE on defining applicable Training outputs. The exercise resulted as follows:

- Record Keepings in place
- Shewula Resource Centre Business Plan created looking at the structure sustainability and COSPE phasing-out Plan (See COSPE Proposal to the Donor).

To chose who to be trained, COSPE, Shewula Resource Centre and LULOTE decided on the need to have a wide Target Group made out of two representatives from each Association affiliated to the Resource Centre plus the members of the existing Executive Committee as the Umbrella Committee agreed on not changing the Shewula Resource Centre bodies, structure and delegates. The members selected from each Association were requested to have at least the basic ability to write and count.

The one week Training has been held residentially at the Mlawula Educational Centre from the 18th to the 22nd of May till 22 May 2009 (Programme and Attendance Sheet attached).

The LULOTE provided materials for the students (manual and the exercise book, see materials attached).

The high number of questions and the frequent requests of detailed explanations of the concepts raised by the trainees during the training session affected the Business Plan designing, so that it had to be postponed as Exercise to be done under the first Monitoring Visit. The high participation (total attendances 22) justified why COSPE overspent (800 Euro) looking at the relative Budget Line (Management Training Package).





The Executive Committee was requested to gather materials and work papers related to the Shewula Resource Centre administration and management system, essential to the Business Plan designing.

The Monitoring Visit was held on the 9th June 2009 at the Shewula Resource Centre. The information collected was related to oriented-markets products, productivity per Association and per head, structure costs, Funds Development availability (see attached).

The mentioned document as Business Plan Draft has been forwarded to COSPE on the 29th June 2009. After the evaluation of the document, COSPE requested for some clarifications:

- the reason why only three Associations have been taken into consideration (pag.3) and what will happen to those out of handicrafts works
- the figures under the capacity production (over estimation?): the means of verification used by LULOTE staff
- what about the November and December production since the months are fields commitments for the handicraft producers (based on last year results)
- Formula on cost is not correct on the chart (pag.5)
- how to use the profit, what are the sharing principles, who takes the decision on funds allocations (pag.10)
- what is the meaning of Professional Fee under the Budget (technical assistance?) pag.13
- the reason why no Budget Line regarding promotional events and materials (labels) is foreseen
- justification on Term of Reference of the workers supporting the role of the paid staff
- Regional Development Funds: further explanation on the activities to be used as a Document for grant proposal
- Any Budget Line reflecting the Shewula Resource Centre actual financial situation.

A note to read the document: the 14 700 Emalangeni on the Business Plan will be covered by the Sahee Amended Project (Resource Centre Management Funds). The COSPE suggestion was to give them the total amount to be handled as Initial Capital for Business Plan implementation. COSPE monitored the proper use of the money according to the working document. For each visit a Report will be prepared. The COSPE proposal on how to do with the Shewula Resource Centre Running Cost Budget Line has been forwarded to the Donor. It has been approved (See attached).

On the 28th of July 2009 a representative of the COSPE IGA component met LULOTE staff for discussion on the above mentioned clarifications. LULOTE took into consideration the notes and committed itself to work on reviewing the document accordingly.

To make it a complete working document and to roll-out to the Shewula Resource Centre COSPE undertook a reviewing process.

COSPE raised again some comments even on the Business Plan Version II. After the changes made by LuLOTE still unclear:

- unchanged points: numbers of Associations to be involved in the Shewula Resource Centre business development (remaining three), any Budget Line for promotional materials and event organization
- changed figures: level of salary E 6000, fuel E 2 200, nature of the Shewula Resource Centre as Centre handicraft retailer

Any variation in term of volume stock necessary to cover the upper level of expense.

Cospe held a meeting on the 11th of August 2009 with representatives of the Shewula Resource Centre to discuss the documentation produced.

The way the meeting was conducted was by going through the Business Plan Draft and the Production Plan focusing on COSPE concerns and developing the talk between the stakeholders.

The exercise resulted in approval by majority as follows:

- The Shewula Resource Centre as a Community Based Organization for the promotion of local products (to be added all the Associations involved in local production –honey, processed crops, jam, handicraft)
- The Shewula Resource Centre as a retailer. This means the Executive Committee will be the Body appointed to take the decision on the quantities to buy. The Document suggests having a Marketing Officer responsible to search for profitable markets and to sell what the Shewula Resource Centre has previously bought from the producers. The discussion on the new internal structure has led to a deep consideration. The main constraint was the meaning and the role of the new Officer because its understanding was not poor. The structural change responded to producers need to get profit when they bring products to the Shewula Resource Centre. A micro-lesson was done explaining to them how an enterprise as retailer would work
- The mark-up has been confirmed at 20 % of the cost of production
- The promotional event cost shall be covered by the Business Plan

Any decisions taken on the level of the salary and on the organ gram proposed because they asked more time for further internal discussion.

On the 20.08.09 COSPE was requested to help the Executive Committee to better understand the new organization and be able to agree or not on the Business Plan draft and if not, why.

COSPE IGA attended the meeting held on 26.08.09 but due to sicknesses of two members and family problems of two members, only three members were present. This condition does not allow to approve any decision according to the Shewula Resource Centre Constitution.

The meeting had to be postponing on the next week.

The meeting has been done on 03.09.09. COSPE presented the Agenda of the meeting aimed at fixing the level of salary for each Officer, identifying who for each positions and deliberating on the organigram proposed under the Documents.

The Executive Committee voted (8 members out of 8) on the new organ grams with the following variation:

- Sitting Committee will appoint the Chair and choose the Marketing Officer, the Secretary, the Vice Secretary, the Security and the Driver. The Vice-Chair will be nominated by the Chair
- Based on what has been mentioned above the salary will be defined at: Marketing Officer (Emal. 1800), Secretary (Emal.1200), Security (Emal. 500) and the Driver (Emal. 700).

They have not determined on the salary for the remaining position.

The Terms of Reference have been evaluated and approved for the Marketing Officer and the Sitting Committee. The Marketing Officer will look for the Shewula Resource Centre outlets, will ensure to the markets the products needed, will report to the Executive Committee the markets demands, will monitor the productivity, will inform the Executive on the Associations performing and problems encountered and report to the Executive Committee customers satisfactions.

The Executive Committee will approve the markets needs and distribute the orders according to the producers, will constantly monitor the work of the Shewula Resource Centre paid staff compare what was supposed to be done and what achieved (quality and quantity).

On 22.10.09 the Final Version have been approved by the Shewula Resource Centre Executive Committee. COSPE have highlighted the different amount of salary between the two documents (Cash Flow Projection and Business Plan). Accordingly COSPE made the payment for 14, 700 Emalangenani as agreed.

As Swaziland International Trade Fair (SWIFT) member, COSPE received an opportunity to train 5 producers on products development (See attachment). The two Days Handicraft Seminar (30th September 2009 and 1st October 2009) were fully covered by USAIDS Funds. The service has been delivered to 3 producers from Shewula Resource Centre and 2 from the new communities.

Within the Rural Development Plan of the Ministry of Industry, Commerce and Enterprises promoted a Handicraft Workshop in Shewula Resource Centre (from 19th October till 23rd October 2009) fully financed by its. The Shewula Resource Centre has been the Training Provider in terms of workplace and trainers. COSPE gave the opportunity to be more skilled to 5 producers from the Lubombo Region chosen from those who were good-producers (3 Lukhetseni Support Group and 3 Mafucula Support Group).

Due to internal problem between Fikile and Lilian in November the Executive Committee has been focus on try to help them to sort it out. COSPE was told about the conflict. This was not referred to the working relationship of the structure of which would have been required COSPE to intervene. COSPE clearly explained to them that can be involved.

The problem was solved at the end of November.

The Executive Committee members had a meeting on 24.11.09 to set up a system to be used by the Shewula Resource Centre as Retailer. All the members were present. Decision taken as follows:

- having one Weekly Day to buy stocks from the craftsmen (each Tuesday) for reselling purposes (Starting Date 08.12.09)
- to pay the Shewula Resource Centre Staff as First payment after the latest COSPE made (May 2009).

The First Monitoring Visit on Business Plan Implementation has been fixed with LULOTE on 08.12.09 to evaluate results achieved and problems encountered after one month from the Business Plan got into force.

The First Monitoring Visit has been conducted on 08.12.09. Lulote and COSPE worked with the Marketing Officer (Fikile Sifundza) on November results which they have put into a Shewula Resource Center Sales and Costs Monitoring Tool 2009/10. In November the Shewula Resource Center was not functional as retailer so that the outputs do not achieve the Business Document figures. See the Monitoring Visit Report attached.

COSPE asked to review the Business Plan Monitoring Tool to LULOTE adding: cells on Other Costs, Promotional Material Costs and a monthly overview (total expense/total income).

The last months of the 2009 were dedicated to deeply explain them the role of the Executive Committee as Monitor and Evaluator of the Shewula Resource Center Staff and the whole document (productivity/stocks – monthly sales).

COSPE called LULOTE to have a meeting on some points raised by COSPE – Swaziland Coordinator (Serena Trevisan) and Swaziland Office Desk (Paolo Nicolai) regarding the feasibility of the Business Plan written.

The main doubt was focus on the amount of stocks (extremely high) looking at what is the real trend of the structure. After having demonstrated to them any capacity to implement the

Business Plan as has been elaborated (See Monitoring Visit Report) and to LULOTE that Cash Flow Projection is, on one hand what they are willing to achieve and, on the other hand what can be considered a working tool because applicable, LULOTE justified the high amount under the Business Plan with the number of the interviewees of which not all they found later are active in terms of productivity and organizational work skills.

LULOTE committed it-self to revise it without any charges and to make it better. Within the process COSPE asked to Shewula Resource Center to call for a wider majority made out of all those have been trained during the Management Training.

On 03.02.2010 LULOTE in collaboration with COSPE revised the Business Plan to make it applicable. The methodology developed was focused on data collection by interviewees (21 people present) and to check them with the Shewula Resource Center trends (Jul – December 2009). The verification made the Shewula Resource Center aware on any capacity to fulfill what the producers stated again. A session has been held with LULOTE and the Executive Committee members to combine figures and empower them on need of decrease numbers and set targets reaching the sustainability of the Shewula Resource Center. The Objectives were:

- verifying that the numbers to be written were matched with the trends of the Shewula Resource Centre
- cutting the costs to be covered by the income
- working on the real capacity to revenue income by the Shewula Resource Centre

LULOTE clarified to them what is the key point of the sustainability of the Shewula Resource Center:

- productivity: provide the Shewula Resource Center with all items needed in stock,
- quality of the products to be bought by the Shewula Resource Center,
- the understanding of the Executive Committee members on their role,
- the key role played by the Marketing Sale Officer (to be out from Shewula Resource Center).

The Executive Committee disagreed to decrease the salary of the staff because they have not been paid for the over last months.

The Business Plan will be revised based on the figures gathered looking at the sustainability of the Shewula Resource Center. Monthly Target set to recreate the Document.

A special session has had looking at the COSPE grants aimed at covering the difference between the income and the expenses at this stage up to when the Shewula Resource Center will be financial independent within the Business Plan timeframe.

A list of faster products moving has been given to the Executive Committee and the producers. The duty of the LULOTE is to review it by the second monitoring visit to be held on 16.02.2010 regarding the January performance. LULOTE and COSPE decided to not stop the monitoring visit for not losing any data and to evaluate the trend.

Looking at the Business Plan the SAHEE Grant will be used in the amount of 7, 000 Emalangeni throughout of 2010. Special attention is to be given to the actual capacity of the Shewula Resource Center to almost stand by its own. Capacity Building exercises have reached the aim to empower the structure to enlarge and to find the development direction.

On 16.02.2010 LULOTE carried out the Second Monitoring Visit on January Results because in December the Center closed from the 18 December 2009 with few items sold. The Monitoring Visit has been conducted by Lulote and the Executive Committee as part of the capacity building on how to read and how to evaluate the work of the Shewula Resource Center. A copy of the Business Plan has been given to each member of the Body plus stationary. LULOTE explained them the revisions made on the previous version and why did not work. LULOTE apologized not to have finalized yet the new production plan based on the new Business Plan. It will come within one week. At the end of the meeting the Executive Committee was requested to answer about the financial conditions of the Shewula Resource Centre based on the exercise done for January 2010. They stated there is a **lose** and for how much. The capacity to evaluate (skills and tools) has been development. On the results of the Monitoring Visit see the Attachment.

The Third Monitoring Visit regarding February 2010 performance has been held in Shewula by the Executive Committee and Lulote. See Attachment.

Beside the figures, critical points are raised: 1. Fikile has decided to leave the Shewula Resource Centre 2. The Executive Committee has replaced her with a lady (Tzabile) 3. Fikile has reported to them to be available to capacitate her on how to do the work.

COSPE recommended to them to sort it out: 1. who does what? Who will be the Marketing Officer and the Secretary? 2. Clarify the role of each and if necessary to revise them.

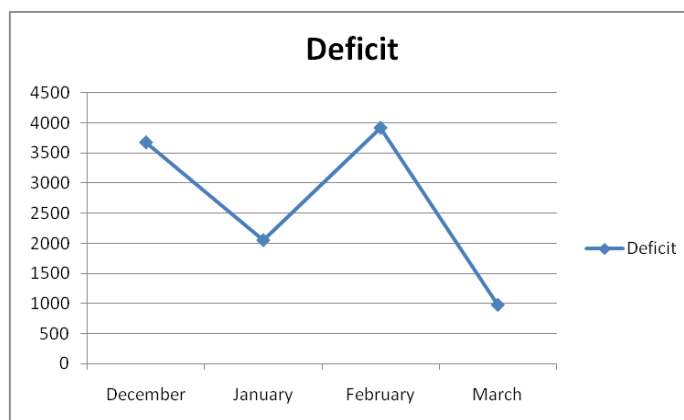
COSPE is willing to assist them to facilitate the changes.

On the 31.03.2010 an *Evaluation Mission* has been undertaken by SAHEE (for Programme and Report please see attachment). The monthly monitoring visits held in March and April showed a little progress in March and low performance in April. Please refer to the Attachment for further information.

The current methodology used for conducting monitoring visit is focused on the capacitated Executive Committee members to fill the Monthly Monitoring Grid as per Cash Flow Projection and to calculate differences between actual (what achieved) and projected amount (what it was supposed to be achieved) and reason why of lose or profit. In other words, the **cash flow** compares the income and expenditure projections as per the business plan and actual records obtained from the Shewula Resource Center's record books.

The **Monthly Monitoring Visit Reports** (January-April 2010) clearly described the Business Plan follow-up by the Shewula Resource Center (See Attachment). The latest results informed on Salary Payment amount reduced compared to the related Salary Budget Line caused to still low income incoming from selling of local products. It depends on low efficiency by the Marketing Officer and low effectiveness by the Executive Committee on performing its duty especially on taking an action relating the unsatisfied results as per Marketing Officer monthly performance.

A graphic easily defined the trend of the Shewula Resource Centre (December-March 2010):



In May 2010 the income for handicraft was high because of Shewula Mountain Camp outstanding balance has been paid and due to the tourist season started. Please refer to the Reports (May and June 2010) to better understand the financial status of the Shewula Resource Center.

After having had a phone call with Cryil Alter (Sahee Foundation) a common strategy was identified.

The Shewula Resource Center progress is slow but the process is in place.

Cospe local staff was able to learn from Lulote how to carry out a technical monitoring visit and Cospe will do the exercise by it-self from July 2010 on. By so doing the Sahee remaining amount on the Monitoring Visit Budget Line is unspent.

Project Results achieved:

- Executive Committee empowered and trained on Advance Business Management Skills
- Production Action Plan in place and implemented by producers
- Financial Sustainability almost reached as per last visit report (June 2010)

Way Forward:

Cospe will keep on monitoring the Shewula Resource Center up to December 2010 informing Sahee Foundation on the results of the activities.

Promotional Materials:

A label for the Shewula Support Group has been designed based on the sustainability cost of the system. COSPE worked together with the Support Group to find an affordable system. The one chosen consists of stamps for each relevant information and blank stickers.

One responsible for labeling has been elected to share responsibility between the Support Group members.

A visibility material for the Shewula Resource Centre has been funded to let them being able to participate at the Bush Fire Event 2009. The Bush Fire Event is a Three Day Musical Festival in Swaziland with an exhibition space for the handicraft producers/associations working under the Swaziland Fair Trade.

