

**ASSESSMENT OF FACTORS WHICH CONTRIBUTE TO THE SUCCESS OF
COMMUNITY DEVELOPMENT PROJECTS IN ALLEVIATING POVERTY
SUPPORTED BY A MICRO-FINANCE ORGANISATION**

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ABSTRACT: *Rural communities in a small African country continue to live in abject poverty with essential services such as clean water, electricity, health and education facilities not readily accessible. Infrastructure development has also been a challenge for rural populations. Unemployment rates are high, especially amongst tertiary education graduates. The study employed the quantitative research method to analyse the data to determine how communities have been provided with financial assistance from a micro-finance unit. Participants were identified by their entrepreneurial activities within their communities and how utilisation of the training under the micro-finance unit (MFU) programme improved their lives. The findings show that even though the programme achieved positive outcomes, not all the people benefited. The organisation has not had a significant impact on the general populace because most rural communities are still impoverished. However, in some places, the socioeconomic status of the residents have improved.*

KEYWORDS: entrepreneurship; micro-finance; rural communities.

INTRODUCTION

The study sets out to determine the extent to which non-employed communities respond to an African government's initiatives that encourage them to undertake development projects either funded or monitored by state enterprises, particularly, a micro-finance unit (MFU). Government programmes call for all able-bodied citizens to play a part and work hard, and collaborate honestly and productively, including relentless driving to transform the country into a nation of entrepreneurs. This study will determine whether the state has translated this initiative into tangible action. The study, therefore, is about the assessment of factors which contribute to the success of community youth development projects in alleviating poverty.

Small to medium community projects reflect the cycle of challenges and opportunities that can contribute to the upliftment and growth of the country's production capacity. Community project stimulation can be viewed as an important component of the country's economic advancement for growth. The micro-finance unit's main objective is to assist local entrepreneurs to establish new enterprises while expanding existing businesses to help expand the economy. Additionally, these ventures will deepen financial inclusion of the private sector through effective financial literacy, sustainable development, and the protection of the consumer.

The unit started as a six-year development project and aimed at driving financial inclusion. The unit also hopes to remove constraints that prevent individuals and businesses from utilising available services and products and connecting the formal financial system within the informal sectors of the

economy. This will help ensure the integration of the populace that gets left out of the formal economic sector while providing financial services for the broader population as a whole. This study will focus on the assessment of factors which contribute to the success of community development projects in alleviating poverty which has been supported by the micro-finance unit.

Problem statement

It is evident that local authority structures, government and institutions lack in providing adequate support services to informal entrepreneurs. The biggest challenge points to the scarcity of resources but, be that as it may, the government must still create an enabling environment for all sectors to operate within.

This deficiency is an active attribute to the economic decline compared to the strength of production the country has at its disposal. Consequently, the country is experiencing a scarcity of job opportunities, and the number of poor citizens who cannot fend for themselves seems to be on the rise. Living conditions are also difficult for ordinary people who are jobless and cannot be absorbed into the mainstream economy. In order to absorb these people into the economic sector, the government needs to adopt a strategy that reflects fiscal prudence, prioritizes certain areas and pursues tight policies. This will help to identify gaps so that recommendations can be made for future interventions.

Research questions

The following questions are in line with the objectives of the study:

- Are the programmes from the micro-finance unit effective in alleviating poverty for the indigenous people?
- What are the possible obstacles that hinder the unit from effectively implementing its mandate in the country?
- What are the policy measures and strategies that can be initiated to support the unit?
- What difference has the unit's initiated programmes made for communities in alleviating poverty?

Significance of the study

The country's resources should be channelled in the direction of its citizens' development and welfare. The community participation in the development of project activities is essential and needs to be assessed further to determine if they have an impact on the country's economy. It remains to be determined if the rural communities are aware of the extent to which the MFUs activities are helpful and productive to them. Community projects must be given due significance to make a meaningful contribution towards the country's development efforts. Contrastingly, these community activities currently seem to be ad hoc rather than being matured for bigger economic rewards. The study will, therefore, assist the government in developing appropriate strategies, add to the body of knowledge and be a resource for further research into the subject.

The study will assist the MFU to review and help shape its programming with a view to craft and implement evidence-based awareness and capacity to its targeted communities about its functional role. Which is, assisting the MFU in their development of potential and existing SMEs in society and thus, the country will realise the creation of job opportunities that will promote the general welfare of the citizens. The study will further provide a comprehensive evaluation and complement other academic debates on the future of similar programmes aimed at radical economic transformation.

LITERATURE REVIEW

Community development should be at the centre of the government's policy. There seems to be no amalgamated approach on its definition and how it can be measured. In existence are several terms that are similarly associated with the word development such as rural, remote, local and peripheral and more others, thus no clear consensus on how to define it. Chromy, Jancak, V. Maranda, M., and Havlicek (2011) point to two approaches to its definition: Narrow and Broader. Broader, not every urban area is considered as rural as they differ in the socioeconomic, sociocultural or institutional environments. On the narrow approach, a rural area can be defined as an area with low population density and predominant primary sector.

The perceived importance of community development emphasizes the quality of life in rural areas when it reflects, to a large extent, on the availability of basic services, wherein the key is health care services and education (Boncinelli, Pagnotta, Riccioli & Casini, 2015).

The country is a full member of various international bodies, among these are the United Nations [UN]; The Commonwealth; The African Union Commission [AUC]; the Southern African Development Community [SADC] as well as the International Labour Organisation [ILO], to name a few. The country has ratified or adopted Charters, Protocols and Conventions of all these bodies it belongs to. In acceding to these organisational instruments, the state has obligated itself to implement their goals at a national level and will be held accountable for its failures and lapses.

At the global level, one of the UN's Charter calls upon member states to, "strive to attain education which level should be commensurate with segregated groupings such as the women and youth people in meeting their aspirations and access to employment opportunities equal to their capabilities" (UN 1995, 4). These groupings form a part of the communities in which we live.

Equally, the UNs Millennium Development Goals and Sustainable Development Goals [SDGs] have given priority to member states to work towards their attainment of the goals within a set time frame. Subordinate organizations at the continental and regional levels then adopted these set goals and deadlines.

On the one hand, the Commonwealth advocates for countries to support efforts that create societies that empower people as productive members of society by ensuring that "young people participate at all levels of decision-making" as it relates to inclusive development, sustainability initiatives, and incorporated development in all spheres of national and international undertakings.

Development cannot be achieved by the works and efforts of governments alone because members of the beneficiary communities must also play their part. They can only do this by playing an active role in stimulating the economy through cooperation with the government and its agents for set programmes.

Micro-financing for rural poverty reduction

A case study of the Edo State in Nigeria, describes poverty as basically a state where an individual or group has insufficient income for securing basic goods and services. It is an unacceptable human deprivation in terms of economic opportunity, education, health, nutrition as well as a lack of empowerment and security (Ukeje, 2005; World Bank, 1995).

There are three different parts of poverty and they are the poverty of money, poverty of access and poverty of power (United Nations Economic & Social Commission, 2000; Agbonifoh & Asein, 2005). Poverty of money relates to 'inadequate access to the means of asset or wealth acquisition (that is) the individual or household does not earn enough income to meet the basic needs of life. 'This form of poverty may result from poor access to education, lack of marketable skills (Agbonifoh &

Asein, 2005). Poverty of access arises from an individual's or a group's inability to enjoy certain basic infrastructures, especially because group members do not have the means to access them. The poverty of power manifests when the individual or group cannot influence government decisions that affect him or the group either directly or indirectly (United Nations Economic and Social Commission, 2000).

It is obvious that the above three parts of poverty are interrelated because the underlining factor for all three types is money. It might as well be emphasized here that the concept of poverty is rather holistic as it embraces issues such as education, recreation, participation in decision making and money. This is largely the rationale why micro-financing is very important as it enables the poor to access more aspects of life for better fulfillment.

Effectiveness of community finance institutions

Several challenges affect rural communities and these can be attributed to economic shocks, food shortages, and climate variations among other concerns. According to *IFAD's Rural Finance Policy 2009*, there is increasing evidence that promoting access to inclusive rural financial services responsibly has a positive impact at the micro-economic level, through improving household welfare and local economic activities. It is in this light that the MFU should provide services that develop and support long-term strategies focused on sustainability and poverty reduction in a cost effective way.

Empirical literature on micro-finance for rural community development

Arguments in favor of microfinance as a mechanism for reducing poverty asserts that the productive base of the poor will improve if given access to credit. This is because their productivity will in turn enhance income growth (Montgomery & Weiss, 2005). Access to credit by the poor also improves their social networks, serve as a cushion against unforeseen events (risk management) and enhance consumption. In other words, the availability of credit will help the poor meet 'promotional' (income creating) and protectional (consumption smoothing) purposes.

Community development funding in South Africa

Khula Enterprise Finance Ltd: Khula's mandate is to facilitate loan and equity capital to small, medium and micro enterprises through the Retail Financial Intermediaries by offering a range of financial resources and information to the public.

The funding institution has empowered SMEs and the community projects are doing well in South Africa.

Industrial Development Corporation (IDC): Hansohm, (2013), highlights that the broad mandate of the IDC is to facilitate, promote and assist in the financing of new industries and industrial undertakings.

The overall impact of the IDC with regard to BBBEE for the 2005/6 financial year included the approval of R679.4 million worth of business transactions and the creation of 12 000 jobs. It is evident that South Africa has a robust funding model to enable SMEs and communities to implement poverty eradication programs.

Social inclusion for rural finance development

According to the IFAD Publication on Inclusive Rural Finance Services (2015), there is increasingly robust evidence that promoting access to responsible comprehensive rural financial services positively impacts the economy. At the microeconomic level, there is an improvement in local

economic activities and household welfare. At the macroeconomic level, there is a positive correlation between the degree of financial intermediation and economic growth (Hump, 2015).

Socio economic pressures on pro-poor communities

Among the social needs cited in rejecting the government's budget were matters that directly affect citizens such as lack of clean portable water, inadequate allocation of funds towards addressing feeder road networks, infrastructure development and the construction of new clinics in rural areas. The legislature was also not pleased with the decrease in allocated funds towards agriculture activities to address food security, among the contentious issues.

SMEs in developing countries face a financing gap that undermines the economic prosperity they purport to drive. According to the Milken Institute's article titled, Stimulating Investment in Emerging-Market SMEs, "Financial Access 2010", SMEs play a crucial role in furthering growth, innovation, and prosperity and are therefore a fundamental part of the economic fabric in developing countries. Unfortunately, they are strongly restricted in accessing the capital that they require to grow and expand. SMEs in developing countries rate access to finance as a major constraint on their performance.

Additionally, SMEs face strong unfavourable lending conditions, even more so following the recent financial crisis. Financial Institutions in developing countries are also hampered by the lack of lender information and regulatory support to help them actively engage in SME lending. The result is an absence of well-functioning SME lending market, and therefore impeding their growth and the associated negative consequences for innovation, economic growth for developing countries.

Interventions for community resilience

The concept of resilience is important in the context of community development because it has a significant impact on the general living conditions of the rural populace and the day-to-day challenges they face.

As stated earlier in this study, the availability and arability of land make agriculture one of the most prominent activities particularly for those in rural areas. The concept of resilience has not been given a precise definition or the meaning when applied to development.

It is this writer's opinion that financial institutions can play a role in supporting SMEs and communities to eradicate poverty. This role is vital because micro-finance units establish partnerships with relevant agencies to provide the much-needed capacity assistance to communities.

Characteristics of community micro-finance development

The government values and selects delivery of basic services that are regarded as essential to the communities. Services provided by the government do not preclude consumption by others (Colander 2004:415). This refers to services that cannot benefit a selected few and leave others out but provide equal benefit. An example of this is when a road has been constructed by the government, its usage cannot be isolated to a chosen few in the community but beneficial to all.

Development in communities is characterised by commodities and utilities like access to electricity and water among others. Access to these utilities takes precedence in the development process since it influences the level at which potential investors consider extending their businesses/projects support into areas that already have these services.

On the other hand, communities must identify their strengths when considering development initiatives that aim at sustaining practices for community growth. This concept is popular among rural and emerging small establishments which focus on identifying and developing community strengths (Aimers & Walker, 2013). Certain communities have naturally occurring resources like water, and by

harnessing these resources, they can cooperate on agricultural projects that will help generate some income.

Development partners and funding institutions tend to be more comfortable with providing assistance to communities already showing commitment by starting something without formal funding opportunities. Whereas, evidence shows that committing resources to a theoretical initiative has a high probability for failure and carries a risk element to payback borrowed resources. On the contrary, some but limited funding is availed to communities without these attributes, however the risk for non-performance and ultimate failure to service the loans are very high and unprecedented.

It goes without any emphasis that funders consider the risk factors whenever a funding proposal is brought before them and it has become the view of commercial lending institutions and development partners whenever they are considering providing assistance.

Significance of infrastructure for effective communication in communities

Most of the studies sourced for this study point to a lack of access to resources as the main problem affecting the development prospects of the rural-urban poor. Further interrogation of the subject by various scholars all emphasize the need to capacitate the communities so they'll venture into agricultural businesses access to land is easier in these communities. Community development is multi-faceted and a broad subject. Tackling its challenges cannot be exhausted by one study, however, the crucial elements being ventilated in this research relate to the significance of the MFU's support services and the assistance it provides to communities in alleviating poverty in the country. Community development cannot be confined to the rural areas alone, as communities exist in urban areas too. However, the focus is justified when directed mostly towards the rural settings because that is where most of the populace resides and also happens to be the least developed spaces in the country.

One of the modest ways that have advanced and emerged in development studies is the need for the implementation of decentralized technological services such as the use of Mobile Money, online purchasing of electricity and to some degree Internet banking. People will no longer need to leave their homes to spend their scarce resources to reach places where such services are located. Such services can only be realised through building advanced infrastructure, however, as it requires the use of certain gadgets like, phones and computers among others. Effective communication is also an important component of development. Leipins (2000) notes that "the concept of social networks are best able to encompass the complexities that rural communities of both geographical and non-geographical types consist of, the prominent feature that must be considered is that of discourse". The same point is echoed by Mordock (2000) and Healy and Hampshire's (2003) article which discusses the importance of social networks for community resilience.

A component of social network theory reaffirms that change can be realised through "mapping and measuring of relationships and flows between people, groups, organisations and other forms of information processes" Krebs, (2002). Additionally, social structures can substantively influence outcomes of development when utilized effectively.

Lennie, Simpson, Hearn and Kimber (2002) devised the concept of LEARNERS (Learning, Evaluation, Action, and Reflection for new technologies, Empowerment and Rural Sustainability) project which aims to provide capacity building resources for a community to undertake a participatory assessment of development initiatives which employ Information Communication Technology (ICT). The concept exemplified the concept of participatory communication, and the creators concluded that without utilizing such concepts, development initiatives might be difficult to sustain.

RESEARCH METHODOLOGY

The researcher applied a qualitative approach which was primarily used to gain a deeper understanding and appreciation of the information gathered. In obtaining respondents' perceptions of the challenges they encounter in the execution of policy directives of the community's poverty mitigation programme, the research opted to use interviews as a means of harvesting data. In an attempt to solicit appropriate responses for the research, in-depth interviews were conducted to acquire the information. This was done to gauge the implementation rate of the entity on the national level and understand its policies aimed at promoting community development. Interviews were further conducted with members of the communities in the rural areas to balance the equation and enable a proper analysis of the data. These interviews will also help to appropriately determine the effectiveness and impact of the institution on the communities.

The MFUs assigned the researcher an officer to assist with directions to communities and the projects, therefore, making it easy and pleasant to locate the community participants. None of the community respondents who participated in the study used email. First-hand experience with the communities was necessary to assist with the evidence-based portion of the survey.

Ethical considerations

Ethical issues are important to any social research. The researcher was concerned about the moral integrity of the research project and therefore, ensured that findings are an accurate reflection of the submissions made by participants. The identity of the research subjects is protected by not revealing anyone's identity in the study. This protection is also in compliance with everything that is articulated in the consent form that all participants in the study signed.

RESULTS

A response rate of 87.50% was achieved.

Findings and Analysis

Causes of inefficiency by MFU leading to their ineffectiveness

Lack of planning: In implementing their program the MFU does not have a clear cut plan for continuity.

Inadequate record keeping: This aspect concerned the follow-up processes with implemented projects.

Capacity building: MFU rely on third parties and that tends to create a gap for commitment since the third party prioritize their own agenda.

Regulatory deficiency: The investigation revealed that even though MFU is recognised by lending institutions, they cannot give financial policy directives to alleviate poverty for rural communities.

Micro finance structure and assistance to communities

The investigation found that the MFU rural finance programme targeted at poor communities did help them start small enterprises. These businesses flourished and allowed participants to graduate from the micro level to a point where major lenders, including banks, can then take over and serve them with their financial needs.

The research results show that even though the programme was primarily designed for rural communities, semi-urban communities have also benefited from the programme.

Partnerships in delivering the micro finance programme

MFU facilitates the mainstream development for SMMEs in communities. Various government and non-governmental departments and organisations are already on the ground working. These

organisations have resorted to coordinating their planning and implementing efforts to avoid duelling efforts in assisting and spending on similar activities in the communities. In this regard, resources are saved and re-channelled to strengthen other programmes in various areas of cooperation. MFU officers go out to the field only when their services are needed, so their involvement in the field work is limited. This is because the staffing at the organisation is insufficient.

The program design allows the MFU to select beneficiaries from poor households and determine the intervention needed using these partners. In some instances, the benefits are delivered directly to recipients, while in some cases they go directly to the office to get the necessary assistance.

Media organisations broadcast live advocacy programmes for their audiences. The MFU also facilitates learning and exposure visits for farmers and other groups to local and external destinations like South Africa thus capacitating the value chains.

The investigation probed how the assisted communities respond to the teachings/training they have received. However, the inadequate staffing at the MFU has had an adverse effect on the program since only a few of the needs can be covered. Despite this inadequacy, those who have received assistance and training rate the benefits of the program highly. One such success story of the programme is a farmer who stated that she followed the programme's teachings on business principles and she is now a recipient of a national farming award.

Policy development and interpretation

Capacity building and access to resources is a catalyst for optimum organisational performance. As noted earlier, the MFU is constrained by its lack of adequate staff, yet the mandate of the organisation is broad and demanding. The MFU operates on three fundamental levels:

National level: Having to understand and interpret the macro-economic landscape in the country;

MESO level: Identifying and scrutinizing available institutions in the country and their capacity to deliver services and;

Micro level: To operate within the local community and identify issues on the supply and demand side.

In determining the objective and question on the effectiveness of the MFU in poverty alleviation, the study reveals that the entity has established its space in the micro-finance sector, even though it used to be perceived by others as one of the lending institutions, whereas it plays a catalytic role for providing guidance; capacity building; advisory services in terms of how assistance can be extended to beneficiaries on the supply and demand aspect. The MFU mandate is also to provide assistance and support for good collaboration and strengthening of capacity for lending institutions and basic advocacy.

Save for the existing government framework the MFU has not developed any policy. However, the Cabinet of the government has drawn up and adopted an agenda on financial inclusion, making it a major area for government attention.

Obstacles hindering MFU effective implementation

Household economic profiles/beneficiary demographics

A large proportion of the MFU beneficiaries are married (62%) and literacy levels amongst them is low (only 61% read with ease). The following graphs represent education levels, employment statistics and loan sources.

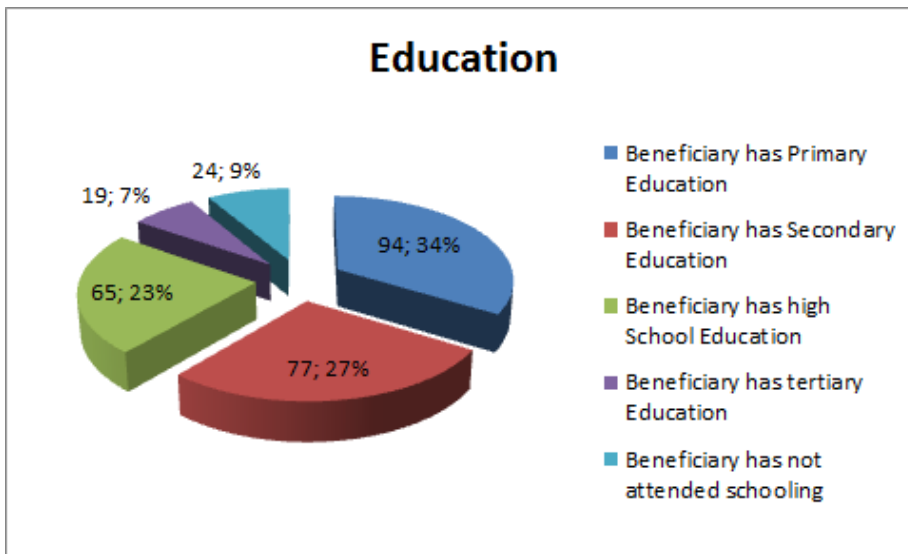


Figure 4.1: Education levels
 Lower than expected literacy levels can somewhat be explained by the fact that 34% of rural communities and beneficiaries of the MFU only has a primary school education while 9% has not attended school. 30% of the beneficiaries have education beyond secondary schooling. The inclusion of a greater proportion of youth positively impacts this indicator.

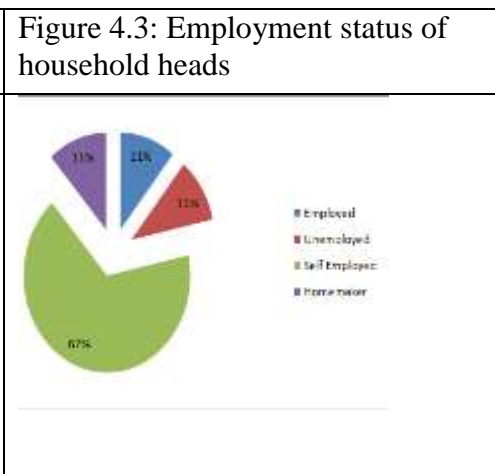
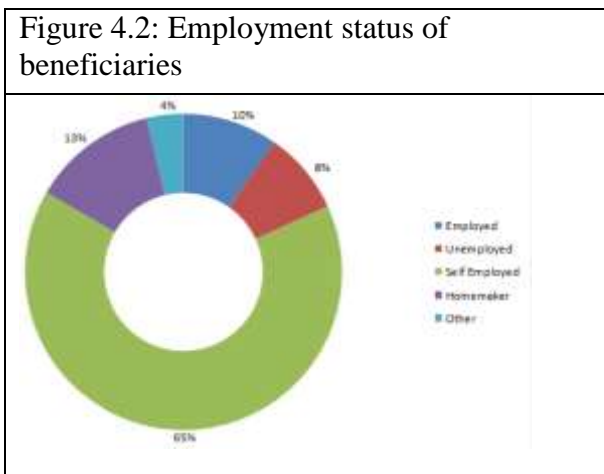


Figure 4.2: The employment status of beneficiaries and household heads shows a similar trend. The largest proportion of interviewees are self-employed (65% and above), a clear indication of the impact of business programs in the area.

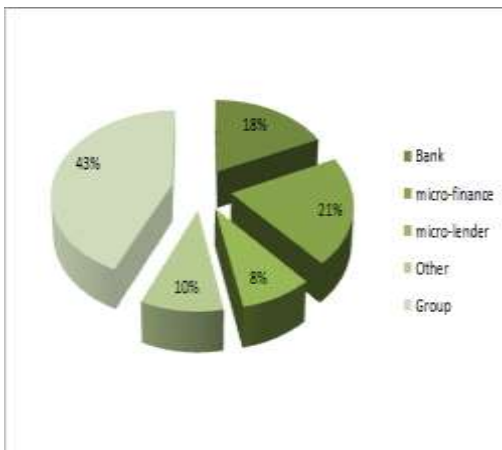


Figure 4.4: Loan sources

The savings and credit groups of beneficiaries took the largest percentage (43%) of loans. The breakdown of the remaining 57% is as follows; micro-financiers (21%); mainstream banks (18%); and beneficiaries who used micro-lenders to access credit (8%).

Enterprises owned by beneficiaries

The enterprise development approach has proven to be very effective and is listed below.

- Assisting in the drafting and review of pro-poor legislation that create/support a business-friendly environment.
- Create an enabling environment through capacitating vital resources in the ecosystem to ensure efficiency.
- Facilitating and collaboration with partners to engage in appropriate technical and business training for entrepreneurs, e.g., business management, marketing, and best practice for sweet potato farming.
- Adopting a value chain approach that includes: selecting and understanding high potential value chains like beekeeping, sweet potato farming, and indigenous chicken farming. Participating in the development and growing of entrepreneurs through the facilitation of market linkages, providing starter packs for quick set up after the initial training.
- Facilitating access to resources like training, research, funding through the ecosystem for promising entrepreneurs.

Types of businesses

The communities have established projects and businesses in order to come out of poverty. These projects and small enterprises vary significantly, among these, farming is the largest sector (20%).

Business compliance and governance

Respondents gave varying reasons for not operating bank accounts for their businesses. A majority are of the view that their enterprises are small and therefore do not warrant separation of the business finances from their personal accounts. Others also do not see the importance of managing the finances of the business through a bank.

Most of the projects/businesses operate as sole proprietorships (42% of respondents). Others are registered as private companies (28%) and the other (19%) as partnerships. Individually owned businesses account for 87% while joint ventures accounted for 13%. The majority of these owners have implemented the skills obtained from the capacity training they received, and 54% of them are keeping business records.

On businesses being able to sustain operation, the investigation uncovered that most of the SMEs fail within the initial three-year period from the start of the operation. The success of enterprises is determined by the longer period of the business while in operation.

Source of loans

Respondents gave varying reasons for not operating bank accounts for their businesses. A majority are of the view that their enterprises are small and therefore do not warrant separation of the business finances from their personal accounts. Others also do not see the importance of managing the finances of the business through a bank.

When probed on the classification of their businesses not being successful, respondents gave several reasons for the lack of cash flow. The lack of capital is also exacerbated by expenses exceeding income, unforeseen disasters such as drought, an outbreak of disease among livestock/husbandry, lack of markets and transport challenges.

The success for enterprise development is determined by the longer period of the business while in operation.

Business support and training

The training programmes conducted under the auspices of the MFU programme for beneficiaries mainly focused on capacity building. This includes business planning, financial management and record keeping among other disciplines. The researcher can attest that the beneficiaries had implemented the skills and knowledge because out of 10 respondents asked about the support program of the MFU, 80 percent indicated that they were satisfied with the capacitation and that they had benefitted from the program thus bringing success to their projects.

Success stories and key learning points

The MFU programme has built entrepreneurial capacity in the rural economy by enabling the rural poor to develop viable and sustainable micro and small businesses. Its other component is deepening the financial services sector, enabling financial access for the rural poor as a means of alleviating poverty. These include the following:

Beekeeping

Honey producers with a membership of over 400 beekeepers work at household level and sell as a company to meet the market demand. Participants applied the knowledge gained and skills acquired and have observed exponential growth in their businesses. One had grown the number of his hives from 5 to 28, and is currently able to produce 200 bottles of honey weighing 150g from one 20 litre drum of raw honey. He is able to produce approximately two tons of honey per month, has developed his own packaging and branding, and demand for his honey clearly outstrips supply. This phenomenal growth has been fuelled by a significant increase in the quality and quantity of honey that he is able to produce, but demand keeps increasing. The beneficiaries are able to employ other family members, with the business supporting household income, and continuing to grow.

Indigenous chicken farming

The government promotes the production of poultry products, eggs and indigenous chickens. Farmers have been encouraged to commercialise so that they can advance their livelihoods through food security, poverty reduction and income generation. The study uncovered that most farmers retain the chickens for meat consumption purposes. Each has their own indigenous poultry business, some registered as co-operatives and others operating as sole proprietors. The farmers participated in training in effective poultry production systems, the control of diseases and how to increase the range of products that can be derived from indigenous chickens. The farmers also received training in business plan writing, business management, recordkeeping and marketing. Ongoing mentoring is

also provided. They stated that they implemented what they learned in the training sessions and that their businesses are growing as a result.

Asked what the main contributors to their success were, the farmers indicated that having access to financial services and being able to do their transactions using financial products like mobile money has contributed largely to the positive impact on their businesses. In addition, understanding how to price their products and account properly for all costs has helped them toward profitability. They were also able to grow their customer base by retaining customers through good customer care and have seen the value of putting the customer first.

Theoretical training in a classroom, followed by practical training – was very effective and helped them concentrate and grasp the concepts much better. The mix between aim-high farmers and the emerging farmers was also good as they learnt a lot from each other.

Sweet potato farming

Sweet potato production had previously not been wholly commercialised by growers irrespective of its massive economic benefits and farmers had not utilised the full advantage of the high demand, coupled with extraordinary gross margins, derived from sweet potato production.

The project was started with the objective of achieving the goal of food security. The project has achieved, amongst others, the following:

- Establishment of sweet potato nurseries
- Increased sweet potato beds
- Production of 2 755 bags of sweet potato veins
- Conducted extensive training in sweet potato processing, marketing, farming machinery, product development.

The beneficiary indicated that having applied the newly acquired skills he had already seen improvements in turnover and profitability. The mentoring and periodic check-ups they obtain are helpful to keep them on track. He rated their businesses as good, and in a growth phase, despite the fact that it was affected by the recent drought. He attributed their successes in the main to the training received and the fact that the input costs of sweet potato farming are lower than those of other crops, contributing to profitability.

Women and men with disabilities

A group of 35 men and women organised themselves into an association, which is properly constituted in terms of the laws of the country. MFU provided business training and small grants by way of stock and equipment. They received mentoring from two volunteers who were the winners of business plan competitions organised by a number of stakeholders under the leadership of the Ministry of Finance – SME Unit, and they report that there has been growth in their businesses as a result.

Women Farmers Foundation (WFF)

The Women Farmers' Foundation (WFF) is a registered partnership that established operations in the agricultural sector for seven years. WFF received technical training in the area of operational planning, and business management. Loan funding is provided to them but the members of the group complain about interest rates being as high as 20%. A representative of the group stated that training interventions have had a positive impact on their businesses. It has seen growth in turnover and they believe that more structured interventions could produce additional results.

Monitoring and effectiveness in communities

One of the most important tools for organisational performance is its capacity to conduct an assessment of the work it is involved in. The investigation revealed that the organisation is very weak

in the aspect of monitoring. There are no tools for monitoring at MFU. Data is merely collated and analysed for the purpose of informing future programming. The organisation has been relying on passive feedback from the beneficiaries. To this end, periodic reports are prepared and submitted to the principal ministry.

Monitoring has been happening by default wherein the outcome of field exercises conducted is to engage with the beneficiaries. MFU linked its reports though information sourced by the interaction of the beneficiaries through such an initiative where some issues would be indicated to the MFU that success stories achieved through the programme intervention have not been documented. The void has been identified by the management and is now being addressed through the establishment of a department responsible for research and information.

CONCLUSION AND RECOMMENDATIONS

Summary of the study

The research questions and objectives of this study set out to examine factors that contribute to the success of community development projects in alleviating poverty supported by the MFU. Specifically, the study set out to determine if:

- Training sessions and best project running practices provided by the MFU have economically transformed rural communities for the better.
- The more than 80 percent of consulted respondents attributed the significant transformation from abject poverty from within the rural setting and their lives have been improved.
- Obstacles that hinder the successful execution of the MFUs' work such as the lack of proper monitoring and inadequate tools for effectiveness have been identified and can be addressed.
- The MFU can develop its own policies other than the framework provided by the government to enable it to generate strategies to improve the capacity of the programme and facilitate instruments that will enable the organisation to do better in future.

In this respect, the researcher states that the aim of the investigation has indeed been fulfilled as guided by the objective of the study.

Conclusions

It is the considered view of the researcher that the questions in the study did establish the effectiveness of the MFU in alleviating poverty for indigenous people in the country. The study also uncovered possible obstacles that hinder the unit to effectively implement its mandate.

Recommendations

This study has unpacked some of the challenges in the rural finance development space and how the MFU programme has unfolded over its seven years of operation. The deficiencies in the program that I have already noted require serious attention if the organisation is to succeed and optimize their functions according to the scope and mandate for which it was established. Considering and implementing the following recommendations would see the MFU and its intended beneficiaries/clients achieve better results that would transform their socio-economic status for the better. They include:

Recommendations for government

Government should consider enacting a law that will make it mandatory for foreign nationals who make money in the country to deposit the proceeds of the businesses into the formal banks in the country. Using the informal means to save the money they make is not helping the economy of the country. Government should also consider shoring up its collection of pensionable funds since it is the primary funding source for the economic activities managed by the MFU.

Recommendations for the MFU

- To ensure maximised work outputs from the various groups, a steering committee should be established to oversee their implementation.
- Develop a programme scorecard to gauge the implementation of the strategy against efficiency and deliverables.
- The MFU should convene a meeting with lending institutions to solicit feedback from the recipients of the guarantee scheme to assess the programme's impact properly.
- MFUs are a catalyst for financial development, and they must become substitute lenders who bridge the gap and provide needed capital where traditional lenders apply stringent requirements which cannot be met by the rural poor.
- The MFU should consider convincing the government to enact a law that:
 - Establishes the categorisation for SMEs that would source government tenders for services that are separate from the corporates as this presents them with unfair competition.
 - Reserve specific industries for SMEs.
 - Segment payment processes for SMEs.
 - Reserve some enterprises that can only be youth driven to minimise competition with already established and long-serving adults in business who tend to marginalise young people.
 - Consider developing a concept paper that would be presented to convince the government to construct factory shells in the rural areas for secure processing and accessibility for rural SMEs.
 - Develop a monitoring and evaluation mechanism for its national programme.

Recommendations to stakeholders

- Savings mobilisation: It is recommended that a special fund is established that will be sourced by mobilising savings from individuals, groups and/or cooperatives to be used as future capital to stimulate economic activities for more SMMEs. This fund will act as a central agency for the lending cadre.
- Consider establishing linkages between graduating from SMEs to traditional financial institutions for ease of referencing, since approaching a bank as an individual lender attracts severe risk scrutiny.
- Establish collaborating forums between the business development services providers and the lending institutions to minimise the gaps in the expectations that lead to SMEs getting or not getting funding.
- Ensure the transfer of business acumen of emerging entrepreneurs to owners of SMEs by appointing expert business advisors.

Directives for future research

Research is a continuous process. The study recommends that further research should be undertaken to determine other variables not covered in the scope of this study but are relevant and contribute to the achievement of the objectives MFU. A look at the factors which contribute to the success of community development projects aimed at poverty alleviation is also recommended.

Similar research may also be conducted to address areas not covered by this study. Also another research methodological approach is recommended to further explain the programme's impact and possible extension to include a larger population in the country.

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