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Income generating activities to promote entrepreneurship among Roma in Central and Eastern Europe

by
Spolu International Foundation and its partners

Proposed background documentation to the Side Event on
Promoting entrepreneurship and opportunities for economic development for Roma and Sinti
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Froukelien IJntema

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Spolu International Foundation and income generating activities

Since 1993, Spolu International Foundation has been active to improve the socio-economic position of disadvantaged Roma communities in Central and Eastern Europe, through an integrated community development approach. Community development aims to create favourable conditions in which a community itself will be able to solve problems in its further development. In the past few years, Spolu and its partner organisations have come across a growing demand for support of initiatives of an economic nature. Spolu strengthens Roma communities by stimulating their leadership, self-organisation and social structure. We strive to establish genuine cooperation between Roma communities and the ethnic majority, local authorities and institutions. Our experience shows that combining potential in different sectors like education, housing, employment, safety and culture, has a mutually reinforcing effect. Spolu works in Romania, Bulgaria, Macedonia, the Czech Republic and Slovakia, with and through partner organisations.

Roma, a history of exclusion

Approximately eight million Roma are living in Europe, of whom about six million in Central and Eastern Europe. The major part of this Roma population lives a life of day-to-day survival. Many Roma communities are in fact 'Third World enclaves'. For centuries, a wide gap of mutual mistrust has grown between the Roma minority on the one hand and the ethnic majorities on the other hand. This mistrust is most clearly visible in the relationship between Roma and the authorities. One example is the redistribution of land after the fall of the communist system. Even though many Roma have worked for years in the agricultural cooperatives and have gained a lot of experience in agriculture, several legal provisions excluded them from getting land.

Roma have known a long tradition of persecution, pogroms, resulting in the murder of 600 000 Roma by the Nazi-Germans during World War II. Like in Western Europe, the Roma under the communist regimes in Central and Eastern Europe were forced to assimilate into mainstream society. As a result they did have access to education, housing, health care and the labour market. On the other hand however, they were forced to abandon their cultural and social identity. This gravely undermined the character of the Roma communities. Largely as a result of a ban on their cultural and political organisation, the Roma could hardly organise themselves and remained almost invisible in the local, national and international political arenas. The Roma became objects of policy, in which they did not take part by definition. It was policy for *them, without them.* The many and long lasting negative experiences have often resulted in a loss of belief in themselves and in a positive future, leading to a loss of hope and motivation among many Roma to try and change their situation.

Deteriorating economic position

Since the fall of the Berlin Wall in 1989, the economic position of the around six million Roma in Central and Eastern Europe is dramatically deteriorating. As a result of closing down the state cooperatives, many people lost their jobs. Minority groups like the Roma were affected the most: 60 - 95 % of the Roma in Central and Eastern Europe are unemployed. The formal labour market is almost closed to them. They hardly have a chance to get a regular job because of discrimination and prejudices among the majority. In spite of official policies of integration, they are often denied access to quality education and other public services and facilities, like electricity and drinking water. The low level of education and skills among disadvantaged Roma is another serious handicap both on the labour market and in successfully initiating and managing income generating initiatives. Many Roma live in a vicious circle of poverty and discrimination.

Barriers to success

Success of income generating activities and market oriented initiatives depends on a lot of different factors. Several barriers put Roma in a disadvantaged position when it comes to developing successful economic and income generating initiatives:

- a negative or even hostile attitude of the non-Roma majority prevents Roma from getting access to land, markets and/or financial institutions. This is worsened by the fact that unemployment rates in most Eastern European countries are high.

- a loss of motivation among Roma caused by loss of belief in themselves and in a positive future, which in turn is a result of many and long lasting negative experiences of violence and exclusion.

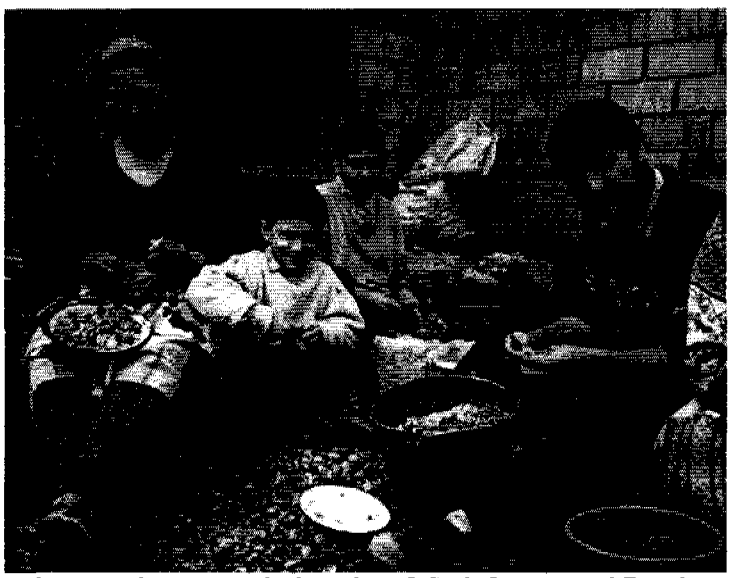
- poverty, which makes it difficult to take financial risks. For instance, it may be considered safer to remain dependent on social assistance, if available at all.

- a low level of education and skills among disadvantaged Roma, caused by lack of access to quality education and training.

- a shortage of leadership in Roma communities.

Subsistence

Things like this force Roma to find and create their own sources of income. They often have to operate in a grey circuit, which only reinforces their already marginalised position. Many Roma live day-by-day, finding food, clothes and shelter for their families. They are often engaged in a variety of small-scale income-generating activities in the informal market: they collect mushrooms or medicinal herbs in the forest, produce brooms, spoons or baskets, do agricultural work as day labourers, produce bricks, perform unskilled construction work, take part in digging works, or are involved in trade activities. A lot of this is seasonal labour. The income from these activities are often not even enough to sustain a family. Besides, a number of the crafts and trades that Roma traditionally do no longer seem to be marketable these days.



Collecting and processing fresh produce © Spolu International Foundation

Many of the subsistence activities are carried out on a family basis, like collecting mushrooms or herbs. Each family sells its products to a middleman separately. **A** lack of trust among Roma families in the communities, as well as shortage of leadership and organisation, often withholds individual families to combine their efforts in order to increase their 'bargaining power'. However, cooperation and mutual trust are essential to make such income generating efforts more effective and productive.

Moneylenders
A problem that is particularly great in Slovakia is the power of people who lend money to Roma against exorbitant interest rates, which put them in huge, often irreparable debts. Breaking the dependency on these money-lenders would increase the options for many Roma families to strengthen their economic position.

Poverty and taking risks
Taking risks and planning ahead are typical features of income generating initiatives of a more sustainable and 'formal' nature. People living in poverty - like many Roma are - cannot easily take (economic) risks. Poverty forces them to diversify their economic activities in order to spread the risk of failure. They tend to be engaged in a variety of small-scale income-generating activities in the informal market. It is risky for them to specialise in one economic activity and focus all their attention and resources on this one activity. They tend to live by the day and spend whatever income they have 'hand-to-mouth'. On the one hand, it involves parties like non-governmental organisations (NGOs) to open up windows of opportunities for disadvantaged Roma which motivate them to participate in income generating activities of a more sustainable nature. On the other hand, it takes time to develop confidence and skills of Roma to plan ahead for the medium and longer term.

Creating opportunities for subsistence activities might be a relatively small step, involvement in formal business-like initiatives seems to be a giant leap for most Roma people. Business opportunities are at all scarce within Roma communities. Besides, not everyone wants to be an entrepreneur. Many Roma **are** afraid or suspicious of all kinds of obligations like repayment of loans, registrations and official demands that they have to fulfil.

As part of a strategy of initial poverty alleviation, Spolu together with its partners assist people to increase their bargaining power in the informal market. Spolu supports disadvantaged Roma with a talent for entrepreneurship on their way to starting a small business, by providing small credits to generate additional family income. With that money and with support in the form of training they can show their commitment and other qualities that could lead to successful entrepreneurship. Once they have shown this commitment, we continue our support until they can be 'handed over' to local Small Business Development Centres or Micro-Finance Institutions.

Partners and target group

Target group
In supporting income generating initiatives Spolu and its partner organisations target this most disadvantaged and excluded segment of the Roma population in Central and Eastern Europe; more specifically in Bulgaria, Macedonia, Albania, Moldova and Slovakia.

Spolu International Foundation
Spolu International Foundation is one of the few organisations in Western Europe which concentrates specifically on the Rorna in Central and Eastern Europe and is unique in its community development approach[1]. Spolu supports income generating initiatives within the framework of this approach: income generating initiatives should be combined with activities in the field of education, housing, culture, health care and security. These activities can stimulate the initiative among Roma, their self confidence, their self organisation and leadership. By doing this, favourable conditions for income generating initiatives are created. **At** the same time, strengthening of the economic base of Roma communities may well have a positive effect on their development as a whole.

By income generation Spolu does not only mean increase of income. Although economic sustainability of the initiative is important, we see profit as a necessary means to an end and not so

[1] For a 'curriculum vitae' of **Spolu** International Foundation, see Annex **3.**

much as an end in itself. The effects of the initiatives should be wider. Being economically independent increases human dignity, self-respect, the feeling of being a citizen; it also means a growing awareness of belonging to mainstream society. It is the basis for a decent family life and an active community life. It will diminish the gap of mutual mistrust between Roma and non-Roma. People and communities should regain belief in the future. This is what community development can stimulate.

Up to now, Spolu and its partner organisations have supported a bakery with loans and grants, as well as some agricultural cooperations and associations, a brick production collective, and wood and metal workshops. A very successful project supported by Spolu was the production of bricks and the construction of ten new houses in a very poor Roma settlement in Nugfalau in North Western Romania. The concrete and visible results of these projects changed the attitude among the Roma. They started to get confidence in themselves, in our co-operation and began to organise themselves. As a result they became real partners of the local authorities. Last June, one of the men who was involved in the project said: *"through this project our community got **back** its soul"*.

National partner organisations
Spolu operates in eight countries with **and** through partner organisations:

- Albania - Rorna Union Amaro Drom
- Bulgaria - Association Integro Bulgaria
- Czech Republic - Vzájemné souzití
- Macedonia - Fundatia Avundipe
- Moldova - Tarna Rom
- Romania - Agenţia Împreună
- Serbia & Montenegro - Kulturni Centar Roma
- Slovakia - Združenie Spolu

Spolu cannot be successful outside its partner network, because:

- the national partner organisations are in direct contact with the local communities, NGOs and projects.
- they know the specific characteristics of their country or region best.
- together with the people in the local projects, they have to take over responsibility for this programme and by so doing ensure its sustainability.
- they will be involved with advocacy for this programme in their respective countries and - together with Spolu International Foundation - on international level. It is one of Spolu's aims to contribute to the creation of an international network of professional Roma organisations.

Small-scale local income generating initiatives

Spolu and its partner organisations assist local Roma communities to initiate and establish exemplary small-scale local income generating initiatives in several Central and Eastern European countries, according to specific guidelines.

It has been Spolu's experience that a relatively long time is needed for the identification of priorities and responsible people in a local Roma community and for the preparation of feasible plans to be executed by local Roma families.

Preparation phase

As mentioned before, a period of thorough preparation of income generating projects is explicitly part of the project cycle. It consist of identification of grassroots ideas and initiatives, conducting feasibility studies and drawing up business plans. Spolu International, national partner organisations, local Roma organisations and local experts play a part in this phase, which can take up to one year.

- ***Grassroot initiative***

Activity
To start with, people/families in the local community present their ideas for income generating initiatives to a local Roma organisation or Spolu's partner organisation in that specific country.

Approach
It is important that the initiatives and ideas come from the local communities themselves and that they 'own' the process. The people from the local communities know each other better, they know their own capabilities, their experience, their stories and traditions in the economic field. The initiative should be based on felt needs, and build on existing strengths, activities, assets and relationships in the community, with an understanding of the context in which it would be implemented.

- ***Identification***

Activity
In a creative process of cooperation between the initiators, the local Roma organisation (and/or a representative of the partner organisation or Spolu International Foundation) the initial ideas are evaluated and further developed. In most cases a representative of the partner organisation visits the community and discusses these ideas, or they receive a draft plan in writing to give feedback on.

Approach
Spolu and its partners work according to a certain method when getting in contact with a Roma community that wishes to enter into a community development programme. The working method has also been applied to preparing income generating activities. Spolu promotes a participative process of learning and negotiation between community and community development organisation. **A** representative of Spolu International or one of its partner organisations discusses with a relatively small group of people - Roma representatives and local authorities - about the qualifications, the jobs and the occupations of the Roma in that particular community, the social-economical history of the locality and the possibilities of implementing an economic activity. Other issues of discussion are the parties[7] potential contributions to the activity, its risks, the market for the products, the draft business plan of the suggested activity, as well as the conditions of reimbursement of loans and credits. The outcomes of these discussions at the local level are used as entry points for the identification of potentially suitable income generating projects. Clear agreements based on mutual respect are crucial in this process.

- ***Feasibility studies***

Activity
A feasibility study is carried out by the foreseen participants with the support of the local Roma organisation and/or other local experts.

Approach
The feasibility study determines:
a. to what extent the participants are capable and well-equipped to initiate the suggested project. And if not, what would be needed to get to that point, like training, monitoring, advice, etc.
b. whether there is a market for the products and/or services that the project aims to deliver. Several initiatives have failed due to dependence on one type of product and/or one buyer.
c. a cost-benefit analysis not only in financial terms, but also in social terms; e.g. what would be the social costs and benefits for the community as a whole.
d. the risks and opportunities facing the project and the strengths to build on and weaknesses to overcome regarding the project - in other words a basic SWOT-analysis.
e. how the suggested initiative complies with the guiding principles mentioned below.

From the start, the suggested initiative should show a perspective on becoming sustainable in the future. Depending on the size and complexity of the suggested project, the elaborateness of the feasibility study will vary. Based on the outcomes of the feasibility study, the local Roma organisation - in consultation with the national partner organisation and/or Spolu International Foundation - will decide whether the community should or should not proceed with the initiative.

- ***Writing business plans***

Activity
Once an intended initiative has been deemed feasible, the participants will draw up a business plan with the support of the local Roma organisation and/or the partner organisation or other local experts.

Approach
Basic guidelines for writing a business plan for a small-scale local income generating initiative have been developed. Again, the size and complexity of the proposed initiative determines how detailed the business plan will be. In some cases, an accountant and/or a lawyer is consulted to check the plan.

- ***Approval and fundraising***

Activities
1. The business plan is given to the board of the local Roma organisation for review.
2. If the board advises positively on the plan based on set criteria, the plan will be sent to the national partner organisation (or else directly to Spolu International Foundation).
3. The national partner organisation (or Spolu International Foundation) reviews the proposal and if necessary instructs the local Roma organisation to improve the proposal.
4. If the national partner organisation has approved of the proposal according to the guiding principles it will send the proposal with a recommendation to Spolu International Foundation,
5. Spolu International Foundation will combine all the plans and proposals for local projects from different countries into one programme and will raise funds for it.

Guiding principles

Project proposals and business plans are assessed according to a number of guiding principles. Part of these principles will apply in a flexible way, because Spolu wishes to give room to innovating and inspiring initiatives on the one hand and to the possibility of gradual improvement of the initiative in the process of its development.

I. In general, Spolu will seriously consider proposals for income generating initiatives, if they:
   a. have emancipating aspects: people who have their own source of income, are more independent and their self-respect and respect in the community will increase,
   b. create awareness of basic human rights, like the right to equal access to the labour market and public labour services,
   c. lead to an increase of Roma participation in society,
   d. build up community feeling and leadership structures,
   e. lead to the creation or improvement of relationships (of cooperation) with experts, local institutions and authorities,
   f. break dependency.

   Other general aspects of income generating proposals that are treated positively:
   g. they support the creation of a Roma middle class,
   h. they lead to the creation of employment and official jobs, with all social and economic benefits.

2. In order to achieve this, Spolu has the following, more **specific guiding principles:**
   a. The initiative should be based on Roma initiative from within the community, Roma should be the 'owners of the project'.
   b. The initiative benefits disadvantaged Roma and leads to the creation of a sustainable livelihood and an increase in their bargaining power.
   c. The project has to be economically feasible. From the start, it has to show a perspective on making a profit. However, profit is seen as a necessary means to an end and not so much as an end in itself: the initiative at least aims for optimum profit, not necessarily for maximum profit. Optimum profit is based on an analysis of opportunities, talents and wishes of (people in) a given context. In the initiative a balance needs to be found between striving for profit and the capacity to take risks.
   d. If the nature of the project allows it, as many community members as possible should be included in the activities in order to create a maximum learning effect. Otherwise, the initiative should either have clear and positive spin-off effects for the wider community or set a positive example for the wider community.
   e. Community members should get the opportunity to improve their qualifications, e.g. through economic and vocational education and training (preparing a business plan, be involved in medium and long term planning, vocational skills, etc). Attention has to be paid to the gender aspect.
   f. People should gain experience in entering into loans and repayment schedules, working according to legal standards (e.g. entering into contracts), building alliances, etc.
   g. The initiative should be based on experience and expertise existing in the communities.
   h. The initiatives should promote a culture of saving.

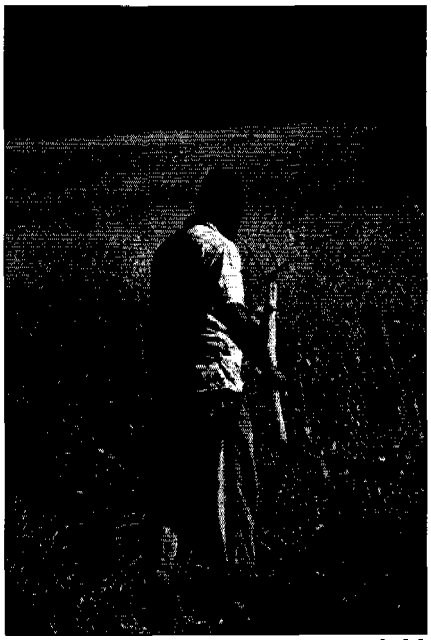
Since the goal of income generating activities within community development projects is not just profit but a sustainable livelihood, Spolu International Foundation will have to be more flexible in keeping to contractual agreements than banks and other economic institutions. Sanctions and criteria will be determined in negotiations with the beneficiaries.

Income generating activities

Spolu and its partners only support relatively small-scale income generating initiatives. Initially, the emphasis is on quick and visible results in order to evoke and create commitment and a new belief in future possibilities. The process of implementation and consolidation of an income generating project takes approximately two years. The process is coordinated, monitored and coached by both the national partner organisation and Spolu International Foundation.

Lessons learnt from the Integro Cooperative Senovo, Bulgaria
In 2001, Integro established the Integro Cooperative in Senovo. The results of the first season were disappointing. By the end of 2003, in spite of expert advice, the cooperative was not able to pay back its loan to the Rabobank Foundation. The cooperative started pigs breeding with the hope to pay back some of the loan from the profit. The members were not really interested in the pigs, because the money was intended for the Rabobank. As a result, the initiative failed. Spolu and Integro successfully negotiated with the Rabobank Foundation to find an adequate solution for this problem.

The network learnt some useful lessons from the experiences of the Integro Cooperative Senovo. Most importantly, without assuming personal risk and direct responsibility there is a lack of commitment and sense of 'ownership'. Integro changed its approach. New initiatives are small-scale and on family basis. Integro Senovo started a kind of 'revolving fund' for individual credit to selected Roma families on contract. A sheep breeding project was started in 2002. Practical skills training in sheep breeding took place in 2003. The new strategy has led to active commitment. Full repayment of credits is expected before July 2004.



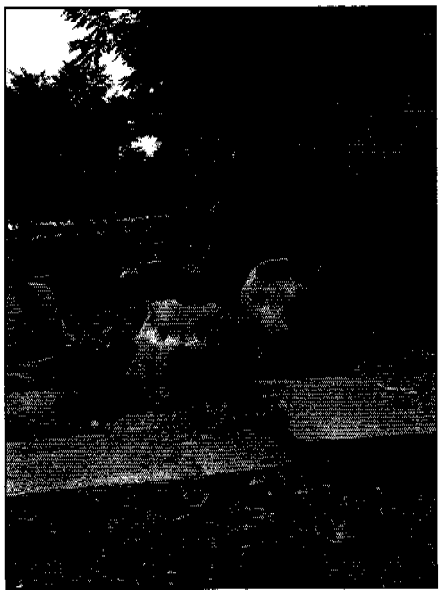
Anglunipe member at work in the field
© Spolu International Foundation

Lessons learnt from the Anglunipe Association, Kriva Palanka - Rancovce, Macedonia

The Anglunipe Association started in **2002.** It learnt from the Integro Cooperative to organise the work on family basis instead of collectively. The members got organised, they were involved, committed and motivated by their own interests. However, they had a big marketing problem, because of unexpected imports from Bulgaria. As a result, the management as well as several families could not sell and were not able to repay the loan. Since the members had signed a loan agreement, legal steps could be taken to demand repayment. In October 2003, a Dutch agricultural expert visited Anglunipe Agricultural Association. Based on his advice, Spolu allowed Anglunipe to dump the stored harvest on the market at cost price and to use the proceeds for cattle breeding on family basis, following the strategy of Integro Bulgaria. In the annex a description of income generating activities by Roma women in Rancovce (Eastern Macedonia).

Shortlist of projects in 2003

- Albania
  - pigs breeding in Levan
- Bulgaria
  - Integro Cooperative (agriculture and pigs) in Senovo
  - sheep breeding in Senovo
  - preparation of new projects, like horses in Ognianovo, bees
- Macedonia
  - Anglunipe Agricultural Association
  - women's gardening project
  - youth music group
  - loan to women for travel expenses for seasonal work in a mushroom factory
  - youth trading activities
- Serbia and Montenegro
  - geese projects in Backi Monostor and Mol
- Slovakia
  - preparation of a bees project, pigs breeding, and a wood workshop



Geese project in Backi Monostor
© Kulturni Centar Roma

In 2003, Spolu received many proposals for new IGA from its partner organisations. This way Spolu could start to extend its experience in this field. For Združenie Spolu in Slovakia IGA are a new field of activity. Spolu lnternational assisted Združenie Spolu to find funding for three new income generating initiatives. In Bulgaria, it has been difficult to find adequate funding for IGA. With the help of a number of church congregations a few projects could be financed. Spolu's partner in the Czech Republic so far does not prioritise IGA. Independent from Spolu, Agenţia Împreună in Romania has implemented an extensive Job Creation programme for Roma. Initiatives in other countries could be supported from funds already available to Spolu.

Spolu is negotiating possibilities for cooperation with Heifer International. As a test case - with positive results - Heifer Albania has trained Roma families in Levan in several aspects of pigs breeding.

Training and coaching

Training and coaching is very practical and directly related to the 'job' at hand, for example:

Practical 'on-the-job' training on how to do afeasibility study, for either the workers of the local Roma organisation or the participants in the income generating activities.

- Likewise, writing a ***business plan*** is a process of 'learning-by-doing' involving training for the participants. If they are not able to do the actual writing of the plan, at least they will contribute their ideas.

- ***Economic education*** is an important part of the implementation phase of the initiative. Examples are business skills like:
  - o market research and marketing
    - although external expertise may be needed to get the relevant information, the participants will have to understand the relevance and basic principles of it.
  - o how to deal with contracts
  - o how to deal with loans and credits:
    - who takes the risks
    - guarantees for loans

- ways to reimburse in money, in kind or in labour
  - bookkeeping and administration
  - record keeping, etc.

- The (further) *development ofprofessional skills* also involves training. The content of the training depends on the kind of business. Examples: agricultural skills, technical/mechanical skills, etc.

- Training in *management and organisational skills* like: what does it mean to be a board(member), how to take decisions together, planning ahead, assignment of roles and responsibilities.

Developing expertise, methods and strategies

The growing experience and expertise of Spolu and its partner organisations in the field of income generating initiatives as part of community development is quite unique. We perform a pioneering role in trying to improve the economic position of the most disadvantaged Roma, with a number of positive results so far.

Developing successful economic initiatives with Roma is a challenging, time-consuming and labour-intensive process, given the complexity of the issue as described in the problem analysis. Spolu and its partners are in a constant process of learning from successes and mistakes. This is essential in a process of developing flexible and workable methods and strategies.

Spolu and its partner organisations are developing their experience through their day-to-day involvement with the concrete income generating projects. As partners, we can also learn a lot from each other's experience. Besides, Spolu has created an informal Expert Group of experts in the field of local development and small and medium enterprise and had in depth discussions and exchange of views and methods of developing sustainable income generating initiatives with disadvantaged groups.

Income generating initiative by the active women of Rancovce, Macedonia

Rancovce is a village in North-Eastern Macedonia, situated between Kumanova and Kriva Palanka. In Rancovce live ca 400 Roma, spread over two 'Mahala's' (Roma quarters). They live from informal trade, day-labour and agricultural activities for subsistence. In collaboration with Avundipe (a grass-roots Roma-organisation) Spolu has been working in Rancovce since 2001. We started small-scale community development activities like supporting a sports group and infrastructural improvements with the aim to stimulate self-organisation and to build up leadership and self-confidence. In 2002, an agricultural association was initiated, in which eight families from Rancovce participate. They hired land from the old co-operative and planted various crops. The season was good, but unfortunately marketing of the crops was problematic: they could only sell part of the crops. Now, the people from Rancovce are looking for alternative ways to generate an income. One interesting initiative has come from the women of Rancovce.

Roma women from Rancovce have received support from Avundipe/Spolu to meet weekly and talk about all kind of things over a cup of coffee. This 'Romany Coffee' started as a social activity to bring the women outside the house and to make friends. For a long time, there were about twenty women who attend these meeting very regularly and who are active in the community. Two women, Gordana and Valentina, are the leaders of the group. Vidanco, the community worker of Avundipe, is sometimes present in these meetings. After a while they started to talk about common problems and together thought of solutions. Gradually the women decided they wanted to see changes. First they came with the idea to cook something together, to celebrate International Women's Day. When these activities turned out to be successful they discussed: 'Why don't we become active and generate income for ourselves?'

Their first plan was to grow vegetables like potatoes in their own gardens. They went to Vidanco to explain their plan. Vidanco found out that this initiative is really coming from the women and that they are capable to realise it. All women are depending on social care and do not have a chance to find another income. And, at the same time, the women will get experience to work regularly. Then he listened to them and asked questions like: Is it sustainable for the longer term? What will be your own contribution? Which will be the criteria to receive the support? After deciding the procedures, the women asked Avundipe support for the purchase of seed material to plant vegetables. The other necessities will be contributed by themselves, like labour, fertilizer, pesticides, water and, tools. Part of the harvest will be food for their families; the other part will be sold on the bazaar. Most of them (about 90%) want to grow potatoes. Others want tomatoes, peppers or carrots. All the women have some land near their houses, about 300 m2 per person and they know how to grow vegetables. Vidanco asked the women to make a list who want to be involved and everybody sign the list. Avundipe decided to propose the project to Spolu and to support the project with € 160. Avundipe donated seedlings to the active women to the value of 500 denar, Active women are those who come regularly to the meetings.

The coordinator of Spolu was enthousiastic about the initiative, but proposed some changes to improve the approach: 50% of the sum will be provided as credit, to prevent that the women use the money this year for vegetables and do not learn how to save money for new investments. In this way a 'women's fund', a savings fund, can be developed, which will be under their own control. Because Avundipe already promised the women to provide a grant, they decide that the women must 'save' half of the money (250 denar) after the harvest to put in a 'Women's Agro Fund'. In the new season Avundipe will start to work with credits. After the first year, if new women want to join, they first have to prove that they are active and serious. And they must come up with their own initiative, if good, they can also be entitled to participate in the fund.

Avundipe made a contract with each woman, including:
- how much money they have received
- criteria on how the money in the fund can be spend
- what will be their own contribution
- their financial obligations (saving for new investments, saving for the women's fund)
- the period after the harvest within which they have to pay back
- sanctions for not paying

Together, the women decided on the sanctions, like if one woman refuse to pay back, all together will have to pay for her. The women promised to keep administration of who received what and who paid what with their signatures. Gordana and Valentina will control the project. Vidanco will monitor it closely.

In order to train the women in understanding basic economic principles, the co-ordinator of Spolu together with the women made a 'business plan', as an example, to see how the initiative can be made sustainable. During a meeting, the women mention all the expenses involved for potatoes and Vidanco writes on a flipchart on the wall:

costs

- 8 kg of seeds	500 den
- hire of a small machine to plough 300 m^2 land	150 den
- fertiliser: 1 bag of 30 kg	450 den
- labour: digging 2 x maximum	0 den
- protection / pesticides (2 kinds)	300 den
- irrigation with an electric pump (water from river)	150 den (some women have pump)
- labour: harvesting by hand	0 den
- 10 bags for 30 kgs (packaging for market)	200 den (they have the bags)
- and also the tools (shovel, etc)	0 den
Total costs	1.750 den

Income

Expected harvest from 8 kg seeds is: 250 kgs of potatoes
Price per kg potatoes on the bazaar (minimum) 12 denar

Total income 250 x 12 =	3.000 den	250 kg
minus investment for next season:	1.750 den	145 kg
	1.250 den	105 kg
minus contribution to fund:	250 den	20 kg
Profit	1.000 **den or**	**85 kg**

Conclusion regarding the vegetable gardening initiative of 17 women in Rancovce:
1st responsibility: sell enough for investment money to continue the project in the next season.
2nd responsibility: sell enough to put money in the fund for new initiatives
Then choose:
a. sell the rest and have some financial profit
b. keep the remaining kilo's as food for the family.
On these conditions, Spolu has approved the project proposal.

Results after one season
- The women with 'yellow' potatoes had better yields than women with 'red' potatoes.
- What have the women done with the harvest? Only one woman sold potatoes, nl. 10 kgs of her total harvest. Others brought it together to prepare salades for a party, the rest was for the family for home consumption. In the business plan this should be calculated as income against cost price. The harvest of a few of the women was eaten by animals. This means no income.

- Most of the women have produced new seedlings for the new season. This is income against the price of seedlings in the shop.
- How many women have now paid their *250* denars to the fund?
  34 women are participating, in October 2003 19 women have paid 250 denar (= 4750 denar), 11 paid 50 denar, 4 were soon going to pay the remaining amount, and 5 to 6 women will have to leave the group, because they cannot/do not want to pay.
- At the explicit request of the women, Vidanco (community worker) will do the bookkeeping of the Agro Fund, because they do not yet trust each other enough. Steps are taken to create trust in the group.
- The women worked an average of 6-7 hours per per season. In a factory they can make 500 denars for a 12-hour working day. Opportunity costs of labour in this case are 250 denar for the whole seasons. This is not a factor to count.

Current situation

The women are very motivated now to expand their activities. They are very serious about their women's fund and have decided to put in extra instalments to create their own saving's fund. Avundipe added extra money to the fund to give credit for new activities. Some of the women have now received a small loan to start breeding goats or pigs or keep chickens to sell eggs. New criteria were included, like monthly repayments. **A** loan agreement was signed. The repayments are written on a poster on the window of the community centre and each women **has** a personal file in which their repayments are written. This is ***transparency.*** From 17 women 2 were chosen as representatives. This creates ***leadership.*** The women are responsible and motivated. They exchange experience and share the care for the animals. Vidanco is preparing the women to do their own administration.