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RURAL ENTERPRISE AND AGRICULTURAL DEVELOPMENT (READ) PROJECT

SERVICE PROVIDERS AND STAKEHOLDERS TRAINING MANUAL

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MARKET AND RURAL ENTERPRISE DEVELOPMENT

&

**ORGANISATIONAL STRENGTHENING & HUMAN AND
SOCIAL CAPACITY BUILDING**



REGENT STREET & VLISSENGEN ROAD, GEORGETOWN

TABLE OF CONTENTS

A.	INTRODUCTION	4
B.	Market & Rural Enterprise Development	6
1.	RURAL ENTERPRISE DEVELOPMENT	6
1.1	Concept of Micro Enterprise.....	6
1.2	Defining Business	6
1.3	Defining Micro-enterprise.....	6
1.4	The Role of Micro-enterprise in Rural Development.....	7
1.5	Causes of success or failure of a micro-enterprise	8
1.6	Business cycle and aspects.....	8
1.7	External and Internal Factors Affecting the Success or Failure of a Micro-enterprise..	8
1.8	Characteristics of micro-enterprise	9
1.9	Roots, Indications and Consequences of Farmers Low Status in Rural Communities..	10
1.10	The Business Cycle	11
1.11	Common Weaknesses and Constraints of Micro-entrepreneurs	11
1.12	Type of Project Assistance for Micro-entrepreneurs.....	13
1.13	Cases	14
1.13.1	Cabbage Farmer	14
1.13.2	Vilma’s Processing Project.....	15
1.13.3	Chris Grocery Shop	18
2.	RURAL/MICRO-ENTERPRISE MANAGEMENT	20
2.1	Management areas, skills and tools.....	20
2.1.1	Introduction of Financial Records	21
2.1.2	Preparation and Reading of Financial Records.....	22
2.2	Systematic Financial Analysis and Diagnosis.....	23
2.2.1	Options for the Entrepreneur.....	24
2.3	Income and Expenditure Record.....	25
2.4	Important Lessons in Preparing Income Statements.....	25
2.4.1	Income Statement	25
3.	DEVELOPING A BUSINESS PLAN	26
3.1	What is a Business Plan?.....	26
3.2	Why Write a Business Plan:	26
3.3	The Planning Process	27
3.3.1	Parts of the Business Plan.....	27
4.	MARKETING ESSENTIALS.....	29
4.1	Exporting Quality Agriculture Produce	29
4.1.1	Shipment Parameters.....	29
4.1.2	Pre-Sale Research	30
4.1.3	Determining the Conditions of a Sale.....	30
4.1.4	Determining the Terms and Details of Transport.....	31
4.1.5	Selecting a Freight Forwarder	32
4.1.7	Method of Payment	33
4.1.8	Explanation of letter of credit (L/C).....	33
4.1.9	Ocean Transportation Arrangements.....	34
4.1.10	Packaging and Loading for Export	35

4.1.11	Export Terms of Sale.....	36
4.1.12	Insurance	38
4.1.13	Payment Collection with a Letter of Credit	38
4.1.14	Documents Required for Collection of Payment.....	39
4.1.15	Arriving at Destination.....	39
4.1.16	Dealing with a problem shipment	39
C.	Organisational Strengthening & Human and Social Capacity Building	42
	MODULE 1: Understanding “rights”	42
	MODULE 2: Understanding “responsibility”	46
	MODULE 3: “Talking the Talk & Walking the Walk”	49
	MODULE 4: Leadership and Group Dynamics	51
	MODULE 5: Communication.....	52
	MODULE 6: Power, Trust and Authority	55
	MODULE 7: Partnership/Networking	57

A. INTRODUCTION

This manual on Market and Rural Enterprise Development and Human and Social Capital Strengthening has been commissioned by Rural Enterprise and Agricultural Development (READ) Project, a joint initiative of the Government of Guyana and International Fund for Agricultural Development (IFAD). The project is designed to improve the living conditions of poor rural households, especially small-scale producers and vulnerable groups, increasing their human, social, and financial assets.

This manual as well as the workshop will be used to facilitate and form part of Component 1 – Market and Rural Enterprise Development and Component 2- Organisational Strengthening and Human and Social Capacity Building of the Project. It is the first in a series of manuals to be utilized to strengthen the capacity of service providers and stakeholders identified under the project.

The Market and Rural Enterprise Development aspect of this manual consists of Micro Enterprise Development, Business Planning, Preparation of Financial Records and Exporting of quality non-traditional agriculture produce where information was utilized from FAO bulletins, internet and other manuals.

The Human and Social Capital Strengthening consists of seven modules, four of which are excerpts from existing manuals, to aid development of group dynamics, cohesiveness, problem-solving skills and encourage collaboration and creativity. Each exercise can be used effectively by itself. These activities generally begin with an introduction by the facilitator who sets the tone for problems or challenges to be solved by the group. Some are physical and active while others are brain teasers. The exercise should be fun while providing experience of working as a team.

This manual will be used by service providers and stakeholders to assist in providing training to rural producers and views reflected do not represent those of IFAD.

SECTION 1

MARKET AND RURAL ENTERPRISE DEVELOPMENT

B. Market & Rural Enterprise Development

1. RURAL ENTERPRISE DEVELOPMENT

1.1 Concept of Micro Enterprise

Micro Enterprise projects are aim at improving the status of persons through income generating activities and social development activities. Income generating activities therefore are not an end in itself, but a means to achieve the overall goal of improved status of persons' lives. This implies that the project supports those income generating activities which contribute the most to improving households or micro-enterprises.

1.2 Defining Business

A business is "any venture which involves production of goods and/or services to obtain profit."

Four types of business in rural areas are:

- a. Production: producing goods for selling, e.g. growing fruits and vegetables, sheep rearing
- b. Processing/manufacturing: converting raw materials into finished product, e.g. processing fruits into jams
- c. Trading: buying and selling of the same product(s), e.g. grocery shop, market stall
- d. Services: Main line of business is providing a service e.g. barber shop, transportation.

1.3 Defining Micro-enterprise

Microenterprises can be considered as street vendors, carpenters, machine shop operators, seamstresses and peasant farmers. Micro entrepreneurs come in all types and their businesses in many sizes. This diverse group requires a variety of support for growth and improvement. Many of these men and women and their employees are poor and have limited access to services but they do not lack potential.

Microenterprises contribute significantly to economic growth, social stability and equity. The sector is one of the most important vehicles through which low-income persons can escape poverty. With limited skills and education to compete for formal sector jobs, these men and women find economic opportunities in microenterprise as business owners and employees.

Although capital requirements of a micro-enterprise may be low, to the poor it is considered high. Therefore, the risk of undertaking micro-enterprise is not low. For the poor it is very hard to recover from failure of the micro-enterprise.

The main differences between micro-enterprises and other enterprises are:

- Level of capitalization
- Number of people involved
- Ownership: for micro-enterprises the owner is likewise the manager and worker

1.4 The Role of Micro-enterprise in Rural Development

The main role of Micro Enterprise development is "Improving the Socio-economic Status of households through Income generating and Social Development Activities".

By encouraging farmers to engage in micro-enterprise, we encourage initiative, risk taking, decision making and income earning. They are able to participate in socio-economic activities in their communities.

Limited technical, literacy and business skills are other major reasons for low status of rural farmers. Micro-enterprises undertaking requires relatively simple technology and management. When they are engaged in micro-enterprise they can gradually improve their skills.

In the case of women, they have a high burden and sometimes many children. Micro-enterprises usually are household based and women can choose an enterprise which they can combine with their other chores.

Employment in other enterprises would not contribute as much to improving women's status, because women would be employees rather than managers. Except for technical skills and earning their own income, women are not provided with the opportunity to exercise initiatives and are not generally or personally accountable for the over-all success of the business. As a consequence, they are not able to experience the personal changes which have been enumerated above.

Lack of funds is an obstacle for small farmers to develop micro-enterprises. As a group, farmers can mobilize resources through savings from which members can borrow for micro-enterprise development.

Group members can study together and share experiences, e.g. on technical and financial matters, market information, etc. Through these group activities member's skills improve faster and to a higher extent.

As a group, micro-entrepreneurs can be more organized and can use group strength in addressing constraints. For example, the group can arrange training, can buy inputs or run facilities together, can negotiate with buyers, mobilize support from village leaders, etc.

1.5 Causes of success or failure of a micro-enterprise

In general, the poor cannot take unnecessary risks. Their resources and conditions are such that they do not have enough to be able to incur losses. If their venture fails, they lose more than their material resources. It erodes their self-confidence. Furthermore, the poor have some kind of distrust of external assistance. When they fail in projects with external assistance, this could reinforce their lack of confidence in external agents. The field worker therefore has a great obligation that sufficient safeguards are provided so that success and not failure results in farmers, women group's micro-enterprise undertaking.

1.6 Business cycle and aspects

Resources and conditions of farmers who participate in micro enterprise are such that they do not have enough to be able to incur losses. If their venture fails, they lose more than their material resources. It erodes their self-confidence and they will be even more dependent on others than before. The field worker therefore has to make sure that sufficient safeguards are provided so that success and not failure results. Providing capital funds alone is not enough. To be able to provide adequate assistance we need to have a thorough understanding of the factors that cause success or failure of a micro-enterprise.

1.7 External and Internal Factors Affecting the Success or Failure of a Micro-enterprise.

- A. Internal factors are those that are within the control of the entrepreneur. These include the knowledge, skills, attitude and resources of the entrepreneur. If the factors contribute to the success of the project they are called "strengths" or

positive internal factors. When internal factors are an obstacle to success, they are called "weaknesses" or negative internal factors.

- B. External factors are those that are outside the control of the entrepreneur. These include the market situation, economic situation of the community, the weather, etc. External factors that contribute to the success of the project are called "opportunities" or positive external factors. When external factors may become obstacles to the success of the project they are called "constraints".

Analysis of the factors affecting the success or failure of a business serves as a guide to determine:

- What external factors (constraints) must be avoided or need to be resolved
- What external factors (opportunities) facilitate the success of the micro-enterprise
- What internal factors (weaknesses) should be improved
- What internal factors (strengths) must be capitalized on

This helps to identify what actions need to be taken by either the field worker or the micro-entrepreneur.

1.8 Characteristics of micro-enterprise

Characteristics of a micro-enterprise include:

- a. small level of capitalization;
- b. initiated and managed by a household or few individuals;
- c. self employment (owner is manager and worker);
- d. simple technology and equipment;
- e. utilization of local resources/raw materials;
- f. transactions are often informal (no written agreement, based on personal contacts); and
- g. ease of entry.

1.9 Roots, Indications and Consequences of Farmers Low Status in Rural Communities

Reasons	Indications	Consequences
Culture of dependence	Low self esteem	Low contribution to household and community development
	Afraid to take risk	Role in decision-making in household and society is limited or small
Traditional thinking	Short-term vision	
Many children	Mother and child health poor	Time for productive activities limited
		Quality of life generally poor
	Heavy burden	Quality of children not so high
Lack of technical skills	Low productivity	Poverty; inefficient use of resources
Limited business skills	Income generation limited	Limited or small contribution to household income
		Limited experience in business
Low literacy	Lack creativity	Narrow world view
Lack of funds	Income generation limited	Contribution to household income limited
Lack of organization	Local resources not tapped	Waiting for government to help

1.10 The Business Cycle

The four stages in micro-enterprise development are:

A. Opportunity scanning

B. Business planning

- a. production
- b. marketing
- c. finance
- d. organization

C. Implementation

- a. production
- b. marketing
- c. finance
- d. organization

D. Evaluation

Once an enterprise has completed a business cycle there are three choices:

- a. to open a new business
- b. to continue with the existing business
- c. to cease to operate the existing business

1.11 Common Weaknesses and Constraints of Micro-entrepreneurs

Most common constraints and weaknesses of micro-entrepreneurs are:

	Internal (weaknesses)	External (constraints)
<u>PLANNING STAGE</u>		
Marketing	· No thorough market investigation due to lack of information	· Information not available to micro-entrepreneur
Production	· Limited technical skills	· Government services limited to certain groups; not all micro entrepreneurs reached by technical advisory service of the government.

	Internal (weaknesses)	External (constraints)
Financial	·Lack of capital	·No access to credit
Organization and Management	·Limited skills in estimating income, shortsightedness, low business consciousness	·Lack of information/education
<u>IMPLEMENTATION STAGE</u>		
Marketing	·Lack of market information, ·No contracts/lack of negotiating skills ·Inability to adjust to market changes	·Market fluctuations/price control ·Information not available
Production	·Problems with quality of product ·In-efficient production	·No adequate training and advisory service available
Financial	·No record keeping ·No profit/loss statements ·Mixed accounts of the project with other projects/household accounts.	·Lack of training programs in household budgeting and financial recording
<u>PLANNING STAGE</u>		
Marketing	·No thorough market investigation due to lack of information	·Information not available to micro-entrepreneur
Production	·Limited technical skills	·Government services limited to certain groups; not all micro entrepreneurs reached by technical advisory service of the government.
Financial	·Lack of capital	·No access to credit
Organization and Management	·Limited skills in estimating income, shortsightedness, low business consciousness	·Lack of information/education
<u>IMPLEMENTATION STAGE</u>		
Marketing	·Lack of market information, ·No contracts/lack of negotiating skills ·Inability to adjust to market changes	·Market fluctuations/price control ·Information not available

	Internal (weaknesses)	External (constraints)
Production	<ul style="list-style-type: none"> ·Problems with quality of product ·In-efficient production 	<ul style="list-style-type: none"> ·No adequate training and advisory service available
Financial	<ul style="list-style-type: none"> ·No record keeping ·No profit/loss statements ·Mixed accounts of the project with other projects/household accounts. 	<ul style="list-style-type: none"> ·Lack of training programs in household budgeting and financial recording

1.12 Type of Project Assistance for Micro-entrepreneurs

Stage of Business	Type of assistance
Planning Stage	Assist in market investigation and provide market information to micro-entrepreneurs
	Linkage with relevant institutes to provide technical skills training
	Training and assistance in business planning for any aspect of the enterprise (production, marketing, financial, management)
	Encourage savings mobilization and provide project loans
Implementation Stage	Link to market to provide timely market information
	Link with relevant bureaus to provide regular technical assistance
	Training, monitoring and assistance in: <ul style="list-style-type: none"> - record keeping - areas in which the entrepreneur is weak, which can be in any aspect of the enterprise (production, marketing, financial, management) - savings mobilization
	Continuous assessment of entrepreneur's needs and
	Provision of appropriate training/technical assistance

1.13 Cases

1.13.1 Cabbage Farmer

Let's say Rita is a farmer in Region 3. She has four children. Her husband is a factory worker.

Rita assists at home with an acre of rice land. For many years she has been assisting while at home with rice and has not made good profits.

Because of her very low profits from cultivating rice, she thought about planting vegetables. But before she made a decision, Rita made a careful survey of the market for which types of vegetables are in demand and commands higher prices. She went to several market places and found out that cabbage sells at a very high price and was in high demand.

She went to an agricultural officer in the Region and asked how cabbage is grown. Fortunately there was a workshop to be given on cabbage by NARI for 2 days. She attended the 2-day workshop and learned how to grow cabbage. Since the workshop was basically conducted through demonstration and field practicum, Rita learned how to plant, water, fertilize, weed and harvest cabbage. She also learned what she will need for land preparation, fertilizers, chemicals, labor and other incidental expenses.

Rita went to her parents and requested a loan at 5% interest per month. Then she **went to the market place and secured the commitments from buyers for her cabbage** produce. With a ready market for her cabbage, she started to grow cabbage on her land. She religiously followed what she had learned from the workshop and recorded all of her expenses on cabbage production.

After 3 months, she started harvesting cabbage and selling them to her buyers. She also recorded all of her sales and made a profit. Out of the profit, she paid her loan to her parents including the interest. The rest of the profit, she reinvested in cabbage production by renting an additional piece of land.

Questions

1. Is Rita's business successful?
2. If so, what are the factors which contributed to her success?
3. Does the undertaking contribute to more self-reliance?

Answers

(a) Marketing

- Rita conducted a market survey;
- She determined the demand and price of cabbage;

- She secured her sales through negotiations

(b) Production

- Rita attended a workshop on production of cabbage;
- She knows the proper practices involved in cabbage production from land preparation to harvesting of produce;

(c) Financing

- Rita used her savings and secured a loan;
- Rita reinvested all of her earnings in cabbage so she can expand her business;

(d) Management/Organization

- Rita took care of all stages of production according to what she learned from her workshop (land preparation to harvesting);
- She kept a record of her transactions.

(e) Self-reliance

- Rita has the principle of self-reliance, since she showed initiative of thinking about something new by herself;
- Rita was realistic in that the micro-enterprise she chose was small, relatively low risk and can be managed together with her other tasks; relatively simple technology and low investment; relatively short production-cycle (less than a year), so quick return of investment; contribute to cash income;
- Because Rita succeeded, her confidence and enthusiasm has increased;

Rita's management skills have improved because now she has first hand experience; she has learned a new technological skill.

1.13.2 Vilma's Processing Project

Ms. Vilma is one of the active members of the women's group in the Pomeroon village, a farming community in the Essequibo county. Like other households in the village, her husband is engaged in farming. She's 43 years old and takes care of the household work and their three children.

Since she joined the group she has been thinking of how to help her husband generate additional income for the family. At first, upon discussion with other women members, she thought of a small scale processing unit for coffee. But the capitalization required was 150,000 dollars and she could not afford such capital.

She finally decided on a pepper processing project. The peppers are readily available since most farmers, including her husband, grow pepper in the village. Moreover, she

learned from the middlemen who often visit their village looking for peppers, that processing pepper would earn her good income. She learned from them that if she sells in the county, she can make a gross profit of 150 dollars and or even higher at 250 dollars if she sells in Georgetown. Also, she has a younger sister who used to work in a pepper processing factory and she was confident she could learn the techniques required for such an activity.

Encouraged by the potential of the project she obtained a loan from her relatives and in addition to some savings of her own, she was able to start the project in March 2000.

She learnt that prices are at its peak at a particular time of the year. She personally took care of the project. Her husband and children assisted her in some of the activities of the project like the picking, washing, grounding of pepper, etc. They could process four gallon pepper sauce per day. She had minimal expenses for the project. She bought about 50% of peppers from the community. The rest of peppers, she obtained from their harvest. She also had sufficient packaging materials for the first quarter as she was doing bulk packaging. She did not buy additional jars as she had already done so before the project and these were enough for the quantity she has for processing.

She was not able to keep records of the financial transactions but she is confident she earned a profit from her business although the income of the project was mixed with their other income from the sale of pepper at the farm. She is planning to expand her pepper processing project and to hire workers so that she can process more.

Questions

1. Analyze the internal and external factors that affect this micro-enterprise.
2. Is this a good project for Vilma to become more self-reliant? If so, why, how?
3. Is Vilma pepper processing Factors Affecting the Success or Failure of Business?

Answers

Business Stage	Internal Factors		External Factors	
	Strengths	Weaknesses	Opportunities	Constraints
A. Planning Stage				
Production	Raw materials grown by family	No skills. but sister can assist	Villagers grow pepper	
	Sister has skills in pepper processing			
Marketing		No concrete market info (relied on informants info) No anticipation of quality requirements	Pepper factory in her community	
Financial	Own savings		Loan from family	
Organization	Husband supportive			
B. Implementation				
Production	Raw materials availability			
	Skills learned easily			
Marketing		Lack negotiating skills		Better market outlet in Town and will have to look at transportation challenge
Financial		No records Mixed accounts Cannot determine real net income		
Organisation	Supportive family			

Undertaking of this micro-enterprise strengthens Vilma's self reliance, because:

- She learns technical skills as well as business skill, eg. negotiating, decision-making, risk taking
- She has acquired the support of her family members
- She raises capital by herself and increased her own income
- She plans and manages the enterprise herself
- Others will respect her for her achievements (break through in traditional thinking)

1.13.3 Chris Grocery Shop

Kuru Kuru is a farming village with approximately 300 households (1500 population). Since the village is some distance away from Georgetown, people would purchase their groceries in Soesdyke village – three miles away. The shop however was not very well run as the operator was ill for some time.

Realizing this situation, Chris thought of operating his grocery shop right in the village. His house is located in the center of village; hence it is very convenient for most villagers to come to his store. He constructed a small shed to convert part of his house into the grocery shop.

He obtained a loan for the shop from a micro enterprise loan agency. This amount plus his own savings (1,500,000) enabled him to refurbish the shed and to buy wholesale grocery items from Georgetown.

Seventy percent of his groceries are food products, like canned goods, rice, sugar, flour, peas and soft drinks while 30% are basic necessity items such as soap. He goes to Georgetown about 5 to 6 times a month to buy his groceries. Besides transportation he has to pay tax regularly.

About fifty percent of the villagers buy from his shop on credit which they pay in 10 to 30 days. The rest buy with cash. He reported gross sales of 1,900,000 for the first month and a gross margin of 20% on his groceries.

So far his business is doing well. Fast selling items are usually the consumables like rice, flour, sugar, soft drinks and cigarettes. Since he's also busy with other work, he lets his son look after the store sometimes. Likewise, he does not have enough time to regularly record his financial transactions. He accepts that sometimes the family consumes some of the grocery items of the shop and these are not recorded.

Questions

1. Analyze the internal and external factors that affect this micro-enterprise.
2. Is this a good project for Chris to become more self-reliant?
3. If so, why, how?

Chris grocery shop Factors Affecting the Success or Failure of Business

Answers

	Internal Factors		External Factors	
Business Stage	Strengths	Weaknesses	Opportunities	Constraints
A. Planning Stage				
Production				
Marketing	house at center of village knows goods that sell well		Soesdyke grocery shop deteriorating (clients not satisfied)	far from source of goods
Financial	own savings knows margin decision		loan from funding agency	
Organization	supportive family time available			
B. Implementation				
Production				
Marketing	correct commodities inventory	no inventory record (consumption mixed)	wholesale purchase possible	
Financial		no records income not clear		
Organization	child available as keeper	time availability of husband and wife		

Chris has shown that he has the principle of self-reliance in that he has identified the opportunity for a successful enterprise, has raised the capital, prepared well before starting and makes a profit. However, since he does not manage and oversee (no financial records, mixed accounts) his business entirely, he has not fully develop his talent to grow into a skillful and successful entrepreneur.

2. RURAL/MICRO-ENTERPRISE MANAGEMENT

It is important for field workers to assist micro-entrepreneurs in problem-solving of their micro-enterprises and offering useful suggestions as a result. This module is designed for participants to acquire the knowledge, skills and attitude in providing technical assistance to micro-entrepreneurs to ensure continued success or growth of their businesses.

2.1 Management areas, skills and tools

The main reason why micro-entrepreneurs engage in business is to obtain profit. Proper management is the key for success. Field workers have a role in assisting micro-entrepreneurs in improving their management skills.

Some basic reason for difficulties for entrepreneurs is the inability to adjust to market changes, problems in production and a lack of records. Without records it is difficult to recognize changes and problems and it is not clear what the effect of changes and problems are for income from the business. Unless the entrepreneur has thorough insight in his/her business, he/she is not really in control and hence cannot take initiatives in problem solving.

To be fully in control of an enterprise, the entrepreneur needs to be well informed about all aspects of the business. He/She needs to know how he/she is doing in production, marketing, organization and finance. Most of this information the entrepreneur will be aware of without documenting it. But depending on the type of enterprise, it may be advisable to keep records for certain aspects e.g. for a chicken producer, a daily record of the egg production can be helpful to detect problems with disease, room temperature, etc. For a trader, a daily record of stock is useful to make sure that he/she can always serve his/her clients. For a vegetable grower, it may be beneficial to note down the market prices every day, so that he/she gets to know what time of the year the demand for certain vegetables is highest.

Keeping financial records is important for all entrepreneurs, since this keeps track of the income in particular, which is a sign whether the business is successful or not.

Keeping records enhances the business consciousness and self-reliance of entrepreneurs. Field workers should encourage the exchange of information in the women's group. It will help each one of them to improve their own management skills and business results. Besides, for common problems (e.g. with pig feed from the same supplier, payment problems with buyers, lack of technical advisory service) the entrepreneurs together can take stronger action than individually.

For field workers to be able to assist the entrepreneur in record keeping and in evaluating his/her business results, it is important to be familiar with the preparation and analysis of financial records and statements.

2.1.1 Introduction of Financial Records

There are two major tools in financial record keeping:

- (a) the Cash Record, and
- (b) the Income Statement.

Entrepreneurs, who conscientiously keep a cash-book, will notice fluctuations in production or the market quickly. E.g. a pig producer who keeps a cash-book will notice changes in prices of pigs and pig feed. From regular computation of the income over a certain period or production cycle, the entrepreneur will furthermore become more aware of the impact of these fluctuations on his/her income.

To ensure you know how to prepare cash records correctly, here are some sample transactions whether it is (a) an inflow; (b) an outflow or (c) not recorded in cash record:

<u>Transaction</u>	<u>Answer</u>
1. loan from the group	Inflow
2. repaid loan to the group	Outflow
3. bought equipment	Outflow
4. bought materials	Outflow
5. husband paid back money he borrowed from the enterprise	Inflow
6. deposit additional savings to group	Outflow
7. goods consumed by husband	Not recorded, not a cash transaction
8. harvest reduced by half	Not a cash transaction, not recorded

The beginning balance is the cash status at the beginning of the period for which the record will be kept. For a starting enterprise, this is the amount of savings (own capital) that the entrepreneur will invest in the new enterprise. In an on-going enterprise, the beginning balance is the remaining balance at the end of the previous recording period.

If the enterprise's account is mixed with other accounts, it is very difficult to compute the enterprise's income. E.g. in a grocery shop, the household may use some of the goods. It is important that these goods are treated as goods sold to the household. Otherwise we charge the business for the living expenses of the household and the income from the business will be reflected as low.

Persons who cannot read or write can ask family members to keep the records, but there are also alternatives. They can for instance use different colors or symbols for certain types of income and expenditures e.g. a different color or symbol for raw materials, other inputs, fixed assets, labor payments and other expenses.

2.1.2 Preparation and Reading of Financial Records

We will discuss how to deal with those non-cash transactions in preparing an income statement for three common situations and how to prepare an income statement.

Situation 1: Goods consumed by the household

This is a situation in which the household consumes some of the products or goods of the business without paying for it, e.g. cigarettes of a grocery shop, part of the vegetable consumed by the household.

1. The value of these goods must be treated as income and be added to the net profit.
2. It is advisable to encourage entrepreneurs to note that goods borrowed or consumed by household members should be returned or paid for.

Situation 2: Sales on credit

In this situation we can think of a grocery shop, where the entrepreneur sells the goods on credit to certain customers, who then pay later.

1. Credit sales that the entrepreneur thinks can be paid by the buyer should be treated as income.
2. Credit sales that cannot be paid should be treated as a loss and be deducted from the net profit.

Situation 3: Use of own raw materials

Part of the raw materials may be produced by the household of the entrepreneur, e.g. a starch processing entrepreneur may use part of the potatoes from the household and buy part from other villagers.

The value of the raw materials should be treated as costs and be deducted from the net profit.

Both the Cash Record and a regular Income Statement are a necessity for every entrepreneur, because:

- it gives the cash position at any time
- it helps the entrepreneur in detecting fluctuations in prices, market demand for goods, and in production

- it enhances the entrepreneur's business consciousness and control over his/her enterprise
- regular evaluation of the business is important for planning purposes

The Cash Record should be kept separate from the household and other business accounts.

The Cash Record should contain specific information such as volumes and prices to be able to prepare the Income Statement and to analyze the results.

In preparing the income statement, we need to check the data in the cash record carefully, and ask about non-cash transactions as well. A periodic inventory record is also needed.

The Income Statement covers a logical period such as one production cycle (for production and processing type of enterprise) or a time period (e.g. a month for trade and service type of enterprise).

2.2 Systematic Financial Analysis and Diagnosis

Financial records provide information on the strengths and weaknesses in the business operations. This requires thorough analysis and diagnosis in order to be able to come up with realistic recommendations and options for the entrepreneur for further strengthening of the operations.

The first item to look at is the bottom line net profit. Is the net profit satisfactory? Is it considered low?

If low, then you start probing the causes why this is so. If satisfactory, then probably selling and administrative expenses may be high.

If the gross profit is considered low, then there are possibly two reasons (a) cost of goods sold (i.e. manufacturing costs) is high: and/or (b) the total income may not have been optimized.

If the total income is low, then possible causes are: (a) sales turn-over may be low, and/or (b) sales volume may be low or (c) the selling price is low.

Identified Weakness	Can this be converted into strength?	Is this possible given External Factors?
1. High Expense	Reduce Expenses	
· Labor	Reduce number of workers?	
	Not possible (all are group members)	
	Reduce salary?	
	Possible if they all agree.	
· Raw materials	Reduce prices? Buy wholesale volume? Reduce waste?	Yes, possible to purchase in Georgetown
2. Selling Price	Increase selling price?	Not possible. Market may no longer buy
3. Sales Volume	Increase production efficiency. (Possible if raw materials are available and capital for purchasing is available.)	Check if new sales volume can be sold

The above provides indications on how the business can be further improved and what concrete solutions to identified problems could be proposed.

2.2.1 Options for the Entrepreneur

After evaluation of the business results, the entrepreneur has three options:

- a. To continue the existing enterprise, but improve on the identified weak areas by:
 - expanding production volume
 - improving production efficiency
 - improving customer relations
 - improving quality of product

The entrepreneur must always look for better ways of improving his/her business to ensure its continued growth.

- b. To diversify into other products or new business. This option can be considered when he/she is satisfied with her current business. If he/she decides on this option, he/she should repeat the process of planning.
- c. To discontinue or close the business. This option may be considered if continuing the business would mean greater losses for the entrepreneur, particularly when weaknesses cannot be turned into strengths and/or when there are unmanageable constraints.

2.3 Income and Expenditure Record

Balance	Income	Expenditure	Remaining Balance
Cash at the beginning of business	What is earned by the business or what comes in	What is spent or what goes out	What is the cash position at a given time

2.4 Important Lessons in Preparing Income Statements

The costs of improving buildings are not a production cost since the newly improved facility can be used for more than one production cycle. Thus, this is added to the investment and included in computation of depreciation.

- Depreciation cannot be accounted for from the cash record, because it is a non-cash cost.
- Chickens that died cannot be accounted for from the cash record. It would have been good if the item description in the cash record is filled up accurately, i.e. indicating quantity.

2.4.1 Income Statement

Name entrepreneur: Mr. John Khan		Name enterprise: John Farm		
Address:		Period of Statement: Jan –		
Signature:		December 2008		
Gross Sales		Date: January 02, 2009		
		\$	\$	\$
50 chickens at \$ 600				30,000
Less: Costs of goods/services sold				
Feed	10,000			
Chicks 50 @ 100	500			
Medicines, water, etc	<u>8,000</u>			
Total			<u>18,500</u>	
Total cost of goods	-			<u>18,500</u>
= Gross profit				11,500
Less: Selling and other expenses	-			<u>3,000</u>
= Net Cash Income				<u>8,500</u>

Example: Income Statement Bakery Project

Name entrepreneur: Singh		Name of Enterprise: Singh Bakery	
Address:		Period of Statement: Jan- Dec, 2007	
Signature:		Date:	
	\$	\$	
Gross Sales			
50,000 @ 200		10,000,000	% of Gross Sales
Less: Cost of goods sold			
Materials purchased	4,000,000		
Labor	<u>2,000,000</u>		
Total:	6,000,000		
Total cost of goods		<u>6,000,000</u>	
Gross Profit		4,000,000	
Less: Overhead expenses	1,500,000		
Selling and administration	<u>1,000,000</u>		
		<u>2,500,000</u>	
Net Cash Income		<u>1,500,000</u>	

3. DEVELOPING A BUSINESS PLAN

3.1 What is a Business Plan?

The business plan is a necessity. If the person who wants to start a small business can't put a business plan together, he or she is in trouble. A business plan is a formal statement of a set of business goals, the reasons why they are believed attainable, and the plan for reaching those goals. It may also contain background information about the organization or team attempting to reach those goals.

3.2 Why Write a Business Plan:

- To Define and Realize “what business am I in?”
- Create A Roadmap To A Successful Venture
- For A Reality Check
- To Provide A Feasibility Test
- To Make Better Decisions
- As A Guide And Measurement Tool
- As A Financial Selling Tool

Before Writing a Business Plan you need to ask yourself the following question:

- What service or product does your business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase from you?
- **How will you reach your potential customers?**
- **Where will you get the financial resources to start your business?**

3.3 The Planning Process

3.3.1 Parts of the Business Plan

- Cover Sheet
- Table of Contents
- Executive Summary
- Organizational Plan
- Marketing Plan
- Financial Documents
- Supporting Documents

3.3.2 Organizational Plan

- Form Of Business
- Owners/Principals
- Name Of Business
- Start of Business
- Hours Of Business Operation
- Location
- Contact Information
- Business Advisors (Attorneys, Accountants etc.)
- History Of Business

3.3.3 Marketing Plan

- Industry Overview
- Social /Technological Changes
- Demographic Changes
- Economic Changes
- Environmental Changes
- Trends & Barriers in Industry
- Product/Service
- Unique Characteristics
- Complimentary Products/Services
- Value Added Features
- How Positioned Vs. Competitors
- What Are You Doing Differently

- How Has Product Performed In Market
- Target Market
- Consumer Demographics (Age, Income, Gender, Occupation, Location, Lifestyle etc.)
- Market Size
- Secondary Markets
- Market Capture Projections (Short Term, Medium Term)
- Direct Competition
 - Their Strengths & Weaknesses
 - Their Customer Profile
 - Their Pricing
 - What Have You Learned From Them
- Indirect Competition
 - Marketing Mix
 - Promotional Strategy
 - Promotional Channels
 - Distribution (Location Advantages, Disadvantages, Traffic Flows, Future Plans etc.)
 - Pricing Strategy
 - Image
 - Features

3.3.4 Financial Plan

- Start-Up Budget
- Operating Budget (Covering 3-6 Months)
- Financial Statements
 - Cash Flow
 - Balance Sheet
 - Income Statement
 - Financial Projections (4-5 Years)
- Detailed Use of Funds if BP is used To Secure Financing.
- How Much money do you need?
- How will you spend it?

3.3.5 Operational Plan

- Current Status Of Any Products In Development
- Any Proprietary Information
- List Of Important Suppliers
- Production Methodology
- Any Significant Costs In Production
- Equipment, Storage, Plant Facilities

- Any Trademarks, Patents on Your Products/Services
- Any Manufacturing, Risk Management or Security Issues.

3.3.6 Management Plan

- Key Management Personnel
- Major Investors/Shareholders
- Board Of Directors
- Board Of Advisors/Professional Advisors
- Staff (Job Description, Salary & Benefits Of Key Staff Members)

4. MARKETING ESSENTIALS

4.1 Exporting Quality Agriculture Produce

Guyana has a number of factors that are favourable to the development of its non traditional agriculture sector. It is one of the countries that is seen as the bread basket of the Caribbean, with sufficient land and human resources to produce the necessary crops and livestock for a region where it has preferential access as a result of the CARICOM Single Market and Economy (CSME) and CET. Further, given the past dominance of the sector by rice and sugar, the export potential (both intra-regional and extra-regional) of the non-traditional crops and livestock sub-sectors remains relatively untapped. With assistance for improving the enterprise management and expansion of crops already under cultivation and the basic cultural practices are already well known it is widely felt that there can be increased productivity and quality changes to successfully meet market requirements. This process would also entail a greater understanding of the markets and improving marketing capacity. Regulatory services and institutions to assist with standards, bulking, packaging and transportation are equally essential to achieving the levels of diversification, rural development and higher incomes that could result from a push for greater NTC transformation. Strategic planning and alliances, across both the private and public sector will be important components in the approach. This includes the promotion of business development at the micro level among the small and poor farmers.

4.1.1 Shipment Parameters

Shipment based on:

1. Cost, insurance, and freight quote (CIF)
2. Confirmed irrevocable letter of credit
3. Transport in a refrigerated container by truck and ocean carrier

Four critical elements that dictate the details of each shipment:

1. **Product requirements** – factors such as container type, temperature setting, packaging requirements
2. **Country requirements** – Inspection certificate, Shippers Export Declaration (SED), export license, phytosanitary inspection certificate, certificate of origin, import license, tariffs, value-added taxes (VAT)
3. **Buyer/consignee requirements**—product variety, grade, packaging, availability, payment method and price
4. **Exporter/seller requirements**—buyer references, method of payment.

Four major players:

1. Seller/Exporter
2. Freight Forwarder
3. Carrier
4. Buyer/Consignee

The responsibilities of each of the four players for the export process depend on the terms of sale agreed upon between the exporter/seller and buyer. Each party, including the exporter, needs to know the terms and conditions for each shipment.

4.1.2 Pre-Sale Research

Market research

Identify where markets exist for the product; determine market potential and specific customer preferences, such as taste, product variety, appearance, and packaging.

Locating customers

Sources include through:

1. Trade Fairs and promotion both locally and internationally
2. Guyana Marketing Corporation
3. Business Facilitation Centres
4. Internet
5. Direct Contact

Know your customer:

1. Visit, or inquire about, the buyer's facilities
2. Check trade references
3. Determine the buyer's reputation with its customers
4. Identify the range of products carried by the buyer
5. Check the buyer's banking references
6. Research the buyer's dispute resolution record

4.1.3 Determining the Conditions of a Sale

Quotation

The buyer requests a quotation on:

1. Product type, including variety and grade
2. Quantity of product available
3. How the product is packaged for export
4. When the shipment can be ready at the packing house
5. Shipping date

Depending upon the seller's relationship with the buyer, a quotation can be given verbally, in a letter, or in the form of an invoice, such as a pro forma invoice. Regardless of the method, the information would be the same as that included in the pro forma invoice.

Pro forma invoice

In the pro forma invoice, the seller spells out the details of the transaction. The pro forma invoice is used by the buyer when applying for an import license and arranging for a letter of credit. The pro forma invoice should include:

1. Product description including variety, grade, size, and quantity
2. Terms of payment
3. Price of each item
4. Freight forwarder, cargo insurance, and shipping costs
5. Total charges to be paid by buyer
6. Buyer's name and address
7. Buyer's reference number
8. Date of inquiry

Other items included in the pro forma invoice:

1. Gross and net shipping weight (in metric units where appropriate)
2. Total cubic volume and dimensions (in metric units where appropriate) packed for export
3. Trade discount if applicable
4. Delivery point
5. Validity period for quotation
6. Estimated shipping date
7. Estimated date of shipment arrival

4.1.4 Determining the Terms and Details of Transport

Consult with a freight forwarder

Consult with a freight forwarder to determine transportation costs.

Determining price quote

Freight forwarders assist prior to the sale by providing a quotation on:

1. Freight and port charges (inland trucking, ocean carrier, terminal handling)
2. Documentation fees

3. Insurance costs
4. Freight forwarder's fees
5. Consular fees (charge for invoice processing by destination country's embassy or consulate office)

During the planning phases the freight forwarder can help decide:

1. Which carriers to specify
2. Best days of the week to ship
3. The best route
4. The most economical shipment size

Executing the transportation process

The freight forwarder can:

1. Provide advice on foreign import regulations
2. Arrange for inland transportation (if requested)
3. Book space with the carrier
4. Complete export documentation
5. Arrange cargo insurance
6. Provide guidance on packaging, marking, and labeling
7. Arrange for products to be packed and containerized, if requested

4.1.5 Selecting a Freight Forwarder

Factors to consider when selecting a freight forwarder:

Does the freight forwarder have experience handling the type of product you export, and can it provide the special expertise you require?

Additional selection factors include:

1. Licensed by the Federal Maritime Commission (to handle ocean cargo)
2. Licensed by the International Air Transport Association (to handle air cargo)
3. Financially stable
4. Known for customer satisfaction
5. Employ agents in the destination country
6. Maintains ample facilities capable of handling your business
7. Willing to take the time to explain new terms and work with new exporters

Before finalizing the sale, the exporter should:

1. Understand his/her obligations
2. Know the requirements for the shipment and be sure they can be met
3. Understand the buyer's obligations
4. Ask questions if anything is unclear

4.1.6 Documentation Requirements

Import requirements

The buyer should note on the pro forma invoice what documents are needed to clear customs at the destination port.

Documents required to clear customs in the destination country:

1. Commercial invoice
2. Bill of lading
3. Phytosanitary certificate

Other documents

Other documents typically required by countries will include, but are not limited to:

1. Certificate of origin
2. Insurance certificate
3. Packing list

4.1.7 Method of Payment

Letter of credit (L/C)

Both the exporter and freight forwarder carefully review the L/C. The L/C may list a number of items, depending upon the terms of sale negotiated between the seller and buyer:

1. Ocean carrier to be used
2. Last ship date—latest date the product can be shipped
3. Container type
4. Notify party—whom to notify when the product arrives at the destination port, (typically the buyer or buyer's agent)
5. What documents are required to receive payment

4.1.8 Explanation of letter of credit (L/C)

The L/C is a commonly used method of payment in international sales. A L/C is a commitment or promise from the buyer's bank to pay the seller once the seller has met all the terms and conditions of the letter of credit. Typically, four parties are involved in this transaction.

1. **Buyer/applicant**
The buyer, referred to as the applicant, applies to his/her bank for the issuance of an L/C. The applicant pays for the products and the issuance of the L/C based on the credit terms established with his/her bank.
2. **Seller/beneficiary**
The seller is called the beneficiary. The beneficiary is responsible for the collection, presentation, and accuracy of the documents required by the L/C.
3. **Issuing bank/applicant's bank**

The applicant's bank, referred to as the issuing bank, issues the L/C. Once the shipment is at sea, the seller, or seller's bank, submits to the issuing bank the documents, called the commercial set, required by the L/C to collect payment. The issuing bank reviews the documents and verifies that all documents comply exactly with the terms and conditions of the L/C. It then pays the seller or the seller's bank, collects payment from the buyer, and releases the documents to the buyer. The ocean carrier will not release the shipment to the buyer unless the buyer presents these documents, which act as title to the shipment.

4. **Beneficiary's bank/advising or confirming bank**

The beneficiary's bank (seller's bank) can act as an advising bank or a confirming bank. An advising bank verifies that the L/C is authentic, notifies the beneficiary of its receipt, receives the commercial set from the beneficiary, and forwards it to the issuing bank for payment. A confirming bank handles the same responsibilities as the advising bank and also assumes liability for paying the beneficiary should the issuing bank default. In general, the fewer requirements listed in the L/C, the easier it is for the seller to get paid.

Although a confirmed, irrevocable L/C can be used, many other methods of payment are used in international trade. Some of the more common methods include cash in advance, draft, open account, credit card, consignment, counter trade, and barter.

4.1.9 Ocean Transportation Arrangements

Booking space on a vessel

The freight forwarder (or exporter) calls the carrier representative to book space on a vessel. A booking establishes the:

1. Sailing date
2. Proper temperature setting
3. Proper fresh air exchange
4. Type of equipment needed
5. Appropriate rate structure

Rate structure

Depending upon the carrier, ocean container freight rates are quoted in one of two ways: a basic rate plus ancillary charges, or an all inclusive rate.

Descriptions follow:

Basic rate The basic rate is based on the commodity being shipped, and volume (quantity, size, and weight) of the shipment. The rate is also dependent upon where the shipment originates, its destination point, and whether the shipment moves in a refrigerated or non-refrigerated container.

Ancillary charges can include:

CAF—Currency adjustment factor

FAF—Fuel adjustment factor, also called bunker adjustment factor (BAF)
THC—Terminal handling charges
Port congestion surcharges

All-inclusive rate: A single rate which incorporates all charges

Container pre-trip

The carrier washes the container, inspects the container, and checks the refrigeration unit. Before loading the container, it is important that the seller also check the container for holes, wear-and-tear, and cleanliness.

Phytosanitary certificate

Many foreign governments, as well as some buyers, require a phytosanitary certificate for fresh plants and plant products. This certificate states that the shipment has been inspected and is free of harmful pests and plant diseases.

4.1.10 Packaging and Loading for Export

Packaging

Packaging for an export shipment tends to be different from that for a domestic shipment because the in-transit is different. In shipment, some of the specific packaging techniques used include:

1. Palletizing the shipment with extra strapping
2. Using corner boards
3. Using extra padding inside the boxes
4. Packing more product inside each box
5. Using larger and stronger boxes
6. Using packaging designed for the destination market

Packaging design factors

Factors that can affect export package design are:

1. protection of the product
2. buyer/customer requirements
3. in-transit and destination country climates
4. modes of transportation,
5. cultural preferences,
6. labeling and
7. recycling laws.

Temperature recording devices

Temperature recording devices are inserted in the load to provide a backup record of the temperature in the refrigerated container during transit.

Temperature recorders are recommended when shipping perishable temperature-sensitive commodities. The function of the temperature recorder is to provide evidence which may be used to prove or disprove that the appropriate temperature was maintained inside the container during transport. This evidence is useful in the event of a claim.

Container seal

A metal seal is used to lock the container door. The seal number is recorded on the bill of lading and verified at the final destination before the container is opened.

4.1.11 Export Terms of Sale

Ownership transfer points

At some point in the shipment, ownership and responsibility over the cargo transfers. Ownership transfer points include:

1. Packing house—Ex Works, FOB
2. Container yard at named port of shipment—FAS
3. Crossing ships rail at named port of shipment—FOB, CFR, CIF

Export terms of sale determine what costs are covered in the price of the cargo. They also indicate at what point ownership transfers to the buyer and at what point responsibility for the cargo transfers.

INCOTERMS provide “the international rules for the interpretation of trade terms.” The more commonly used trade terms are: **Ex Works** is sometimes referred to as Free on Board (FOB) packing house. The price quoted applies only at the point of origin, and the seller agrees to place the goods at the buyer’s disposal at the specified place on the date or within the period fixed. All other charges and risks are the responsibility of the buyer. The Ex Works price is determined as follows:

1. Cost per unit x number of units = total product cost
 2. Profit
 3. Commissions
 4. Banking fees
 5. Palletization
 6. Freight forwarding & documentation fees
 7. USDA inspection & phytosanitary certificate fees
 8. Temperature recorder charges
- = Ex Works price**

FAS-Free Alongside Ship

Under this term, the seller quotes a price for goods that includes delivery of the goods alongside a vessel at the named port. The buyer pays for terminal handling, ocean transportation, and cargo insurance and assumes all risks from this point forward. The FAS price is determined as follows:

Ex Works price
+ Inland transportation
= **FAS price**

FOB-Free On Board

Under this term, the seller quotes a price for goods that includes the cost of loading onto the transport vessel at the designated point.

FOB price is determined as follows:

FAS price
+ Terminal handling charges
= **FOB price**

CFR-Cost and Freight

Under this term, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation. The buyer is responsible for the cost of insurance. The CFR price is determined as follows:

FOB price
+ Ocean freight charges
+ Ancillary charges
= **CFR price**

CIF-Cost, Insurance, and Freight

The seller quotes a price for the goods, including insurance costs and all transportation and miscellaneous charges, to the overseas point of debarkation. The CIF price is determined as follows:

CFR price
+ Insurance
= **CIF price**

Quoting a price in review:

1. Cost per unit x number of units = total product cost
- +2. Profit
- +3. Commissions
- +4. Banking fees
- +5. Palletization
- +6. Freight forwarding & documentation fees
- +7. USDA inspection & phytosanitary certificate fees
- +8. Temperature recorder charges

= **Ex Works price**

Ex Works price

+9. Inland transportation

= **FAS price**

FAS price

+10. Terminal handling charges

= **FOB price**

FOB price

+11. Ocean freight charges

+12. Ancillary charges

= **CFR price**

CFR price

+13. Insurance

= **CIF price**

4.1.12 Insurance

Insurance:

If the shipment was sold CIF, the seller is responsible for obtaining cargo insurance. A minimal amount of insurance is provided by the carrier under general provisions in a bill of lading, and usually does not cover the value of the shipment. The seller can obtain insurance through a marine cargo insurance agent or the seller's freight forwarder. Some insurance companies specialize in various product categories; identify a company that has experience in insuring your product type.

Contingency insurance

When the product is sold under terms that require the buyer to provide insurance, experienced exporters often choose to purchase contingency insurance. It acts as backup insurance for the seller in case the insurance provided by the buyer is not sufficient to cover the value of the shipment.

4.1.13 Payment Collection with a Letter of Credit

Step 1: The exporter sends the commercial set to the confirming bank.

Step 2: The confirming bank, meaning the exporter's bank, reviews the commercial set. If all the documents are in order, the bank pays the exporter in accordance with the letter of credit.

Step 3: Before the vessel arrives at destination port, the confirming bank sends the approved commercial set with the original documents to the buyer's bank, or issuing bank.

Step 4: Upon receipt of the approved commercial set the issuing bank pays the confirming bank.

Step 5: The issuing bank collects payment from the buyer.

Step 6: The issuing bank releases the commercial set to the buyer. The commercial set acts as title to the shipment.

4.1.14 Documents Required for Collection of Payment

Commercial set

Commercial set, also commonly referred to as the banking package, is the set of documents submitted to the bank in order to receive payment for the shipment, as stated in the L/C. For particular shipment, the required documents are:

1. Commercial invoice
2. Original bill of lading
3. Phytosanitary certificate

All documents in the commercial set must match with the L/C or else the seller risks non-payment for the shipment.

Other documents

Other documents commonly required include:

1. Certificate of origin
2. Packing list
3. Insurance certificate
4. Draft—Submitted by the seller, a draft orders payment from the issuing bank or buyer

4.1.15 Arriving at Destination

When produce arrive at certain countries, importers are classified into grades, with “A” being the best. The system is based on the importer’s record for accurately reporting imports and paying duties. Importers with low grades will have a greater percentage of their containers inspected by customs.

4.1.16 Dealing with a problem shipment

If the shipment arrives at the destination country damaged, the following steps should be taken by the appropriate party:

Buyer:

1. Checks the container’s temperature recording device
2. Checks the recorders inserted in the load by the exporter
3. Notifies the exporter
4. Arranges for an inspection service to conduct a survey report
5. Notifies the steamship carrier
6. Takes appropriate steps to minimize damage to the cargo

Exporter:

1. Arranges for an inspection service to conduct a survey report
2. Notifies the steamship carrier
3. Notifies the insurance company

Outcome

Produce arrived in good condition

Buyer was satisfied

Product was sold on the respective market

Exporter was paid

Checklist

1. Research export market
2. Locate potential buyers
3. Check buyer's references
4. Consult with a freight forwarder
5. Know import requirements
6. Make sure that all documents comply exactly with the L/C
7. Export only top-quality product
8. Obtain all necessary certificates
9. Use appropriate packaging for export
10. Use temperature recording device when appropriate
11. Seal the container
12. Understand export terms of sale
13. Secure adequate insurance
14. Know how to deal with problem shipments

SECTION 2

ORGANISATIONAL STRENGTHENING & HUMAN AND SOCIAL CAPACITY BUILDING

C. Organisational Strengthening & Human and Social Capacity Building

MODULE 1: UNDERSTANDING “RIGHTS”

Specific Objective: To ensure that each participant is clear on the meaning of the term “rights”

What to do

1. Organise participants in pairs and have them discuss their rights for a few minutes
2. Ask one person from each pair to share some of what came up during the discussion.
3. Summarise (that is, pull together in a few short comments) what you think you heard on “rights” from the group as a whole.
4. Now have pairs sitting nearby come together to make small groups of four. Have each group write a definition (their understanding) of the word ‘rights.’
5. After each group reports, use the questions below and the notes that follow to facilitate an interactive discussion on understanding rights. Always give participants a chance to think and air their opinions before *you* give your views or answers.
 - Where do you think your **human rights** come from? [from being ‘human’]
 - What do **civil rights** have to do with you? [these are rights that all citizens have]
 - Who is a **citizen**? [a person owing loyalty to and entitled by birth or naturalisation to the protection of a country]
 - What is a **“fundamental”** right? [a basic, essential or necessary right of a citizen]
 - Where can you find a list of your **fundamental rights**? [the Constitution]
 - What is the **Constitution**? [the highest law that governs the country]
 - What is a **“moral”** right? Why are rights **essential**? Why are rights **necessary**?
6. Close this exercise with each person taking turns saying what they are *thinking* and *feeling* about (a) rights in general and (b) their rights in particular.

RIGHTS

- “that which is morally and ethically proper, just or good”
- “a just moral or legal claim (for example, the right to vote)”

Moral (as an adjective)

- concerned with the principles of right and wrong in connection with human action or character
- teaching or exhibiting (showing) rightness or goodness of character and behaviour
- conforming to standards of what is right or just in behaviour; virtuous – for example, a moral decision
- arising from conscience or the sense of right and wrong – for example, a moral obligation
- psychological rather than physical or concrete in effect – for example, a moral victory

Morals (as a noun)

- principles or habits of the things that constitute right or wrong conduct

Ethics

- referring to good and right conduct
- the specific moral obligations of and choices to be made by the individual in relation to others
- rules and standards governing conduct, for example, how teachers, leaders or doctors should behave.

Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.

[Margaret Mead]

NOTES & MORE ON RIGHTS

- (1) Set a target to stimulate effort – have each small group list at least 10 rights.
- (2) While participants are making their ‘Reports on Rights,’ place ticks next to those ‘rights’ mentioned more than once. This will let you know the best known rights.
- (3) Add ‘rights’ not mentioned from the list below.
- (4) For each ‘right,’ have participants give their views on why it is fundamental, that is, basic, essential and necessary.
- (5) For Step #6, you will need to allow about 20/25 minutes for small group discussion.
- (6) Assign one ‘right’ per group to discuss the social, economic and political factors that can work to (a) deprive citizens of that right; (b) ensure citizens enjoy that right.
- (7) After each ‘rights’ report, invite feedback and other views from other participants.

What are some of the fundamental rights of citizens listed and protected under the Constitution of the Cooperative Republic of Guyana?

1. Protection of right to life (Article 138)
2. Protection of right to personal liberty (Article 139)
3. Protection from slavery and forced labour (Article 140)
4. Protection from inhuman treatment (Article 141)
5. Protection from deprivation of property (Article 142)
6. Protection against arbitrary search or entry (Article 143)
7. Provisions to secure right to protection of law (Article 144)
8. Protection of freedom of conscience (Article 145)
9. Protection of freedom of expression (Article 146)
10. Protection of freedom of assembly, association and demonstration (Article 147)
11. Protection of freedom of movement (Article 148)

12. Protection from discrimination on the grounds of race, place of origin, political opinion, colour, creed, age, disability, marital status, sex, gender, language, birth social class, pregnancy, religion, conscience, belief or culture (Article 149)
13. Right to work (Article 149A)
14. Right to pension and gratuity (Article 149B)
15. Right to participate in decision-making process of the State (Article 149C)
16. Equality of persons before the law (Article 149D)
17. Equality of status for persons born in or out of wedlock (Article 149E)
18. Equality for women (Article 149F)
19. Indigenous peoples' rights (Article 149G)
20. Right to free education (Article 149H)
21. Right to establish private schools (Article 149I)
22. Right to environment not harmful to health or well-being (Article 149J)
23. Protection of human rights (Article 154A)

CONSTITUTION OF THE COOPERATIVE REPUBLIC OF GUYANA

TITLE 1A

PROTECTION OF HUMAN RIGHTS

154A (1) Subject to paragraphs (3) and (6), ... *every person, as contemplated by the respective international treaties set out in the Fourth Schedule to which Guyana has acceded, is entitled to the human rights enshrined in the said international treaties,* and such rights shall be respected and upheld by the executive, legislature, judiciary and all organs and agencies of Government and, where applicable to them, by all natural and legal persons and shall be enforceable in the manner hereinafter prescribed.*

PARAGRAPH (3) *The State shall, having regard to the socio-cultural level of development of the society, take reasonable legislative and other measures within its available resources to achieve the progressive realisation of the rights provided for in paragraph (1)*

PARAGRAPH (6) The State may divest itself or otherwise limit the extent of its obligation under any of the treaties listed in the Fourth Schedule, provided that two-thirds of the elected members of the National Assembly have voted in favour of such divestment or limitation.

[NOTE: The Constitution of the Co-operative Republic of Guyana was enacted on 20th February 1980 and amended 12th August 2003. See below for International Treaties (a treaty is a formal agreement) signed by the Government of Guyana and listed in the Fourth Schedule of the Constitution of Guyana. A 'convention' is a formal agreement between nations. A 'covenant' is a binding agreement.]

List of International Human Rights Treaties Protected by Our Constitution

1. Convention on the Rights of the Child
2. Convention on the Elimination of All Forms of Discrimination Against Women
3. Convention on the Elimination of All Forms of Racial Discrimination
4. Convention Against Torture and Other Inhuman or Degrading Treatment or Punishment
5. Covenant on Economic, Social and Cultural Rights
6. Covenant on Civil and Political Rights
7. Inter-American Convention on the Prevention, Punishment and Eradication of Violence Against Women

What is a constitution?

- A constitution is the written document that sets out the rules and principles a government must follow. It is the most fundamental – or supreme – law of the land and no other law may differ from it.
- The constitution describes what kind of government the country will have, how it is to be formed, how it will be elected, and how it will function.
- The constitution also states the rights all citizens should enjoy, and outlines the powers and structure of government best suited to implementing those rights.

[from We the People ... Forum on Constitutional Reform 1998]

Tout moun se moun.

Every human being is a human being.

[Haitian Proverb]

Exert taken from Civic Education manual, USAID Guyana Democratic Consolidation and Conflict Resolution, GDCCR Project, 2007

MODULE 2: UNDERSTANDING “RESPONSIBILITY”

Specific Objective: To deepen each participant’s idea of responsibility

What to do

1. Share the name and objective of this exercise with participants.
2. Organise your group into pairs or threes. Have each small group discuss the meaning of the word *responsibility* and list other words that are connected to “responsibility.”
3. Have each small group report on their findings. After the first group has shared, the other groups should not repeat points already made, but add new points or ideas.
4. Assign one word or idea from the list below to each small group. Have them discuss (10 minutes) how it relates to “responsibility” and report back to the larger group.
 - Accountability
 - Obligation
 - Duty
 - Being answerable to
 - Being answerable for
 - Decision-making and accepting the consequences of decisions we make
 - Making choices and accepting the consequences of the choices we make
 - Action
5. While the small groups are working, facilitators should re-read readings on the following page to deepen the discussion. Depending on the group you are working with and the facilities available, you may wish to circulate copies of this page for participants – to expand their own understandings of *responsibility*.
6. Write up the word *responsibility* and under it, the words *response* and *ability*.
7. Ask persons to think about and share their views on (a) how they use their *ability* to act or not act in *response* to others, to situations, and to the actions of others; and (b) how their *responses* are connected to their new understanding of *responsibility*.
8. Now put these two questions to the group and have participants think about and share their responses with the whole group.
 - To whom am I responsible?
 - For what am I responsible?
9. Here are some additional questions for participants’ reflection and response:
 - What are my responsibilities to myself?
 - What are my responsibilities to my family?
 - What are my responsibilities to my community?
 - What are my responsibilities to my country?
 - What are my responsibilities to the earth, this planet created for the well being of human and other beings?

Responsible**Liable to be called to account for something****Being the cause or source of something – for example, ‘Viruses are responsible for some diseases.’****Dependable, reliable, trustworthy****Involving important duties or obligations – for example, ‘She has a responsible job.’****READINGS ON RESPONSIBILITY**

... we are concerned not only with the way responsibility itself may be understood as a primary aspect of the moral life, but with how it may express itself in love, honesty, and citizenship.

The process of decision-making involves the recognition of those to whom we are responsible, and the sorting out of the things for which we are responsible.

I have responsibilities to myself to maintain my sense of moral identity and integrity; I have responsibilities to my neighbour to seek to meet his needs; I have responsibilities to God that I must acknowledge if I am a religious person.

Choices ... become crucial when tension between these increases: between responsibility to God and humanity on the one hand, and the state on the other; between responsibility to parents and what they value on the one hand, and a strong sense of independence and integrity around different values on the other. Choices also involve reflection about what I am responsible *for*. ... To choose to be responsible for one thing often excludes the possibility of being responsible for another; to choose to meet the needs of one neighbour often requires that the needs of another are not met ... sometimes our responsibility for the needs of a distant neighbour requires neglect of the near one.

Responsible persons are those who can be trusted to fulfill duties creatively, exploiting the possibilities that are given to them; they are worthy of our trust. They can be expected to keep their commitments and fulfill their obligations unless there is a just cause, a higher obligation that requires them to violate that trust.

... to be responsible is to accept obligations that one has by virtue of his commitments, his role in society, his power and authority. Whether one does or does not fulfill these obligations is a point on which we are judged by others and by ourselves.

... the capacity to respond is central to the understanding of the moral life.

Fundamental to the notion of action as part of responsibility is the conception of persons who have the capacity (freedom) to govern their responses to what occurs to them, and to give direction to the responses they in turn make.

Responsibility is not mere compliance with rigid sets of patterns in life on every occasion; in many situations one can and ought to respond creatively, altering the course of events, reforming the institutional patterns within which one lives, elevating a relationship to a different plane, transforming the modes and qualities of life of which one is a part. Part of our humanity is to be creatively involved in our responses to things around us, to seek to bring into being a good that does not now exist in actuality.

Reflection on responsibility ... moves between the inward look – where we examine ourselves – and the outward survey – where we attempt to appreciate the possibilities open to us within the limits of time and place in which we live.

[from *On Being Responsible, Issues in Personal Ethics*, James M Gustafson and James T Laney, editors]

Exert taken from Civic Education manual, USAID Guyana Democratic Consolidation and Conflict Resolution GDCCR Project, 2007

MODULE 3: “TALKING THE TALK & WALKING THE WALK”

Specific Objective: To engage participants in examining how they measure up with respect to some basic values, attitudes and behaviours of good citizens

What to do

1. Do *not* give the name or objective of this exercise at this point. Do this at the end.
2. Organise participants into approximately three equal parts. Give each of the three groups one of the following labels: *Values, Attitudes, Behaviours*.
3. Have each small group stand together in a circle to discuss and explain the word they have been assigned. They should think of examples to help others understand it.
4. Each of the three groups (*values, attitudes, and behaviours*) must appoint a spokesperson to speak on its behalf. Allow about 5 to 7 minutes for this activity.
5. Beginning with the *Values* group, have the spokesperson report. Follow with the *Attitudes* group. End with the *Behaviours* group. Make sure they give examples.
6. Ask participants to think about and explain:
 - Why each of the words (*values, attitudes, behaviours*) were considered separately
 - Why ‘values’ were followed by ‘attitudes’ and why ‘behaviours’ was last.
7. Share the definitions below and see how they compare with what the groups said.

VALUES

What we think, consider or believe to be worthy, worthwhile, good or have a high opinion of

ATTITUDES

State of mind or feeling with regard to persons, places, things etc

Those beliefs and opinions that tend to make us behave in certain ways

BEHAVIOURS

The actions, reactions and conduct of persons generally and in certain circumstances

8. Tell participants that you will be putting some things to them. (Select a few items from the list below that you consider appropriate.) Tell participants to put a number value from *one* to *ten*, to each. Ten represents the highest value and 1 the lowest.

Justice ... Truth ... Fairness ... Kindness ... Responsibility ... Honesty ... Work ...

Knowledge ... Rule of Law ... Property ... Cleanliness ... Education ... Experience ...

Safety ... Dignity ... Health ... Peace ... Land ... Water ... Food ... Life ... Time ... Faith ... Self

Respect ... Respect for children ... elders ... women ... differences ... Respect for

**persons with disabilities ...Respect for the environment ... Respect for other road-users
...Respect for ancestral culture ... Respect for the culture of others**

9. Have participants take turns sharing (a) the value they assigned to each 'value' and (b) saying how the value they gave to each item corresponds to their behaviours in each area. For example, if *justice* got a 10, that person should be able to list many things they actually do to uphold justice.
10. Give the name and objective of the Exercise – and get feedback on participants' thinking.

Exert taken from Civic Education manual, USAID Guyana Democratic Consolidation and Conflict Resolution
GDCCR Project, 2007

MODULE 4: Leadership and Group Dynamics

Objectives:

- To have the participant experience what it feels like to be 'blind' or to lack knowledge of some aspects of what is happening.
- To raise awareness about the feelings and needs of those who need assistance.
- To enhance understanding about the requirements for being a good leader.

Materials needed: Dark cloths to tie participants eyes.

What to do:

- Ask participant to go in pair and to tie the cloth around one person in each pair.
- The person who is not blindfolded lead the person that is for five minutes

Discussion

How did the blindfolded person feel when you could not see? How did you feel about the person leading you around? Did you trust him/her? Why or why not? Do you feel that your guide cared for you or that he/she made a fool of you? Why?

How did the 'guides' feel leading a blind person? What special efforts did you make to lead your partner? Did they search for difficult or easy things for their partner to experience? Did they give him/her their full attention? Did they supervise him/her tightly or did they allow him/her to act freely? Did they explain each situation before hand?

From the answers given during the discussion above, some general conclusions can be drawn regarding leadership e.g.:

A good leader:

- Does not leave his/ her group to their own device
- Does not force others into his/her own plans
- Gives sensible and timely explanations, does not threaten others, but does not hide constrains either.
- Acts according with the capabilities and the emotions of the group he/she is leading
- Delegates those responsibilities and tasks that can be accomplished by other by other members of the group.

MODULE 5: Communication

Activity: Wayward Whispers

Objectives: To raise awareness about communication processes, especially about how messages can become distorted and to demonstrate how communication can be made more effective.

What to do

- Have the participants form two groups by calling out the number 1 and 2
- Each group lines up
- One representative from each group goes to quietly receive a message from the facilitator (the facilitator is allowed to say the message only once)
- The representative returns to their group and whispers the message they got from the facilitator to their immediate neighbor in the line they have formed. They may say it only once. That individual then whispers the message to the next person in the line and so on, until the message reaches the last person in the line
- When the message has reached the last person in the line, that person delivers the message back to the facilitator. When the groups are finished, the facilitator asks the last person in both lines to reveal the message and then the facilitator tells the whole group the original message.

Discussion

- How does the message change when it is conveyed from one person to another?
- What were the weaknesses of the message itself hampering correct transfer?
- What were the weaknesses of the people transferring the message?
- How can we communicate in a better, more effective way?

MAJOR ELEMENTS OF EFFECTIVE COMMUNICATION

Effective communication hinges on four key elements:

- Consistency of verbal and non-verbal communication
- Listening
- Raising questions; and
- Assertiveness

MAJOR ELEMENTS OF VERBAL AND NON-VERBAL COMMUNICATION

VERBAL COMMUNICATION

- Words;
- Context;
- Sentence construction

NON_VERBAL COMMUNICATION

- Tone of voice;
- Facial expression;
- Posture;
- Gestures;
- Distancing;
- Volume;
- Intonation

COMMUNICATION BARRIERS

Communication that hurts – includes criticism, condemnation, suspicion, slander, denunciation, blame, teasing, absence of tact, threats, provocation, ridicule, irony and mimicking

Communication that drives you Crazy – includes denying expressed feelings, denying expressed wishes, denying what has already been agreed, refusing to share responsibilities, raising and then breaking hopes, word-splitting, projection, accusing somebody else of bad intentions, not considering somebody else's wishes, repetition, looking for hidden meaning in everything.

Unfair communication – includes stereotyping, putting words in someone's mouth, constantly changing the topic, making accusations, misusing statistics, interrupting, intimidation, humiliation, provoking feelings of guilt, mocking, ridiculing and ignoring.

Communicating through the 'I' message negatively can hurt relationships.

Some Negative 'I' messages are:

I am in charged here

I know what I am saying

I know what I am doing

I said it and that's it

I don't care about that

I always

I never

I hate

Negative 'I' messages are usually supported by negative non-verbal.

Communicating through the 'I' message positively can help relationships.

Some positive 'I' messages are:

I am concerned.....

I feel disrespected.....

I am not pleased.....

I get a bit upset when.....

I am extremely pleased.....

I usually get uneasy when.....

I think it's necessary.....

I am sure this.....

I admire

I can see

Positive non-verbal messages must accompany these statements.

MODULE 6: POWER, TRUST AND AUTHORITY

Specific Objective: To engage each participant in examining how personal accountability applies in his or her life

What to do

1. Have participants work in pairs or threes to review the meaning of the term 'accountability' with examples from their own lives.
2. After about five minutes have one representative from each small group explain the word with examples they discussed.
3. Check 'notes' on 'accountability' to add important points not mentioned.
4. Going around the group systematically, have each participant say what positions of *power*, *trust* and/or *authority* they hold in their family and/or community.
 - Explain that even children have some *power*, over younger or other children in the home, extended family, school and community and therefore hold positions of *trust* and *authority*; and that a variety of circumstances often find children burdened or entrusted with *power*, *trust* and *authority*.
5. Have all participants close their eyes for three minutes and reflect on times in their lives when they have had *power*, *trust* or *authority* and how they used or abused it.
6. Call time after 3 minutes and have participants open their eyes.
7. Organise participants into pairs and have them share with their partners what came up during their silent reflection time. Allow about 7 to 10 minutes for this.
8. Now organise participants into larger groups (say about 5 persons) and have them come with a list of ways that
 - Children can practice *management accountability* in the family (in other words, showing responsibility for the day-to-day management of the family's resources and assets (property). [UNICEF defines a 'child' as anyone under the age of 18]
 - Adults can practice *management accountability* and *political accountability* in the family (in other words, being responsible for 'good governance' in the family and ensuring the well being of the family)
9. After the reports, note that persons who put the accountability principle to work in their personal lives and practice personal accountability (and everything that goes with it) are more likely to be accountable as community, regional, & national leaders.

10. Ask all participants who hold formal or informal positions of power, trust and authority in any community, regional or national body, group or organisation to say:
 - Where they are located and what positions they hold;
 - What grade (A, B,C,D or F) they think their community would give them for accountability, and why;
 - What grade (A, B,C, D or F) they would give themselves, and why.
11. Organise participants in pairs to discuss and report on they think *transparency*, *disclosure* and *redress* mean in governance, with examples. Add ideas from notes.
12. Have Step #10 contributors say what they do to ensure *transparency*, *disclosure* and *redress* in their governance practice. Have others say how these principles can apply at the personal or family level. Close exercise by repeating advice at Step #9.

Exert taken from Civic Education manual, USAID Guyana Democratic Consolidation and Conflict Resolution GDCCR Project, 2007

MODULE 7: Partnership/Networking

Specific Objective:

To add structure and definition to Partnering/Networking processes between and among Service Providers, Producers and Exporters in the Agricultural Sector

What to do

10. Share the name and objective of this exercise with participants.
11. Organize your group into pairs or threes. Have each small group discuss the meaning of the word *Partnership/Networking* and list other words that are connected to “*Partnership/Networking*.”
12. Have each small group report on their findings. After the first group has shared, the other groups should not repeat points already made, but add new points or ideas.

Definition

What is a Partnership

The United Nations (UN) defines partnerships as ‘a voluntary and collaborative agreement between various partners both state and non-state actors, in which all participants agree to work together to achieve a common purpose of undertaking a specific task and to share risks, responsibilities, resources, competencies and benefits’.

The Prince of Wales Business Leaders Forum (BLF) states that, a partnership is a cross-sector alliance in which individuals, groups and organisations agree to work together to fulfil an obligation or undertake a specific task; share the risk as well as the benefits; and review the relationship regularly, revising their agreement as necessary.

13. Assign one word or idea from the list below to each small group. Have them discuss (10 minutes) how it relates to *Partnership/Networking* and report back to the larger group.
 - ✓ Development
 - ✓ Accountability
 - ✓ Obligation and agreement to work together
 - ✓ Sharing the risks as well as the benefits
 - ✓ Working together to fulfill a specific task

Why ‘Partnership’

The assumption underpinning a partnership approach is that only with comprehensive (full, broad) and widespread cross-sector collaboration can we ensure that sustainable development are imaginative, coherent and integrated enough to tackle the most difficult problems. Single sector approaches have been tried and have proved disappointing.

Partnership provides a new opportunity for doing development better- by recognising the qualities and competences of each sector and finding new ways to harness these for the common good.

Defining Development

Economic Development

- Some economists believe that the wealth of the nation is in its physical capital such as infrastructure, roads, schools, etc.
- Very often when we think of development we think in terms of material goods and services. In the traditional macro-economic terms of Gross Domestic Product (GDP) and Average Income Per Capita (AIPC). The idea of providing larger quantity of goods and services is the best way to boost living standards and tackle other national task is, to some extent, one-sidedly focused.
- While others believe that the wealth of the nation is in its human capital – meaning the more educated and healthy a population, the better positioned they will be to make well informed decisions.

Human Development

- Alfred Marshall one of the founders of the concept of human development stated that “the production of wealth is merely a means to sustain the life of a human being, to meet his needs and develop his potential – physically, intellectually and morally. The human being he said is the major means to produce this wealth and the final objective of wealth.
- A key element of human development is **human capital**; it involves the use of resources. According to the human capital theory, this capital can be accumulated in various forms, the more obvious of which are the development of skills and abilities; the acquisition of knowledge and skills in the course of one’s professional activities. E.g. Botswana
- The Human Development Index (HDI) proposed by UNDP provides a combination of indicators which are of direct and indirect characteristics of development. These are longevity, the state of the environment, the level of culture and education, and income levels of the population. These as stated in the HDI are the key parameters of development

How to Build Partnerships

Each sector – whether the public sector, business sector, civil society or international agency bring something different to the partnership. The ‘core business’ of each sector leads to quite different priorities, values and attributes. These can be summarised as follows:

Sector	Core Business	Main Attributes
Public Sector	<p>The rule of law by:</p> <ul style="list-style-type: none"> • Creating frameworks for economic, political and social rights and generating political commitment to development • Developing regulations and standard – setting mechanisms as well as adherence to international obligations • Providing public services to ensure basic needs and rights are met 	‘Rights’ driven, the public sector provides access, information, stability and legitimacy
Business Sector	<p>Investment and Trade by:</p> <ul style="list-style-type: none"> • Creating goods and services • Providing employment opportunities, innovation and economic growth • Maximising profits for investors to ensure further investment that will allow the business to continue to innovate 	‘Profits’ driven, the business sector is inventive, productive, highly focused and fast
Civil Society	<p>Social development by:</p> <ul style="list-style-type: none"> • Creating opportunities for the individual growth and creativity • Providing support and services for those in need or excluded from mainstream society • Acting as guardians of the public good 	‘Values’ driven, civil society is responsive, vocal, inclusive and imaginative
International Agencies	<ul style="list-style-type: none"> • Developing regulations and standard – setting mechanisms as well as adherence to international obligations 	

Discussion

- Describe and discuss your sector.
- Do you see the importance of understanding the core business of each sector and its role in development?
- What do you think is the core business of your organisation?
- Partnership for development not for conversion – maintaining one’s Individuality. E.g. UN partnering within itself.

Partnership Models

Types of partnership delivery mechanism:

- Global Partnerships
- Regional/local alliance partnerships
- Policy Partnership
- Dispersed partnerships
- Temporary Partnerships
- Consultative partnerships
- Intermediary Organisation
- Capacity Building partnerships
- Learning Partnerships

LOCAL AND REGIONAL ALLIANCE - Partners from all main sectors given equity of involvement and decision-making responsibility within an independent formal structure operating locally

Strengths

- Strong sense of local ownership and self determination
- Builds and institutions

TEMPORARY - The partnership structure is designed for obsolescence. It is time-specific and therefore dispensed with once the agreed programme of work is completed.

Strengths

- Intensity of involvement
- Focus on immediate and visible results

CONSULTATIVE - The “task” of the partnership institution is to provide advice and/or a sounding board for new ideas rather than to develop and implement a project.

Strengths

- Built into the political process. Authority drawn from consensus rather than power base

INTERMEDIARY. An organisation operating between and behalf of partners and many other players. Essentially it supports the development of a number of independent partnerships initiatives rather than being a partnership itself.

Strengths

- A highly empowering model.
- Helps build a culture of collaboration.
- Creates appropriate and flexible and

LEARNING - The partnership is established with the primary goal and learning and sharing information arising from partnership exercises.

Strengths

- Flexible.
- Building knowledge and capacity as a primary aim.

Phases in the Partnering Process

There are 12 Phases in the partnering process, these are:

1. **Scoping-** Understanding the challenge; gathering information; consulting with stakeholders and with potential external resource providers; building the vision of/ for the partnership
2. **Identifying-** Identifying potential partners and – if suitable –securing their involvement; motivating them and encouraging them to work together
3. **Building-** Partners build their working relationship through agreeing on the goals, objectives and core principles that will underpin their partnership
4. **Planning** – Partners plan a programme of activities and begin to outline a coherent project
5. **Managing** – Partners explore structure and management of their partnership medium to long-term.
6. **Resourcing** – Partners (and other supporters) identify and mobilise cash and non-cash resources
7. **Implementing** – Once resources are in place and project details agreed, the implementation process starts- working to a pre-agreed time table and (ideally) to specific deliverables
8. **Measuring** – Measuring and reporting on impact and effectiveness – outputs and outcomes. Is the partnership achieving its goals?
9. **Reviewing** – Reviewing the partnership: What is the impact of the partnership on partner organisations? Is it time for some partners to leave and /or new partners to join?
10. **Revising-** Revising the, Partnership, programme(s) or project(s) in the light of experience.

11. **Institutionalising** – Building appropriate structures and mechanisms for the partnership to ensure longer-term commitment and continuity
12. **Sustaining or Terminating**- Building sustainability or agreeing an appropriate conclusion

Key Partnering Principles

Although each sector will have its own priorities and may struggle to accept the different priorities of others, there are three core principles that have recurred time and again in partnerships, the principles of Equity, Transparency and Mutual Benefit.

- **Equity:** What does ‘equity’ mean in a relationship where there are wide divergence in power resources and influence? Equity is not the same as ‘equality’. Equity implies an equal right to be at the table and a validation of those contributions that are not measurable simply in terms of cash value or public profile.
- **Transparency:** Openness and honesty in working relationships are pre-conditions of trust - seen by many as an important ingredient of successful partnership. Only with transparent working will partnership be truly accountable to its partner donors and other stakeholders
- **Mutual Benefit:** If all partners are expected to contribute to the partnership they should also be entitled to benefit from the partnership. A healthy partnership will work towards achieving specific benefits for each partner over and above the benefits to all partners. Only in this way will the partnership ensure the continuing commitment of partners and therefore be sustainable

Partnering Roles

Once the Partnership is in place and a partnering agreement is signed there are new challenges to face - Roles of the partners.

Partnering Roles:

Many people will be involved in the partnership in its different phases, taking on a range of roles as required.

Champion - An individual (or several individuals) who promote the partnership using their personal/ professional reputation and /or role to give the partnering greater authority

Donor -If all partners are making a contribution to the partnership, all partners are de facto ‘donors’. (Note there may be many situations where donors are entirely external to the

partnership - the partner may need to clarify how they relate and report to them without undermining the authority of the partnership).

Manager - An individual appointed by the partnership on a paid basis to manage the partnership and/ or the partnership project – especially once the partnership is established and is at the stage of project implementation.

Facilitator – An individual (usually external to the partnership) appointed to manage a specific aspect of the partnering process (e.g., a meeting set up to deal with a particular issue facing the partner group).

Promoter - An individual, most likely a member of the partnership, who acts as and advocate for the partnership to others- a ‘champion’ who argues the merits of the partnership on the basis of its track record rather than their own personal reputation.

Broker/Intermediary- An individual selected (either from one of the partner organisations or from outside the partnership) to act on behalf of the partners to build and strengthen the partnership-especially in its early stages.

Obstacles to Partnering

Obstacles to partnering can take many forms:

- **General Public-** e.g. prevailing attitude of skepticism, rigid/ preconceived attitudes about specific sector/ partners, inflated expectations of what is possible
- **Negative Sectoral Characteristics (actual or perceived)** - Public Sector: bureaucratic and intransigent; business sector: single-minded and competitive; civil society: combative and territorial
- **Personal Limitations (of individuals leading the partnership)** – Inadequate partner skills, restricted internal/external authority, too narrowly focused role/ job, lack of belief in the effectiveness of partnering
- **Organizational Limitations** –Conflicting priorities, competitiveness (within sector), intolerance (of other sectors)
- **Wider External Constraints** – Local social/ political/ economic climate, scale of challenge(s) /speed of change, inability to access external resources

Group activity

- Organize partners into groups around themes that promote specific agricultural clusters in keeping with project output.
- Have each group discuss the formation of partnerships in keeping with their theme.
- Have each group discuss the Phases in the Partnering Process.
- Have each group discuss roles in the partnership.