

**EVALUATION
OF
ORGANISATIONAL DEVELOPMENT
AND
INCOME GENERATING ACTIVITIES FOR
WOMEN IN TOKOMBIA**

CONSULTANCY REPORT FOR:

**NATIONAL CONFEDERATION OF ERITREAN
WORKERS (NCEW) AND THE DEVELOPMENT
FUND, NORWAY**

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CHAPTER 1: OVERVIEW OF THE PROJECT

1.1 INTRODUCTION

1.1.1 Background

The Development Fund (DF) jointly with the Norwegian People's Aid (NPA) have been funding the Shemshemia training project in Gash Barka since 1996. In 2000, they decided to support complimentary project interventions and consequently agreed on a new project that focuses on women. Since NCEW already has a presence in the area, Tokombia and surroundings was selected as the project site.

It was agreed that the project was planned for the period 2002 to 2004 and was also planned in both Tokombia and Shambuko. In 2003, it was decided to skip Shambuko due to several problems in working in that area. This is because Shambuko is located close to the border with Ethiopia and within artillery range during the conflict and many of the infrastructures were consequently destroyed, landmines heavily infested the area, and those people who were formerly organized in cooperatives and many of the residents were displaced.

The project's main objective has been to contribute to the development of small-scale economic activities in the informal sector at community level based on micro- finance and supporting training activities. Another objective was also organizing the women in small-scale enterprises as workers in the informal sector that could lead to their eventual organization into unions.

Women-headed households in Tokombia belong to the most vulnerable groups in the community. Due to the Ethiopian invasion they had to evacuate the area and were displaced in camps, until they were able to return in 2001. Tokombia was completely destroyed during the invasion and the returnees had to start from a scratch and have totally been dependant on humanitarian aid for their survival. The pressing need for women has therefore been to have access to economic activities to support their families and make them more food secure. Based on study recommendations for the credit and savings scheme in the project area, NCEW designed a program of micro- financing scheme with supporting training activities for women in the area. Access to credit and training in micro-finance, handicrafts, marketing, and literacy have been included in forming small scale cooperatives for women which enable them to have control in the marketing of their products & to be less vulnerable to manipulation by middlemen. And also have independent sources of income that benefit the household.

The underlying assumptions at the inception stage of the scheme were that the granting of credit facilities as main source of financing identified projects by the staff of NCEW coupled with technical and administrative assistance by the local administration would help the communities to engage in viable projects and thereby contribute to food security. The scheme would apply simple procedures specially designed loans to be granted to poor communities in Tokombia and its environs. *Has the scheme been working in accordance with the basic assumption?* This

evaluation therefore, hinges on whether the project design and implementation in micro-credit and training activities have contributed to the increase of food security at household level for women in Tokombia and surroundings.

1.1.2 Objectives

The main objective of this report is to evaluate and document the implementation of the credit and its economic and social impact on the communities and forward a set of recommendations. The specific objectives of this evaluation are: to: 1) assess the impact of the project interventions, compared to the objectives and expected results 2) assess the management of the project funds on transparency and efficiency in meeting the project objectives and 3) serve as a tool in designing the second phase of the project (i.e. 2006-2008).

1.1.3 Methodology

In addition to the review of pertinent documents and physical observation at the project site, a questionnaire was designed to assist in the evaluation of the project at the head office, project area, local administration, women groups and credit and training beneficiaries to address the evaluation issues. The Consultant thus made a ten day field survey (11-20 November 2005) in Tokombia, Adinana and Birar in Gash-Barka Region and accomplished the following tasks.

- Two types of questionnaires were designed to be completed by credit beneficiaries, and the field staff and the project staff at the head quarters.
- A sample of 53 women of the credit beneficiaries was individually interviewed.
- Meetings were convened at both the NCEW head office and the Tokomia local administration in which the representatives of the women group, and administrators were interviewed.
- Statistical data were analyzed and compiled on the basis of which, findings have been summarized, conclusions drawn and forwarded.

1.1.4 Scope and Limitations

Since none of the beneficiaries interviewed kept books of accounts that could help in the verification of financial transactions, the information was obtained verbally. The report should therefore, be read with some caution since guess estimates of the credit beneficiaries tend to understate their income and overstate their expenditures. The results of the evaluation do not present the entire picture of the impact of the credit, as its relative experience in business has been too short to evaluate. This evaluation report is based on observation, sample interviews of credit beneficiaries, and discussions with project staff at field and headquarters.

1.2 THE SAVING AND CREDIT MANAGEMENT OF PILOT PROJECT

1.2.1 Institutional Development

For the proper management of loans, a basic guiding manual in Tigrigna has been prepared by the Project Accounting at the headquarters and issued to the field staff for their reference. The role of

the field staff includes functions ranging from giving orientations to the beneficiaries, submitting the list of applicants to the Credit Committee for screening, granting credits, and doing follow-up and monitoring of the credit beneficiaries.

The credit staffs have been recruited with duties and responsibilities to assist, advice and train potential beneficiaries, who are interested in establishing viable handcraft, tailoring, small-scale trade, services, and agricultural activities. The field credit staffs at present are six, comprising one coordinator, one accountant, two assistants, a cleaner and a guard. All are based in Tokombia. There are also staffs at the head office who are in charge of training, administrative, and financial support to the scheme.

There is an Advisory Credit Committee consisting of representatives of the National Union of Eritrean Women (NUEW), women groups, and the local administration. This body regularly assesses the loan applications and has an approving authority. Then the project staffs have been granting the micro-credit to those women who met the criteria.

1.2.2 Loan Procedures and Documentation

At present there is no official receipts for all payments by the beneficiaries. What is available is a computer generated working paper. The Project Accountant confirmed this has been done as the project has been operating as a pilot. Starting next year official receipts will be made available. The procedures for a loan go through the following steps.

- Applicants are publicly notified about the credit scheme and registered.
- Applicants are given orientation and form groups.
- List of names of applicants are submitted to town administration for authentication of identity.
- Credit Committee screens and approves credit recipients and Village Administrator signs document
- Payment to the group of applicants is effected in one day.
- A minimum saving of 5% of the size of loan is required to be deposited.
- An applicant starts with first credit size of Nakfa 1000 and ceiling is Nakfa 5000, bearing interest rate of 6%, payable in six equal installments within nine months including 3 months grace period.

1.2.3 Distribution of Credit Beneficiaries

The scheme has been working since May 2004 in three villages of Tokombia, Adi-Nana and Birar. At present, 265 women beneficiaries comprising six ethnic groups have benefited. All these ethnic groups consist of Tigrigna (44%), Kunama (33%), Tigre (13%), Nara 14 (6%), Hausa (3%) and Bilen 2 (1%). About eighty percent of the loan has been given in Tokombia and for livestock acquisition.

Table 1: Distribution of Credit Beneficiaries and Components (May 2004-November 2005)

I. Ethnic /Village	Tokombia	Adi-Nana	Birar	Total	Percent
Tigrigna	114	-	1	115	44.2%
Kunama	46	37	5	88	32.8%
Tigre	25	-	9	34	12.8%
Nara	14	-	4	18	6.4%
Hausa	6	-	2	8	3.0%
Bilen	2	-	-	2	0.8%
Total	207	37	21	265	100%
Percent	78%	14	8	100	
II. Activity /Village					
Ruminants (Sheep + Goats)	163	37	18	218	82.1%
Trade	39	-	3	42	16%
Handcraft	4	-	-	4	1.5%
Agriculture	1	-	-	1	0.4%
Total	207	37	21	265	
Percent	78%	14%	8%	100%	

Source: NCEW field data, Tokombia November 2005

1.2.4 Saving and Credit Management and Capital Formation

According to the reports of the field staff, a sum of Nakfa 440,000 had been granted to 265 households, in 18 months. Of the total loans disbursed and inclusive of interests, one-third has already been collected; and for two-thirds of the loans the repayment period is not yet due. Four-fifth of the loans were distributed for the women in Tokombia.

Table 2: The Operation and Status of the Credit Scheme May 2004 – November 2005

Credit/Village	Tokombia	Adi-Nana	Birar	Total Nakfa¹
Total loan Disbursed	351,000	56,000	37,000	444,000
	79%	13%	8%	100%
Loan repaid	113,595	17,914	20,812	152,321
	26%	4%	5%	34%
Outstanding loans	237,405	38,086	16,188	291,679
	53%	9%	4%	66%
Interest	5,050	1,170	940	7,160
	4%	7%	5%	5%
Saving	54,665	6,278	3,080	64,023
	16%	11%	8%	14%
Saving used for settling loan	16,162	90	420	16,672
	14%	1%	2%	11%
Cash in Bank	146,932	25,271	24,413	196,616
	42%	45%	66%	44%

Source: NCEW field data, Tokombia November 2005

¹ Note that the exchange rates of Nakfa to US\$ and Nakfa to Norwegian Kroner as of November 2005 were 1US\$=15 Nakfa and 1 NOK=2.2 Nakfa respectively

Interest: While the policy on interest bearing is a 6% flat, the actual repayment has been 5%. The slight difference is due to the timing of collections. It is worth noting that, the actual interest being charged on beneficiaries is 8% (i.e. $6\% \times 12 \text{ months} / 9 \text{ months}$).

Cash in Bank: 44% of the total loan disbursed has been collected and deposited in the bank. The amount, which is idle in the bank at the time of evaluation, needs to be revolved among the credit beneficiaries.

Saving: Beneficiaries have been saving about 14 cents for every one Nakfa they were allowed to borrow. About 11% of what they have saved has been used to settle the outstanding loan. The saving account does not, to this date, accrue any interest. The following options can therefore, be considered for future management of this account.

1. Arrange with the bank to give interest on the money saved to the Project as one institution. The Project then apportions the interest income among beneficiaries in proportion to their deposits.
2. The Project borrows this money and re-invest it to borrowers in the form of revolving fund
3. Return the money back to the beneficiaries.

1.2.5 Compositions of Beneficiaries

About 47% of the beneficiaries are women headed households. As regards to socio-economic status, 26% are widowed and divorced and 42% consider themselves as poor relative to the rest of the population in the project area. The distributions of the economic and social status are presented below.

Table 3: Ethnic Composition and Social Status of Credit Beneficiaries

Ethnic Group	Married	Widowed	Divorced	Single	D/N/A ²	Total	Percent
Bilen	1	1				2	1%
Hausa	8					8	3%
Nara	13	4		1		18	7%
Tigre	23	8	2		1	34	13%
Kunama	52	24	5	4	3	88	33%
Tigrigna	87	11	14	3		115	43%
Total	184	48	21	8	4	265	100%
Percent	69%	18%	8%	3%	2%	100%	

Source: NCEW field data, Tokombia November 2005

According to the survey of the all beneficiaries, a household, size comprises four members. Tokombia and its surrounding villages have an estimated population of 6689 in 1158 households³. The scheme has therefore, reached to 23% of the total households and contributed to the alleviation of poverty. It is worth mentioning that over one-quarter of the credit beneficiaries are widowed and divorced; and many of the married ones have the burden of taking

² Data not available

³ Tokombia Town Administration, Tokombia November 2005.

care of their families alone as their husbands are drafted for national defense.

1.2.6 Group formation – Risks and Vulnerability

The groups have organized themselves in 3-5 members. The choice to be a member in a group is basically the discretion of each applicant, which, has generally been influenced by a combined socio-economic and cultural factors of the communities such as neighborhood, ethnic group and economic activity. Eighty three percent of the credit beneficiaries used the fund for buying ruminants and 17% accounts mainly for trade and services. Apart from providing the beneficiaries with relevant trainings and professional advice by the project team, the credit applicant should continue to decide for what purpose to use the credits.

Table 4: Distribution of Credit Beneficiaries by Activities

Activity/Ethnic Group	Bilen	Hausa	Nara	Tigre	Kunama	Tigringa	Total	Percent
Livestock								
Ruminants		3	9	27	80	100	219	83%
Trade and Services								
General Trade				7	2	4	13	5%
Shop	2				4	4	10	4%
Bar		1	4		1	1	7	3%
Butter			5				5	2%
Tailoring						4	4	2%
Nuts		3			1		4	2%
Tea		1				1	2	1%
Siwa/Daga						1	1	0%
Total	2	8	18	34	88	115	265	100%
Percent	1%	3%	7%	13%	33%	43%	100%	

Source: NCEW field data, Tokombia November 2005

Acquiring livestock involves high risk of their deaths. This situation exposes the households to further vulnerability. For instance, from the sample survey of the beneficiaries who acquired ruminants with the credit they borrowed 17 (20%) animals died out of a total of 86. Veterinary services are not available to control the diseases in the area either. It is essential to diversify the activities, and train Para- vets who help the communities in securing the health of their animals.

Table 5: Sample of Livestock Details Acquired Using the Credit Scheme

Code of Sample Credit Beneficiary	Purchased		Died		Sold		Gross Profit
	No.	Cost	No.	Cost	No.	Price	
2	2	900			2	1600	700
3	2	900	1	450	1	700	-200
4	2	600	1	200	1	800	200
6	3	900	1	300	2	1050	150
7	3	1050			3	2100	1050
11	3	1050			3	1900	850
12	2	940			2	1100	160
13	2	1000					-1000
15	3	2000	1	500	1	900	-1100
16	6	3000	1	500	6	4500	1500
17	2	1000	1	500	1	1100	100
18	2	700	1	400	1	650	-50
20	2	600			2	1500	900
21	2	950	1	350	1	300	-650
22	3	638			3	800	162
23	2	1050			2	1800	750
24	2	800			3	2100	1300
27	3	800			3	1010	210
29	3	1800	1	1200			-1800
30	2	750	1	400	1	1450	700
31	2	1000			2	1280	280
33	7	2800	3	1200	2	2000	-800
37	4	900	1	550	1	850	-50
38	2	1100	1	550	1	1300	200
41	3	900			1	1100	200
42	2	600			1	400	-200
46	2	950	1	500			-950
47	5	2250			5	4125	1875
48	2	1000			2	2050	1050
49	2	950					-950
50	2	750	1	450			-750
52	2	900					-900
Total	86	35528	17	8050	53	38465	2937
Percent	100	100	20%	23%	62%	108%	8%

Source: Constructed from primary data collected by interviewing the sample of credit beneficiaries, Tokombia, Nov. 2005

CHAPTER 2: SURVEY RESULTS AND EVALUATION

From the total population of 159 women who all benefited from first micro-credit, a random sample of 53 people (33%) was drawn from the three cluster villages of Tokombia, Birar and Adi-Nana. This sample is also statistically representative, adequate and stable for analysis and conclusions.

2.1 THE MICRO CREDIT SCHEME

The main focus of this report is an evaluation of the performance and sustainability of the micro credit scheme.

2.1.1 Credit Beneficiaries

The random sample survey contains 53 women of whom 47% are female-headed household. These households have a total of 266 dependents, which gives overall average family size of five members. The credit beneficiaries have been engaged in the three main sectors of trade, service, fattening/rearing livestock and agriculture.

Table 6: Credit Scheme summary of Sample Beneficiaries

Description	No. Benefactress	Principal Nakfa	Interest (6%) Nakfa	Total Nakfa	Percent	Average/ /beneficiary
Saving	53	15,443			12%	291
1st loan	53	54,000			41%	1018 ⁴
2nd loan	43	66,000			50%	2000
3rd Loan	3	12,000			9%	3000
Total Principal Loan	53	132,000	7,920	139,920	100%	2,491
Repaid	43	61,048	3,663	64,711	46%	1,152
Outstanding loan	46	70,952	4,257	75,209	54%	1,339
Total	53	132,000	7,920	139,920	100%	2,491

Source: NCEW field data, Tokombia November 2005

The sample also indicated that the mean age of a credit beneficiary is 36 years; each has saved an average of Nakfa 291, and has borrowed an average of Nakfa 2491..Almost half of the loan has been paid and beneficiaries smoothly progressed from the first to the third loan size.

⁴ While the first loan size is generally Nakfa 1000 for all applicants, one applicant exceptionally received Nakfa 2000 and the latter increased the average by Nakfa 18. [i.e. $(52 \times 1000) + (1 \times 2000) = 54000/53 = 1018$].

2.1.2 Organizational Structure and Project Implementation

The credit scheme has an organization structure with 6 field staff comprising a coordinator, an accountant, two assistants and 2 trainers in Handcraft and Tailoring. At the NCEW head office, the heads that are entrusted with the departments of Research and Training, Administration and Fiancé, and Project accounting do provide guidance and support to the program. The scheme receives applicants and the Advisory Committee screens and approves the names of the applicants entitled to the micro-credit.

The representatives of the women's group in Tokombia described the scheme as a very helpful income generating activity. They also stressed that this scheme has given equal access to poor women. Similarly, the Administrator, of the Tokombia town, said that the scheme helped lot in poverty reduction of households' and suggested that the scheme needs support by funders to expand to the rest of the communities.

2.1.3 Criteria for access to credit

Poor women who are capable to engage in economically viable activities are approved by the Committee to get the credits. However, since the credit fund is limited not all applicants are granted the credit. In order to ration the fund to the most needy ones, the Committee applies a criterion that an applicant should be a one who does not have access to other similar credit schemes such as the Saving and Micro-Credit Program (SMCP). Irrespective of the type of activities for which it is borrowed, the micro-credit bears a flat 6% interest on the principal. The principal and interest is payable in six months after a grace period of three months. Each group member simultaneously receives the credit. The collateral system is that each one must pay the first loan if the group are to be allowed to proceed to the second loan of Nakfa 2000 and so on.

According to the Executive Officer of Birar Administration, the Advisory Committee helps the scheme in the selection of applicants. The standard criteria often used there are that the applicant must be a poor person who owns 2-3 ruminants and/or a hard-working person. The administrative official sees the credit program as extremely useful to the communities and further witnessed that the scheme has enabled the beneficiaries to improve their lives by involving themselves in productive work. In order to make substantive change in the project area, he reiterated that the scheme is just introduced recently and people are in the stage like a crawling baby, which seeks support to stands on its own feet. He further suggested that the size of the credit be increased and extended to poor households, which are not yet reached by the credit scheme. Tokombia town administration also shares the same viewpoint in favor of the expansion of the program. Concerning the existing risk of livestock death to take measures for the future, in the project area, he confirmed that the branch office of the Ministry of Agriculture has been informed. Yet, the disease has neither been diagnosed nor remedial action has been taken against it. There is the need for the project for establishing cooperation with the MOA to jointly address the disease at the local level.

2.1.4 Training in Micro Finance

The project team in Tokombia received a five-days training in micro credit organized by ACORD. Limited orientations on the use and management of micro credit have also been given to most of the beneficiaries. This was offered while they were attending the five-days course on Gender. The training in credit management both in duration of time and content-wise was insufficient. There is a need for future micro-credit training for the beneficiaries to upgrade their understanding and discipline on financial management.

2.1.5 Credit- Size

So far Nakfa 440, 000 loans were disbursed to 265 beneficiaries. The size of credit starts with Nakfa 1000 and goes up to a maximum of Nakfa 5000. This is done when each loan is fully repaid by each a beneficiary in the group. Of the sample beneficiaries who have benefited from the first credit of Nakfa 1000, about 85% of them believe that the credit is adequate considering their limited experiences in financial management. All respondents agreed that this program is crucial source of income generation. They also requested that the credit should be increased from its current level and be continued for a meaningful economic change of households.

2.1.6 Income generation

From the sample survey, all the micro-credit activities that have been supported generated surplus income. Despite the risk of death, animal fattening has been widely practiced and is a good source of income. By addressing the veterinary services, it can substantially improve food security of the beneficiaries in the project area. Recurrent droughts of 2002/2004 resulted in food handouts up until August 2005. The good rain of 2005 appears to have compensated some of the loss they had previously faced.

Table 7: Estimated Monthly Income of Sample of HH of Beneficiaries

Project related Income per month (Nkf)	Mean (Nkf)	Sheep/Goats	Trade	Agriculture	Handcraft	Activities	Total Income	Percent	Cumulative
0 or less	-50	3	1			4	-200	-1%	-1%
1-100	50	7	3			10	500	3%	2%
101-150	125	5				5	625	4%	6%
151-200	175	3	5			8	1400	9%	15%
201-250	225	2		1		3	675	4%	20%
251-300	275	3	2			5	1375	9%	29%
301-350	325					0	0	0%	29%
351-400	375	1	2			3	1125	7%	36%
401-450	425	1	2			3	1275	8%	45%
451-500	475	4				4	1900	13%	57%
551-1000	575	3	2		1	6	3450	23%	80%
1500	1500		2			2	3000	20%	100%
Total		32	19	1	1	53	15125	100%	
Percent		60%	36%	2%	2%	100%			
Mean Income/Hh (Nkf)							285		

Source: NCEW field data, Tokombia November 2005

In the foregoing table, the great majority is those who had taken credit for livestock fattening. This could be attributable to the situation that they had empirically seen that the area is traditionally suitable for this activity and sales turn-over from it is relatively quicker than from handcraft works. In contrast, credit for handcraft activity has been low in the sample presumably because handcraft takes more efforts and time in skill development, cooperation of more people as members of a group is required, and it may also be perceived to take longer time for finding markets for the products. Of course, after giving all trainings by the project, the interest of the applicant for credit dictates.

The groups have so far worked together harmoniously; there had not been any instance where one individual had to repay the credit on behalf of her members. Instead, every body has repaid the credit within the agreed time frame and default rate has been nil. For the future, the existing communities' norm of timely credit repayment should be sustained through awareness trainings on the concept and applications of group collateral system.

Income by Project Activities: From the sample undertaken, income generated by activities ranged between Nakfa 220 (Animal Fattening/Rearing) to 575 (handcraft).

Table 8: Estimated Monthly Income of Sample of HH by Activities

Mean Income (Nkf)/Activities	Sheep/Goats	Trade	Agriculture	Handcraft	Total
-50	-150	-50			-200
50	350	150			500
125	625	0			625
175	525	875			1400
225	450	0	225		675
275	825	550			1375
325	0	0			0
375	375	750			1125
425	425	850			1275
475	1900	0			1900
575	1725	1150		575	3450
1500	0	3000			3000
Total	7050	7275	225	575	15125
Percent	47%	48%	1%	2%	100%
N0. of sample households	32	19	1	4	53
Mean Income/Hh	220	383	225	575	285
Rank	4	2	3	1	

Source: NCEW field data, Tokombia November 2005

2.2 MARKETING

2.2.1 Cultural potential for marketing of skills and products

The potential for establishing pre-cooperatives in the Tokombia area is high. There had been a Farmers Association in Shenshemia area, many local people have acquired skills in Hand Craft, and the training of the women in Tailoring and Handcraft has the opportunity to enhance the communities in cooperative forms. The credit scheme also helps in paving the way to the formation of cooperatives for self-help. Although the majority benefited from the credit, there is a little risk for the women involving them in the credit scheme. As mentioned earlier, livestock raising is both rewarding, as animal feed is abundant, and risky due to the various animal diseases. Proper management, addition of a veterinary services component to the project program can mitigate some of this risk.

2.2.2 Marketing training

Three of the project staffs were sent to Kenya to attend courses on Cooperatives, Handcrafting and Marketing and also visited sites. According to those who paid visit to Kenya, the handcraft products such as baskets and carpets made from sisal and banana leaves impressed them. These products can also be made in the project area and some of them has been successfully copied using available local materials

A three-day training on marketing was given to 100 beneficiaries in 2005 by NCEW staff member and by an expert from the MoA. Through participatory group works, brainstorming and presentations, the trainees identified beads making, tailoring (sewing student uniforms) and basketry etc as relevant products in the area. According to the trainers, the essential contents of the training included: marketing products and purchasing of inputs, pricing, and selection of products versus potential markets.

The project team oriented some of the beneficiaries to apply the skills. In an effort to improve the quality of products, the project team been holding back the sales of the handcraft and tailoring products at the training center in Tokombia until the quality has reached a satisfactory quality for the market. The products are priced according to their potential market value. After completion of the six months training in Handcraft (Embroidery) and Tailoring, the graduates can produce a variety of products. These products can be sold in the local market. The market situation requires them to organize themselves to market their products jointly. The Handcraft items such as basketry can also be sold in Asmara by improving the design and the qualities.

2.3. Training

The trainings, which have been given in Tokombia, included orientation of the beneficiaries for their general knowledge and specific on Hand Craft and Tailoring skills.

- **Gender** training was conducted twice in a year for 5 days each to slowly change the attitudes of people. A total of 386 trained from 2003-2005 by a consultant.
- **Micro-credit** orientation has also been given to the participants as part and parcel of the gender training by the field Project Team.
- **HIV/AIDS** : orientation was conducted to enhance the beneficiaries' knowledge and behavior changes. A total of 477 trained from 2003-2005 by NCEW staff member.
- **Marketing** training for one day was also given to 100 people by dividing them into two groups It was not enough and people have not grasped enough of it.
- **Handcraft (Embroidery) and tailoring:** At the time of field visit in November, trainings were being conducted for 20 beneficiaries in each field, at the training center for a total duration of six months each. These trainings were scheduled to be completed by the end of December 2005.

2.3.1 Training in Hand Craft

The Project Team on the request of the beneficiaries themselves has given the various kinds of handcraft training. The Training center has ten sewing machines. Adriana Suleiman is one of the project team who attended the training workshop in Kenya. Her exposure in this visit has helped her to contribute more inputs to the project. She is currently working for the project as trainer in the Handcraft (Embroidery). There are 10 female trainees who have been practicing 4 hours a day for six months. The practical training requires the trainees to go through the following steps.

Step I:

- Two weeks feet practice on the sewing machine (2 weeks)
- One piece of sheet of cloth is given to each
- Drawing flowers printed (copied) on the sheet of the cloth.
- Sewing a 2-meter cloth

Step II:

- Preparation of an album of 35 drawings

Step III:

- Production of bed sheet, pillow etc for sale
- Training time is 4 hrs /day on 10 sewing machines
- The trainee, produce 10 bed sheets with 2 pillows is one week.

Estimated Income from Handcraft Activities: After the completion of the training, a beneficiary is assumed to receive a sewing machine which currently costs Nakfa 2300, and will be payable in 6 monthly installments and with a grace period of six months. Assuming that a graduate at least finishes one bed sheet in a week, the income from such an activity has been estimated below.

Table 9: Estimated Income from Handcraft Activities

Hand craft activities and costing	Unit	Value (Nkf)	Weekly	Monthly	12 months
REVENUE					
Sale of one bed sheets of 6.5 meters @ Nkf 300	1	300	300	1,200	14,400
COST OF SALES:					
Raw materials (6.5 meters sheet of cloth) @ 20 Nkf	6.5	20	130	520	6,240
Thread		65	65	260	3,120
Needle		6	6	24	288
Total costs of production of bed sheets			201	804	9,648
GROSS PROFIT			99	396	4,752
Depreciation of sewing machine (cost 2300 over 60 months)				38	228
Repayment of loan in 6 months with grace period of 6 months					2,438
NET INCOME					2,086

Source: Constructed from data provided by the project Co-ordinator

From the foregoing assumptions and resultant computations, it is thus recommended that: 1) the project buys sewing machines for those applicants.(2) the grace period be increased from the current practice of 4 months to 6 months, and (3) the loan size should be increased from 2000 upwards in order to accommodate the changes in costs of sewing machines. It should be noted that the relative challenges and risk of the handcraft business are market fluctuation, frequent breakage of sewing machine spare parts, and shortage of sheets of cloths in Tokombia.

2.3. 2 Training in Tailoring

Senait Tewolde is a trainer of Tailoring at the training center. She attended a one-year course in Barentu and she is now working at the training center. According to her, the training duration and quality are adequate. The various kinds of handcraft trainings have been given on request from the beneficiaries themselves. After the six months training, a graduate can sew up to 4 lady-garments (*Kemish*) per day. The sewing charge is Nakfa 45 per garment. She suggested that the trainees should form an association to jointly sell their products. To this effect, the project needs to support them with credit so that they can continue to work applying their skills.

2.3.3 The Training Centre

The training center was initially planned to be completed in 2004 at a total cost of Nakfa 1.2 million. As the result of shortages of the construction materials and increases in costs, the initial costs including the fencing structures have been revised a number of times. According to the contractor, it was the continuous inflation of building materials costs as well as the delays in decisions by the NCEW, which made the final construction costs expensive. According to NCEW, the changes in prices unfavorably delayed the process, since the headquarters must have negotiated the price deviations with the funders. At the time of visit, the building structure was nearly complete to serve the intended purpose. The building is of high standard. The good

structure of the training center will benefit the entire communities as training and meeting venue. Regarding the total costs of the infrastructure, audited figures were not finalized at the time of evaluation as some of the infrastructures were yet to be completed. However, the actual expenditure so far made for this infrastructure is indicated as Nakfa 1,492,542 (see Annex 1b).

2.4 Organization and Project Implementation

The organizational structure is simple and suitable for the management of the scheme in which it involves the participation of the communities, local administration, women representatives, and the project team. The main role of the stakeholders has mainly been in screening and approving the applicants for credit.

The performance of the project team in Tokombia has been effective. The field staff reached a sizable number of credit beneficiaries. Repayments were collected from beneficiaries in time and deposited. Monitoring and follow-up of the credits was efficient and default rates in repayment of loans have been kept to the minimum. The communities do provide information regarding the viable projects and capacity of beneficiaries.

The project group at NCEW Head office has also been supportive to the scheme and formation of groups that eventually hoped to form cooperatives. Periodic visits to the field and providing training and administrative support have often been accomplished.

Communicating decisions from the head quarters to the field are often hampered by inadequacy of communication channels to the area. Financial routines for transfer of funds to the bank in Barentu and subsequent communication to Tokombia have been slow. This resulted in delays of monthly payment of staff salaries and credit payment to beneficiaries.

Utilization of Equipment: Two computers without a printer have been idle for months at the site and the staffs are still working manually. This was because electric power was not installed and the software was not the appropriate one. Now the electric power and the right software are in place and it is recommended that they should immediately be installed and used to facilitate the recording and reporting processes.

2.5 Management of the Scheme, Cost effectiveness and Project Achievements

Given the low interest rate and limited fund, the project has been subsidized to the extent of 92% of its requirements. For the proper management of the scheme credit staff had been recruited. The credit beneficiaries had to form in to groups, save own capital, and undergo training. The credit staff needed stationery items and transportation facilities for processing the loans and follow-up. Based on the experience of the scheme and the major costs incurred in connection to it, an attempt has been made to measure the sustainability of the scheme. For convenience, the cost information as pertain to the project has been taken from the programs expenditures incurred in the last 4 years (2002-2005). The programs subsidy is estimated below.

Table 10: Estimated Project Capital requirement

Type of Costs/Income	Total Nakfa	Percent
Training costs	237,657	69%
Annual salary of field staff administrative costs	107,728	31%
Total estimated costs	345,386	100%
Total loan disbursed	440,000	
Interest income collectible at 6%	26,400	
Income as percentage of Costs	8%	
Program Subsidy	92%	
Micro -credit capital injection for 100% project sustainability (i.e. absorbing all costs)	5,756,430	
Micro -credit capital injection for 69% project sustainability (i.e. absorbing only training costs)	3,960,957	
Micro -credit capital injection for 31% project sustainability (absorbing only administrative costs)	1,795,474	

From the above suitability scenarios, it is inferred that the income from the project has covered only 8% (i.e. eight cents out of one Nakfa) of the total costs and the project therefore, needs an initial capital injection ranging between 1.8 and 5.8 million Nakfa if it is to continue to viably change the lives of the communities.

2.6 Food security of Beneficiaries

According to the responses from the sample, 40% own land. About 85% of the responses said that the credit size already given to them was sufficient to bring about economic changes. From the same sample responses over eighty percent confirmed this project intervention enabled them to move out of food aid. As depicted in the table below, 83% of the same beneficiaries (i.e. excluding 17% of those who said “Too early to evaluate”) also measured the improvement of their respective food security status as the result of the credit. For them, ownership of livestock (40%), saving money (28%), and sufficiency in food and clothing (15%) have been among the major achievements as the result of the micro-credit project intervention.

Table:11 Credit and Food Security of Beneficiaries

	Response	Percent
Has the project moved you out of Food Aid?		
Yes	43	81%
No	10	19%
Total	53	100%
Do you own farming Land?		
Yes	21	40%
No	32	60%
Total	53	100%
Has the credit given been adequate to change your life?		
Yes	45	85%
No	8	15%
Total	53	100%

What have been the changes as a result of Credit?		
Sufficiency in food and Clothing	9	15%
Saved Money	17	28%
Owned one sheep	4	7%
Owned two Goats	5	8%
Owned Two Sheep	12	20%
Owned Five sheep	2	3%
Owned one Donkey	1	2%
Too Early to evaluate	10	17%
Total	60	100%

All households in the project area used to get food aid and since August 2005, none of them is getting it. The beneficiaries accounts about 23% of the total households in Tokombia and its surrounding villages; and female-headed households account for 11% of all the households in the project area.

2.7 Sustainability

Inspite of the scheme's recency in experience and limited funds, it has indeed achieved a lot of economic benefits to the micro-credit beneficiaries. A credit worthy beneficiaries and committed administrative staffs contributed to the success of program. For the sustainability of the program the following opinions have been received during the evaluation.

- According to the beneficiaries, livestock fattening/rearing (68%), trade and services (25%), Agriculture particularly in sesame production (6%) and handcraft (2%), as most crucial to community developments have considered components.
- The Development Fund, Norway has been the sole source of fund for the project, which in turn scored visible success in poverty reduction of poor women in the project area. Other organizations supporting the NCEW in other areas included: International Confederation of Free Trade Unions-Africa Region (ICFTU-AFRO), International Labor Organization (ILO), National Trade Union Federation Norway (Lo-Norway) and a number of Trade Unions and related Non-Governmental Organizations from Italy. For the future an Italian NGO known as NEXUS-CGIL has also pledged to collaborate with the NCEW on development activities in Gash Barka.
- According to the Secretary General, the NCEW has been able to influence national policies/strategies related to food security and organization of the women in unions by enabling its members to participate in national development efforts such as the Warsay-Yikealo Campaign, in organizing members in agriculture and skill development trainings, and in organizing and participating national workshops.

2.8 Recommendations for the second phase of the project

In addition to the existing components, veterinary services and weaving have been identified for future consideration. Two- thirds of the beneficiaries suggested the project should be

expanded to cover other areas, while, the remaining one-third maintain that the project need to consolidate its activities in the existing village arguing that the project should continue as pilot until it consolidate its capacity both technically, administratively and financially. Then it can be replicated in the rest phase by phase. The beneficiaries also suggested that the strategies to sustain the project should mainly include handwork and self help (57%), establish associations of the communities and inject more from the members and communities (19%), and use land resources and intensify livestock rearing and agricultural activities (19%).

2.8.1 Resource sustainability

The basic question raised to check the degree of the sustainability of the scheme. The basic question is whether it covers costs and generates surplus so that it viably continues in the future. Normally schemes are evaluated from the perspectives of stages known as vision, sustainability, development and expansion.

Level one: is associated with "traditional, highly subsidized programs," for which revenues do not even cover a portion of operating expense.

Level two: is for scheme, that lend fund but below market rates. Interest income covers cost of money as well as some operating expenses. Still grants are required.

Level three: is for a scheme, which retains some degree of subsidy, but have an, extensive outreach.

Level four: is a situation where subsidies are totally eliminated and funds for expansion are raised from commercial sources. For our analysis, **level two** is considered

2.8.2 Sustainability Index

One of the concepts of sustainability is the operational self-sufficiency index. It indicates whether money earned (mainly interest income from collections of repayments) balances the money spent in running the program such as salaries, transportation, and training, stationery costs. Based on the total loan fund extended in 2004/05 and the related program costs and assuming zero default rate, the sustainability level index is illustrated below.

Table. 12 Sustainability Index of Credit Scheme for 2004/05

Cost /Income Items	Nakfa
1. Total Loan Fund	440,000
2. Interest rate	6%
3. (1x2) Operating Income	26400
4. Total Program Costs	345,386
5. (3-4) Net Income (Loss)	-318,814
6. (3/4) Sustainability Index	0.08

It is apparent that about 8 cents has been earned to cover every Nakfa spent on the program costs. Whereas, if additional loan fund of Nakfa 5.8 million is raised at the beginning of January

2006, it would fully cover the program costs. It is assumed here that the collected funds will be revolved to the needy communities in the subsequent years using the existing project staff members.

In conclusion, if the Project obtains the supply of financial resources amounting to about Nakfa 5.8 million in 2006 and subsequently ensures the distribution of the entire amount in viable projects in the form of revolving funds among the existing and new beneficiaries, then it is recommended that a minimum interest rate of 10% can be applied on the micro-credit to meet other unforeseen contingencies.

CHAPTER 3: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

3.1 SUMMARY OF FINDINGS

3.1.1. Impact of the project interventions vs. objectives and expected results

Extension of Project time: The actual credit component did not start until May 2004, based on the original plan of starting it in 2002. The starting of the credit granting had to be postponed due to the fact that the first selected Field Project Coordinator could not be hired as she could not secure a release from the National Union of Eritrean women branch office in Barentu. It took also some time before the current coordinator and other field staffs were recruited and trained prior starting the actual work. To that effect, NCEW and DF decided to extend the first phase by one year.

1. **Women Beneficiaries:** Micro-credit in the sum of Nakfa 440,000 has so far been extended exclusively to 265 poor women organized in Saving and Credit Groups with 3-5 members in each group. More than half of them are heads of households including those married women whose husbands are not living with their respective families because they are drafted. As unanimously witnessed by the interviewed women themselves, the scheme has successfully helped these households to improve their food security, save some money and own ruminants. These women proved to be credit worthy as this was indicated by their nearly zero default rate (i.e. no delays in credit repayment) and by their up-dated re-payment status. Hence, stepping up the level and magnitude of the credit support can greatly contribute to move the households out of poverty.
2. **Project components:** The project area is endowed with grazing land for agriculture and livestock raising. Tokombia as town and its surrounding villages are also suitable for trade and service. There are very few who used the credit for sesame production, as agriculture is generally a failure when relies on rain-fed. One-fifth of the credit beneficial have used the loan for trade and services, about four-fifth of the loan have been used for purchases of ruminants. Some households used zero grazing system by using available animal feed at home. The major challenge to beneficiaries has been a high death rate of the animals (about 20% in number and 23% in value) coupled with unavailability of veterinary services.

3.1.2. Management of the project funds vs. transparency and efficiency

3. **Organizational Structure and Decision Making:** The project staffs along with the representatives of the administrative and the women groups have the role of screening the applicants. The choice of the applicant is if she is not a beneficiary of similar micro-credit schemes such as the Micro Credit and Saving Program (MCSP). The Advisory Committees is reported to have actively participated and assisted the field project staff in processing the loans. This was expected to be effective since the scheme has been introduced in the area for the fist

time. When the size of the credit increases with time, it is possible that lack of interest and low capacity of the committees can undermine the decision-making process unless regular orientations and training of both project staffs and the advisory Committee is ensured.

4. **Project staffs:** The project staff in general, and the project coordinator in particular, have performed commendable jobs in: 1) reaching a large number of beneficiaries (i.e. 23% of all the households in project area); 2) management of the funds; and 3) monitoring and follow-up of the scheme. For improving the efficiency of the scheme, clear job descriptions must be given to the field project coordinator, accountant, and assistant and other headquarter staff that are involved in the management of the scheme.
5. **Project funds:** Although financial reports have not been prepared as required by the project document, independent professional auditors have regularly audited the annual financial statements of 2002-2004. The summary of the financial documents of the NCEW show the total project funds received from January 2002- October 2005 was equivalent to Nakfa 3,526,502 of Nakfa 3,466,690 (98%) which is already expended for the construction of the Training center and acquisition of fixed assets Nakfa 1,585,346 (45%) for training Nakfa 950,630 (27%), for project staff salaries and administrative overheads Nakfa 430,914 (12%), for Credit and Saving. Nakfa 499, 800 (14%) and the remaining 2% was carried forward to be spent in the months of November and December 2005. The funds have thus been utilized for the intended project objectives. (See Annex 1.

3.1.3 Lessons for designing the second phase (2006-2008)

6. **Savings and Interests:** No decision has been taken concerning the amounts saved by credit beneficiaries. There is a need for a clear policy on the treatment of saving accounts.
7. **Collateral:** All members of a savings and Credit groups have been receiving the credit simultaneously. This system has so far worked well with a small amount of money and among all women groups. Upon expansion and scaling up of the credit size, it important to note that the collateral system may run the risk of default by one or more of the members a group in payment. A system of lending to the members after the first one fully pays the loan is therefore, advisable in the future for the viability of the scheme.
8. **Credit Policy and processing:** The credit policy applies fixed interest rate of 6% for all sector with credit period of 9 months. The loan size starts with Nakfa 1000 and can reach a maximum of Nakfa 5000. In the last eighteen months, 265 loans have been processed. This was an average of 15 loans per month. Many women clients who succeeded as the result of the credit scheme are requesting for more funds. Increase in loan size can take place when more money is raised from funders and the communities.
9. **Loan Administration:** shortage of efficient communication channels delays instructions from head quarter to the field levels. This, in turn delays granting loans and creates lack of

confidence among the potential clients. Fixing definite time interval of loan granting system is essential for.

10. **Cash Collections and deposits:** Money collected is not deposited in a safe. The field staff members often personally take the money collected from Tokombia to Barentu. It involves high risk to the scheme and the staff. An arrangement must be made with the local administration concerning the safety of money including placing a safety vault at the office.
11. **Training and transport:** Training time and contents allocated to credit beneficiaries has been evaluated as inadequate. Conducting trainings to potential beneficiaries from the surrounding villages of and processing loans of the staff by going to these areas is also inconvenient. Availability of a permanent vehicle at the field level or sending vehicles to transport the trainees during the time of training from the surrounding villages to the training center need, to be considered.

3.2 SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

12. **Injection of Additional Credit Fund:** The number of potential borrowers is more than the supply of funds available for the project. For the alleviation of poverty, solicit additional funds in the form of grant fund to supply new loans within the project area.
13. **Organization and Structure:** It should be noted that the granter requires well-prepared project proposals accompanied by proving efficiency, self-reliance and positive impact of the project. Credit and Saving policies once instituted must be consistently adhered to.. The establishment of Advisory committee should be seen with an aim of laying a foundation of a social base of the scheme which, pave, the way for future village banks as the credit scheme expands. The Committee need to be efficient and willing to work long hours free of charge. The credit staff should conduct a thorough study about the applicant before it is finalized.
14. **Training:** Training has been given to most beneficiaries prior to getting loan. The training component was more on gender, HIV/AIDS and some marketing. No credit beneficiary keeps books of accounts. The need for literacy and numeracy (reading and writing and basic mathematical operations) is relevant for the clients, as they should be provided with basic training on how to maintain basic books. Basic micro credit management training should be given to the training of trainers and through them to the credit beneficiaries. This training needs to include the project coordinator, project accountants and cashiers of the project and the beneficiaries. The staffs at NCEW whose activities are related to the project management at the middle and top levels in the headquarters also need orientation workshops. It is recommended for future trainings to target at the following areas and people.

Basic Courses	Target group	Trainer
Project planning and management	Credit staff	Experts
Loan management	Credit staff	Experts
Accounting cycle	Accountant	Experts/ Credit staff
Financial management	Accountant, cashier Clients	Experts/Credit staff
Literacy and numeracy	Clients	Credit staff
Business Management	Clients	Credit staff
Marketing	Clients	Credit staff

By the end of the training, credit officer should be able to approve viable projects, accountants should be able to periodically measure the inflows and outflows of project funds and cashiers should serve as custodians of the cash and properly. Appropriate orientations should also be given to beneficiaries prior to extension of credits.

15. **The use Training Center:** In addition of the need of the center for the project training activities in the areas of micro finance, marketing and cooperative works, it should also be open for other community workshops and series of trainings by other institutions so that additional rental income can be generated to ensure sustainability of internal flow of funds.
16. **Proper Job descriptions** By segregation of duties in credit management need to be re-designed so that the project coordinator approves the technical feasibility study of credit, a full time accountant controls the finances on of credit, and the cashier have custodian roles.
17. **Procedure and Documentation:** The standard procedure for processing the loan should be prepared by the credit staff headed by the coordinator, approved by (committee) and then paid by a cashier. The basic documents should be recorded at the field level in Tokombia and copies may be given to the head office. The field credit staff should have official receipt pads and the forms need to be up-dated. Immediate installation and use of the available computers in Tokombia and allocation of a printer should to the project sits be in place.
18. **Monitoring & Evaluation:** The head office should make periodic follow-up and monitoring evaluation of the scheme. To decide the effects and needs of training, identity changes in working procedures, and assignment of field staff.
19. **Policy on Interest rate:** From the clients' side, low interest rate of 6% has been noticed as favorable. From the lender's side, the cost of lending is high, as the interest income does not cover the costs of salaries of the field staff. If NCEW obtains financial resources amounting to Nakfa 5.8 million for viable projects, the existing

interest rate of 6% can be applied. For situations where available loan fund are less than that, the interest rate should be revised to 10% to partly cover the costs.

20. **Viability of Scheme:** The limited application of the credit fund in 2004/2005 required more program costs compared to less interest income. It is recommended that cost- benefit effectiveness of the scheme should be reviewed from time to time as the fixed costs tend to be reduced if the scheme expands and reaches larger number of beneficiaries and variable costs and size of income have direct relationship with the expansion of the scheme.
21. **Impact of the Credit Scheme:** In about one and half years since the scheme was introduced to about 10% of the potential beneficiaries in Tokombia, Adi-Nana and Birar. Based on the sample survey results, the scheme has had a positive impact on the socio-economic status of the communities and enabled majority of them to improve their standard of living. This has been reflected in the net increase of their monthly income and other related parameters such as providing self employment to the household heads and supporting five members of the household, possession of livestock and saving of some money. The animal diseases severely affected the households, and the support training of Para-vets from the community including credit provision it is recommended to expand and continue the schemes.

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ANNEXES

Annex 1a): Development Fund Norway Funding And Expenditures January, 2002- October 2005

Description	2002	2002	2003	2003	2004	2004	2005	2005	Total Exp. Budget line
	Funds	Expenditures	Funds	Expenditures	Funds	Expenditures	Funds	Expenditures	
Total Funds received	1,208,000		954,218		574,354		789,930		
Balance brought forward	0		872,631		703,178		90,870		
Sub total	1,208,000		1,826,849		1,277,533		880,800		
Gender Training	150,000	64,629	150,000	60,006	160,343	153,309	65,000	56,621	334,564
Cooperatives Training			230,000	51,457					51,457
Grassroots marketing					38,960	24,068	46,000	46,000	70,068
Translation of training materials			50,000	47,120					47,120
Assessment for trainers & trainee	230,000	0							
Cost of design and furniture	350,000	85,160							85,160
Guest house & Day care/Agdos			132,000	67,200	64,800	78,729	30,000	2,572	148,501
Construct. Of latrine in T.Centntre			130,000	116,309					116,309
Construction of Training Center			600,000	539,047	236,191	294,599			833,647
Generator KVA14 + Greenhouse			200,000	220,000	20,000	18,108			238,108
Ceiling fans for T>Center			12,000	3,900					3,900
Sun cooker			757	757					
Inputs for Training Center					68,000	59,020	96,000	7,140	66,160
Training Materials			100,000	19,588			50,000	26,039	45,627
Computer & printer					50,000	47,177			47,177
Salaries of local staff	201,000	33,000	70,000	47,440	87,540	81,665	111,520	92,773	254,878
Assess. For Potential women's									
Devlpmt Program in Tokombia	60,000	77,518							77,518
HIV/AIDS Training W/shop	50,000	40,979	100,000	49,755	30,800	30,800	60,000	60,853	182,387
Training in Handicrafts							101,000	45,495	45,495
Adult Education (Women)							14,000	5,433	
Credit for women in project area	82,440	0	80,000	0	300,000	199,800	300,000	300,000	499,800
Exposure trip					150,000	142,021			142,021
Seminar in Norway		18,114							
Auditor			18,000		18,000		20,000	10,255	10,255
Bank charge						446			446
Administration cost	60,400	15,970	53,000	53,000	52,467	56,488	42,376	39,877	165,335
Contingency	24,160	0	53,000	0	0				
Sub total	1,208,000	335,369	1,978,757	1,275,579	1,277,101	1,186,231	935,896	693,058	3,466,690
Balance to be carried forward		872,631		703,178		90,870		242,838	59,813

Annex 1 b): Development Fund Norway Funding And Expenditures Summary. January 2002- 31 October 2005

	2002-2005	Average/yr	Percent
Total Funds Received	3,526,502	881,626	100%
Fixed Assets Expenditures			
Cost of design and furniture	85,160	21,290	2%
Guest house & Day care/Agdos	148,501	37,125	4%
Construct. of latrine in T.Centre	116,309	29,077	3%
Construction of Training Center	833,647	208,412	24%
Generator KVA14 + Gen.house	238,108	59,527	7%
Ceiling fans for T>Center	3,900	975	0%
Sun cooker	757	189	0%
Inputs for Training Center	66,160	16,540	2%
Total cost of Infrastructures to-date	1,492,542	373,136	43%
Training Materials	45,627	11,407	1%
Computer & printer	47,177	11,794	1%
Sub total	1,585,346	396,337	45%
Research and Training Expenditures			
Development of program in Tokombia	77,518	19,379	2%
Gender Training	334,564	83,641	9%
Cooperatives Training	51,457	12,864	1%
Grassroots marketing	70,068	17,517	2%
Translation of training materials	47,120	11,780	1%
HIV/AIDS Training W/shop	182,387	45,597	5%
Training in Handicrafts	45,495	11,374	1%
Exposure trip	142,021	35,505	4%
Subtotal	950,630	237,657	27%
Administrative and financial			
Salaries of local staff	254,878	63,719	7%
Administration cost	165,335	41,334	5%
Auditor	10,255	2,564	0%
Bank charge	446	112	0%
Subtotal	430,914	107,728	12%
Saving and Credit			
Credit for women in project area	499,800	124,950	14%
Total Expenditures	3,466,690	866,672	98%
Balance to be carried forward	59,813	14,953	2%

Annex 2 a) Results of sample checklist of credit beneficiaries

Description	Responses	Percent
Location		
Tokombia	43	81%
Adi-Nane	5	9%
Birar	5	9%
Total	53	100%
Household Heads		
Female HHH	25	47%
Male HHH	28	53%
Total	53	100%
Ethnic Group		
Kunama	15	28%
Nara	7	13%
Tigre	12	23%
Tigrigna	17	32%
Hausa	2	4%
Bilen	0	0%
Total	53	100%
Socio Economic Status		
Poor	22	42%
Middle	31	58%
Rich	0	0%
Total	53	100%
Average household size		
Number of household members	266	
Number of Households	53	
Average household size	5	
Skill Training/ Received Training		
Yes	46	87%
No	7	13%
Total	53	100%
Training Type		
Gender	35	66%
HIV	16	30%
Handcraft	1	2%
Cooperative	1	2%
Total	53	100%
Relevance of Training		
Yes	43	81%
No	1	2%
N/A	9	17%
Total	53	100%
MARKETING		

Relevance of Marketing Training		
Yes	4	8%
No	0	0%
N/A	49	92%
Total	53	100%
Adequacy of Training		
Yes	4	8%
No	0	0%
N/A	49	92%
Total	53	100%
Holding Back Product to Satisfactory Level		
Yes	31	58%
No	10	19%
N/A	12	23%
Total	53	100%
Pricing Products to Potential Market Value		
Yes	37	70%
No	7	13%
N/A	9	17%
Total	53	100%
Community Participation in project (Planning, Implementation, Monitoring)		
Yes	5	9%
No	48	91%
Total	53	100%
Food Security		
Project moved you out of Food Aid?		
Yes	43	81%
No	10	19%
Total	53	100%
Ownership of Farming Land		
Yes	21	40%
No	32	60%
Total	53	100%
Adequacy of Credit to change life		
Yes	45	85%
No	8	15%
Total	53	100%
Changes as a result of Credit		
Sufficiency in food and Clothing	9	15%
Saved Money	17	28%
Owned one sheep	4	7%
Owned two Goats	5	8%
Owned Two Sheep	12	20%
Own Five sheep	2	3%
Own one Donkey	1	2%

Too Early to evaluate	10	17%
Total	60	100%
Crucial Project Components		
Ruminants Fattening/Rearing	36	68%
Handcraft	1	2%
Agriculture (including Sesame)	3	6%
Trade	13	25%
• Poultry Raising	1	2%
• Sesame oil	3	6%
• Shops	5	9%
• Butter Trade	1	2%
• Hotel	1	2%
• Vegetable Trade	1	2%
• Peanut Trader	1	2%
Total	53	100%
Project for 2nd Phase		
Need for Additional Components		
Yes	3	6%
No	48	91%
Don't know	2	4%
Total	53	100%
Project to consolidate existing area	18	34%
Project to expand to other area	34	64%
Don't Know	1	2%
Total	53	100%
Sustainability		
Project Strategy Without external Funding		
Handwork and self Help	30	57%
Form Associations, and Inject funds from communities	10	19%
Use land Resources intensively and livestock (agriculture)	10	19%
Don't know	3	6%
Total	53	100%

Annex 2b): List of Credit Beneficiaries

No.	Full Name	Marital Status	Ethnic Group	Date of Loan	Amount of Loan	Activity	HH Size
1	Birikty Ghebremichael	Divorced	Tigrigna	23/05/04	1,000	Shop	1
2	Abeba Ghebremichael	Divorced	Tigrigna	23/05/04	1,000	Retail shop	1
3	Kedish Tewolde	Divorced	Tigrigna	23/05/04	1,000	Bar	4
4	Nigisty Berhane	Divorced	Tigrigna	23/05/04	1,000	Teashop	1
5	Tiblets Teclegerghis	Married	Tigrigna	23/05/04	1,000	Ruminants	4
6	Elsa Hagos Ghebre	Married	Tigrigna	23/05/04	1,000	Ruminants	2
7	Emuna Ali Salih	Married	Hawsa	23/05/04	1,000	Nuts	6
8	Zeineb Salih	Married	Hawsa	23/05/04	1,000	Nuts	4
9	Harira Mohammed	Married	Hawsa	23/05/04	1,000	Nuts	2
10	Leya Wash	Married	Kunama	23/05/04	1,000	Ruminants	9
11	Letu John	Married	Kunama	23/05/04	1,000	Ruminants	4
12	Aiba Nekidom	Married	Kunama	23/05/04	1,000	Ruminants	7
13	Freweini Teclegerghis	Married	Tigrigna	23/05/04	1,000	Ruminants	6
14	Rahwa Ogubamichael	Married	Tigrigna	23/05/04	1,000	Ruminants	10
15	Dehab Habtom	Married	Tigrigna	23/05/04	1,000	Ruminants	5
16	Letberhan Bereketeab	Married	Tigrigna	23/05/04	1,000	Ruminants	4
17	Wuddassie Teclemichael	Married	Tigrigna	23/05/04	1,000	Ruminants	2
18	Sofia Tewolde	Divorced	Kunama	23/05/04	1,000	Ruminants	2
19	Aisha Edris	Divorced	Kunama	23/05/04	1,000	Ruminants	1
20	Darri Asman	Divorced	Kunama	23/05/04	1,000	Ruminants	3
21	Dehanni Ajima Nana	Widowed	Kunama	23/05/04	1,000	Ruminants	1
22	Alegia Aroro	Widowed	Kunama	23/05/04	1,000	Ruminants	3
23	Jemati Bekit	Married	Kunama	23/05/04	1,000	Ruminants	2
24	Keria Shufo Tuba	Married	Kunama	23/05/04	1,000	Ruminants	2
25	Nura Ageba Danni	Married	Kunama	23/05/04	1,000	Ruminants	4
26	Kaltum Hamid	Widowed	Kunama	23/05/04	1,000	Ruminants	1
27	Hagg Kamacho Libab	Married	Kunama	23/05/04	1,000	Ruminants	6
28	Elizabet Else	Married	Kunama	23/05/04	1,000	Ruminants	4
29	Shiwazer Nadew	Married	Kunama	23/05/04	1,000	Ruminants	1
30	Makka Ali Hagos	Married	Kunama	23/05/04	1,000	Ruminants	1
31	Halima Kalid	Married	Hawsa	23/05/04	1,000	Trade	10
32	Rebha Yakya Said	Married	Hawsa	23/05/04	1,000	Nuts & rope	2
33	Gennet Butsuamlak	Married	Tigrigna	23/05/04	1,000	Ruminants	4
34	Jemati denger	Married	Nara	23/05/04	1,000	Ruminants	2
35	Adra Ulla	Married	Kunama	23/05/04	1,000	Ruminants	2
36	Fatuma Edris Hassebela	Married	Tigre	23/05/04	1,000	Ruminants	3
37	Fatuma Salih Mohammed	Married	Tigre	23/05/04	1,000	Ruminants	6
38	Aisha Abdella Hassebela	Married	Tigre	23/05/04	1,000	Ruminants	2
39	Fatuma Mohammed Idris	Married	Tigre	23/05/04	1,000	Ruminants	1
40	Fatuma Mohammed Ali	Divorced	Tigre	23/05/04	1,000	Shop	2

41	Abrehet Yakob Kolli	Married	Kunama	12/12/2004	1,000	Ruminants	6
42	Maria Tuka ArSha	Married	Kunama	12/12/2004	1,000	Ruminants	5
43	Darri Tommy Arrey	Single	Kunama	12/12/2004	1,000	Ruminants	2
44	Makka Awate GaShay	Widowed	Kunama	12/12/2004	1,000	Ruminants	6
45	Ewanat Adia Shanya	Married	Kunama	12/12/2004	1,000	Ruminants	7
46	Kerra Shaku Mussa	Divorced	Kunama	12/12/2004	1,000	Ruminants	5
47	Fatuma Mohammed Haji	Married	Tigre	12/12/2004	1,000	Ruminants	4
48	Fatuma Mohammed Ali	Married	Tigre	12/12/2004	1,000	Ruminants	3
49	Fatuma Ibrahim Ali	Married	Tigre	12/12/2004	1,000	Ruminants	2
50	Hiwet Tsegay Andemichael	Married	Tigrigna	12/12/2004	1,000	Shop	4
51	Ogubamariam Nugguse	Married	Tigrigna	12/12/2004	1,000	Ruminants	6
52	Sebene Tsegay Tecele	Married	Tigrigna	12/12/2004	1,000	Bar	2
53	Meaza Fessehaye	Married	Tigrigna	12/12/2004	1,000	Ruminants	1
54	Rishan Mebrahtu	Married	Tigrigna	12/12/2004	1,000	Ruminants	2
55	Tsega Simon Tikabo	Married	Tigrigna	12/12/2004	1,000	Ruminants	5
56	Amna Gibir Osman	Married	Tigre	12/12/2004	1,000	Ruminants	3
57	Meriem Mohammed	Widowed	Tigre	12/12/2004	1,000	Ruminants	4
58	Fatuma Mohammed Ali	Widowed	Tigre	12/12/2004	1,000	Ruminants	3
59	Fatuma Mohammed Adem	Widowed	Tigre	12/12/2004	1,000	Ruminants	2
60	Hadas Ghebremariam	Widowed	Tigre	12/12/2004	1,000	Ruminants	3
61	Freweini Berhane Atsmay	Married	Tigrigna	12/12/2005	1,000	Ruminants	3
62	Alganesh Estifanos	Married	Tigrigna	12/12/2005	1,000	Ruminants	4
63	Hiwet Kidane Sereke	Married	Tigrigna	12/12/2005	1,000	Ruminants	3
64	Freweini Ghide Ogubu	Single	Tigrigna	12/12/2005	1,000	Ruminants	2
65	Dehab Abo Ali	Married	Kunama	12/12/2005	1,000	Ruminants	6
66	Hadas Berhane Segid	Widowed	Tigrigna	12/12/2005	1,000	Ruminants	2
67	Hiwot Andetsion Bahta	Married	Tigrigna	12/12/2005	1,000	Ruminants	5
68	Rakia Omer Edris	Married	Hawsa	12/12/2005	1,000	Ruminants	4
69	Sakina Adem Osman	Married	Hawsa	12/12/2005	1,000	Ruminants	2
70	Halima Ibrahim G/Adem	Married	Hawsa	12/12/2005	1,000	Ruminants	3
71	Luchi Tecele Tsegay	Married	Tigrigna	12/12/2005	1,000	Ruminants	2
72	Rigbe Embaye Kassa	Married	Tigrigna	12/12/2005	1,000	Ruminants	4
73	Medhin Wolday Asgedom	Married	Tigrigna	12/12/2005	1,000	Shop	3
74	Kaltuma Abukato Tuba	Married	Kunama	12/12/2005	1,000	Shop	1
75	Kedija Abekato Tuba	Married	Kunama	12/12/2005	1,000	Ruminants	2
76	Amlı Jesug Jermia	Single	Kunama	12/12/2005	1,000	Ruminants	1
77	Tsighe Habtemariam Drar	Married	Tigrigna	12/12/2005	1,000	Ruminants	3
78	Zebib Millawi Tekie	Married	Tigrigna	12/12/2005	1,000	Ruminants	3
79	Jirom Araia Hiyabu	Widowed	Tigrigna	12/12/2005	1,000	Ruminants	2
80	Medina Fagi Shifa	Widowed	Kunama	12/12/2005	1,000	Ruminants	4
81	Afe Ala Kunday	Married	Kunama	12/12/2005	1,000	Ruminants	2
82	Magula Kagja Kotu	Widowed	Kunama	12/12/2005	1,000	Ruminants	

83	Amna Kagja Kotu	Widowed	Kunama	12/12/2005	1,000	Ruminants	3
84	Abrehet Hagos Andeberhan	Married	Tigrigna	12/12/2005	1,000	Trade	3
85	Abrehatsion Mebrahtu	Married	Tigrigna	12/12/2005	1,000	Ruminants	5
86	Letay Ogubamichael W/kidan	Widowed	Tigrigna	12/12/2005	1,000	Ruminants	3
87	Aisha Sulieman Niushay	Married	Nara	12/12/2005	1,000	Ruminants	
88	Nura Abdella Niushay	Married	Nara	12/12/2005	1,000	Ruminants	
89	Meriem Adem Humed	Married	Nara	12/12/2005	1,000	Ruminants	5
90	Fatuma Yakob Osman	Widowed	Nara	12/12/2005	1,000	Ruminants	1
91	Nura Salih Kima	Widowed	Kunama	12/12/2004	1,000	Ruminants	1
92	Leteberhan Asefaw Tewolde	Widowed	Tigrigna	12/12/2004	1,000	Ruminants	2
93	Asmayit Gayim W/mariam	Married	Tigrigna	12/12/2004	1,000	Ruminants	5
94	Mihret Kidane Misghina	Widowed	Tigrigna	12/12/2004	1,000	Ruminants	2
95	Brikty Kidane Tebeje	Married	Tigrigna	12/12/2004	1,000	Ruminants	5
96	Fatuma Osman M/Ali	Married	Tigre	12/12/2004	1,000	Ruminants	3
97	Maha Mohammed Adem	Single	Nara	12/12/2004	1,000	Ruminants	
98	Halima Ahmed Hayar	Married	Nara	12/12/2004	1,000	Ruminants	
99	Agi Abdella Falu	Married	Kunama	12/12/2004	1,000	Ruminants	
100	Birikty Ghebrehawariat	Married	Tigrigna	12/12/2004	1,000	Ruminants	4
101	Abadit Ghebrehawariat	Married	Tigrigna	12/12/2004	1,000	Ruminants	3
102	Winta Ghebrehawariat	Married	Tigrigna	12/12/2004	1,000	Ruminants	
103	Eitmet Zeregabir	Married	Tigrigna	12/12/2004	1,000	Ruminants	6
104	Dehab Tesfaselassie	Married	Tigrigna	12/12/2004	1,000	Butter Trade	2
105	Kibra Medhannie	Married	Tigrigna	12/12/2004	1,000	Butter Trade	5
106	Elsa Tsegay	Single	Tigrigna	12/12/2004	1,000	Butter Trade	1
107	Gimja Medhannie	Married	Tigrigna	12/12/2004	1,000	Butter Trade	1
108	Agusaana Hamid	Married	Bilien	12/12/2004	1,000	Butter Trade	10
109	Zewdi Hagos Tsige	Widowed	Bilien	12/12/2004	1,000	Bar	4
110	Luul Ogubamichael	Married	Tigrigna	12/12/2004	1,000	Bar	3
111	Aisha Agir Mohammed	Married	Nara	12/12/2004	1,000	Bar	7
112	Nigisty Teclay Sief	Married	Tigrigna	12/12/2004	1,000	Bar	5
113	Hawa Kirar Libab	Married	Nara	12/12/2004	1,000	Ruminants	6
114	Tiebe Asefaw Tareke	Married	Tigrigna	12/12/2004	1,000	Ruminants	4
115	Machu Amoya Butu	Married	Kunama	12/12/2004	1,000	Ruminants	3
116	Roma Mahmud	Married	Kunama	12/12/2004	1,000	Ruminants	
117	Amna Libab Masi	Married	Kunama	12/12/2004	1,000	Ruminants	2
118	Zeineb Ajima Nana	Married	Kunama	12/12/2004	1,000	Ruminants	3
119	Hana Abo Kima	Divorced	Kunama	12/12/2004	1,000	Ruminants	
120	Fatuma Mohammed	Married	Kunama	12/12/2004	1,000	Ruminants	
121	Sene Kena Omer		Kunama	12/12/2004	1,000	Ruminants	2
122	Sharif Osman		Kunama	12/12/2004	1,000	Ruminants	2
123	Hadwa Kaja Aray		Kunama	12/12/2004	1,000	Ruminants	3
124	Sherif Mussa	Married	Kunama	12/12/2004	1,000	Ruminants	4

125	Letetsion Ghilaezgi	Married	Tigrigna	17/6/05	1,000	Retail sale	7
126	Tsighe Ghebremichael	Married	Tigrigna	17/6/05	1,000	Trade	4
127	Righat Dagnev	Widowed	Tigrigna	17/6/05	1,000	Trade	1
128	Measho Ghebreselassie	Married	Tigrigna	17/6/05	1,000	Trade	3
129	Zufan Mahdere	Divorced	Tigrigna	17/6/05	1,000	Trade	3
130	Aisha Abdulkadir	Married	Tigrigna	17/6/05	1,000	Ruminants	2
131	Fatuma Haji	Widowed	Tigre	17/6/05	1,000	Ruminants	3
132	Aisha Sulieman	Married	Tigre	17/6/05	1,000	Ruminants	3
133	Fatuma M/Alamin	Married	Tigre	17/6/05	1,000	Ruminants	6
134	Eirayit Mohammed	Divorced	Tigre	17/6/05	1,000	Ruminants	1
135	Abeba Keleta	Widowed	Tigrigna	17/6/05	1,000	Ruminants	6
136	Tsighe Bahta	Divorced	Tigrigna	17/6/05	1,000	Retail sales	2
137	Almaz Habtezgi	Single	Tigrigna	17/6/05	1,000	Ruminants	
138	Afomia Woldeab	Married	Tigrigna	17/6/05	1,000	Trade	1
139	Nighisty Paulos	Married	Tigrigna	17/6/05	1,000	Ruminants	6
140	Letezghi Bereketeab	Married	Tigrigna	17/6/05	1,000	Ruminants	3
141	Nechi Abraha	Married	Tigrigna	17/6/05	1,000	Ruminants	4
142	Tukuri Abdella Missi	Widowed	Kunama	17/6/05	1,000	Ruminants	5
143	Shiko Wallo Kuri	Widowed	Kunama	17/6/05	1,000	Ruminants	3
144	Aisha Ismael	Married	Nara	17/6/05	1,000	Ruminants	7
145	Shilla Wallo Kuri	Married	Kunama	17/6/05	1,000	Ruminants	5
146	Kaltuma Adem	Married	Kunama	17/6/05	1,000	Ruminants	
147	Ethiopia Ghebremedhin	Married	Tigrigna	17/6/05	1,000	Ruminants	6
148	Zeineb Salih	Married	Tigre	17/6/05	1,000	Ruminants	1
149	Ajella Armaden	Married	Kunama	17/6/05	1,000	Ruminants	10
150	Aderde Alin	Widowed	Kunama	17/6/05	1,000	Ruminants	2
151	Amna Mohammed Ali	Widowed	Nara	17/6/05	1,000	Ruminants	1
152	Fatuma Taha Edris	Married	Tigre	17/6/05	1,000	Ruminants	1
153	Saedia Galla Ali	Widowed	Kunama	17/6/05	1,000	Ruminants	5
154	Tugo Ageba	Married	Kunama	17/6/05	1,000	Ruminants	2
155	Zaid Kiflom Debas	Married	Tigrigna	17/6/05	1,000	Ruminants	4
156	Letekidan Kesete	Married	Tigrigna	17/6/05	1,000	Ruminants	6
157	Bisrat Ghebreab	Divorced	Tigrigna	17/6/05	1,000	Ruminants	2
158	Amna Mohammed	Married	Tigrigna	17/6/05	1,000	Ruminants	4
159	Wudassie Kesete Ghirmay	Widowed	Tigrigna	17/6/05	1,000	Ruminants	1
160	Tiebe Fessehaye	Married	Tigrigna	17/6/05	1,000	Ruminants	3
161	Letensea Tikabo	Married	Tigrigna	17/6/05	1,000	Ruminants	7
162	Embafrash Yemane	Married	Tigrigna	17/6/05	1,000	Ruminants	6
163	Dehab Amine	Married	Tigrigna	17/6/05	1,000	Ruminants	7
164	Meriem Abubeker	Married	Nara	17/6/05	1,000	Ruminants	7
165	Amna Kalid	Married	Nara	17/6/05	1,000	Ruminants	9
166	Meryem Mohammed	Married	Nara	17/6/05	1,000	Ruminants	4

167	Ghennet Beraki	Married	Tigrigna	17/6/05	1,000	Ruminants	2
168	Leteab Tekie	Married	Tigrigna	17/6/05	1,000	Ruminants	6
169	Luchia Beraki	Married	Tigrigna	17/6/05	1,000	Ruminants	5
170	Adhannet Andom	Married	Tigrigna	17/6/05	1,000	Ruminants	4
171	Tsega Tesfay	Married	Tigrigna	17/6/05	1,000	Ruminants	4
172	Hidat Ghebretensae	Married	Tigrigna	17/6/05	1,000	Ruminants	3
173	Hajer Yemane Mehari	Married	Tigrigna	17/6/05	1,000	Ruminants	4
174	Zaid Tekleberhan	Married	Tigrigna	17/6/05	1,000	Ruminants	1
175	Alghanesh Mezenjie	Divorced	Tigrigna	17/6/05	1,000	Ruminants	4
176	Leterufael Zemlu	Married	Tigrigna	17/6/05	1,000	Ruminants	3
177	Mihret Mezenjie	Married	Tigrigna	17/6/05	1,000	Ruminants	3
178	Tiebe Tesfay	Married	Tigrigna	17/6/05	1,000	Ruminants	8
179	Zaid Ogubazgi	Married	Tigrigna	17/6/05	1,000	Ruminants	8
180	Bahgu Berhe	Married	Tigrigna	17/6/05	1,000	Ruminants	8
181	Almaz Habtay	Married	Tigrigna	17/6/05	1,000	Ruminants	2
182	Meskelu W/samuel	Married	Tigrigna	17/6/05	1,000	Trade	3
183	Righat Solomon	Married	Tigrigna	17/6/05	1,000	Trade	6
184	Ghenet Belay	Married	Tigrigna	17/6/05	1,000	Ruminants	4
185	Hiwet Tadesse	Divorced	Tigrigna	17/6/05	1,000	Trade	4
186	Ashia Kima	Widowed	Kunama	17/6/05	1,000	Ruminants	2
187	Siti Kina Omer	Married	Kunama	17/6/05	1,000	Ruminants	3
188	Senait Yonatal	Single	Kunama	17/6/05	1,000	Teashop	4
189	Kaltum Kiena Layne	Widowed	Kunama	17/6/05	1,000	Ruminants	1
190	Dalaria Ali Boko	Married	Kunama	09/02/2005	1,000	Ruminants	4
191	Kundi Shendi Kuri	Married	Kunama	09/02/2005	1,000	Ruminants	2
192	Rishan Mohammed Fikak	Widowed	Kunama	09/02/2005	1,000	Ruminants	4
193	Zeineb Ghilay Ali	Married	Kunama	09/02/2005	1,000	Ruminants	6
194	Age Lilo Kima	Married	Kunama	09/02/2005	1,000	Ruminants	1
195	Aisha Mabati Gulay	Married	Kunama	09/02/2005	1,000	Ruminants	2
196	Dehaba Edris Kiek	Married	Kunama	09/02/2005	1,000	Ruminants	1
197	Alu Awata Anbota	Married	Kunama	09/02/2005	1,000	Ruminants	6
198	Beleka Kanshuri	Married	Kunama	09/02/2005	1,000	Ruminants	5
199	Madule Kielay Kulu	Married	Kunama	09/02/2005	1,000	Ruminants	8
200	Megno Marbati Takas	Married	Kunama	09/02/2005	1,000	Ruminants	5
201	Saedia Lilo Kima	Widowed	Kunama	09/02/2005	1,000	Ruminants	2
202	Saedia Adem Kabon	Married	Kunama	09/02/2005	1,000	Ruminants	5
203	Asheba Kelifa Ageba	Married	Kunama	09/02/2005	1,000	Ruminants	1
204	Nura Osman Ali	Widowed	Kunama	09/02/2005	1,000	Ruminants	1
205	Nefisa Kelifa	Married	Kunama	09/02/2005	1,000	Ruminants	4
206	Jimea Edris Osman	Widowed	Tigre	09/02/2005	1,000	Ruminants	5
207	Hasina Mohammed	Widowed	Tigre	09/02/2005	1,000	Ruminants	1
208	Halima Mohammed	Widowed	Tigre	09/02/2005	1,000	Ruminants	5
209	Measho Ghebreezgiher	Widowed	Tigrigna	09/02/2005	1,000	Siwa	3

210	Tsega Abraha Zemo	Married	Tigrigna	09/02/2005	1,000	Shop	1
211	Meriem Edris		Tigre	09/02/2005	1,000	Ruminants	3
212	Aisha Ismael	Married	Tigre	09/02/2005	1,000	Ruminants	2
213	Hawa Ghebir Osman	Married	Tigre	09/02/2005	1,000	Ruminants	3
214	Fatuma Osman Mohammed	Married	Tigre	09/02/2005	1,000	Ruminants	4
215	Hisabu Woldemichael	Married	Tigrigna	09/02/2005	1,000	Ruminants	7
216	Kibra Bokretsion	Divorced	Tigrigna	09/02/2005	1,000	Ruminants	4
217	Leteberhan Bereketiab	Divorced	Tigrigna	09/02/2005	1,000	Ruminants	5
218	Letetsion Tesfay	Married	Tigrigna	09/02/2005	1,000	Ruminants	7
219	Semaynesh Simon	Married	Tigrigna	09/02/2005	1,000	Shop	4
220	Abadit Zeray Negusse	Divorced	Tigrigna	09/02/2005	1,000	Ruminants	3
221	Jemati Alu Andegay	Widowed	Kunama	09/02/2005	1,000	Ruminants	5
222	Keriya Osman Abdella	Married	Kunama	09/02/2005	1,000	Ruminants	4
223	Kaltuma Sale	Married	Kunama	09/02/2005	1,000	Ruminants	4
224	Sona Mohammed Shuli	Widowed	Kunama	09/02/2005	1,000	Ruminants	3
225	Arossa Antonio Lagi	Widowed	Kunama	09/02/2005	1,000	Ruminants	2
226	Meaza Ogubazgi	Widowed	Tigrigna	09/02/2005	1,000	Ruminants	5
227	Zaid Hailemichael	Married	Tigrigna	09/02/2005	1,000	Ruminants	1
228	Kedija Awate Gishay	Widowed	Kunama	09/02/2005	1,000	Ruminants	5
229	Halima Ali Mohammed	Widowed	Nara	09/02/2005	1,000	Ruminants	9
230	Aisha Junu Beynana	Widowed	Kunama	09/02/2005	1,000	Ruminants	9
231	Meryem Shuku Mussa	Widowed	Kunama	09/02/2005	1,000	Ruminants	7
232	Ghenet Agte Gishay	Widowed	Kunama	09/02/2005	1,000	Ruminants	9
233	Azieb Werde Mengesha	Married	Tigrigna	09/02/2005	1,000	Ruminants	3
234	Zurianesh Gebru	Married	Tigrigna	09/02/2005	1,000	Shop	3
235	Alem Berhe Ogubay	Married	Tigrigna	09/02/2005	1,000	Bar	6
236	Dehab Totil Luna	Married	Kunama	09/02/2005	1,000	Ruminants	5
237	Ellen Abo Masi	Married	Kunama	09/02/2005	1,000	Ruminants	1
238	Asmeret Tuka Aret	Single	Kunama	09/02/2005	1,000	Ruminants	1
239	Ananie Shuli Tali	Married	Kunama	09/02/2005	1,000	Ruminants	4
240	Aisha Jage Nuru	Married	Kunama	09/02/2005	1,000	Ruminants	1
241	Ellen Barankiel	Married	Tigrigna	09/02/2005	1,000	Ruminants	10
242	Birikty Fessahaye	Married	Tigrigna	09/02/2005	1,000	Ruminants	10
243	Senait Ghebreberhan	Married	Tigrigna	09/02/2005	1,000	Ruminants	3
244	Fekadu Kiflu Yakob	Widowed	Tigrigna	09/02/2005	1,000	Ruminants	5
245	Tsigeweini Sereke Kidane	Married	Tigrigna	09/02/2005	1,000	Ruminants	8
246	Azieb Gheberemeskel	Divorced	Tigrigna	09/02/2005	1,000	Ruminants	1
247	Tsige Melaki W/selassie	Married	Tigrigna	09/02/2005	1,000	Ruminants	6
248	Tsegay Ghebrehiwet	Married	Tigrigna	09/02/2005	1,000	Ruminants	2
249	Biri Araia Ogubagergis	Divorced	Tigrigna	09/02/2005	1,000	Ruminants	1
250	Senait Ogubazgi	Married	Tigrigna	09/02/2005	1,000	Ruminants	4
251	Abrehet Tsehay	Married	Tigrigna	09/02/2005	1,000	Ruminants	2
252	Semira Amer Omer	Married	Tigre	09/02/2005	1,000	Ruminants	2
253	Amna Mohammed Ali	Married	Tigre	09/02/2005	1,000	Ruminants	6

254	Zuhur Melasi Mohammed Aliamin	Married	Tigre	09/02/2005	1,000	Shop	2
255	Almaz Kiflay Abadi	Married	Tigrigna	09/02/2005	2,000	Trade	1
256	Emuna Mohammed Ibrahim	Single	Tigre	09/02/2005	2,000	Tailoring	
257	Lula Sulieman Adem	Married	Tigre	09/02/2005	2,000	Tailoring	3
258	Meriem Edris	Married	Tigre	09/02/2005	2,000	Tailoring	9
259	Silvana Nihmia	Married	Kunama	09/02/2005	2,000	Tailoring	5
260	Fatuma Haji Shilal	Married	Nara	17/6/05	1,000	Ruminants	3
261	Roma Ghile Andu	Married	Kunama	17/6/05	1,000	Ruminants	10
262	Kedija Romodan Baru	Married	Nara	17/6/05	1,000	Ruminants	6
263	Meriem Hamid Mantay	Widowed	Nara	17/6/05	1,000	Ruminants	1
264	Amna Adem Ali	Married	Tigre	17/6/05	1,000	Ruminants	5
265	Aynom Yohannes	Married	Tigrigna	11/08/2005	1,000	Ruminants	6

Annex 3: List of People Interviewed

No.	Name	Responsibility	Location
1.	Tekeste Baire	Secretary General,NCEW	Asmara
2.	Amanuel Negasi	Research and Training Head	Asmara
3.	Ellen Borchgrevienk	Coordinator of DF, Norway	Asmara
4.	Iyob Tekleab	Administration and finance Head	Asmara
5.	Kidane Merhai	Project Accounting, Head	Asmara
6.	Yemane Binega	Training Head	Asmara
7.	Ellen Feliche	Project Coordinator	Tokombia
8.	Kafel Berhane	Accountinat	Tokombia
9.	Netsanet Zefania	Assistant/coordinator	Tokombia
10.	Akeza G/Selassie	Assitat/coordinator	Tokombia
11.	Adriana Suleiman	Trainer, Handcraft	Tokombia
12.	Senait Tewolde	Trainer, Tailoring	Tokombia
13.	Habtom Tsegai	Building Contractor	Barentu
14.	Abdu Said	Town Administrator	Tokombia
15.	Jafer Gala	Executive officer	Birar

Annex 4: Terms of Reference

The Evaluation of “Organizational Development and income generating activities for women in Tokombia, Gash Barka Region.” Implemented by The National Confederation of Eritrean Workers (NCEW) and Funded by the Development Fund, Norway

1. Background.

NCEW has since 1996 been working with the former members of the Farmers Association, on the Shemshemia and Shambuco farms in Gash Barka. Both farms are jointly owned by the farmers and NCEW. In the absence of legislation on cooperatives, NCEW is conducting training programmes with the aim to train farmers on how to establish and manage pre-cooperatives and organize through training programmes the follow up services to the farmers. NCEW also aims to provide expertise to the farmers in order to increase the agricultural and livestock productivity.

Complimentary to the training programmes, NCEW has established metal tools workshops in Shemshemia and Tokombia for repair of motors and farm tools and making of furniture such as chairs and beds for local consumption.

The Development Fund (DF) jointly with Norwegian People’s Aid (NPA) have been funding the Shemshemia training project in Gash Barka since 1996. However, after the joint decision in 2000 by DF and NPA not to continue with jointly funded programmes, they decided instead to support projects that should be seen as complimentary interventions. NPA continued its support to the Shemshemia project up to the end of 2004.

In designing a complimentary project supported by DF, it was agreed that a new project should focus on women, in particular female headed households. Since NCEW already has a presence in the area, Tokombia and surroundings was selected as the project site. The project should contribute to development of small scale economic activities in the informal sector at community level based on micro finance and supporting training activities. Cross cutting issues are gender and HIV/AIDS awareness. Another component of the project would be to strengthen the gender profile of NCEW as an institution.

The objective of organizing farmers in cooperatives is also a venue for bringing them to the trade unions to involve them on issues of workers rights at workplace levels. The same holds true for the women in small scale enterprises as workers in the informal sector that could be organized into unions.

Project justification.

The majority of the households in Tokombia are headed by women and as such they belong to the most vulnerable groups in the community. Due to the Ethiopian invasion they had to evacuate the area and were displaced in camps, until they were able to return in 2001. Tokombia was completely destroyed during the invasion and the returnees had to start on scratch and were totally dependant on humanitarian aid for their survival.

There is a pressing need for women to have access to economic activities to support their families and make them less food insecure. The previous training programs in handicrafts that existed in the area straight after independence did not include components of marketing, how to operate small scale enterprises or credit to enable women to gain the necessary skills or get access to credit to capitalize on their training.

There has, therefore, been a lack of incentive for the women to embark on handicrafts as a source of income. The women lack training in marketing, basic literacy skills, small scale business and thus, are vulnerable to exploitation by the traders. There has also been a lack of exposure to innovative and creative

ideas for small-scale business. The long years of war and now the current conflict have not provided the opportunity for women to exchange experiences with women in other countries.

Hence, NCEW designed a program based on a microfinance scheme with supporting training activities in order to develop small scale economic activities for women in the area. Prior to the implementation of the project activities an assessment was conducted in order to identify needs, interests and concern of the women in the project area. The assessment was followed by a study which reviewed the credit programmes currently existing in the country. The study recommended the most appropriate way forward for the credit/savings scheme in the project area.

Access to credit, training in microfinance, handicrafts, marketing, (literacy training was included in the project in 2005 upon a request from the women) and small scale cooperatives will provide the women with understanding and enable them to have control in the marketing of their products. The women will be less vulnerable to manipulation by middle-men in the market, and will have an independent source of income that will benefit the household.

2. Overall objective of the project

Increase food security at household level for women in Tokombia and surroundings through microfinance scheme and supporting training activities

Long-Term Objectives

1. Strengthening the organizational capacity of NCEW, at all levels of the organization, in gender awareness and management especially at the local level.
2. Establishment of a women's co-operative department at NCEW.
3. Community gender awareness.
4. Increased community awareness on HIV/AIDS and policies of the government.
5. Development of women's enterprise skills and their increased activity in the informal sector.
6. Increased household income through the involvement of women in small-scale business activities and co-operatives.

Expected results in the period 2002 to 2004 (ref. 2002 – 2004 application)

- Increased capacity of NCEW staff at Head Office and Regions on gender issues.
- Strengthened role of women in the informal sector at community level and among NCEW membership.
- 240 men and women will have received training at the community level on gender issues in year 2002, another 360 people in year 2003 and further 360 people in year 2004.
- Local women will be trained as trainers in credit/savings (3 women), marketing (3 women) and small-scale business (3 women). These trainers will also have participated in community training on gender issues.
- There will be 12 groups of women formed in the year 2002 in credit/savings who will also receive training in grassroots marketing, small-scale business and have access to credit. There will be another 18 groups of women in 2003 and in the third year another 18 groups of women who will have received the training programmes. In the year 2003 the training in co-operatives will begin for the women.
- A Meeting Place for the women will be constructed in Tocombia in year 2002 and one in Shambuco in year 2003.
- There will be a community office for the trainers constructed one in Tocombia in year 2002 and another in Shambuco in year 2003.
- There will be local co-ordinator that will ensure the efficient and effective functioning of the training programmes.
- The institutional capacity of the NCEW to provide services to the development of the informal sector will have increased.
- Access for women in the marketplace will have increased and thus their voice in community affairs.

DEVIATIONS FROM THE INITIAL PLAN.

The first phase of the project was planned from 2002 to 2004, but extended to the end of 2005 due to delays in the implementation. Constraints in recruiting qualified field staff and lack of construction workers and construction materials caused delays in the implementation. As a result of the Ethiopian invasion the planned activities in Shambuco were cancelled because the area was heavily mined and the recovery phase was prolonged.

Objectives of the evaluation

1. To assess the impact of the project interventions compared to the objectives and expected results.
2. Assess the management of the project funds on transparency and efficiency in meeting the project objectives
3. To serve as a tool in designing the second phase of the project from 2006.

DF and NCEW agree on not evaluating all the project components.

1. Gender and HIV/AIDS
2. Literacy component

These components will be evaluated at a later stage.

The evaluation should address the following issues:

1. The micro credit scheme

The main focus is an evaluation of the sustainability of the micro credit scheme with the supporting training components (i.e. training in microfinance, handicrafts/marketing).

- Assess the performance of the credit scheme - and the "structure "of it.
- Assess the criteria for access to credit? Assess the interest, the grace period for the saving, payback, group collateral etc.
- Assess the training in microfinance, both for the project team in Tokombia as well as for the beneficiaries. Is the training adequate - and the duration of it sufficient? Is a follow up training needed?
- Assess the amount given in credit to the individuals - is the amount adequate in order to make a real change for the women?
- Assess the composition of the beneficiaries (i.e. social, ethnic, economic etc.) -compared to the population in the area and compared to poverty criteria of the beneficiaries. Is there any bias in the selection of beneficiaries in the project?
- Assess the group formation - risks, vulnerability, optimal size and structure (also ethnicity/activity) in order to be competitive on the market? Assess the potential for establishing pre-cooperatives in the absence of cooperatives policy and law.
- Assess the risks for the women participating in the project and the risks for the project in it self.
 - What are the risks involved in the various income-generating activities (like livestock, shops, handicrafts, poultry) and how should the project handle risk management/-sharing ?
- Assess the micro-credit activities that have been supported. Is for example animal fattening a reliable income source and will that be an effective way to improved food security for the beneficiaries.
- Assess the different micro-credit activities compared to each other and also suggest other possible activities.
- How did the droughts in 2002 and 2003 affect the project and the beneficiaries?

2. Marketing

- Assess both marketing training and results. Have the project team been holding back the sales of the products for too long – until the quality has reached a satisfactory level to make it profitable? Are the products prized according to their potential market value?
- Assess /give directions for the marketing aspects, i.e. market outlets, competitiveness of their products, the variety and quality.
- Assess the marketing training.

3. Training courses in handicrafts/sewing

- Assess criteria for selection of beneficiaries for training, the adequacy of the training, duration and quality.
 - Has the various kinds of handicraft training been given on request from the beneficiaries themselves, or was it imposed by the project coordinator.
 - Has the exposure visit to Kenya given relevant input to the project
- Assess the skills training

4. The Training Centre

- Assess the challenges and strength of the training center. What went wrong and what went right.
- Assess the planning and implementation capacity of NCEW in building the training centre
- Have there been weaknesses in the contracts between NCEW and Construction Company that has added to the extra costs and delays?
- Is the standard of the building to high compared to the need in the community?
- How to make the training centre into a functioning meeting place for women and a centre with potential income to sustain continued project activities?

5. Organisation and project implementation

- Assess the organizational structure and staffing.
- Assess the performance of the project team in Tokombia - the organising aspect - monitoring and follow up, local implementation capacity, etc.
- Assess the performance of the project group at NCEW Head office - the project management, monitoring, financial control, routines for transfer of funds to the bank in Barentu, communication with Tokombia, etc. Are the funds accessible for the co-ordinator in Tokombia when needed?
- Assess the participation from the community in project design and project implementation
 - What are the stakeholders roles in planning, implementation and monitoring/follow-up
- Assess the total duration of the project (2 phases) period - is the time span sufficient in order to achieve the goals?
- Assess the cost effectiveness of the project/project components with regard to expected/achieved results.

6. Food security and beneficiary profile

- Has the project interventions moved beneficiaries out of the food aid line – is it possible to measure improved food security for the beneficiaries?
 - If not – what is the % number of project beneficiaries who are also receiving food aid
 - How is this % number compared to neighbouring villages which are not benefiting from project intervention?
 - How many of the beneficiaries are owners of farming land?
 - How many of the beneficiaries are from female headed households?
- What is the total number of women (or hh) benefiting from this project (incl. 2005) compared to the total number of households in the project areas?

7. Sustainability

- Assess the sustainability of the project, economically as well as administratively
 - Both at the community level and in NCEW
- Which of the project components have been most crucial to community development
 - according to the community administrations
 - according to the women groups/ other beneficiaries
 - according to the project staff
- Which other donors does NCEW receive funds from?
- How dependant is NCEW on DF as a donor?

- How is NCEW collaborating with other national and international agencies on development activities in Gash Barka.
- In what way is NCEW able to influence national policies/strategies related to food security and organization of the women in unions

7. Recommendations for the second phase of the project

- Should additional components be included in order to achieve the overall project objective?
- Assess the geographical coverage of the project - should the project be consolidated in the existing project area, or is it recommended that it expands to other areas (same sub-/region)

Recommend strategies for sustainability of the project without external funding from 2009. How can the micro credit i.e. revolving fund/income from sales contribute to/cover the running cost of the project - i.e. staff/ adm. cost for training center, i.e. viability/sustainability