

TABLE BANKING 2009-2011

Table-banking refers to small-scale financial transactions usually done on a very informal basis, often in one of the participant's home. Such table-banking can be a major help among the poor who find credit difficult to obtain from banking institutions and who need an initial capital input in order to start their income generation scheme.



These are typical table-banking meetings. [See upper photo]. This event took place in October 2011 when several MMO member groups met at Siguli Orphanage to discuss both a tree-planting initiative and table-banking arrangements.

[See lower photo]. This was a meeting of Maskini Hachoki [meaning "The poor are not tired"] group.

At such meetings the following occurs:

- groups produce a written report on previous TB schemes,
- SGG inspects those previous schemes,
- groups apply with a new plan and with their contribution to the funding required,
- SGG receives the group contribution and agrees the amount to be returned within one week, and
- there is usually much positive talk and encouragement among all concerned.



FROM CHARITY TO INCOME GENERATION

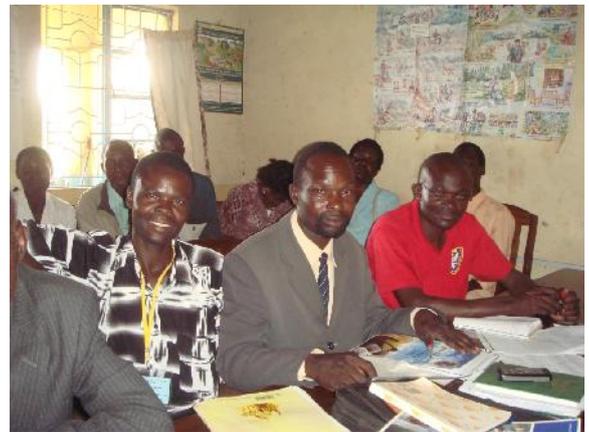
This project arose out of the realisation that it would be difficult for SGG to fund year after year the £6,000 needed to provide 500 orphans with a free nutritious meal once a week. Although many of SGG's supporters contributed to this feeding programme, it was clear by 2009 that economic difficulties in the UK would make a purely fund-consuming programme unsustainable. Thus, focus shifted towards income-generation schemes, which were available not just for OVC-caring groups but also any member group of our Kenya partners.

In response to this situation, SGG started in September 2009 a 'table-banking' scheme. This allowed any OWDF member group [CBO] who could raise up to Ksh 5,000/- by 21/9/09 to receive a matching grant of up to Ksh 5,000/- for any approved income-generation scheme. It was hoped that this scheme would be successful at distributing small amounts of credit to large numbers of community groups. Although OWDF community groups were given only a week to prepare for this credit-matching, 32 groups participated at the table-banking meeting with each group presenting a plan of how any funds would be spent. All community groups who raised & presented funds by the deadline received a matching grant within three days.

The start of Table-Banking caused an immediate buzz of excitement & interest among OWDF members. By 21/9/2009 32 CBOs had prepared plans [see upper photo] and raised Ksh 132,500/- [about £1,150] as their contribution to these wealth creation schemes. Interest in this project was so intense that the 21/9/2009 initial meeting lasted nearly 11 hours. During this time many members had to wait hours simply to get into the meeting room [see lower photo]. Within 3 days of this initial meeting SGG had paid out a total of £2,416 to invest in these schemes - and Table Banking was launched.

For this first round of applications, there were:

- 13 goat merry-go-rounds,
- 6 CBO internal table-banking schemes,
- 4 vegetable growing,
- 4 local poultry schemes,
- 3 moneymaker pumps, and
- 4 other projects.



AIMS

The prime purpose of this project is to provide a microfinance facility to CBOs so that they can implement their own income-generation projects.

There are secondary aims which are included. It is planned that while implementing these schemes many members will :

- gain experience of working in a community group for the benefit of all,
- benefit from ad hoc, informal training in plan preparation, fund-raising within their own CBO, and plan implementation,
- change from the prevalent attitude of despondent dependency to a more positive approach of sustained self-help.

PROGRESS

The first point to make about this project is that it was certainly popular among Busia community groups. In September 2009 the 55 CBOs who were members of One World Development Foundation [OWDF] were invited to produce plans for an income-generation scheme for their own community members. They were also invited to raise funds for that scheme. They were given 10 days to raise up to a maximum of Ksh.5,000/- [about £40] by 21st September. If they did so and their plans were approved, SGG would credit match the funding they raised.

The 21st September 2009 meeting was very long [11 hours!], exhausting, but also one of great excitement and hope. By the end of that day 32 CBOs had deposited Ksh. 132,500/- [about £1,150] and a similar number of income generation projects proposed. These included plans for: 13 new goat merry-go-rounds, 4 local poultry projects, 2 pig-breeding schemes, 4 vegetable production schemes, one honey project, 1 tree nursery project, 3 microirrigation schemes, and 6 groups who wished to develop their own table-banking among their own CBO members. Within three days SGG invested Ksh.293,890/- [the equivalent of £2,416.42p] in these proposals.

It is not surprising that this project proved immediately popular. In 2009 Raila Odinga, the current Prime Minister in Kenya, was saying publicly that lack of suitable microfinancial arrangements for small farmers was a major obstacle to progress in West Kenya. In fact, microcredit was readily available in Kenya at that time, but the typical rates of interest were 10% per month – a rate which is liable to impoverish local farmers dependent on unreliable rains and variable seasonal harvests. The concept of 50%-50% matching credit with no interest is obviously far more attractive - and needed if the poor are going to lift themselves out of poverty.



[Such was the popularity among OWDF members that the meetings room was so crowded that several members had to wait over an hour just to get into the room! They waited in the hope that SGG did not run out of table-banking funds.]

The key issue is not popularity but whether or not this additional credit facilitated income-generation and progress in the communities concerned. The first opportunity to test this occurred in July 2010 when three SGG representatives were present in the Busia locality. A major task for these volunteers was to collect reports on the 2009 table-banking investments, before the 2010 disbursement of table-banking money could be arranged.

The main findings collected in July 2010 are as follows:

- 23 of the 32 CBOs who received funding in September 2009 were visited,
- a slightly different set of 23 CBOs produced written reports as part of their application for further funding in 2010,
- 5 CBOs were not visited and did not produce a report. SGG cannot say at present whether or not their 2009 was a success. They have all been excluded from further funding until a proper evaluation is produced,
- of the 27 CBOs who had a monitoring visit and/or a written report 4 had poor results for their investments and 1 group had insufficient progress, but for the latter it was impossible to say whether the problems were caused by the vagaries of the weather or poor organisation,
- 22 out of the 27 CBOs had at least satisfactory and sometimes excellent results,
- the 4 CBOs with poor results provide an interesting catalogue of what can go wrong with this type of project. One group had not yet spent the funds 10 months after receiving them: they were still waiting for further funds & help. In another group the coordinator responsible for the table-banking left her husband and ran off with the funds to start a new life. Another group were poorly organised and overdependent on one person, who often spent time away from the locality. The last 'group' was widely dispersed and did not function as a single community group, but as a series of individuals with a common interest. One member of this group was visited, and he was advised to join a local CBO. None of these CBOs will receive future funding without thorough reorganisation,
- 22 CBOs had good results. In several cases, especially the goat & pig merry-go-rounds, July 2010 was too early to assess if the scheme would be a long term success: little measureable profit had been made, but present progress was at least and usually more than satisfactory. In several other cases, progress was excellent e.g.
- a Mundika Church group bought 3 pigs and 10 months later were the owners of 21 piglets,
- Mudala Women's Group bought a hip pump to establish a communal plot of sukumawiki. They harvested 4 sacks a month for sale and kept 2 sacks for home consumption. As the harvest was ready during a dry period [November to March] they sold at Ksh.800/- per sack to gain an income of Ksh.16,000/-. This money was then used to buy 8 pigs and some poultry,





[July 2010 - Mudala women are proud to show their profitable sukumawiki plot]

- Bukweri also invested in sukumawiki production, and they reckon their seasonal income from the group was over Ksh. 20,000/-,
- Buriang'i Young Farmers had a different investment scheme. They purchased 6 sows, which were all pregnant by July 2010, and a boar. They anticipate every member of the group having at least one pig in 2010, and then they will begin selling piglets at Ksh 700/- each. With those funds they will purchase poultry so that each farm becomes more diversified in terms of production,



[July 2010 – a member of Buriang'i takes care of her pregnant sow]

- Bunema Women's Group used funds to expand their already established poultry project and their seeds kiosk. Both these activities are now producing an income in excess of Ksh.10,000/- for the group,



[Bunema Women have made over Ksh.10,000/- income by selling seeds from this small kiosk. They specialise in indigenous vegetable seeds e.g amaranth, spider herb, nightshade, crotolaria, for which there is an expanding market]

- all of the 5 above-mentioned CBOs have produced within 10 months income +/- or livestock which by July 2010 was worth at least twice the initial investment. This clearly illustrates that many of the CBOs within this table-banking project have the capacity to **make money** rather than remain permanently dependent on charitable giving.

The overall funding provided by SGG in September 2009 for table-banking can be calculated as £2,416.42p [the funds invested in these 32 CBO groups] minus £1,150 [funds raised by the CBOs themselves], which equals £1,266.42p. For that investment over twenty local community groups were developing income-generation projects and experiencing progress within one year. Furthermore, progress was not merely to be measured in economic terms. Many of the CBOs involved in this table-banking have learned much about initiative and planning the development of their own communities. They have become more practised at keeping records, handling small community budgets, providing written reports etc. Above all else attitudes are changing with more members seeing themselves as business partners working in cooperation with SGG rather than perpetual beggars needing more help. This is the beginning of sustainable development, and on the basis of our July 2010 findings SGG regard table-banking as a great success.