

Kudvumisa Foundation - Economic Development Project

Concept Note Overall Objectives: Develop economic opportunities to combat poverty based on local resources.

Concept Note Specific Objectives: Identify local resources which are marketable outside of the local community and develop the infrastructure to market and supply to these markets while providing business and skills training to participants for sustainability.

Concept Note Estimated results - Economic activity is stimulated through identification of local resources and the development of external markets; Business and community leaders are identified and trained who can maintain and grow the developed activities.

Concept Note Main activities - Resource identification and market development; Business and leadership training.

Overview

Kudvumisa Foundation is dedicated to providing and facilitating access to quality, compassionate health care and to empowering the disenfranchised and vulnerable to take control of their health and overcome poverty in the most disadvantaged, marginalized, and isolated communities of Swaziland. The organization is committed to working within government structures and guidelines to achieve its goals.

Kudvumisa Trust (established in 2008) and Kudvumisa Foundation (established 2011) were established in Swaziland to assist Orphaned and Vulnerable Children (OVC's), their carers and other persons affected by HIV/AIDs to access vital health and social care. While the CHIPS program was begun under the Trust in 2008, the Foundation was organized in 2011 to take over and continue the operational side of the Trust (specifically the CHIPS program). The CHIPS program continued with the same staff, mandate, program outreach and objectives.

Relevance and Beneficiaries

Swaziland is at the epicentre of the global HIV/AIDS pandemic, suffering from the world's highest prevalence rates of HIV and TB. Thirty-one percent of Swaziland's adult population (aged 18-49) is infected with HIV (SHIMS 2011), while prevalence amongst pregnant women attending ante-natal care (ANC) facilities stands at 42 percent. HIV incidence is estimated at 2.6 percent, meaning that 32 new infections occur each day in the country. Life expectancy has dropped to an estimated 43 years and 40 percent of Swazis are under 15, based on the most recent census data available (2007). Projections indicate that there are 191,000 people living with HIV/AIDS (PLWHA) in need of care and/or treatment services, including 14,000 children. In 2007, the TB notification rate was 1,155 cases per 100,000 populations; approximately 80 percent of TB cases are estimated to be HIV-positive. Women in Swaziland shoulder an un-due share of the HIV burden; 25-29 year old women have a 49% prevalence of HIV. Girls and women face special vulnerabilities due to the national economic situation and multiple-partner propensity. (PEPFAR Swaziland Operational Plan Report 2011)

The Human Development Index (HDI) is a composite statistic of life expectancy, education, and income indices used to rank countries. Swaziland is ranked 140 out of 187 countries which places it in the Medium Human Development ranking (albeit, at the low end). Additionally, the HDI for Swaziland has been dropping since 2006. Swaziland drops even further in the Inequality-adjusted HDI. In 2007 62.9% of the population were living on \$1.25USD a day while the national poverty line stood at 69.2% (UNDP Human Development Report 2011). All these indicators point to an impoverished population with few opportunities for choices. The high prevalence of HIV only exacerbates the already severe impact of adverse livelihoods through ill health, food insecurity, income inequality and poverty.

Recent modelling using both antenatal care and Swaziland Demographic and Health Survey data puts the number of OVC's in the country at approximately 110,000 (2007/8). The increasing numbers of orphans are overwhelming the capacity of the extended family to cope, given that majority of families are already poor. This situation has further resulted in increased numbers of child headed households; school drop outs and hunger.

HIV interventions in (most) isolated/impoverished rural communities dealt solely with HIV testing. Those testing positive were referred to (distant) primary health facilities. This left most people with the choice of spending what little money was available on transport or food: with food taking precedence. The proposed programme continues and expands an existing programme which both brings HIV services directly in to the community but also provides transport for services that are beyond the capability of local provision. A healthier population

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can focus limited resources on sustenance and livelihood generation. The economic development proposal adds additional opportunity for meaningful economic activity and livelihood generation. The Ministry of Health is promoting decentralization and pushing more services into the local communities. This program fits well and is recognized as a match to the next step in HIV care provision.

The initial implementation of the CHIPS programme demonstrated that improving HIV/AIDS care access made a significant improvement in the health and overall well-being of HIV/AIDS children and their carers. This was achieved by providing home and community based HIV/AIDS testing and counselling, in addition to free transport to existing facilities, adherence support and assistance with HIV/AIDS related illnesses. The next expansion of CHIPS services included in-community ARV refills and Point of Care CD4 tests (for baseline and ART/Pre-ART monitoring).

All HIV and TB positive people living within the serviced communities are eligible for care. Additionally, CHIPS has experienced people willing to walk from communities where the services are not available to access them. While the initial focus was on children and then the children's caregivers, opening the programme to all people in the communities addresses the overall health of the entire community as well as "treatment as prevention".

While women and girls may bear the burden of HIV to a higher degree than men (as mentioned previously), untreated HIV infected men still weigh heavily on the economic activity in the rural areas. Sick and weak men cannot contribute to economic activity (even subsistence farming) and still require care from family, wives and children, placing a heavier burden on their family.

Women access health care services at a higher rate than men. CHIPS' has experienced this first hand. Encouraging and facilitating male uptake (and early uptake) of services is a priority of the programme.

Opportunities for productive economic activity are limited within the target communities. Creating opportunity for the members of these communities brings much needed income to an area with few other options. Income brings the opportunity to make choices about education, homestead improvement and investment, and even health care.

The partnership between Kudvumisa Foundation and the Ministry of Health is based on MoH/SNAP recognizing the ongoing roll out of in-community services as a model SNAP is investigating for potential roll out in the rest of the country. Lessons learned and best practices are shared in forums arranged by MoH and will contribute to the national plan as it is formulated.

Overview

One of the main underlying problems for these isolated communities (even in being able to respond to HIV) is the lack of economic opportunity and resultant poverty. Poverty limits the choices that are available to a family: choosing food over health care or schooling, etc. Several pilot projects have been performed with enthusiastic participation from the members of the communities. There are several hurdles to overcome in scaling up the implementation of the projects. These include local commodity identification, adequate market development, commodity preparation for access to these markets, participant education in commodity preparation, and then leadership development for both business and community members for sustainability. As most of the people being targeted for the economic development do not have the resources to even begin the identification of commodities and the markets where there may be a demand for those commodities, this is the starting point.

The goal of these projects is to bring economic opportunity into these impoverished and isolated areas. Participation in the projects would be entirely voluntary. But experience has shown that most people are very excited at the opportunity to sell their local commodities, commodities they are very familiar with but have little or no value locally. Measureable results would include measures of household assets across the duration of the project, numbers participating in savings schemes, and numbers participating directly by supplying the commodities for export.

These actions are projected to occur over a four year period. From past experience with CHIPS, there is a marked improvement across a community that occurs when consistent

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access to HIV care is available. From a business standpoint, four years should be sufficient to see the benefits of local economic development.

Members of the community will benefit directly in this action by collecting and performing basic processing on the resources. They will be paid cash directly based on the quantities of the resource supplied. Additionally some employment opportunities will result as some of the resources will require some additional processing and packaging for distribution.

Action

The proposed action is based on utilizing local resources already identified (crawfish, marula products, moringa oil, and swing) following the model described above.

Conclusion

Poverty and HIV are a deadly combination. The ability to effectively impact both of these problems is essential. Seeing HIV as a manageable disease and the ability to work and create wealth provide hope and dignity.

Outcomes and Measurable Results

Expected outcome of the economic development action is greater expendable income for participants and the ability of choices in education, homestead investment (livestock, infrastructure), and health care.

A pre-initiation household survey of participants of the project measuring household assets and education/health care participation vs annual surveys will be used to track progress during the action at the homestead level. Market access will be measured in quantities sold and actual profits/losses and money earned at the local homestead level.

Specific measureable results and targets:

Increased Homestead Assets	Improvement from baseline
Meaningful participation (supply of resources)	10 women/community
Profits shared to Participants	100% profits disbursed annually

Proposed Action: Market Access Development

All of the current and potential local resource development ideas require identifying potential markets and the processing requirements to access those markets. Training for participants to actively participate to address skills, quality, hygiene, basic business/accounting skills, ethical business practices are part of the proposed action.

Local Resources

During the pilot projects, several local resources have been identified with potential markets outside the communities served by CHIPS. Initial trials have shown the feasibility of each of the products. The identification of additional local resources which may be marketable outside the local area will continue.

Developing the equipment and processes for local use and international export for each of these resources would be pursued as part of the proposed action under the economic development. Training and development of skills in the local communities is an integral part of the action. Moving as much of the processing into the community and keeping as much of the "profits" locally is equally important.

Marula

The fruit of the Marula tree (*Scelerocarya birrea*) is widely used in Swaziland for generating a local buganu or marula beer. Typically the hard nut is discarded in this process. Mounds of discarded nuts exist in most communities from the annual harvest and brew process. In the community, initially the nuts would be cracked and the kernels separated from the nut. Traditionally, this is done by women using two rocks. A tool to do this was developed and introduced to increase the productivity of the process. However, women still prefer the traditional means. The tool has been accepted by men for use in what has seen typically as a woman's job.

- Kernels (raw/roasted)

The kernels from the nut have the potential to be sold either raw or roasted. Raw, the kernels can be added to many recipes calling for other types of nuts for

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baking, salads or by themselves. As an 'exotic' nut, potential markets may exist in Europe and the US. Initial sales in a trial in upscale supermarkets in Swaziland showed good potential. Roasted, the kernels can be packaged as a snack.

- Oil

The kernels from the nut have approximately 25% oil by weight. The oil has potential local use as an edible oil for cooking. An export market exists for using the oil in cosmetics or as a skin conditioner. Once pressed, the kernels can be used for livestock feed.

Fire logs

The cracked nuts can be used in the main ingredient for manufactured fire logs and fire-starters. There is tremendous pressure in Swaziland on indigenous trees for firewood. Even though protected, many trees are harvested illegally each year and sold for firewood. Creating manufactured fire logs from essentially waste material would reduce the pressure on the local trees. A local market exists for both fire logs and fire or braai starters. A potential market for the braai starters may exist in South Africa as well.

Australian Redclaw Crawfish

Australian Redclaw crawfish were introduced into Swaziland over a decade ago. They exist now as an invasive species which is thriving in the waterways in and around the communities CHIPS is active in. As a pilot last year, the crawfish were introduced to several restaurants in Swaziland and were well received. The crawfish were collected using simple traps. A potential export market exists into South Africa as well as overseas (Australia, Asia, Europe, and the US). Processing requirements and certifications for each of the potential markets requires specific infrastructure. Local crawfish may be shipped on ice, while export may require boiling and flash freezing.

Moringa Oil

Moringa oil comes from the seeds of the Moringa oleifera tree, a fast growing leafy tree. Moringa was introduced in Swaziland several years ago as the leaves are a highly nutritious dietary supplement. Many stands of moringa trees were planted with the hope of the leaves becoming a cash crop for the planters. While the market for the powder never reached the scale hoped for, the seeds from the now mature stands have commercial potential. The seeds, harvested from their pods, yield approximately 35–40% of non-drying Moringa oil, also known as Ben oil or Behen oil.

Moringa oil is clear and odourless. Due to the numerous antioxidants in it, the oil does not become rancid for several years after it is produced. This makes it suitable for health and beauty/cosmetic applications.

Although the oil is viable for use as a cooking oil, its high demand and low levels of production do not make it conducive for everyday use as a dietary product. However, small amounts of oil are often used in recipes calling for a rich, nutty flavour, such as stir-fried dishes and marinades. Moringa oil is also occasionally used as a dressing for vegetables, salads, and other green dishes.

Sewing project

A sewing project involving numerous women living in very difficult circumstances was begun several years ago. Hand-powered machines were bought and provided with an agreed upon payback plan (so the machines would become their property). Training was provided (and continues to be provided on an ongoing basis) to improve skills and quality. Products of the group are sold to visiting groups from outside Swaziland. Their products are not meant to compete in and with an already saturated environment locally in Swaziland. Continued development of market and breadth of product range are an integral part of the program development.

Methodology

Economic Development Action

Developing economic opportunity opens the doors for families to begin making choices in their daily lives that were unthinkable without income.

Implementation

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A Development Trainer will conduct a pre-action survey of the participating households to determine level of activity and homestead assets. This baseline survey will form the basis of evaluation for subsequent annual surveys. Processing of the resources for market require specific processing capability. Several of the required pieces of equipment are already owned by Kudvumisa Foundation. The proposed action will allow purchase of the remaining components to ensure a complete and quality product line.

As the pilot projects showed the viability of the individual products, time must be spent on improving the quality and processing in each product line.

Community participants will be paid cash for the resources supplied. Some are supplied as is, some require some additional basic processing that can be performed at the homestead.

The initial target market is Swaziland. The goal is to be able to supply quality product here first before moving to external markets. Development of individual lines will take precedence. As one is perfected, the next can be refined. We propose starting with the crawfish processing and then moving to marula products, moringa oil and lastly the sewing project.

Rationale

A population that has the financial ability to care for themselves does not typically need government intervention for other needs. They have the ability to make choices and manage their own lives. Providing profitable economic opportunity has immediate and long term benefit to the community and the families represented there. Immediate benefit is the availability of cash for current and pressing needs: adequate food, clothing and transport. Long term benefits include the possibility of paying for education, homestead improvement, and investment in productive assets (e.g. chickens, cattle, goats). Women have typically participated in the pilot projects at a higher level than men in the communities. Economically empowered women typically make better choices in investment and improvement for their families.

Proposed Action Follow –up and Evaluation

An annual homestead survey will show progress over the term of the proposed action. An internal evaluation including interviews with beneficiaries will be performed to evaluate the relevance of the action to individual and community needs.

Monitoring and Evaluation is an integral and continuous component of the activity. Data is collected daily from field reports to provide a continuous record of the economic activity provided. A full time M&E Officer is employed for this task. The M&E Officer compiles all data as well as generating reports from the collected data. Internal evaluations are performed annually through targeted queries with the target population and communities.

Organizational Structure and Team

Managing Director

Program Manager, Finance Officer, M&E Officer

Economic Development Trainer

Economic Development Staff Person

Capital Requirements for the Proposed Action

- Log maker,
- Ice machine,
- Freezer, and
- Laptop

Attitudes of all Stakeholders

Past participation in the pilot projects was enthusiastic.

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Year 1													
	Half-year 1						Half-year 2						
Economic Development	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Preparation: Economic Development													Kudvumisa Foundation
Crawfish													Kudvumisa Foundation
Hire additional Staff/New Staff Orientation													Kudvumisa Foundation
Processing Preparation (Holding Tanks, Electricity and Water Connection)													Kudvumisa Foundation
Procure Freezer, Ice Machine													Kudvumisa Foundation
Community Meetings/ Training													Kudvumisa Foundation
Swaziland Market Introduction: Restaurants and Seafood Wholesalers													Kudvumisa Foundation
Marula Products													Kudvumisa Foundation
Procure Log Machine													Kudvumisa Foundation
Community Meetings/Training													Kudvumisa Foundation
Swaziland Market Log Introduction													Kudvumisa Foundation
Execution: Economic Development													Kudvumisa Foundation
Crawfish													Kudvumisa Foundation
Marula (Logs)													Kudvumisa Foundation

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Economic Development	Half-year 3	4	5	6	7	8	Implementing body
Preparation: Economic Development							Kudvumisa Foundation
Marula Oil							Kudvumisa Foundation
Moringa Oil							Kudvumisa Foundation
Sewing Project							Kudvumisa Foundation
Execution: Economic Development							Kudvumisa Foundation
Marula Oil							Kudvumisa Foundation
Moringa Oil							Kudvumisa Foundation
Sewing Project							Kudvumisa Foundation

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Sustainability

The first and foremost impact will be a higher degree of expendable income in the target communities. Greater access to funds will impact each homestead with the ability to invest in education for school age children, better and more frequent meals, homestead assets and improvements.

As markets can bear and be developed, as resource supply can meet market demand, and as profitability allow, the economic development projects will be expanded into additional communities and areas.

Economic Development Action - Risk	Severity (1-5)	Mitigation	Contingency Plan
Funding Reduced (fluctuations in exchange rate)	5	Capital expenditures are made as early in the program as possible to avoid later negative changes.	Operating frugally.
Theft of equipment	3	Employing a night guard. Ensuring an excellent relationship is maintained with the community. Maintain internal systems and controls on assets to limit opportunity for theft.	Equipment is insured.
Fraud	2	Placing controls in place to reduce ability for fraud to go undetected. Limit potential damage by minimizing access to excessive funds.	
Implementation/Funding Delays (delays in drawdown on Funding)	2	Placing a priority on capital expenditure requests and orders as early in the program as possible to avoid late orders	
Accounts Payable Delays/Loss of Reputation	2	Having organization monies available for critical vendors.	
Land Expropriation	1	Expand services to surrounding communities that would most likely absorb displaced peoples.	
Political Instability of Vuvulane	1	Maintain relationships with all political entities in the area to ensure continuity of service.	Maintain other facility locations in case main office is no longer accessible
Market Instabilities/ Sustainability	3	Develop breadth of markets over long term (spread risk across numerous markets).	
Extreme drought or Flooding and Pestilence	2	Develop resource sources across region to minimize localized environmental problems.	
Access to Resources	2	Maintain relationships with all stakeholders who control access to resources.	
Productivity loss: lack of clean water, HIV, etc.	2	Help ensure communities have access to health care services where possible.	
Labour Unrest	2	Participants become shareholders in project and therefore owners with a vested interest for it to be profitable.	
External Market Access	3	Research each market import restrictions and criteria. Institute quality control measures from the	

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		beginning.	
Insufficient Start-up/Capitol Funding	3	Continue to develop funding sources	Income profits are reinvested into the action to continue expansion.
Food Security	1	Maintain relationships with Government, churches and other NGO's in the case of severe instances of food security	

The primary assumption for the successful implementation of the economic development project is that sufficient markets exist to make the action profitable. The larger the market, the more people who can participate and benefit.

Profitability and local ownership will create an environment of enthusiastic community participation and ensure sustainability long after the action is complete.

Profits generated from the action will be rolled back into further development. As the goal is profitability, successful implementation means that by definition the action will be sustainable financially.

Profitability will ultimately require different/separate structures for operation and management. These will be developed as size and profits dictate. Community ownership is also critical. Ownership in the form of shares to those participating and paying dividends to the shareholders will ensure active community participation and input.

All resources being collected and marketed are renewable. Additionally, crawfish in Swaziland an invasive species with no known predators. Reducing the population through local trapping will reduce the pressure they exert on the native aquatic habitat.