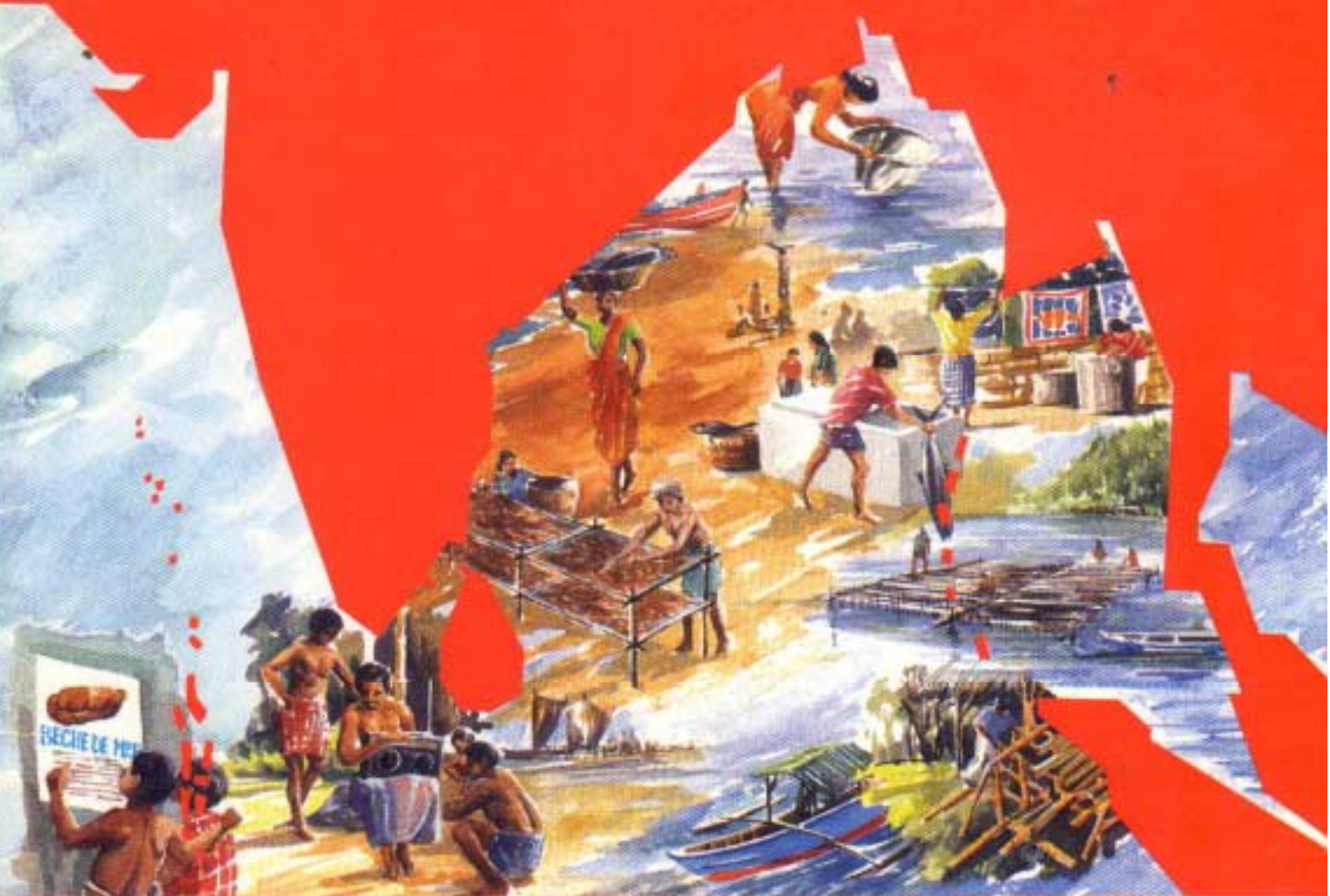


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Increasing Fisherfolk Incomes through Group Formation and Enterprise Development in Indonesia



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**Increasing fisherfolk incomes through group formation
and enterprise development in Indonesia**

by
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This report describes the process, achievements and learnings of a subproject which set out to identify and demonstrate ways to improve the earnings and socioeconomic status of fisherfolk in coastal communities through group formation and microenterprise development. The project emphasised the need for group action and better management to make the enterprises successful. The subproject was initiated late in 1987 and terminated in July 1992. It was implemented in three fisherfolk communities (Pulau Kampai, Pangkalan Siata and Pulau Sembilan) in Langkat District, of North Sumatera Province, Sumatera, Indonesia. The subproject initially set out to help establish institution-based credit programmes for fisherfolk, but changed direction when participatory appraisals showed there was really no need for credit supply and the aim of income-generation could be better met through strengthening the credit-receiving mechanism and enabling better and more effective management of enterprises. The subproject mobilized six fisherfolk groups, assisted in promoting savings, helped the groups to set up enterprises, provided credit through revolving funds and helped the groups to build their managerial skills.

The Directorate General of Fisheries of Indonesia was responsible for the execution of the subproject, and the field level implementation was undertaken by the Provincial Fisheries Service of North Sumatera Province. The unified extension service of the Ministry of Agriculture (BIMAS) assisted the Provincial Fisheries Service in the implementation, and the Provincial Livestock and Animal Husbandry Service, the Provincial Cooperative Service and the government-owned rural bank, SEMPIDES, in North Sumatera cooperated closely and provided inputs of training and extension. The Bay of Bengal Programme (BOBP) provided technical assistance, expertise, training inputs, support for training, grants to establish revolving funds for enterprise development, equipment and monitoring. Bina Swadaya, a national nongovernmental organization, provided training and assistance in implementation.

The Bay of Bengal Programme is a multiagency regional fisheries programme which covers seven countries around the Bay of Bengal — Bangladesh, India, Indonesia, Malaysia, Maldives, Sri Lanka and Thailand. The programme plays a catalytic and consultative role: it develops, demonstrates and promotes new technologies, methodologies and ideas to help improve the conditions of small-scale fisherfolk communities in member countries. The Bay of Bengal Programme is sponsored by the governments of Denmark, Sweden and United Kingdom, by member-governments of the Bay of Bengal region and also by UNDP (United Nations Development Programme). The main executing agency is the FAO (Food and Agriculture Organization of the United Nations).

This document has not been cleared by the FAO or the Government of Indonesia.

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CONTENTS

	<i>Page</i>
1. Genesis	1
1.1 The need for an activity	
1.2 Answering the need	
1.3 Changing directions and the final objective	2
2. The Project Implementation Process	3
2.1 Getting to know the fisherfolk and their needs	3
2.2 Is there enough fish to be fished?	4
2.3 How come no one wants credit?	4
2.4 Changing course	5
2.5 Organization of the project	5
2.6 Building groups, mobilizing savings, selecting enterprises	6
2.7 Depression and stagnation in the countryside	8
2.8 Group formation and performance: A review	9
2.9 Credit supply and enterprise development	10
2.10 Moving towards the end	11
2.11 The project's impact on the fisherfolk groups	12
3. Learnings	14
Map	
Fig. 1 Map of the Project area in North Sumatera Province, Indonesia	7
Appendices	
I. Project Chronology	16
II. Details of Groups and Their Enterprises	20
III. Training Inputs	26
IV. Documentation Related to the Subproject	27
Publications of the Bay of Bengal Programme	28

1 . GENESIS

Late in 1986, with the first phase of the Bay of Bengal Programme (BOBP) winding down, a second phase, supported by the Swedish International Development Authority (SIDA) and the Danish International Development Assistance (DANIDA), was already being planned for. In anticipation of the project coming through, a series of discussions were held with BOBP member countries to identify possible areas of cooperation during the second phase. It was in this context, that a meeting of BOBP staff with the Directorate General of Fisheries (DGF) in Jakarta, Indonesia, gave the initial impetus and direction which led eventually to the formulation and implementation of the subproject referred to as 'Improved Earnings of Fisherfolk, Indonesia' in Langkat District of North Sumatera Province.

1.1 The need for an activity

The DGF expressed interest in an extension activity to assist in the development of fishing communities in North Sumatera Province with particular focus on credit and women's activities. This request needs to be looked at in the context of the state of fisheries and fisherfolk on the one hand and the development plans to which the Government was committed on the other. It also reflects the learnings from the experience the Government had had in trying to address the problems and needs of the small-scale fisheries sector.

For a BOBP activity, the choice of North Sumatera as a location was obvious since the island of Sumatera is really the only part of Indonesia that can claim to belong in the Bay of Bengal. But there was more to the choice.

Small-scale fisheries on the east coast of the North Sumatera Province play a significant role in the economic life of the province and of the country as a whole: the sector supports a per capita consumption of fish in the province that is well above the national average, and fisheries exports from the province feed markets in Java and several Southeast Asian countries, earning valuable foreign exchange. The fisheries, dominated by the small-scale sector, provide a livelihood to a large population of fisherfolk and other workers, including a significant number of women who are involved in the processing of fish. However, in spite of the importance of the small-scale fisheries sector and its contributions, the general economic and social conditions of the fisherfolk are poor. Earnings are low and fisherfolk have little access to social services.

The fourth Five-Year Plan of the Government of Indonesia, REPELITA IV, clearly stated that the overall development objectives for fisheries was to increase the incomes and to create productive employment for fisherfolk. The Government, recognizing the significance and importance of the small-scale sector in fisheries, had, over the years, tried various programmes and schemes to improve the lot of the fisherfolk. Central to several of these attempts were credit schemes, which were not successful for various reasons, but particularly because of poor repayments. Even the latest scheme of this type, the BIMAS Fisheries Credit Scheme, initiated in the wake of the official ban on trawling in 1980, ran into problems. The Government, and the DGF in particular, were eager to develop credit schemes which would not only be viable but which would also include financial institutions, such as banks, as the key players. It was in this context that the DGF saw a potential role for BOBP assistance, given its previous success in establishing a viable, bank-based credit scheme for small-scale fisherfolk in the state of Orissa in India. The DGF wanted an activity to focus on the poorer sections of the community and wanted particularly to bring women fish processors into the ambit of the effort.

1.2 Answering the need

DGF and BOBP agreed early in 1987 that a subproject should be formulated and presented to Government and to the Advisory Committee of BOBP which was scheduled to meet in March 1987. BOBP sent a two-person mission to Indonesia to formulate a subproject, within the broad guidelines

of the DGF. The mission visited Indonesia and, in particular, the province of North Sumatera in February and March 1987, and proposed a subproject with three components :

- Fisheries credit with **user** education;
- Training for fisherfolk in engine maintenance; and,
- Revolving funds-based credit as well as technical and management training for women involved in fish processing.

The 11th Meeting of BOBP's Advisory Committee endorsed the extension subproject proposed on the basis of the mission's recommendations.

1.3 Changing directions and the final objective

As subprojects go, even in BOBP with its built-in facility for yearly mid-course changes with the blessings of the Advisory Committee, the evolution of the activity in North Sumatera was unusual. After the endorsement of the mission's proposal at the Advisory Committee Meeting, the DGF and BOBP felt that there was a need to determine the detailed objectives and approaches of the subproject through a series of participatory studies which would not only give us a clear idea of the status and dynamics of the fisheries and fisherfolk communities, but would also enable the subproject to be fine tuned to the local communities. It was only in hindsight that it was realized how right it was to take such a decision.

The rest of 1987 and most of 1988 saw several studies, which included participatory rapid appraisals of all the fishing communities in the target area, identification of economic activities that fisherfolk participate in and could potentially get involved in, an understanding of the fisheries and the resources they are dependent on, and a critical look at the existing fisheries marketing and credit systems that the informal sector looked after. All these studies completely changed the thinking of BOBP, DGF and the Provincial Fisheries Service of North Sumatera (PFS) who, in the final analysis, had the responsibility of implementing the activity.

It became obvious that the existing informal credit and marketing system did do a relatively good job of providing fisheries and personal credit. It also became obvious that the system was not merely a business relationship but had social underpinnings. It was not going to be easy to move in with a financial institution-based credit supply mechanism without facing resistance. Worse, the study of the fisheries situation showed that the inshore waters were fished by a large number of craft-gear combinations and that the fisheries if not already overfished were close to it, which meant that an indiscriminate injection of credit into fisheries could actually do more harm than good by pushing the system over the edge, as it were. The opportunities seemed more on-shore, with aquaculture, agriculture, animal husbandry and various manufacturing/processing options.

In this context, it seemed sensible to move from credit supply to enabling improved and more efficient **credit receiving and utilization**. The logic was that, with improved management, fisherfolk enterprises would not only generate better earnings but might even grow and expand to a point where the local, informal credit mechanism would **not** be able to handle the demand, thus requiring institutional credit supply. The decision was, considering the limited project period, to take it a step at a time. The objective of the subproject, thus, moved from those formulated by the mission and, given the inputs and participation of the fisherfolk, became aimed at increasing earnings through improved enterprise development and management in the context of group action. Or, to state it more formally :

To improve the earnings and socioeconomic status of fisherfolk in coastal communities through improving their managerial capacity by emphasizing group action. The target groups were small-scale fisherfolk in coastal villages of Langkat District of North Sumatera Province, Indonesia.

2. THE PROJECT IMPLEMENTATION PROCESS

The implementation of the subproject 'Improved Earnings of Fisherfolk, Indonesia' involved three distinct phases or steps :

A preparatory phase, which tried to better understand

- the fisherfolk communities and their needs,
- fisheries practices and, in particular, the state of fisheries resources, and
- the informal credit and marketing systems that existed in the area.

This phase enabled the PFS, DGF and BOBP to set the detailed objectives of the subproject, determine approaches and methods and tune the project into the local context. In fact, as it turned out, it changed the very direction of the project.

A pilot phase, when the activity was implemented. This included

- mobilizing fisherfolk groups,
- initiating savings schemes,
- helping groups to select enterprises, and
- supporting them in establishing their enterprises.

It also included training of staff to enable them to undertake the various activities and to replicate them if necessary.

This phase came to an end with a review of group formation and performance. The review identified several problems that needed to be addressed, the most important of which was that the existing informal credit and marketing system was not supporting the enterprise development of the groups and the project, therefore, had to provide credit through revolving funds.

The credit supply and enterprise development phase saw the provision of credit and support to fisherfolk to enable them to better manage their enterprises.

The involvement of BOBP in the subproject came to an end in July 1992 and the PFS took over the responsibility. The subproject's impact on the fisherfolk groups was assessed by an independent consultant in early 1993.

2.1 *Getting to know the fisherfolk and their needs*

In October 1987, after the BOBP mission had formulated the project, the Advisory Committee had endorsed it and discussions between BOBP, DGF and PFS had agreed that the detailed objectives and approaches should evolve out of a series of participative studies, a workshop was held, bringing together PFS staff, BIMAS/PPL extension staff, bank officers and representatives of a women's organization, PKK. The participants were made familiar with BOBP's approach to project formulation and implementation, which called for people's participation. Several of the participants, who had no fisheries background, were also provided with a broad understanding of small-scale fisheries in general and the situation in North Sumatera in particular. Immediately after the workshop, the DGF allocated staff to the project and provided office space at the PFS in Medan.

The first task was to get to know the fisherfolk better. Looking for a methodology which would provide good information in a short while and give the concerned staff an opportunity to get to know the communities and elicit their participation, it was decided that rapid rural appraisals be used. Twenty staff from the PFS, PPL¹ and PKK² were trained in the methodology at a week-long workshop and the appraisals were initiated in December 1987. The appraisals covered the

¹ The unified extension service of the Indonesian Ministry of Agriculture (BIMAS).

² The quasi-governmental women's development organisation.

33 fishing communities in Langkat District of North Sumatera selected as the target area for the subproject. The appraisals provided an understanding of the status and dynamics of the fishing communities, helped identify the needs and the priorities of fisherfolk, suggested mechanisms for fisherfolk participation and also provided a list of economic activities that the fisherfolk were involved in.

The appraisals confirmed that the earnings and, therefore, the quality of life of the fisherfolk were relatively low, and that the fisherfolk were very interested in increasing their earnings. Several other needs, some with very high priority, however, had nothing to do with fisheries and related more to the poor access some of the communities had to amenities like drinking water, healthcare and educational facilities. It was found that fisherfolk were involved in several nonfisheries economic activities, which included agriculture, plantation work, rearing livestock and some manufacturing. Recent development of large shrimp farms and offshore oil exploration and exploitation in the region had also attracted some of the population from the area. But the most important finding, and one which created quite a dilemma, was that the fisherfolk did not seem terribly excited about a project focusing on credit, because, according to them, they already had access to credit from fish traders. Instead, discussions with fisherfolk and the appraisers' observations showed that another way to increase earnings would, perhaps, be by helping fisherfolk run their enterprises more efficiently. In fact, the earlier project formulation had mentioned the possibility of reducing costs through better maintenance and repair of craft and engines, but the appraisals showed that the need for efficiency and improvement was more in the management of enterprises rather than in the technical spheres.

A second stage of the appraisal undertook an economic analysis of all the enterprises that the fisherfolk were involved in, identifying in the process the resource needs of the enterprises, the markets they fed, their costs and earnings.

2.2 Is there enough fish to be fished?

The community appraisals which showed the rather high involvement of fisherfolk in nonfishing enterprises had left the project a little uncomfortable. With fishing to be done, why were fisherfolk wasting their time and effort doing things on land? Luckily, as part of a preparation for a BOBP fishing technology activity in North Sumatera, a mission had been sent to look into fisheries practices and to get an indication of the state of the fishery resources of the region. In April 1988, just as the community and economic appraisals were ending and being reported on, the findings of the fisheries mission became available.

The primary finding was that the scope for development of small-scale marine fisheries appeared to be limited! The study found the inshore waters being fished by a large number of fisherfolk using a multiplicity of craft-gear combinations. Production per unit appeared to be decreasing and it looked as though the inshore fisheries might be close to being over-exploited. The warning was clear - easy availability of credit might ADD to the intensity of fishing and make matters worse!

2.3 How come no one wants credit?

The lack of interest among fisherfolk in institutional credit, which did not exist for fisherfolk, was a particular dilemma for a project which had been seen as a fisheries credit activity. So, rather than take the word of the fisherfolk for granted, the subproject arranged for a detailed study of the informal credit and marketing systems which already existed in the area, and a socioeconomist from the Agro Economic Research Centre, Bogor, spent time in Langkat looking into the matter.

He found that the fish and fish products marketing system was dominated by large and small fish traders, who not only ensured efficient marketing but also provided credit to fisherfolk for the purchase of gear, working capital for fisheries operations and even for household needs and emergencies. The *tokes*, as the fish traders are locally referred to, evidently had a smoothly running informal credit system in place. There was no obvious interest being charged, though receivers of credit were bound to sell to the particular *toke* who had provided the credit and at rates which

were slightly less than the going rates. The fisherfolk did not consider the arrangement exploitative. The study also found that the relationship between the tokes and the fisherfolk was not merely a business one and that social links existed which had been forged over time. It concluded that it would be difficult for the subproject to move in with institutional credit, shouldering aside the tokes, as it were, because the fisherfolk not only had easy access to credit, from the tokes, with flexible repayment terms as well as for a wide range of needs, but also because the patron-client relationships had social undertones.

From the point of view of the DGF and PFS, there was another side too. They had had previous experience with attempting to provide institutional credit to fisherfolk in several parts of Indonesia and these programmes had encountered several problems. This had made banks very reluctant to get involved in credit schemes for fisherfolk.

2.4 Changing course

The findings of the fisheries study suggested that the course of the subproject might well have to be changed. Discussions with the fisherfolk and observations indicated that an alternate way to improve earnings would be to promote enterprise development with better management of the enterprises. Such an approach, it was felt, would result in more efficiency, less costs and more earnings. And the findings of the credit and marketing study implied that if such enterprise development took off and did well, then, in time, the fisherfolk would need more credit. And if the tokes were not able to meet the increasing demand, the fisherfolk would perhaps turn to the institutional credit system for help. The thinking went further: it was felt that if fisherfolk better managed their enterprises, they might actually turn out to be more attractive as clients to financial institutions. But this was long-term thinking and hoping, dangerous grounds for a subproject with limited time and means. The DGF, PFS and BOBP, however, decided to take it step by step, and work towards **improving and strengthening the credit-receiving mechanism, that is the enterprise, rather than the credit-supplying mechanism.**

Neither BOBP nor DGF/PFS had any real experience with enterprise development at the micro-level and, therefore, even as the credit study was in progress and the preliminary findings were being reported, the subproject identified a leading national nongovernmental organization (NGO) called Bina Swadaya which could help. A three-person team from Bina Swadaya spent time in the villages of Langkat District along with the project staff, had discussions with the fisherfolk and came up with a proposal.

The proposal suggested a pilot activity in three villages on the following basis :

- Fisherfolk to be mobilized into groups;
- Savings schemes to be initiated to generate capital;
- Fisherfolk to be trained to manage their groups;
- Fisherfolk to be trained to select enterprises, using simple feasibility analyses based on data they had gathered themselves as well as what was provided by the subproject; and
- The groups to establish their enterprises, using their informal credit sources and some of their savings, with the subproject assisting them through training and consultancy inputs, to better run the businesses.

The idea was that Bina Swadaya would provide consultants to do the bulk of the activity, during which they would train, on-line, the subproject's staff and build in the capacity to undertake similar efforts.

The revised proposal was endorsed by the Advisory Committee of the BOBP.

2.5 Organization of the project

With the preparatory phase behind and implementation ahead, the organization had to be crystallized. In Indonesia, as is the practice, the ultimate responsibility of implementation was with the DGF

and, within it, the Directorate of Fisheries Production (DFP) had particular charge, looked after policy and liaised between the donor/technical assistance organization (the BOBP) and the PFS of North Sumatera, whose responsibility it was to implement the activity.

The head of the PFS was designated the Project Leader, with responsibilities of overall management, coordination with other concerned agencies and fiscal matters. The day-to-day management of the subproject was handled by a Project Coordinator, who was the head of the Production Sub-directorate at the PFS. Two other junior staff of the PFS were allocated to the subproject on a fulltime basis to coordinate and implement the activity at the field level.

At the field level, the organization was rather complex, as it reflected the organization of development action by the Government at the time. All extension work, of all technical departments, was undertaken by BIMAS, a unified extension agency, with full department status in the Ministry of Agriculture. The line departments, like fisheries in this case, coordinated with BIMAS and provided technical advice and support. In essence, the organization was a slightly modified version of the Training and Visit System, or the T & V system as it is better known. Therefore, the field implementation of the subproject as a coordinated effort involved the PFS and BIMAS staff (PPL) at the village and subdistrict level. As the subproject evolved, the Provincial Livestock and Animal Husbandry Service also got involved. The coordination between these various agencies was, in principle, achieved through a series of coordinating bodies at every level. These were essentially advisory bodies and had no mandate to enforce any decisions taken by them. It must be added, for completeness, that even as the subproject was ending, the Government of Indonesia took the decision to revert to the system wherein the extension organization once again became part of the line departments.

BOBP came into the activity with the involvement of its Extension Unit and the provision of some funds. The activity was assisted through a series of short visits by the Extension Adviser and an Associate Professional Officer (APO) of the Unit. BOBP's attempt to station in Medan the APO, who, incidentally, spoke Bahasa Indonesia, was not successful for various reasons. The progress and plans of the subproject were usually discussed amongst DGF, PFS and BOBP personnel formally at Review Meetings held in Medan at least twice a year, while the annual BOBP Advisory Committee Meeting conducted the annual review and endorsed plans of action, including changes in direction.

2.6 Building groups, mobilizing savings, selecting enterprises

In February 1989 the activity got off to a start with a training programme for the PFS and PPL staff involved. The training focused on extension methodology and the plan of action of the subproject. The training was provided by two consultants from Bina Swadaya who had joined for a six-month input of implementing several activities and training the staff.

The activity focused on the three villages in Langkat District selected by Bina Swadaya during the proposal development, Pangkalan Susu, Pulau Kampai and Pangkalan Siata (see Figure 1). Over the next six months, six groups were mobilized in them, a men's and a women's group, in each village. Altogether, 143 fisherfolk were involved.

The methodology was intense and included :

- Personal discourse,
- Interpersonal and group training activities, and,
- Motivation.

The groups almost immediately started to build up savings, depending on their capacity, and as the savings built up, often spectacularly, it helped the groups' cohesiveness and sense of self. The groups received intensive training in :

- Managing themselves,
- Conflict resolution,

PULAU SEMBILAN VILLAGE

Men's Group

GROUP SIZE : May '91 : 14 members; **December** '92 : 12 members.

GROUP ACTIVITIES : Group savings.
Loans to group members.
Purchase of fishing gear to target mackerel

Financial inputs

Group capital contribution to enterprise	: Rp. 120,000
Credit input from BOBP	: Rp. 1,080,000
TOTAL	: <u>Rp. 1,200,000</u>

Financial status of group in December '92

Savings in bank	: Rp. 305,000
Cash on hand	: Rp. 270,000
Outstanding loans with members	: Rp. 835,000
TOTAL	: <u>Rp. 1,410,000</u>

Women's Group

GROUP SIZE : May '91 : 13 members ; December '92 : 17 members

GROUP ACTIVITIES : Group savings.
Loans to group members.
Raising livestock (ducks and eggs).
Retail trade in kerosene.

Financial inputs

Group capital contribution to enterprise	: Rp. 90,000
Credit input from BOBP	: Rp. 1,381,500
Total	: <u>Rp. 1,471,500</u>

Financial status of group in December '92

Savings in bank	: Rp. 550,800
Cash on hand	: Rp. 97,000
Profit from kerosene trade	: Rp. 79,700
Outstanding loans with members	: <u>Rp. 1,117,000</u>
TOTAL	: <u>Rp. 1,844,500</u>

- Problem analysis,
- Decision making, and,
- Selecting enterprises to run, keeping in mind resources, markets and economic viability.



The women's group in Pangkalan Siata at their weekly meeting with one of the motivators. At these meetings, conflicts were resolved, problems analyzed and decisions taken in managing their enterprise.

The PFS and PPL staff were involved in the activity from the very beginning and were trained on-line in the necessary skills. A lot of media, in the form of posters and games, were used in the training and mobilization and, later, these were consolidated and developed into a training manual which extension staff could use. (BOBP/MAG/7 - *Guidelines for Extension Workers in Group Management, Savings Promotion and Selection of Enterprises*. In Bahasa Indonesia).

At the end of the six months the groups had been trained and their savings were growing. The time had come to put their learning to test. It was hoped at this stage that the PFS and, through them, other line departments would provide the groups with ideas and information about possible enterprise opportunities which the fisherfolk could analyze using their training and come up with decisions on enterprises they would like to start. They then would pool their savings with available credit and start the enterprises while the PFS (with assistance from consultants in enterprise management) would support them by helping to improve their management capacity:

It did not work out that way, in reality!

2.7 Depression and stagnation in the countryside

The information packages on a variety of enterprise opportunities never materialized. Other information, or at least parts of it, was not available and would have to be collected. The staff involved had other duties and could not find enough time. Other agencies who were expected to get involved did not cooperate in the manner they had been expected to. And so on and so forth.

Nevertheless, the fisherfolk finally selected enterprises, but based on their own experience and knowledge, which was naturally limited to what they knew. One group started a retail store to sell essentials like fertilizers, pesticides, fishing gear and other household items. Two groups set up fishing enterprises. The women's groups picked livestock (ducks, goats and cow rearing) and occasional processing of fish products. (See Appendix II for details of groups and their enterprises.)

The groups invested their savings and started up, but the scale of the enterprises were small as they were dependent on their savings. The scale was not large enough to generate the type of earnings which would hold the interest of the group members.

Technical and other problems also cropped up. There were transfers that affected crucial staff; some staff had to go for training; and there were delays in transfer of funds. By mid-1990, DGF, PFS and BOBP were quite concerned. The initial enthusiasm of the groups had waned, the enterprises were limping along, no one was quite sure whether the fisherfolk had made the correct choices of enterprises, because they had not been supplied with the necessary information. So some corrective measures were taken by PFS, which provided some training inputs on fish processing. Arrangements were also made for the fisherfolk groups to visit other fisherfolk-run enterprises; it was hoped that the groups would learn from their colleagues, which, to a certain extent, they did.

At the end of 1990 there was no doubt in anyone's mind that there was a problem. The question was: What really was the problem? and, What could be done about it? It was obvious that the strength of the effort lay in the capacity and the performance of the groups. So it was decided that a detailed review be undertaken of group formation and performance before new directions were resorted to. In January 1991, a faculty member of the University of North Sumatera, assisted by a sociologist from BOBP, undertook a detailed review of the groups and their functioning and performance.

2.8 Group formation and performance : A review

The review found the groups functioning remarkably well, considering the fact that they had received very little attention to their needs during the previous year and that they had been unable to develop their enterprises on the scale which they would have liked to. All six groups were still in existence, and their membership was fairly stable: two groups had the same number of members; one group had added one member; and, three groups had lost a few members each. The main reasons for withdrawal from the group were either personal circumstances which forced some members to withdraw their savings or a loss of hope in being able to accumulate enough to expand their enterprises to a level which would make it worth their while.

The savings of the groups had grown and most members were reasonably regular about their payments. However, the rate of savings had dropped distinctly during 1990 as compared to 1989, indicating that the lowered attention paid had, among other factors, had its effect.

The enterprises were functioning well, but were extremely small because of the low investment in them. In spite of regular savings, the groups had just not been able to build up the amounts necessary for the enterprises. What was intriguing was that the groups had not been able to tap the informal credit sources, the *tokes*, whose existence in the first place had changed the direction of the subproject away from credit. Why was this so? The review team discovered that while the *tokes* did extend loans for household needs, they did it more as a strategy to hold clients in order to extend fisheries-related credit to them. Fisheries was the main business of the *tokes* and what made them money; they were not interested in supporting fisherfolk in the running of nonfishery enterprises, like the ones the groups were involved in.

The groups were found to be very interested in taking up larger enterprises or enlarging their existing enterprises to a scale where the effort would be worthwhile. The groups felt that the one problem that stood in the way of their achieving this was unavailability of credit.

The group members felt that their ability to function as a group, overcome conflict, build their savings and manage them, and select enterprises was due to a large extent to the job that had been

done by the consultants and the subproject staff during the early part of the pilot phase. However, they had some complaints: they said that they had not received sufficient information about enterprise opportunities and about the enterprises themselves from the project staff. They also felt that the inputs and assistance regarding development and management of the enterprises should have been incorporated much earlier on in the project process than had been.

How had the fisherfolk benefited from the exercise? The review found that group members were more aware of the possibilities of self-help through collective action. In fact, some of the groups had collectively addressed problems which had nothing to do with their enterprises. The groups saw their savings as a benefit, as it had paved the way to self-reliance and social security. On the other hand, group members complained that they had not benefited in terms of income increases to the extent expected, which was the objective of the whole exercise. They did, however, appreciate that, given the small size of their enterprises, it would have been surprising if they had increased incomes dramatically.

The review recommended that :

- The subproject should make available funds by establishing some sort of a credit scheme;
- More training, support and monitoring should be undertaken by project staff to build up the capacity of the groups in selection of enterprises and their subsequent management.
- There was need for better coordination between the PFS and other concerned agencies, and
- More regular and sustained inputs by the staff were necessary.

2.9 Credit supply and enterprise development

With the review recommendations in, the subproject staff began a series of discussions with the groups, basically to determine their credit needs. This involved detailed feasibility studies of their enterprises, including cash flows and credit needs. In this the PFS and PPL staff of the subproject were helped by staff from the Provincial Animal Husbandry Service and the Provincial Cooperative Service, who had more technical knowledge about some of the enterprises the groups were involved in. Simultaneously, the staff discussed with fisherfolk group members the rules, regulations and the modalities of the credit scheme that it was intended to establish.

At the review meeting of BOBP activities in Indonesia held in March 1991, the DGF, PFS and BOBP accepted the recommendations of the review team and endorsed the directions the staff had taken in response to the review. At this point, the DGF and PFS, at the request of BOBP, agreed to begin a graded transfer of responsibility for the project, and especially of its funding, to ensure sustainable transfer towards the end of 1992 when the second phase of BOBP was expected to come to an end.

In May 1991, after the feasibility studies had been completed, the project made available as credit a sum of Indonesian Rupiahs (Rp.) 10,627,400 (approximately US \$5400). The funds were deposited directly into the bank accounts of the groups and the understanding was that they would repay the grant, with interest at near-commercial rates, and convert the amount into a revolving fund.

To help the groups in the better running of their enterprises (see Appendix II for details of groups and their enterprises), several training programmes were organized. In cooperation with the Provincial Animal Husbandry Service, the Provincial Cooperative Service and the technical sections of the PFS, the project staff provided training in the technical aspects of the enterprises and in the managerial aspects of the businesses. Officers from SIMPEDES, a government-owned village savings bank, provided the groups training in the running of bank accounts for the purpose of savings and loan repayments. Group leaders, treasurers and secretaries were specifically trained in savings and fund management. The training received by one PFS and one PPL member of the project staff in Jakarta from Bina Swadaya in 1990 stood them in good stead in helping the groups to improve enterprise management.

In November 1991, the groups, having had about six months of experience with credit, presented a much better picture of health and vitality than the year before. The three women's groups were

more cohesive than the men's groups, and the nonfishery related enterprises were doing better than the two related to fisheries, which were facing the repercussions of severe resource shortages. The savings and repayments of loans were on schedule, except for the two fishery groups.

The Provincial Agricultural Service now called a two-day workshop, bringing together several related departments to discuss and promote the PFS-BOBP approach to group formation and enterprise development. The Provincial Agriculture Service had come to this decision primarily on the basis of information they had had about one of the women's groups of the subproject, in the village of Pulau Kampal. In the meeting, a representative from the women's group was invited to share the group's learning and experience with the participants. This event gave the PFS a shot in the arm, as it were, and definitely motivated the concerned staff.



Ms. Saniah addresses the two-day workshop organized by the Provincial Agricultural Service — to discuss a success story — and narrates the experience of Pulau Kampai.

A concern of the subproject was that more training needed to be provided to the staff in enterprise management, but it proved very difficult to find the right type of expertise to provide such training and the idea was abandoned. BOBP decided to develop as a regional effort a trainer's manual (BOBP/MAG/19) on the subject of management of fisherfolk microenterprises. This would, it was felt, partially meet the need of DGF/PFS staff, and also enable BOBP to provide inputs to other extension efforts in Thailand and Bangladesh, where similar needs had been felt.

2.10 *Moving towards the end*

The period till July 1992, when BOBP formally ended its involvement and handed over complete responsibility to the DGF/PFS, was basically taken up with provision of support to the groups in better and improved management of enterprises. There were a few pleasant surprises.



The trainers' manual developed by BOBP on management of fisherfolk microenterprises.

In February, monitoring the situation showed that the groups were doing well. The injection of credit had had its impact :

- The groups were attracting new members;
- Meetings were taking place more regularly, and with improved attendance;
- Savings had increased; and
- Repayments were on schedule, even for the fishery groups who were still struggling with resource shortages.

Early in the year, the fisherfolk of Pulau Kampai, home to the two most successful groups, approached the PFS to help the villagers establish two new groups, outside of the project context. This they did and it was, in a small way, confirmation that the staff of the PFS and PPL were trained enough and capable enough to replicate what Bina Swadaya had done.

Even more encouraging was that the Provincial Government honoured the leaders of the men's and women's groups in Pulau Kampai for outstanding contributions to the village's development.

The two groups with fisheries activities, weary of their losing struggle with the resource situation and encouraged by the successes of the other groups, finally decided to quit and switch enterprises. They disposed of their assets and reinvested in livestock rearing.

In July, in anticipation of BOBP's termination of its involvement in the project, the PFS called a meeting of all its sections to discuss their future involvement in the project activity. The PFS decided to continue the activity and allocated funds to support the continuation. At the end of July, BOBP ended its involvement formally and handed over the responsibility of supporting the groups to the PFS.

At the review meeting of BOBP activities in Indonesia later that year, BOBP, DGF and PFS agreed to hold an assessment of the project's impact on the groups early in 1993 to add to the learning from the project.

2.11 The project's impact on the fisherfolk groups

The DGF and PFS assigned a faculty member of the University of North Sumatera to undertake an assessment of the subproject's impact on the groups. The assessment was undertaken in February 1993, six months after BOBP ceased to be involved in the activity. The findings of the assessment were presented at a one-day workshop in Medan attended by PFS and representative staff of the cooperating agencies.

The groups' ability to manage their affairs and to perform were judged , qualitatively, on the basis of discussions and observations and marked on a 1-5 scale for the following criteria :

- Cohesiveness of the group;
- Decision-making ability;
- Conflict-resolution ability;
- Organization for work; and
- Leadership.

The assessment and ranking of the groups, without particular weightage to any criteria, showed that, of the six groups, four had done very well and two poorly. The women's groups from Pulau Kampai and Pangkalan Siata topped the list, averaging 15 points out of a possible 25. The men's groups from Pulau Kampai and Pangkalan Siata came a close second, with an average of 11.5. The men's and women's groups in Pulau Sembilan did poorly, with point scores of only 6 each. Based on these and other factors, the assessment felt that the four groups from Pulau Kampai

and Pangkalan Siata had the best chances of sustaining themselves beyond the project period. Interestingly, the consultant recommended that the groups in Pulau Sembilan could be saved and made more sustainable if they were given training and motivation by the PFS.

Savings and credit repayments were on schedule and group members obviously regarded it as important that they repay and do so on time. What was a little confusing was that two of the groups who had recently quit their enterprises and entered into new enterprises were also saving and repaying on time, even though their enterprises were not giving returns on the investment as yet.

It was difficult for the consultant to go into detail because the groups had been lax with their record-keeping and it was difficult to go beyond gross figures and get into the transactions. But, some of the enterprises were obviously doing well. Going by assets, the picture was very encouraging. A beginning had been made with group members' savings and the credit received from the project; now, over the year-and-a-half of functioning with credit, the groups had accumulated one-and-a-half times the assets (see Appendix II for details). This is definitely indicative of good earnings and surplus generation.

There is, however, another side to this, which is the downside. If the earnings are so good and the groups have accumulated so much, why have the groups not repaid their borrowings? The problem almost wholly rests with the way the feasibility studies had been made. They obviously grossly underestimated earnings and, therefore, overestimated the time it would take for repayment. The group members, once they had agreed to pay back on a particular schedule, saw no reason to change, since it benefited them enormously. Perhaps more rigorous analysis, with better technical inputs of particular enterprises, would have overcome this problem.

The project seems to have had several positive impacts:

- It was felt to have helped fisherfolk to realize that self-help was possible through collective action.
- It built up savings, which paves the way to self-reliance.
- The fisherfolk became familiar with bank operations and were more confident in using banking services.
- And, overall, the group members displayed a sense of self-reliance, a confidence that they could think through their problems and organize themselves to try and solve it collectively.

The assessment found that while incomes had increased, it was difficult to quantify the increase. An indicator, though still qualitative, was that the activity was now providing regular additional employment to 163 persons, an increase of 20 from when the project started.

The assessment found that the training process and the training manual on group formation and management, savings mobilization and management and selection of enterprises were useful and had had a positive impact in enabling the groups' performances.

The assessment was critical about the fact that not enough of technical inputs and managerial skills were transferred to the groups. This, it was felt, might affect the sustainability of the groups and the levels of performance of the enterprises. It was suggested that if these inputs had come much earlier in the project cycle, some of the pitfalls the groups encountered would have been avoided.

The assessment pointed out, in particular, that the feasibility analyses had been poorly done. It also pointed out that while the enterprises were doing well and the repayments and savings were on schedule, it would nevertheless be difficult to use the project as an example to convince bankers of the credit-worthiness of fisherfolk, because of the underestimates of earnings and overestimates of payback times.

3. LEARNINGS

1. The subproject benefited considerably by incorporating a preparatory phase which enabled the staff to fine tune the project to the communities. In doing so, not only did the project staff build rapport with the fisherfolk and identify mechanisms of participation, but the very objectives changed because a closer look at fisherfolk needs, the fisheries resource situation and the informal credit and marketing system suggested that it would be more useful to strengthen the credit receiving mechanism rather than develop a credit supply mechanism.

2. The subproject has shown that with training, motivation, credit support and sustained follow-up, fisherfolk groups can take up income-generating enterprises not only to improve their earnings and economic status but also to address other needs of the group.

3. Group formation and using the collectivity of groups can be successful in developmental action provided :

- There is in the particular society a culture that encourages collective action;
- The activity the group is involved in requires group effort and is not individualistic in nature;
- The group is well formed, trained and motivated in management of the group and in conflict-resolution;
- The group has committed and legitimate leaders; and
- The group is involved in a task that shows enough successes to begin with, enabling it to build hope and hold on to its members.

4. The subproject has shown that junior staff of fisheries and extension departments can, with good training, motivation, appropriate technical backstopping and support, do the job of group formation and enterprise development. However, organizational cultures in government agencies often make it very difficult to get staff to undertake such activities. More importantly, to make a success of such efforts requires a lot of training, sustained long-term inputs of time, and intensive work, all of which are extremely difficult to ensure. This seriously raises the question whether fishery agencies would be able to replicate, or sustain, similar activities without changing themselves organizationally.

5. Enterprise development requires close working coordination between various government line agencies, which is difficult to achieve in practice.

6. The success of enterprises, all other things being equal, seems to depend on managerial capacity of the groups. This is particularly problematic since managerial and entrepreneurial skills rarely exist in line departments and would have to be built in, at some cost, so that they, in turn, could extend it to the groups.

7. Institutional credit for fisherfolk, without prohibitive collateral requirements, does not exist for all practical purposes.

8. Revolving funds do work. Such a fund needs sound feasibility studies, careful planning, viable enterprises, good managerial capacity, close follow-up and a healthy amount of luck. Most fisheries agencies have neither the mandate nor the capacity to run and support revolving funds.

9. Savings can supplement credit but cannot replace it, as, in most cases, groups find it impossible to generate sufficient savings to support enterprises at a scale where the returns justify the efforts put in.

APPENDICES

APPENDIX I

Project Chronology

1986	
DEC.	Discussion with DGF, Jakarta, about possible activities in Indonesia during BOBP's Second Phase (1987-91).
1987	
FEB.	FAO-BOBP Project Formulation Mission visits Indonesia in February-March and recommends an activity.
MAR.	1 st Meeting of BOBP's Advisory Committee endorses the proposed extension subproject in North Sumatera.
JUN.	BOBP staff have discussions with DGF, Jakarta, and PFS, Medan, regarding the contents, approach and organization of the subproject. It is agreed that the detailed objectives and approaches should be determined through participatory studies and consultations with fisherfolk.
OCT.	<p>Workshop for PFS staff, PPL (extension) staff, bank officers and representatives of women's organizations (PKK) to familiarize them with BOBP's approach to project formulation and implementation with people's participation and to familiarize the nonfishery staff with small-scale fisheries in general and the situation in North Sumatera in particular.</p> <p>Project Director, Coordinator and staff allocated to the project from PFS and office space provided at PFS, Medan.</p>
NOV.	Training Workshop for PFS, PPL and PKK field staff to train them to undertake participatory rapid appraisals to understand the status and dynamics of fishing communities, to identify needs and priorities of fisherfolk, mechanisms for fisherfolk participation in the project, enterprises fisherfolk are involved in and their economics, and to suggest project objectives and approaches on the basis of the findings.
DEC.	Field enquiries (Phase I) initiated. Twenty staff from PFS, PPL and PKK cover all 33 fishing communities in Langkat District of North Sumatera and develop village profiles, prioritize needs lists, undertake problem analysis and list economic activities of fisherfolk.
1988	
JAN.	12th Meeting of BOBP's Advisory Committee endorses the idea of determining the quantitative and qualitative objectives of the subproject through preparatory participatory exercises.
FEE	Phase 2 of the field enquiries initiated to undertake economic analysis of enterprises identified in fishing communities.
APR.	<p>Study of fisheries practices, with particular emphasis on fishing technology, is undertaken by Fishing Technologist of BOBP in Langkat District, North Sumatera.</p> <p>Draft working document prepared, incorporating the findings of the preparatory studies and with reformulation of project objectives, and distributed.</p>
MAY	<p>Reorientation of project objectives from setting up a credit delivery mechanism and technical training to getting a better understanding of the existing credit/market system and to develop better credit-receiving mechanisms through improved enterprise development and management in the context of group action. This is endorsed by the Review Meeting of BOBP activities in Indonesia.</p> <p>Preparatory studies identify economic activities with potential and five villages where group-based enterprises could be promoted.</p>
SEP	<p>Consultant identified from the Agro-Economic Research Centre, Bogor, to undertake study of the credit/marketing system in Langkat District.</p> <p>An NGO, Bina Swadaya, is identified to assist the subproject with training and materials development inputs, and in enterprise implementation (particularly to develop enterprises and improve management of them).</p>
OCT.	<p>Credit/Marketing Study initiated.</p> <p>Bina Swadaya consultants initiate village studies and hold discussions in the five villages identified to assess feasibility of enterprises and to come up with a workplan.</p>
NOV.	<p>Review meeting of BOBP activities in Indonesia presented with findings of Credit/Market Study, and the findings and recommendations of the pilot study of enterprise development by Bina Swadaya. including a six-month plan of action.</p> <p>Meeting endorses Bina Swadaya plan with modifications and agrees to organizational arrangements to implement the project in three villages of Langkat District, in the first instance. It is agreed upon that the extension organization, BIMAS, will, at the subdistrict and district levels, participate in the project.</p>

1989

- JAN. Working Document of subproject revised on the basis of findings of the preparatory exercises and decisions of Review Meetings and endorsed by the 13th Meeting of BOBP's Advisory Committee.
- FEB. Training workshop for PFS, PPL and PKK staff on extension methodology and on the proposed organization of activities during the implementation phase. Training provided by Bina Swadaya consultants.
- MAR.- AUG. Activities initiated in three villages of Langkat District. Six groups are mobilized (three men's and three women's), start to meet regularly and to accumulate savings to build up capital collectively for the enterprises. All groups receive training in group management, savings mobilization, savings management, selection of enterprises, including feasibility analysis. On-line training is provided to participating PFS, PPL and PKK staff to enable them to undertake and replicate similar activities. Extension materials and posters used in the process are consolidated and preparations begun to develop a trainers' manual.
- JUN. At a Review' Meeting of BOBP activities in Indonesia it was agreed that a schedule should be worked out and ways found to ensure post-project sustainability of the activities.
- SEP. PFS provides training inputs to fisherfolk groups in fish processing and in identifying enterprise options in fisheries.
- NOV. Review Meeting of BOBP Activities in Indonesia agrees that:
- Credit sources may have to be identified to help the groups;
 - PFS and technical organizations will have to provide the groups information on enterprise options and supplementary information about these options to help them conduct feasibility studies;
 - PFS in particular should identify viable fishery enterprise options and prepare extension and information material for fisherfolk to help them in selection and enterprise development;
 - PFS and PPL staff would follow up this work and support and assist the groups as required; and
 - It would be necessary to consolidate the task to date and focus on learning from them before considering any expansion or replication of the effort.

1990

- MAR. PFS and PPL staff provide fisherfolk groups with training inputs in the selection of enterprises and follow-up training in fish processing.
- APR. Monitoring of groups shows all six groups functioning well. Only two have identified and started up enterprises. The other four groups have been supporting the enterprises of their members through loans from savings. The main constraint seems to be that the savings generated are insufficient for the enterprises being planned.
- PFS has a meeting with all its technical sections to identify possible fishery enterprises which could be proposed to the groups for consideration.
- MAY Review Meeting of BOBP activities in Indonesia. Concern is expressed about the stagnation of interest and lack of enthusiasm noticed amongst group members.
- Project Director transferred and Project Coordinator takes over with one of the project staff taking his post.
- Several actions are agreed to in order to revitalize the groups. It is further agreed that the performance and functioning of the groups should be reviewed towards the end of the year.
- JUN. Study tours organized for men's groups
- JUL. All six groups have identified activities and are taking them up at a scale possible with their savings
- Attempts to identify sources of credit fail, and the issue of BOBP providing credit is first raised for consideration.
- Two project staff (1 PFS; 1 BIMAS/PPL) participate in a 3-week training course with Bina Swadaya in Jakarta, on group mobilization and management, savings management and enterprise selection, to strengthen the capacity of the project.
- AUG. Five project staff participate in a study tour to two other projects with similar approaches to group formation and development: a DGF/UNDP activity for fisherwomen in West Java and a DGF/GTZ small-scale fisheries project in Lombok.
- SEP. Study tours organized for women's groups.

OCT.	<p>PFS provides follow-up training to women's groups in fish processing.</p> <p>Planned review of groups delayed as appropriate consultant could not be identified</p>
NOV.	<p>Review Meeting of BOBP activities in Indonesia agrees that the future direction of the project should be determined by the in-depth review, of group functioning and performance, planned for January 1991.</p> <p>Associate Professional Officer attached to activity completes term and leaves.</p>
1991	
JAN.	<p>Review of subproject, and of the groups in particular, undertaken by a consultant from the University of North Sumatera and BOBP APO Sociologist from Thailand. The review mission recommends that BOBP establish a revolving fund to provide credit at commercial rates of interest, which, if successful, would demonstrate the bankability of the groups.</p>
FEB.	<p>Feasibility studies, cash flow analyses and estimation of credit needs of enterprises selected and undertaken by groups with support and assistance of project staff and subject matter specialists from cooperating organizations.</p> <p>Rules and regulations concerning the loans, interest to be paid, repayments and running of revolving funds finalized by project staff in consultation with groups. All details and procedures are completed by end-April.</p>
MAR.	<p>Review Meeting of BOBP activities in Indonesia endorses the plans which emerged from the subproject review. Training of staff and fisherfolk group members in enterprise management recommended. DGF/PFS agree to take over responsibility for all project costs from this point on, except those related specifically to training and BOBP technical assistance inputs.</p>
MAY	<p>A total of Rp. 10,627,400 is handed over to the six groups, as a grant, which they will repay with interest and convert into revolving funds. Officers from SIMPEDES (a village savings bank) provide instruction and training on running of bank accounts by groups for savings and repayments.</p>
JUN.	<p>Training in technical matters and management of enterprises provided to all groups by project staff with the cooperation of the Provincial Animal Husbandry Service, the Provincial Cooperative Service and the technical sections of the PFS.</p>
JUL.	<p>Training provided to all group leaders, treasurers and secretaries of groups in administration of group funds and in matters relating to use of bank facilities.</p>
AUG.	<p>Follow-up on training provided in June and July for all groups (lasts till end-September)</p>
NOV.	<p>Training Manual on group formation, group management, savings and selection of enterprises completed by Bina Swadaya based on the extension and training materials they had developed for the project. DGF expresses interest in distributing the manual to extension staff in all the provinces of Indonesia.</p> <p>The Provincial Department of Agriculture calls a two-day inter-departmental workshop to discuss and promote the PFS-BOBP approach to group formation and enterprise development. The leader of the women's group in Pulau Kampai is invited to share her experiences with participants.</p> <p>The women's groups receive training from the PFS on the techniques of fish processing.</p> <p>The planned training inputs for the project staff on enterprise management is cancelled as appropriate consultants/organizations had not been identified. BOBP decides to generate a training manual on the subject as a regional activity.</p>
DEC.	<p>Study tour organized for the women's groups.</p>
1992	
JAN.	<p>At the request of fisherfolk of Pulau Kampai, PFS and PPL staff help the villagers to establish two new groups along the lines of the project.</p>
JAN.-SEP	<p>PFS and PPL staff continue to regularly monitor groups and assist in savings mobilization and repayments, but at a reduced level, as funds are not sufficient to sustain project activity levels on institutional budgets.</p>

FEB. Monitoring shows that the groups are doing well. The injection of credit in mid-1991 has had impact: the groups are attracting new members; meetings are taking place more frequently and regularly; groups are beginning to discuss other matters of collective interest besides their enterprises.

The two men's groups with fishery-based enterprises dispose of their assets and reinvest in livestock rearing. Repayments are now on schedule, even from the groups that were lagging behind.

APR. Government of Indonesia announces structural changes in extension organization. In future, technical departments, like Fisheries, will look after their own extension. There will be no unified extension service as before.

JUL. The Provincial Government honours the leaders of the women's and men's groups of Pulau Kampai village for outstanding contributions to their village's development.

In anticipation of the termination of BOBP's involvement in the project, the PFS holds a meeting of all section chiefs to discuss their future involvement in project activities. The PFS expresses its commitment to continue the activity beyond the termination of the project and allocates funds in its budget to support the activities. It charges its extension section to take over responsibility for the project.

BOBP involvement in the subproject comes to an end. PFS takes over responsibility and continues to support the groups.

OCT. Training Manual (BOBP/MAG/7) printed for distribution to all extension staff in all provinces of Indonesia by DGF.

DEC. Review Meeting of BOBP activities in Indonesia. DGF, PFS and BOBP agree to undertake a study to assess the impact the project has had on the fisherfolk groups in Langkat District.

1993

MAR. A consultant from the University of North Sumatera is assigned the task of assessing the project's impact on the groups. On completion of the study the consultant presents his findings at a workshop held at the PFS, Medan.

APPENDIX II

Details of Groups and Their Enterprises

PANGKALAN SIATA VILLAGE

Men's Group

GROUP SIZE : *April '91* : 17 members; *December '92*: 11 members.

GROUP ACTIVITIES : Group savings.
 Loans to group members.
 Trading in shrimp paste.
 Group work in agriculture (rice).
 Purchase and use of boat and engine for fishing.

June '91 : Group starts to use boat to ferry passengers because of poor fish resources.

April '92 : Group sells boat and invests the money in new activity of rearing cows.

Financial inputs

Group capital contribution to enterprise	: Rp. 200,000
Credit input from BOBP	: Rp. 2,237,200
TOTAL	: Rp. 2,437,200

Financial status **of group in December '92** :

Value of livestock	: Rp. 1,740,000
Savings in bank	: Rp. 395,500
Group savings & loan fund	: Rp. 1,070,000
TOTAL	: Rp. 3,205,500

Women's Group

GROUP SIZE : *April '91* : 52 members; *December '92* : 42 members.

GROUP ACTIVITIES : Group savings.
 Loans to group members.
 Raising livestock (cows and goats).

Financial inputs

Group capital contribution to enterprise	: Rp. 463,000
Credit input from BOBP	: Rp. 1,149,000
TOTAL	: Rp. 1,612,000

Financial status of group in December '92

Value of livestock	: Rp. 2,275,000
Savings in bank	: Rp. 300,000
Cash on hand	: Rp. 70,000
Group savings & loan fund	: Rp. 3,000,000
TOTAL	: Rp. 5,645,000



When the men's fishing enterprise in Pangkalan Siata collapsed due to acute shortage of fisheries resources, the boat bought for it (above right) was used to ferry passengers and, finally, sold to purchase cows. The men's group then joined the women (below) in rearing cows and goats.



PULAU KAMPAI VILLAGE

Men's Group

GROUP SIZE : *April* '91 : 14 members; December '92: 15 members.

GROUP ACTIVITIES : Group savings.
Loans to group members.
Retail shop for agricultural inputs.

June '91 : New activity added : Raising livestock (goats)

Financial inputs

Group capital contribution to enterprise	: Rp. 500,000
Credit input from BOBP	: Rp. 2,138,800
TOTAL	: Rp. 2,638,800

Financial status of group in December '92

Value of shop & land	: Rp. 533,000
Value of inventory	: Rp. 483,000
Working capital	: Rp. 160,000
Group savings & loan fund	: Rp. 350,000
Outstanding loans of shop	: Rp. 450,000
Savings in bank	: Rp. 2,234,200
TOTAL	: Rp. 4,210,200

Women's Group

GROUP SIZE : *April* '91 : 24 members; December '92 : 24 members.

GROUP ACTIVITIES : Group savings.
Loans to group members.
Raising livestock (cows and goats).
Retail trade in household durables.
Retail trade in cloth.
Retail trade in sugar and shrimp crackers.

Financial inputs

Group capital contribution to enterprise	: Rp. 300,000
Credit input from BOBP	: Rp. 2640,000
TOTAL	: Rp. 2,940,000

Financial status of group in December '92

Group savings & loan fund	: Rp. 1,872,000	(includes value of livestock)
Savings in bank	: Rp. 877,500	
Value of inventory		
Household durables	: Rp. 600,000	
Shrimp crackers	: Rp. 180,000	
Cloth	: Rp. 102,850	
Sugar	: Rp. 20,000	
TOTAL	: Rp. 3,652,350	

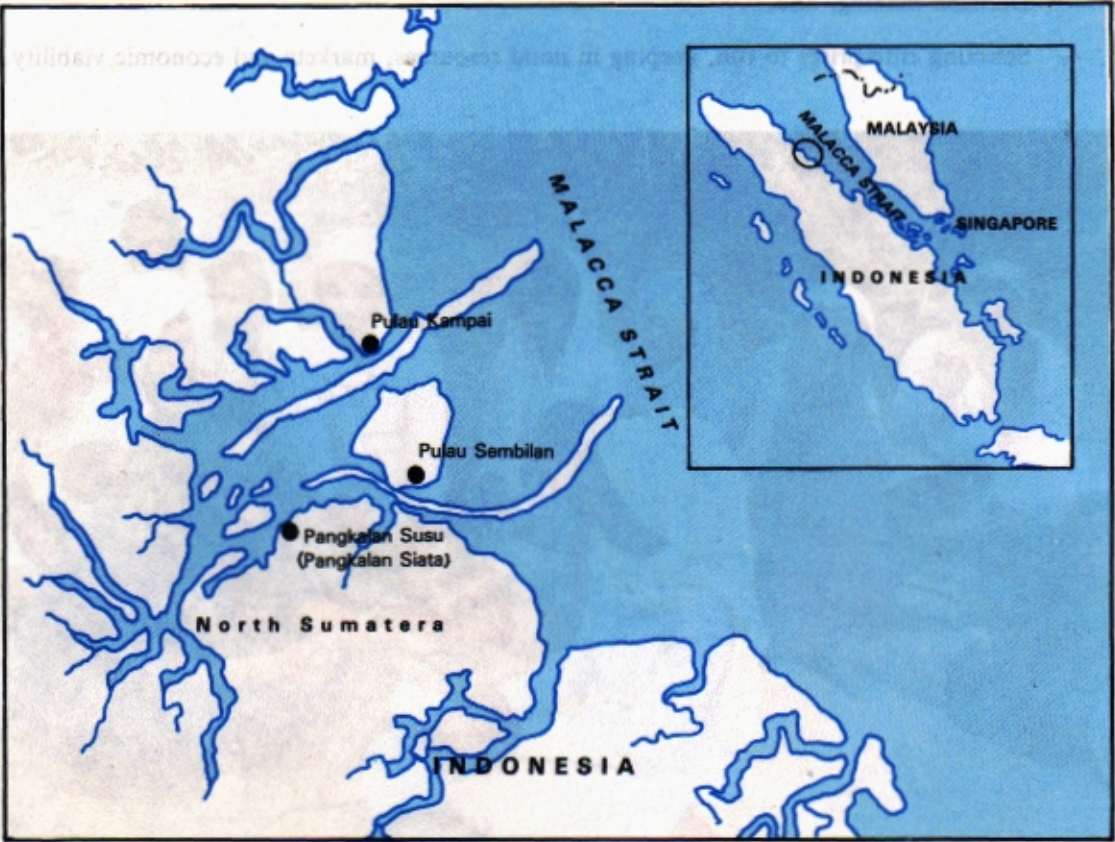


A happy customer and another money-earning sale at the kiosk run by the men's group in Pulau Kampai.



Shrimp crackers are given the final touches before drying by members in the women's group in Pulau Kampai.

Fig. 1. Map of the Project area in North Sumatera Province, Indonesia.



A typical Indonesian coast village.



A clutch of ducks belonging to the women's group in Pulau Sembilan which provide eggs and meat, not to mention money.



Keeping mackerel nets in shape combines well with a meeting of the men's group in Pulau Sembilan.

APPENDIX III

Training Inputs

The subproject provided approximately 2300 person-days of training on various subjects to counterpart staff who implemented the activity and to fisherfolk.

Training was provided for selected members of staff of the Provincial Fisheries Service (PFS), Extension Service (BIMAS/PPL), cooperating banks (SEMPIDES, BRI), and women's organizations (PKK) in the following areas :

- Understanding small-scale fisheries;
- Small-scale fisheries development: Approaches and methods;
- BOBP's approach to project formulation and development;
- People's participation;
- Rapid rural appraisals;
- Participatory needs analysis and problem analysis;
- Participatory planning;
- Extension methods and media;
- Integrated development approaches;
- Group formation;
- Management of groups;
- Leadership development;
- Savings mobilization and management;
- Credit management;
- Banking procedures;
- Identification of economic activities and feasibility analysis;
- Management of small enterprises;
- Integrated development approaches and methods; and
- Conflict resolution.

Training was provided to members of fisherfolk groups participating in the subproject in :

- Forming a group;
- Managing a group;
- Leadership development;
- Conflict resolution methods;
- Savings mobilization and management;
- Bank procedures and operating bank accounts;
- Simple records and bookkeeping;
- Identification of economic activities;
- Selection of enterprises, including feasibility analysis; Managing an enterprise;
- Marketing;
- Fish processing methods;
- Use of gillnets for mackerel;
- Duck-rearing;
- Goat-rearing;
- Cow-rearing; and
- Boat and engine maintenance.

The training was provided by staff of the NGO, Bina Swadaya, PFS technical staff, staff of the rural bank SEMPIDES, technical staff of the Provincial Animal Husbandry Service and the staff of the Provincial Cooperatives Service.

The bulk of the training was done in Langkat District, often simultaneously with project activities. Some of the training was undertaken in Medan and in Jakarta. The training programmes were supplemented with study tours, for both staff and participating fisherfolk, to other projects undertaking similar activities.

The training materials developed and used for group formation, group management, savings mobilization, and selection of enterprises was consolidated and printed as a manual in Bahasa Indonesia for the use of extension staff of provincial fishery services.

APPENDIX IV

Documentation Related to the Subproject

1. Working document

BAY OF BENGAL PROGRAMME (1988, 1989 Revised) : *Working Document of Subproject, Improved Earnings of Small-Scale Fisherfolk. Indonesia.* BOBP, Madras.

2. Reports

DREWES, E. and TAN CHENG KIAT (1988) : *Institutional Credit and Training, Indonesia: A Project Proposal.* BOBP, Madras.

GALLENE, J. (1988) : *Baseline Study of Fisheries Activities in Langkat District of North Sumatera, Indonesia.* BOBP, Madras.

PROVINCIAL FISHERIES SERVICE AND BIMAS STAFF (1988) : *Report on Field Enquiries land II, December 1987 to March 1988.* Provincial Fisheries Service of North Sumatera, Medan, N.S., Indonesia. (In Bahasa Indonesia)

TOWNSLEY, P. (1988) : *Summary of Conclusions and Recommendations of Preparatory Studies Relating to EXT/IEF/INS Subproject.* BOBP, Madras.

MAROELAK, S., LIMAWAN, P. and SETYIAWATI, H. (1988) : *Feasibility Study of Fisherfolk Development Programme in Pangkalan Susu, Langkat District, North Sumatera.* Provincial Fisheries Service, Medan, BOBP, Madras, and Bina Swadaya, Jakarta.

MINTORO, A., GUNAWAN, M. and NAJIB, H. (1988) : *Marketing Systems and Informal Fishery Credit in Langkat, North Sumatera.* Provincial Fisheries Service, Medan, and BOBP, Madras.

SIRAIT, M.B. and KRISTENSEN, H. (1991) : *Review of Fisherfolk Group Formation and Performance in Langkat District, North Sumatera.* Provincial Fisheries Service, Medan and BOBP, Madras. 1991.

_____ (1993) : *Assessment of the Project's Impact on Fisherfolk Groups in Langkat District, North Sumatera.* Provincial Fisheries Service, Medan, and BOBP, Madras.

3. Published Material

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4. Video films

Helping Self-Reliance Among Fisherfolk of North Sumatera (1990). Information Unit, BOBP, Madras. (In English) 15 minutes, available in VHS, PAL or U-Matic Formats.

PUBLICATIONS OF THE BAY OF BENGAL PROGRAMME (BOBP)

The BOBP brings out the following types of publications :

Reports (BOBP/REP/...) which describe and analyze completed activities such as seminars, annual meetings of BOBP', Advisory Committee, and subprojects in member-countries for which BOBP inputs have ended.

Working Papers (BOBP/WP/...) which are progress reports that discuss the findings of ongoing work.

Manuals and Guides (BOBP/MAG/...) which are instructional documents for specific audiences.

Information Documents (BOBP/INF/...) which are bibliographies and descriptive documents on the fisheries of member-countries in the region.

Newsletters (*Bay of Bengal News*) which are issued quarterly and which contain illustrated articles and features in nontechnical style on BOBP work and related subjects.

Other publications which include books and other miscellaneous reports.

Those marked with an asterisk (*) are out of stock but photocopies can be supplied.

Reports (BOBP/REP/ .)

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33. *Nonformal Primary Education for Children of Marine Fisherfolk in Orissa, India.* U. Tietze, N. Ray. (Madras, 1987.)
34. *The Coastal Set Bagnet Fishery of Bangladesh – Fishing Trials and Investigations.* S. E. Akerman. (Madras, 1986.)
35. *Brackishwater Shrimp Culture Demonstration in Bangladesh.* M. Karim. (Madras, 1986.)
36. *Hilsa Investigations in Bangladesh.* (Colombo, 1987.)
37. *High-Opening Bottom Trawling in Tamil Nadu, Gujarat and Orissa, India : A Summary of Effort and Impact.* (Madras, 1987.)
38. *Report of the Eleventh Meeting of the Advisory Committee,* Bangkok, Thailand, 26-28 March, 1987. (Madras, 1987.)
39. *Investigations on the Mackerel and Scad Resources of the Malacca Straits.* (Colombo, 1987.)
40. *Tuna in the Andaman Sea.* (Colombo, 1987.)
41. *Studies of the Tuna Resource in the EEZs of Sri Lanka and Maldives.* (Colombo, 1988.)
42. *Report of the Twelfth Meeting of the Advisory Committee.* Bhubaneswar, India, 12-15 January 1988. (Madras, 1988.)
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47. *Exploratory Fishing for Large Pelagic Species in Sri Lanka.* R Maldeniya, S. I.. Suraweera. (Madras, 1991.)
48. *Report of the Fifteenth Meeting of the Advisory Committee.* Colombo, Sri Lanka, 28-30 January 1991. (Madras, 1991.)
49. *Introduction of New Small Fishing Craft in Kerala, India.* O. Gulbrandsen and M. R. Anderson. (Madras, 1992.)
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52. *Feeds for Artisanal Shrimp Culture in India – Their Development and Evaluation.* J F Wood et al. (Madras, 1992.)
53. *A Radio Programme for Fisherfolk in Sri Lanka.* R N Roy. (Madras, 1992.)
54. *Developing and Introducing a Beachlanding Craft on the East Coast of India.* V I. C Pietersz. (Madras, 1993.)
55. *A Sri Lanka Credit Project to Provide Banking Services to Fisherfolk.* C. Fernando, D. Attanayake. (Madras, 1992.)
56. *A Study on Dolphin Catches in Sri Lanka.* L Joseph. (Madras, April 1993.)
57. *Introduction of New Outrigger Canoes in Indonesia.* G Pajot, O Gulbrandsen. (Madras, 1993.)
58. *Report of the Seventeenth Meeting of the Advisory Committee.* Dhaka, Bangladesh, 6-8 April 1993. (Madras, 1993.)
59. *Report on Development of Canoes in Sri Lanka.* G. Pajot, O Gulbrandsen. (Madras, 1993.)
60. *Improving Fisherfolk Incomes through Group Formation and Enterprise Development in Indonesia* R.N. Roy. (Madras, 1993.)
61. *Small Offshore Fishing Boats- in Sri Lanka.* G. Pajot. (Madras, 1993.)
63. *Small-Scale Oyster Culture on the West Coast of Peninsular Malaysia.* D. Nair, R. Hall, C. Angell. (Madras, 1993.)

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50. Experiences with a Manually Operated Net-Braiding Machine in Bangladesh. B. C. Gillgren, A. Kashem. (Madras, 1986.)
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52. Experimental Culture of Seaweeds {Gracilaria Sp.} in Penang, Malaysia. (Based on a report by M. Doty and J. Fisher). (Madras, 1987.)
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56. Fishing Trials with Beachlanding Craft at Uppada, Andhra Pradesh, India. L. Nyberg. (Madras, 1987.)
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59. Fishery Statistics in the Bay of Bengal. T. Nishida. (Colombo, 1988.)
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61. Development of Outrigger Canoes in Sri Lanka. O. Gulbrandsen. (Madras, 1990.)
62. Silvi-Pisciculture Project in Sunderbans, West Bengal : A Summary Report of BOBP's assistance. C.L. Angell, J. Muir. (Madras, 1990.)
63. Shrimp Seed Collectors of Bangladesh. (Based on a study by UBINIG.) (Madras, 1990.)
64. Reef Fish Resources Survey in the Maldives. M. Van Der Knaap et al. (Madras, 1991.)
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67. Design and Trial of Ice Boxes for Use on Fishing Boats in Kakinada, India. I.J. Clucas. (Madras, 1991.)
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76. A View from the Beach – Understanding the status and needs of fisherfolk in the Meemu, Vaavu and Faafu Atolls of the Republic of Maldives. The Extension and Projects Section of the Ministry of Fisheries and Agriculture, The Republic of Maldives. (Madras, 1991.)
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88. The Shrimp Fry By-catch in West Bengal. B K Banerjee, H Singh. (Madras, 1993.)
91. Further Exploratory Fishing for Large Pelagic Species in South Indian Waters. G. Pajot. (Madras, 1993.)

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7. Guidelines for Extension Workers in Group Management, Savings Promotion and Selection of Enterprise. H. Setyawati, P. Limawan. Directorate General of Fisheries, Ministry of Agriculture, Government of Indonesia, Jakarta and Bay of Bengal Programme. (In Indonesian). (Madras, 1992.)
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9. Guidelines on Fisheries Extension in the Bay of Bengal Region. I Jungeling. (Madras, 1993.)
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12. How to Build a Timber Outrigger Canoe. O. Gulbrandsen. (English and Bahasa Indonesia). (Madras, 1993.)
13. A Manual/or Operating a Small-scale Recirculation Freshwater Prawn Hatchery. R. Chowdhury, H. Bhattacharjee, C. Angell. (Madras, 1993.)
14. Building a Liftable Propulsion System for Small Fishing Craft The BOB Drive. O. Gulbrandsen, M R Andersen. (Madras, 1993.)
18. A Handbook of Oyster Culture. Y.B.H. Nawawi. (In Malay). (Madras, 1993.)

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10. Bibliography on Gracilaria — Production and Utilization in the Bay of Bengal. (Madras, 1990.)
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12. The Fisherfolk of Puttalam, Chilaw, Galle and Matara — A study of the economic status of the fisherfolk of four fisheries districts in Sri Lanka. (Madras, 1991.)
13. Bibliography on the Mud Crab Culture and Trade in the Bay of Bengal Region. (Madras, 1992.)

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1. Helping Fisherfolk to Help Themselves : A Study in People's Participation, (Madras, 1990.)
2. The Shark Fisheries of the Maldives. R C Andersen, H Ahmed. Ministry of Fisheries and Agriculture, Maldives. (Madras, 1993.)

NOTE :

Apart from these publications, the BOBP has brought out several folders, leaflets, posters etc., as part of its extension activities. These include Post-Harvest Fisheries folders in English and in some South Indian languages on anchovy drying, insulated fish boxes, fish containers, ice boxes the use of ice etc. Several unpublished reports connected with BOBP's activities over the years are also available in its Library.

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