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Sport in Action: Increasing Program Participation Through Self-financing

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- 1 NESST uses the term "self-financing" to refer to diverse strategies used by civil society organizations to generate their own revenues (sale of products, service fees, use of hard or soft assets, and dividends or investment income). NESST uses the term "social enterprise" to refer to self-financing activities that are designed by a CSO to significantly strengthen the financial sustainability and the mission impact of the CSO.

Executive Summary

Sport in Action (SIA) was founded in 1998 as the first sport for social change nonprofit organization in Zambia. The organization's establishment was a response to the lack of education, life skills activities, and empowerment opportunities provided through sports, especially for at-risk children and youth. Over time SIA's social change programs have been expanded to include recreational activities such as dance and drama.

Today Sport in Action derives 45% of its income from several self-financing¹ activities, including consulting services in sports for social change; proceeds from agricultural sales generated by its program participants; fees charged to local farmers for the use of its grinding mills; and the rental of vehicles. The organization has demonstrated a strong capacity to identify and develop new enterprise ideas, in particular around the needs of its beneficiaries. This has resulted in self-financing activities that both strengthen Sport in Action's financial sustainability and increase its mission impact.

Despite operating several self-financing activities, Sport in Action continues to lack funding to cover some core administrative expenses, and the organization sees a need to expand its self-financing in the future. In addition, one of its self-financing activities – sale of agricultural products – faces operational challenges that limit its sustainability and require additional management time and resources to ensure long-term success.

Section A: Organization Background

A.1. Mission and History

Sport In Action is a non-governmental organization founded in 1998 in Lusaka, Zambia, to use sports and recreation activities as a vehicle for social change. SIA's mission is to develop sports and recreational activities that improve the quality of peoples' lives by building motivation, personal development and self-reliance leading to social and economic empowerment.

SIA was founded by Clement Chileshe (the organization's current executive director), Innocent Chileshe (Clement's brother and a former professional volleyball player), and Albac Mukape, a former professional basketball player. Clement's own experience of finding new opportunities through sports as a teenager inspired him to found the organization. Growing up, he had been shy and lacked self-confidence, which affected many aspects of his life, including his school performance and overall sense of well-being. As he began playing sports in school, he developed skills which helped boost his self-esteem as well as his school work. At the age of 19, he obtained his first job at the Zambia Copper Mines club, where he became sport and recreation officer and trained youth in basketball. Through this job he was able to financially support his siblings and other family members, and he realized that sport was an avenue through which people's lives could be changed.



Clement went on to become the national coordinator for the Zambia Basketball Federation, where he organized mini-basketball programs for at-risk youth and became interested in using sports as a tool for social change. He first attempted to run large-scale sports for social change programs by proposing that the Ministry of Education support a scaling up of the mini-basketball camps he was running at the Zambia Basketball Federation. However, at the time, the Ministry's focus was on performance (i.e., physical education only) sports, and did not address the potential for social change. After the Ministry turned down his proposal, Clement created Sport in Action, the first sports for social change organization in Zambia.

From 1998 to 2001, SIA's only staff member was Clement, who worked there part-time and also taught physical education and environmental classes and served as National Coordinator for School Sports at the Ministry of Education. The



For SIA, sports are a means for advancing a wide number of issues in education, health, civil society, gender, community development, poverty reduction, and culture.

organization relied on more than 40 volunteers to implement sports programs in various communities. In 2001, the Norwegian Agency for Development Cooperation (NORAD) provided a grant that allowed SIA to hire full-time staff. That same year, SIA developed a partnership with the Zambian Ministry of Sport, Education, Community and Culture to work with schools on developing their sports programs. Although this partnership did not provide direct financial resources to SIA, it helped the organization reach many school children, using teachers as volunteers and utilizing school-based sports facilities.

A.2. Programs

For SIA, sports are a means for advancing a wide number of issues in education, health, civil society, gender, community development, poverty reduction, and culture. Through its programs, the organization targets youth and children from vulnerable communities, women and children with disabilities, and youths living with HIV/AIDS. The organization runs three programs:

Youth Empowerment through Sport: This program aims to empower youth ages 14 to 22 through a variety of sports, life skills programs and recreational activities. The sports include basketball, volleyball, football, netball, and baseball (a sport that is new to Zambia, having been introduced by SIA). Youth also acquire life skills through education in reproductive health, HIV/AIDS, children's rights, drug and alcohol abuse, leadership development, conflict resolution, and income generation. Those who do not want to play team or individual sports (or those who are not able to, such as certain youth with disabilities), may participate in a



- 2 Psychosocial support helps children cope psychologically with stresses and traumas (e.g., a death in the family) in one's social environment.

number of other activities such as drama, video shows, dance, and cultural festivals. Because youth in Zambia tend to have a lot of free time, these recreational activities also serve to engage them when they are not playing sports.

The program's sports and recreational activities are community-based, relying on youth volunteers to run the programs. When SIA implements a Youth Empowerment through Sport program in a given community, the organization first conducts a needs assessment as part of a project feasibility study. The study outlines the steps needed to establish the program in the community, including the types of sports and activities youth would like to participate in. Then SIA trains selected youth in leadership and organizational skills so they can run the activities. Once training is complete, the community elects a multi-sport technical committee (to organize and oversee sport activities) and an administrative committee (in charge of managing the overall project) to oversee the program. With this structure in place, the program becomes an SIA affiliate. There are now 300 SIA affiliates in 24 districts. The main office in the capital of Lusaka acts as a secretariat providing support to the affiliates. In total, the program has more than 350 youth volunteers and more than 10,000 program participants.

Child Empowerment through Sport: This program uses sports and physical education to provide psychosocial support² and life skills education to children ages 4 to 13 who have not attended school consistently. Similar to the Youth Empowerment through Sport program, SIA uses sports to educate and help its beneficiaries. The child program is school-based and implemented as part of schools curricula, and teachers volunteer to implement the program. SIA also trains and equips physical education departments at elementary schools to help them improve their physical education activities. This program currently works with 80 schools around Zambia.

Womens Empowerment through Sport: The objective of this program is to provide sport and income-generation activities to parents of the Child Empowerment through Sport program beneficiaries. The program is also a way to familiarize mothers with the benefits of the Child Empowerment through Sport program, since they are sometimes reluctant to let their children (particularly girls) participate in sports.

Creation and Rehabilitation of Sport Facilities: This program finds and repairs recreation and sports facilities in schools and communities to increase the availability of such facilities to the general public. So far this program has repaired 12 facilities throughout Zambia.

SIA is composed of a board of directors with seven members (including the executive director). In 2006, SIA employed 13 full-time and three part-time staff members. Across all programs, about 450 people work as volunteers to assist SIA with organizing sports events, refereeing, coaching, and other activities. region.



A.3. Financial Information

In 2006, SIA received more than half (55%) of its income from grants, including 48% from international donors and 7% from domestic public funds in particular from the Ministry of Education. The rest of the organization's funding came from self-financing (45% of the budget). Self-financing revenues were equally divided among fees for service (which included contracts with the government and corporations) and the use of hard assets (rental of equipment). Over the past three years, SIA has been able to reduce its dependence on foreign donors by increasing its share of self-financing revenues, in particular from hard assets.

SIA's staff and volunteers viewed self-financing as a way to improve the economic well-being of the organization's beneficiaries by providing them with income-generation skills.

Funding Source	2006	2005	2004
International sources	48%	63%	71%
Public and government sources (national)	7%	5%	4%
Self-financing			
Fees for service(s), including government and private contracts	22%	12%	10%
Use of hard assets (rental of equipment and facilities)	12.5%	10%	11%
Product sales (Young Farmers Clubs, paintings)	10.5%	10%	4%
	100%	100%	100%
TOTAL BUDGET (US\$)	\$6,000	\$3,800	\$2,500

Section B: Self-financing

B.1. Self-financing Activities

SIA decided to engage in self-financing activities for two reasons. First, the organization faced funding challenges because few donors supported sports for social change organizations. Furthermore, donors that did provide financial support only did so for short-term projects, which did not provide enough funding to cover administrative expenses. Second, SIA's staff and volunteers viewed self-financing as a way to improve the economic well-being of the organization's beneficiaries by providing them with income-generation skills. Hence self-financing had both financial and mission-related goals.

SIA currently runs several self-financing activities: fees for services, product sales, and use of hard assets.



Fees for Services

SIA operates two consulting services. The first one trains NGOs, schools, multilateral agencies (e.g., U.N. agencies), and government agencies in the use of sports for social change so they can integrate this element into their existing programs. SIA also delivers workshops in HIV/AIDS education and psychosocial support. The consultancies generally have three components: A) development of training manuals specific to the needs of the client; B) training in the design and implementation of sports for social change programs; and C) monitoring of program implementation. Trainings usually last three to five days, while monitoring can last up to six months into program implementation. SIA started consulting in this field in 1999 based on demand from many organizations that wanted to tap into its expertise in sports programs.

The second set of consulting services consists of event organizing and management for government, private sector companies, and NGOs. Clients organizing sports events call on SIA to help plan the process and to give guidance on the structure of organizing committees, their roles, and on fundraising. Usually an SIA consultant sits on the event organizing committee and provides advice through this forum.

Product Sales

Through its Youth Empowerment through Sport program, SIA runs a project called the Young Farmers Sports Clubs. The objective of this project is to empower youth in rural areas through sports and income generation. SIA

organizes rural youth in clubs consisting of several sports teams (football, volleyball, etc.), with club sizes varying from 160 (the smallest) to 370 (the biggest). Currently four such clubs exist. Through team sports, youth acquire life skills and learn about specific community issues such as alcoholism, in line with the skills acquired by beneficiaries of the Youth Empowerment through Sport program. For the income-generation component, team members are matched with Ministry of Agriculture representatives who train them in crop production.



Members of the Young Farmers Sports Clubs are matched with Ministry of Agriculture representatives who train them in crop production.

SIA provides training in entrepreneurship, working with members of the Young Farmers Sports Clubs to sell their crops at local markets and supermarkets. Of the sales generated, 70% go to club members as personal income and 30% are shared with the local SIA affiliate.

In addition to crops, SIA sells paintings by the youth participating in its programs. The paintings are usually sold on trips made by SIA teams and staff to Europe and the United States since the market in Zambia for such products is limited. Revenues are shared between the artist and his or her SIA affiliate in a similar fashion as the Young Farmers Sports Clubs' arrangement.



Use of Hard Assets

SIA operates two grinding mills in rural districts. Youth from the Young Farmers Sports Clubs and the general public bring their maize to the mills for processing and pay the local SIA affiliate a fee, which varies according to the amount of maize processed.

SIA also owns two vehicles (a bus and a truck) that it uses to drive sports teams to tournaments, games, and other events. When the vehicles are not being used for team activities, SIA rents them to individuals and small companies. The vehicle rental business was started in 2005.

Although SIA currently derives 45% of its budget from self-financing, the organization would like to increase this proportion to between 51 and 75%. This reflects the need to pay for administrative expenses that are not currently covered by project funds.

B.2. Start-up of Self-financing Activities

SIA did not follow a single blueprint in starting up its self-financing activities. Some self-financing activities were begun as a reaction to market demands, others were based on suggestions from beneficiaries, and yet others were the result of thorough planning and analysis.

The launch of consulting services occurred in reaction to requests from organizations that wanted to replicate SIA's expertise in sports for social change programs. The start-up costs required for this activity were minimal, and the only expenses SIA incurred related to brochures and marketing materials and training manuals (which required mostly staff time).

For the Young Farmers Sports Clubs, SIA undertook thorough planning and analysis in the form of a feasibility study prior to launch. SIA conducted interviews with potential club members to gauge their commitment to the club idea, since potential members worked on their own farms and sometimes attended schools. It was important for SIA to ensure that there existed sufficient interest among potential beneficiaries in participating in the club. SIA also interviewed parents and family members to ensure they would support the participation of their children and siblings in the program. Furthermore, SIA conducted market research to assess whether a market existed for the produce to be grown by the youth clubs.

The market research analyzed two segments. The first one was supermarkets, which represented a market opportunity but were also quite competitive, with a high number of suppliers. Nevertheless, the analysis indicated that if the quality of the produce was high, supermarkets would be willing to purchase from the clubs. The second segment consisted of local markets. For this research, SIA interviewed merchants and members of the committees that manage the local markets. The analysis showed that here again a market existed, but that profit margins were low, particularly compared to the supermarket segment. Finally, SIA

Before setting up the Young Farmers Sports Clubs, SIA undertook extensive planning and analysis, interviewing potential members to gauge their interest and also interviewing parents to ensure they would support the participation of their children.



Members of the Young Farmers Sports Club suggested that SIA develop local mills to grind their maize, to shorten the distance (sometimes up to 15 kilometers) they had to travel for this service.

analyzed the amount of support the clubs could expect to receive from two groups of stakeholders: 1) local community chiefs (i.e., tribal leaders), whose support was important in ensuring that clubs would have access to land and water; and 2) local Ministry of Agriculture offices, which would provide technical assistance in crop production.

The Young Farmers Sports Clubs required start-up budgets of between US\$1,000 and US\$4,000, depending on the type of income-generating activities undertaken, which ranged from crop production to cattle rearing. SIA covered part of the budget, providing farming equipment, tools, chemicals and fertilizers, building materials, training, and sports equipment (footballs, netballs, volleyballs, jerseys, etc.). SIA also incurred some expenses related to the development of the feasibility study, mainly relating to transportation. The budget for this self-financing activity came from funds allocated to the Youth Empowerment through Sports program, under which the young farmer sports clubs are managed.

For the grinding mills, SIA did not conduct any planning as the organization saw them as a way to meet an immediate need. In 2005, the organization was looking to found an additional venture (besides consulting and the Young Farmers Sports Clubs) to support its activities. Members of the Young Farmers Sports Club suggested that SIA develop local mills to grind their maize, to shorten the distance (sometimes up to 15 kilometers) they had to travel for this service. This long walk was difficult for children and youth, prevented them from attending school and SIA sports activities, and had safety implications for girls (who could be harassed along the way). Thus, SIA purchased two grinding mills in districts where its sports clubs were operating.

The mills required start-up funding of approximately \$5,000 each, which came through a grant from the Global Fund for HIV/AIDS specifically for this self-financing activity.

Besides funding challenges, SIA faced difficulties relating to the launch of its Young Farmers Sports Clubs. SIA club members did not have the necessary knowledge in key areas such as farming techniques and financial management to successfully implement the self-financing activity. To overcome this obstacle, SIA partnered with the Ministry of Agriculture for technical assistance in crop production and SIA's financial manager provided training on basic financial management.

Section C: Management

The management of SIA's self-financing activities reflects its structure of a central Secretariat with local affiliates: some self-financing activities (i.e., consulting, truck and bus rentals) are managed centrally, while others are managed locally (e.g., crop sales, grinding services), with support from the Secretariat.

Consulting services are delivered by SIA's staff members, who divide their time between mission activities and consulting. A total of nine people (out of 13) are



involved on a part-time basis in consulting assignments during the year. Staff is assigned to consultancies based on availability and the qualification needs of the consultancy.

The Administration Project Officer manages the consulting services, providing administrative support to the consulting assignments. This staff member also oversees human resources and is therefore in the best position to assign staff to consultancies according to their availability and skills.

The income generated by consulting is used to cover administrative expenses, both at the secretariat and district (affiliate) levels.



Consulting services are delivered by SIA's staff members, who divide their time between mission activities and consulting.

The management of the grinding mills is handled by SIA affiliate members of the Young Farmers Sports Clubs. They are employed full-time for this purpose and collect money from club and non-club members who use the mills. The money is transferred to the treasurer of the local SIA affiliate's administrative committee.

Management of the Young Farmers Sports Clubs is handled at the district level. Club members are responsible

for organizing the production and sale of their crops. For sales at local markets, each week clubs form groups responsible for the transport and sale of the products. For sales to supermarkets, the club's secretary is responsible for marketing and sales. When the secretary receives orders from the supermarkets, he or she communicates the order to club members.

The SIA secretariat oversees the management of the grinding mills and Young Farmers Sports Clubs through a project officer responsible for the Youth Empowerment through Sports program (under which both self-financing activities fall). The project officer helps to identify needs and provides overall self-financing development support.

Income generated by the grinding mills and Young Farmers Sports Clubs stays at the local level with the SIA affiliate - it does not go back to the SIA main office in Lusaka. Each SIA affiliate has a bank account to manage its finances. Income is thus reinvested in the affiliate's program activities (sports, education, and recreation activities). The Secretariat's role is to monitor finances of the affiliates to ensure the income is spent on agreed-upon cost items. At the beginning of the



year, the SIA Secretariat and affiliates draw up a budget for their programs and the affiliates are expected to cover a certain percentage of each cost item (sports equipment, transportation, etc.) through their self-financing activities. The SIA main office provides the rest of the funding or covers gaps when they occur. The SIA Secretariat monitors how the money is spent by asking affiliates to submit reports on self-financing income and expenditures.

Section D: Management Challenge

Since the launch of the Young Farmers Sports Clubs, SIA has faced challenges relating to the transportation of clubs' produce to supermarkets. Some of the clubs - and club members - are located in districts far from main transportation points (roads, towns, etc.). This distance can cause difficulties in the transport of produce from the villages to supermarkets, since transportation is not readily available or may be too expensive to justify. This results in produce reaching clients late or being lost since it is perishable.

The impact of the lack of transportation is two-fold. First, some clients (supermarkets) switch to other suppliers because they require consistent delivery of produce on time and with agreed-upon quantities. Second, the lack of transportation limits the expansion of club members' crop production, because they are unable to transport additional production to market. These factors adversely affect farmers' incomes and the income that is generated to sustain SIA affiliates' sports activities.

This challenge was identified in the feasibility study SIA developed for the Young Farmers Sports Clubs. When SIA planned the program, it included two solutions in the program work plan. The first was to develop relationships with transportation entrepreneurs and companies located close to club affiliates, who would be willing to charge less than larger transportation companies. The second solution was to include in the program budget a line item to buy a small truck for each district.

The first solution has only partly solved the problem. Local transportation vehicles respond to market demands and are not always available when necessary, leaving young farmers to rely on more expensive companies - or to wait for local transportation to become available. For the second solution, SIA was not able to secure the necessary funding for the small trucks. Instead, SIA sometimes lends its own truck to affiliates, but driving the truck to the affiliates and back can be as expensive as paying for transportation services from higher-priced companies.

SIA feels this challenge will not be completely solved until all of the affiliates are able to obtain their own trucks.

Section E: Legal Aspects

In Zambia, for the most part, the legal and regulatory environment treats CSO self-financing the same way as for-profit commercial activities. So while SIA's

Transportation has been a challenge for Young Farmers Sports Club members seeking to market their produce. For some, transportation is not readily available or is too expensive to justify.



nonprofit activities are tax exempt, its self-financing activities are not. Despite taxation of CSO self-financing activities, CSOs do not have to set up separate legal entities to conduct their commercial activities.

Young Farmers Sports Clubs pay income taxes of 15% on the profits earned from produce sales. The same applies to income generated by the grinding mills. For this activity, SIA affiliates also pay a value-added tax of 17% on the materials and supplies they buy to run and maintain the grinding mills. SIA also pays the same income tax on the income earned from consulting.

Because the laws that apply to CSO self-financing are very similar to those that apply to the commercial sector, they are straightforward and do not require particular expertise or external help to ensure that SIA is in compliance. SIA's accountant submits an annual income form to local authorities to determine its tax liability.

No specific permits or licenses are required for SIA to run its self-financing activities.

Section F: Effects of Self-financing

F.1. Performance Analysis

Overall, SIA's self-financing activities are generating a surplus for the organization. Consulting is contributing the most to this surplus as clients include international organizations (large NGOs and foundations) and governments, which pay high rates for the consultancies. In addition, consultancies have been increasing in the past few years, due to two factors. First, SIA has expanded its programs and has become well-known both inside and outside of the country, raising its visibility and leading to more exposure through invitations and presentations at conferences. Second, the field of sports for social change has been growing internationally, fueling more demand for organizations such as SIA that have expertise and a track record in this area. Last year, SIA was able to secure 15 consulting contracts, and the organization has consulted in Uganda, Rwanda, Kenya, among others.

The grinding mills also significantly contribute to the self-financing surplus. The success of the grinding mills comes from making this asset not only available to SIA members but also to the general public. By catering to villagers living in surrounding areas, SIA has opened up an important market, and the client base is comprised mainly of the general public. Also, while maize harvest is seasonal (during April and May), maize processing occurs throughout the year, as farmers need to turn maize into food for household consumption. This ensures a constant demand for the mills, regardless of the season.

On the other hand, the performance of the Young Farmers Sports Clubs has not met all expectations. In addition to the transportation problems and vulnerability to weather patterns which affect crop production, sales to local markets have been more difficult than anticipated. In these poor communities, residents are only



The field of sports for social change has been growing internationally, fueling demand for organizations such as SIA that have expertise and a track record in this area.



able to pay low prices and in general they make small purchases. Two years ago, SIA started selling to supermarkets, a market segment that had been identified in the feasibility study, and overall sales are now increasing.

Sales to supermarkets are initiated using SIA's contacts. The Youth Empowerment through Sports project officer helps local affiliates with marketing and client prospecting. Once contact with a new client is established, the local club affiliate takes over and manages the product orders. The project officer also gets involved when there are conflicts between the club and a client. Such conflicts can take place if the clubs fail to deliver quality products or to make deliveries on time.

The social aspect of the Young Farmers Sports Club is a selling point, but supermarkets still demand quality products. Ensuring consistent quality has been a problem, so SIA has implemented a quality control program and outsources technical assistance to University of Zambia staff, who work with clubs to improve product quality. Despite these efforts, some quality challenges remain, limiting the volume clubs can sell to supermarkets. Thus, the clubs continue to sell more to local markets - despite the lower profit margins - than to supermarkets.



By combining income generation with sports, SIA's Young Farmers Sports Clubs reach rural youth who would otherwise not have the time or resources to take part in the organization's activities.

The combination of challenges has yielded results below expectations for this self-financing activity. The SIA Secretariat continues to cover part of the affiliates' sports and life skills budget, ranging from 20% to 60% of these activities' expenses. In addition, SIA had to close one of the clubs for lack of performance.

F.2. Analysis of Impacts and Trade Offs for the Organization

Overall, SIA feels self-financing has had a positive impact on the organization. These benefits can be attributed to three factors.

Financial Sustainability

By generating 45% of SIA's income, self-financing allows the organization to cover administrative and program expenses both at the secretariat and district levels. The administrative expenses covered include communication, salaries, and travel. At the district level, self-financing covers a number of program expenses not covered by donor funds, such as education programs, events and tournaments.

Self-financing has also reduced the pressure to fundraise. For example, when SIA started the Young Farmers Sports Clubs, the organization paid for the clubs' sports and life skills expenses, in particular travel and equipment. Now the clubs generate income, not only for their members, but also to cover their own sports and life skills expenses. Although the clubs are not yet 100% sustainable (i.e., they do not cover all of their sports and life skills expenses), they are able to fund between 40% and 80% of their own expenses, significantly diminishing SIA's need to fundraise for this program.



Furthermore, self-financing increases SIA's exposure at the national and international levels, which can lead to additional funding for the organization. Specifically, SIA's consulting assignments create links with international nonprofit organizations, foundations, governments, and multilateral agencies and create publicity for the organization. For example, SIA received funding from a new donor who had become familiar with SIA through a consulting assignment the organization had completed for a partner of the donor.

Self-financing has also increased SIA's financial independence. In the past, when the organization was mostly donor-funded, the activities it implemented were influenced by donor demands and priorities. With a higher level of financial independence, SIA now feels it can plan some of its activities more freely (such as a tournament where children are provided with vaccinations) based on its own experience and methodology.

Mission Impact

Self-financing has had a very profound impact on SIA's mission. First, through consulting assignments, SIA furthers its mission of improving quality of life through sports by training other organizations on the design and delivery of such programs. This helps to reach additional beneficiaries around Zambia and also internationally.

Second, the income generated through self-financing helps to increase SIA's program reach by enabling it to work with more beneficiaries. For example, the income might help SIA purchase additional sports equipment for a school, allowing more pupils to participate in the sports program. As mentioned above, SIA is also able to organize events and tournaments not sponsored by donor funds, and these events and tournaments increase the number of people who participate in SIA's programs.

Third, self-financing has allowed SIA to reach new types of beneficiaries. By combining income generation with sports, SIA's Young Farmers Sports Clubs reach rural youth who would otherwise not have the time or resources to take part in the organization's activities. Because of the increased prospects of generating income (through capacity building in crop production and wider product distribution to supermarkets) the rural youth can clearly understand the benefits of taking part in the program and its sports activities.

Fourth, self-financing has broadened SIA's scope. While the organization uses sports to improve people's quality of life, its programs also help improve beneficiaries' prospects through other activities. For example, the grinding mills serve dozens of non-SIA beneficiaries who can grind their maize close to their villages, reducing the time and resources needed for this activity. Furthermore, sales generated through the Young Farmers Sports Clubs directly benefit club members and help to improve their life quality through higher income. One of the results of the income generated by SIA's self-financing initiatives is that some parents have been able to send their children to school for the first time or put them back in school after taking them out for financial reasons.

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Self-financing has also helped to change SIA's resources management. Since the organization puts a lot of efforts into generating its own resources (through consulting assignments and other self-financing activities), there is now greater oversight over the use of these self-generated resources.

Organizational Development

Self-financing has improved SIA's capacity to manage its programs and overall organization. This increased capacity derives from the consulting assignments that staff members participate in. The assignments push staff to thoroughly prepare to deliver quality services and develop their organizational skills. Furthermore, the assignments expose staff to challenges and knowledge outside the organization. When new knowledge or ideas are generated from a consulting assignment, SIA organizes internal workshops to share lessons learned with the rest of the staff and to explore how this experience can be adapted or replicated. For example, SIA feels consulting has improved its time and record-keeping capacity. The organization has also been able to increase staff skills by conducting capacity-building workshops for all project coordinators.

Self-financing has also helped to change SIA's resources management. Since the organization puts a lot of efforts into generating its own resources (through consulting assignments and other self-financing activities), there is now greater oversight over the use of these self-generated resources. All activities are planned thoroughly and the organization puts an emphasis on the relationship between costs and outcomes.

SIA's self-financing activities have also helped to increase beneficiaries' involvement in the organization's activities. The structuring of the Young Farmers Sports Clubs into committees promotes input and feedback on the management of the programs at the affiliate level. Now the sports clubs are self-managed and SIA's Secretariat plays a support role, helping to drive the concept of empowerment the organization is trying to achieve through sports and life skills activities.

Also, SIA has now forged alliances with supermarkets, a new stakeholder. Supermarkets provide an important distribution channel for Young Farmers Sports Clubs produce, and they have responded to SIA's appeal to buy from its program participants to benefit the community.

Section G: Conclusions and Lessons Learned

SIA generates 45% of its income from self-financing activities that are diversified, in terms of their relationship to the organization's mission, the types of products/services, and customers. This diversity reflects SIA's creative and flexible approach to self-financing: the organization uses self-financing as a tool to generate income for the organization, but also to deepen beneficiaries' involvement in the organization's programs.

SIA's experience with self-financing has enabled it to learn some key lessons that have helped the organization better understand how to manage these activities going forward. These lessons include:

- Entrepreneurship and opportunity recognition are essential. In the case of the grinding mills and Young Farmers Sports Clubs, SIA used self-



financing as a way to solve problems faced by its beneficiaries (i.e., access to local maize processing facilities and need for increased income). In both cases, these challenges prevented beneficiaries from participating in SIA's programs. At the same time, the organization was quick to recognize opportunities and, just as important, open to new suggestions and ideas.

- Success is also based on conducting market research. The development of a feasibility study for the Young Farmers Sports Clubs activity revealed key elements (a new market segment: supermarkets, and a risk: transportation) for the management of the project. At the same time, SIA's experience shows that major enterprise obstacles identified during market research should be resolved prior to launch for the enterprise to be successful.
- Self-financing closely linked with mission and programs can have both important financial and mission impact. Through self-financing SIA is able to contribute significantly to its income and expand the scope and depth of its mission (by serving more and new types of beneficiaries).
- Adequate start-up capital is important to ensure success. SIA identified the need for trucks for its Young Farmers Sports Clubs program in its feasibility study, but its inability to raise the necessary capital for this item continues to hamper the program, three years after its launch.
- Self-financing activities are more effective when beneficiaries are involved in designing them. The decision to purchase the grinding mills was made based on recommendations from program beneficiaries, who knew about this need in their communities.