



# Tanzania - Arusha

## MICRO-FINANCE



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## 1. Summary of Current Developments

- During December all the women's groups were in their third loan stage (300,000 Tsh / \$180 USD) with 15 loans distributed during the month.
- Weekly visits have been made to all of the groups during the first three weeks of December. A whole new Microfinance Team introduced itself to the women. We are very glad to know that at least three members of the team will stay for some time, so that we can get to know the women better. We think that is necessary to develop the project in the right direction.
- During these weekly visits to the group also some interesting business visits were made. They gave good insight to the new members of the team.
- A visit has been made to MTREGA, a potential new group.
- On the 5<sup>th</sup> of December International Voluntary Day took place. All the members of the team spent the whole day cleaning (wiping) the bus station and the Central Market in Arusha (morning) and a workshop with presentations about HIV/AIDS (afternoon).
- On the 20<sup>th</sup> of December Projects Abroad organised a Christmas Party during which the volunteers cooked out of the kitchen of their own country.
- From 21<sup>st</sup> of December until the end of the year there were no activities, although Elizabeth took care of collecting the weekly instalments.



## 2. Volunteer Information

During the month of November Chrissie Bell, Sondra Kiontke and Jesper Johanson left the project. At the start of December Malcom and Bernadette Wilson and Niko Winkel joined the only remaining member, Jeannine Hardy. During the first weeks of December the team consisted of 4 members. From December 16<sup>th</sup> Jeannine Hardy has left and Dan Chase has joined the Micro-Finance team. From December 21<sup>th</sup> until December 31<sup>th</sup> there were no activities because of Christmas holidays.



### 3. Loan Portfolio

Group	No. Women	Issue Date	Total Loan Value (TSh)	Repayment @ 31.12.13	Defaults	Outstanding Balance @ 31.12.13
Riverside	4	23 <sup>rd</sup> September	1,200,000	840,000	0	360,000
Tupendane	7	12 <sup>th</sup> November	1,900,000	665,000	0	1,235,000
Ikusura	8	5 Loans 19 <sup>th</sup> Nov 3 Loans 1 <sup>st</sup> Dec	2,400,000	630,000	0	1,770,000
CHE	10	4 Loans 18 <sup>th</sup> Sep 6 Loans 16 <sup>th</sup> Oct	2,800,000	1,630,000	0	1,170,000
Amani	10	5 Loans 6 <sup>th</sup> Sep 5 Loans 25 <sup>th</sup> Oct	2,750,000	1,745,000	0	1,005,000
Mshikamano	6	4 <sup>th</sup> October	1,200,000	900,000	0	300,000
Total	46	36 Active Loans	12,250,000	6,410,000	0	5,840,000

**Available Cash @ 01<sup>st</sup> January 2014: 3,095,000 TSh**

**Next Capital Required March 2014: 1,000,000 TSh**

### 4. Monthly Achievements

The results of the Survey, held in November (see: November Report), are not yet taken into consideration by the Microfinance Team. The reason is simple: from December 1<sup>st</sup> there was a brand new team. The only remaining member, who was already on the project in November, was there only for two more weeks (until Dec. 14<sup>th</sup>).

The new members started with blank sheets and discovered all the already existing documentation all along the way.

During the month of December all the groups were given a refreshing training on bookkeeping. It is almost according the model that was already constructed.

The focus with this training was on the maintenance of what we expect from each woman in each group:

1. Attendance at the weekly meetings;
2. To have their bookkeeping books with them.

Group	Amount	Balance	Profit
MAKUNUZI		18,000	18,000
Kimadu - 15,000		25,000	
Mshare - 20,000		13,000	
Ngombe - 10,000		56,000	11,000
45,000			
Ngombe - 10,000		15,000	
Kimadu - 20,000		250,000	
Kimadindi - 28,000		37,000	
Usafiri - 2,000		77,000	17,000
60,000			
Kimadindi - 15,000		20,000	
Mshare kin - 25,000		27,000	
Ngombe - 5,000		19,000	
Kimadu - 20,000		25,000	
80,000		84,000	14,000
			2,000



The Microfinance Team on the project from early December found out, that most of the women could not show a bookkeeping that shows a balance and some insight in the profits, although the previous training and the model for bookkeeping handed out earlier did consist those aspects of proper bookkeeping. (See example)



The team came to the conclusion that it should be provided to come up with attendance and with transparent bookkeeping in order to get a next loan. So the team started to stress on this part of the agreement with the women. The team realises there are some dangers in stressing too much because of the danger of women being too afraid of not being able to do what is asked and in the end turn their back on the Microfinance support while still not paying back their remaining weekly instalments. In that case the rest of the group is responsible and should pay for the lack of responsibility of one. So it's better to start focussing on this

aspect during the last stages of the 3<sup>rd</sup> loan. Meanwhile we keep asking all of the women to bring their books and keep assisting on doing their bookkeeping the right way.

In the third week of December the 6 groups all had a refreshing bookkeeping training. From half of December the team prepared some extra support on marketing. During the first weeks of January that will be the main task, besides every week checking on the bookkeeping with all of the women and helping those to do it better.

After visiting most of the groups, the Microfinance Team also gained some extra insights by making business visits to the women. In some cases the team was confronted with business the team could hardly understand that enough profit can be made at last, or business of which one could think: maybe it's better to do something else, because this business is physical to demanding or will make too less profit in the end. Maybe we can come up with alternatives for now existing businesses, in some cases. Bookkeeping with the transparency wished for could underline such advices.

## 5. Future Developments

### Visit potential new group: MTREGA

On Thursday December 12<sup>th</sup> the Microfinance Team paid a visit to MTREGA. MTREGA is a foundation, started by a retired woman who wanted to organize conditions for improvement of the wellbeing of people (man & women) that suffer from HIV/AIDS.

One of the members of MTREGA attended our Voluntary Day-meeting, a week earlier, at the Projects Abroad Office and told all the volunteers about how HIV/AIDS-victims are treated, how they try to improve their live status and how far spread the disease in Tanzania is. This woman, Jenny (photo), was also present during our meeting in the office of MTREGA. Jenny really is a magnificent role model.



We found out, the MTREGA-group consists of about 250 man and woman, although far more women than man, due to the fact the most man do not want to come forward with their disease. A part of this group is already supported by a loan from Meru Community Bank, with an interest of 10%.

After telling the story of the founding and purpose of the MTREGA-foundation we told them how Projects Abroad works. The fact that Projects Abroad asks for no interest at all, made the women all the more enthusiast to be part of the Microfinance project of Projects Abroad.

Two aspects of interest came forward. At first: in which way is it possible that the MTREGA-foundation itself can act as a cooperation for them to be supported business of the members of the group? Up until now each of the members acts as a solitary unity. We told them we see great opportunities to enhance efficiency and cost reduction. They were quite interested in our visions on this.

Second: there is a potential danger in supporting a group of people on other conditions than another part of the same group. Remember that a larger number of people still have to pay 10% interest. This should not bear a burden on some of the members of the MTREGA-group.

We told the two women at MTREGA (although there also was a male member of staff attending this visit) that we can only support women, so MTREGA-men cannot be part of any support. And we came to the conclusion that we would like to pay a second visit to the group and then be able to have a meeting with a pre-selected group of max 10 women, which possibly could form a new Projects Abroad-supported group. We specifically asked for a focus in the pre-selection on comparable business of the women, so that we also can support cooperative actions from MTREGA. The next visit will be in the second week of January 2014.