

Microfinance Project

Progress Report for March 2013

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Summary of Work to Date

The month of March has been a whirlwind of loan disbursements. The beginning of the month consisted of finishing up the final trainings for two of the three newest groups and handing out loan applications. Once the members to receive loans had been decided between meetings among Microfinance Team members and the chairwoman of each group, loan disbursements took place rapidly. As of now, the Projects Abroad Tanzanian Microfinance Project is funding 51 women from six different women's groups around Arusha.

The following women received loans in the month of March:

Tupendane Women's Group

1. Clementina Kipuyo, 53, to increase the capital of her business, consisting of a small shop and a chicken business.
2. Hilda Makundi, 35, to improve her animal feed business and to attract more customers.
3. Gladness Mbise, 39, to expand her shop in which she sells various needs and requirements for her community.
4. Janifa Mmari, 37, to start a new business in addition to her current one.
5. Grace Simon, 52, to start a new business in a different part of town.
6. Witness
7. Janeth Elias Mollel
8. Naishiye

Ikusura Patandi

1. Irene Ndelilio, 46, to continue her business and create a new system of doing so.
2. Eliasenya Isangya, 51, to expand her shop which sells products to serve the community's needs.
3. Evaline Pallangyo, 48, to continue her business of livestock.
4. Ellinuru Moses, 52, to increase her capital and her business of jewelry, eggs, vegetables, and milk.

5. Helena Terevaeli, 59, to expand her business and hire someone to help with the work.
6. Magdalena A. Mbwambo, 55, to buy animal feed and other equipment for livestock care.
7. Elishikariza Alexandar, 56, to increase her business.

Mshikamano

1. Coletha Mmassy, 35, to increase the stock of her shop which provides for the needs of her community.
2. Yasintha Nicolaus, 49, to increase the variety of her fruit and vegetable stand by also selling large fish.
3. Constansia Mnishi, 49, to buy ingredients for her food preparation business and to buy a cow to become more self-sufficient.
4. Zainabu Abdala, 52, to expand her cooking business by buying more ingredients to prepare other foods.
5. Rehema Josefh, 40, to increase her tea and spice business and start another one to increase profit.
6. Fatuma Shanbani, 49, to buy more peanuts to sell to her customers.
7. Kihaji Juma, 56, to buy more coal to sell to her customers.

Amani

1. Christina Manyanga, 44, to buy cow feed and therefore produce a larger amount of milk. She would also like to buy supplies to start her own cooking business.
2. Meshi Hosea, 60, to improve her cow business.
3. Nafisa Laizer, 37, to buy barrels in which to store sunflower oil.
4. Rose Shao, 49, to improve her business in which she keeps cows and pigs and sells firewood.
5. Selina Mrema, 49, to buy more supplies for her frozen ice pop business.

CHE

1. Nasinyari John,

It was decided that the Mshikamano, which is a riskier group than Projects Abroad has worked with in the past, would be given smaller loans of 50,000 Tanzanian shillings instead of 100,000 shillings. Most of these women have very small businesses that do not generate a lot of profit. This means that the small loans can help the women improve their businesses, and more women from the group were funded at once (seven instead of five). The women elected to repay these loans in two and a half months, meaning that each woman pays 5,000 shillings per weekly installment.

Now that six groups are being funded by Projects Abroad microfinance loans, the Microfinance Team looked at several new groups throughout the month of March. So far, it has visited two groups as potential loan applicants. The first (Kijoga Group, Widows) was recommended by the Human Rights Project at Projects Abroad. However, the group was located very far away and is difficult to reach, especially during the rainy season when roads are difficult to traverse. The group, for some reason, was also alerted to the Microfinance Team's ability to give loans prior to the visit, and they were unwilling to

wait for the process of completing interviews and trainings prior to receiving loans. It was ultimately decided that the group was not a good fit for the microfinance project. A second group, called Tumaini, was recommended by HIMS. Upon visitation, however, it seemed that the group was in disarray and were also alerted as to our work and demanded loans immediately. Finally, the women of the CHE group, who are all connected to many other women's groups, have recommended another women's group located in a Maasai village. This group will be visited at a later date.

However, it was decided at the end of the month that instead of looking for new groups the Projects Abroad Microfinance Team would think about working more closely with individual women from each group. At this point, the team visits the groups every week and selects the businesses of several women to visit each time. The extra time in the schedule could, however, be used to work more closely with these businesses to teach the women how to use their money to improve their business, create higher levels of profit, and become more independent. The team has worried that the microfinance loans – and ability to move from one loan to a higher one – will create dependence on the loans instead of improving the businesses as they should. Additionally, the ability to the microfinance team to make a difference may be enhanced by working more closely and individually with the women to improve their businesses and overall well-being.

Future Planning

Five of the Riverside women finished their loan repayments by the end of March. It was determined at this point that the group is having some troubles with commitment from its members, therefore the continuation of Riverside's funding to the second loan has been put on hold. After decisions have been made to continue with the group, they will go through the process of post-loan interviews, refresher training, and a new round of loan applications in order to receive a second loan. It has been decided that two of the women will not receive loans again due to their treatment of the loan and their group in the first round.

Installment Collections: Projects Abroad is now collecting repayments from six groups every week. This way the relationship can be better-managed and the passbooks completed individually. It is also a time to help with any business-related questions e.g., help with cash book, marketing plan, etc. New women who are selected to receive loans will pay their first installment after only one week instead of two so that they will complete paying off their loan faster. This is at the request of the groups so that they may manage their funds better.

Business Visiting: It is very important for the Projects Abroad Team to see the improvements and development of the women's individual businesses. When the team visits every group each week, they select one or two women to whom they will pay a visit. This is a good chance to connect with the women and evaluate their progress, as well as a good opportunity for volunteers to truly see into the lives and well-being of Tanzanian women.

Post-Loan Interviews: As the first phase of the microfinance project comes to a close, volunteers have begun to develop a post-loan interview to gain feedback from the women as well as to assess whether their quality of life has improved a result of the loan. It is important to decide whether the microfinance approach used in this project is beneficial to the women or if there is a better way to move forward,

especially because this initiative is so new. We hope to see that the women's lives have been improved by the loan and business trainings, and that they do not become dependent on the loan.

Future Loans: The intention is that, once a successful loan phase has completed, the group can be eligible for further loans at an increased amount. It is recommended however, that the quality of the application needs to improve commensurate with the new loan amount. It should be one of the goals of the microfinance project that with increasing loans comes an increasing transfer of financial, business, and managerial knowledge to the borrowers.

Refresher Training: It is recommended that the training modules are delivered every six months as refresher training for groups that are talking the loans. This will help improve understanding and quality of loan applications (and hopefully business profitability too!). The training itself should be constantly reviewed and refreshed so relevant and effective.

Challenges and Lessons Learned

It has become a continuous challenge, over the past few months, to get the right information out of the individuals who receive loans. Loans applications are often not understood very well, and volunteers must return to the groups to ask the questions again in person. Sometimes these questions are received with an amount of defensiveness or shyness. This is a difficulty or barrier to cultural exchange – of course volunteers and the project manager want to know about the development of the businesses and the well-being of the women as a result of receiving loans, but do not want to encroach on their personal lives or put them under pressure.

Attachments

- Individual Profiles of Women (First Round and Second Round groups) Receiving Loans from the Microfinance Team
- Micro finance handbook.