



Tanzania - Arusha

MICRO-FINANCE



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1. Summary of Current Developments

- During January all the women's groups were in their third loan stage (300,000 TSH / \$180 USD). Some loans expired in this month. The Loan Application Form, as it was used for the third loan stage, is edited to be used for the women, that want a fourth loan starting in February 2014. The team plans on interview the concerning women using the form. The women will fill in the form in the first weeks of February.
- During these weekly visits to the group, some interesting business visits were made. They gave good insight to the new members of the team.
- During the month of January, the team found out that the input the team wanted to have from the women in order to get enough insight in the book keeping was too complicated. An instrument (Excel) was built, in which the team for every woman writes down what her income, expenses, and savings were. *See also 4. Monthly Achievements.*
- Three visits have been made to TRMEGA, a potential new group. On January 16 TRMEGA introduced a group of 10 women, that potentially can be a new women's group to be supported by Projects Abroad. On the 23rd of January the Microfinance team did marketing training for this women's group. On the 30th of January all the women explained what they would do with the loan to improve their businesses. Hopefully next month we can decide upon a first loan.
- On the 15th of January the Microfinance Team organized a Milkshake Workshop with the CHE women's group. *See also 4. Monthly Achievements.*
- During the last two weeks of January the team organized marketing training with all women's groups, focussing on how to display the products the best in order to enlarge selling/income. *See also 4. Monthly Achievements.*
- Some groups of women sometimes show a lack of attendance to weekly meetings. The Microfinance team did a fierce attempt to try and change the behaviour of some of the women/groups: not showing up on weekly meetings without an excuse and not bringing weekly figures on income, expenses, and savings will in the end influence the decision on giving the next loan.
- The Microfinance team had some conversations during the month of January with Elizabeth Makala (coordinator) and Glory Matoi (country director) in which some subjects were discussed:
 - A minimum period of weeks for assignment of volunteers to be a member of the team. The team is frustrated about the fact that Projects Abroad's Microfinance coordinator in London keeps pointing out that it's up to the volunteers to decide on joining the team of (only) a short amount of weeks.
 - The possibility of beginning to give loans with a small percentage of interest (*see below*).
 - Bringing a basic structure in the project to keep track of the improvements/developments of the women's businesses, built in an instrument that is to be maintained over time.

2. Volunteer Information

Weekly visits have been made to all of the groups during the whole month. Almost every week a new member of the Microfinance Team introduced him/herself to the women. Continuity in the project was guaranteed by Malcolm, Bernadette and Niko, who took along all their experiences from December to January. Rubin and Niko will also be there during most of the month of February, so also on the other end the continuity is well organized.

During the month of January Falgu Shah (UK), Rubin Brenner (US), Matteo Zardini (Italy) and Jean-Baptiste Watine (France) joined the Microfinance Team. Falgu was with the team for just the first two weeks of January. Rubin arrived at the beginning of the month; Matteo arrived on the 14th; Jean-Baptiste on the 21st.

On the 28th Malcolm and Bernadette Wilson went home to Australia after two months; on the 30th Max Palmquist (Sweden) also entered the team. Niko Winkel (The Netherlands) was already there from the beginning of December, but went to climb Kilimanjaro for a week (21st to 26th).

On the 22nd of January, Melanie Weische also joined the team just for one and a half week. She came over from the Human Rights project.

By the end of January the team consisted of Rubin, Matteo, Jean-Baptiste, Melanie, Max and Niko.

The Microfinance Team welcomes everyone in the team but is unsatisfied with the fact that a member, like Falgu and Melanie, can be part of the team for such a short period. It is not realistic that someone can make an real contribution is such a short time. The team has focused on this again with the director in Tanzania and the board in London, but... without any results.

3. Loan Portfolio

Group	No. Women	Issue Date	Total Loan Value (TSh)	Repayment @ 31.01.14	Defaults	Outstanding Balance @ 31.01.14
Riverside	4	23 rd September	1.200.000	1.080.000	0	120.000
Tupendane	7	12 th November	1.900.000	1.045.000	0	855.000
Ikusura	8	5 Loans 19 th Nov 3 Loans 1 st Dec	2.400.000	1.110.000	0	1.290.000
CHE	10	4 Loans 18 th Sep 6 Loans 16 th Oct	2.800.000	2.305.000	0	495.000
Amani	10	5 Loans 6 th Sep(post loan interview for 5 women's) 5 Loans 25 th Oct	2.750.000	2.300.000	0	450.000
Mshikamano	6	4 th October (Post loan interview)	1,200,000	1.200.000	0	0
Total	46	35Active Loans	12.250.000	9.040.000	0	3.210.000

Available Cash @ 01st february 2014: 5.799.000 TSh

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

4. Monthly Achievements

1. Follow up book keeping

Experiences of the Microfinance Team – December 2013 / January 2014

Setup for structure of insight-maintenance in business development of the supported women

During the first weeks of December there was a kind of 'gap' between the previous and the current team. We found out that most of the women did NOT show good figures of their book keeping, although we saw on Dropbox that many trainings and instructions were given during 2013.

We (Malcolm & Niko) came up with the idea to do a good book keeping training. We wanted to achieve that all the women were to write down the information of their income and their expenses, including personal expenses and savings. We also focused on the women to show their balance figure (what money do you have in your business?)

The trainings we did looked like they were quite successful.

But some weeks later we found out, that most of the women did not understand what we asked from them. We were a little bit disappointed by that. So we thought: maybe it is too complicated. We then focused on: give daily figures. Write down the summaries of your expenses and income of each day, adding up for a week, for our weekly visits. The balance by then was still an important figure for us.



Again some weeks later we learned to know, that it was still too complicated. So we got some more insight on how things developed. Or: did not develop. And we got some more respect for the situation which all the previous volunteers were encountered with. (My God, how naive we were!)

These experiences altogether are quite common. Most volunteers go through this. ;-)

So, we made a final step towards simplifying the instructions on to give us (the MF team) insight in the development of the women's business: just give us, on a weekly basis, the following 5 figures:

- * What money do you have in your business? (balance) (*baki*)
- * What was your income this week? (*mapato*)
- * What were your business expenses this week? (including weekly payback loan) (*matuzimi ya biashara*)
- * What were your personal expenses this week? (*matumizi ya binafsi*)
- * What were your savings this week? (*akiba*)

The women all responded quite happy on this request. This is a lot easier to handle for them. Also it brings back comparable figures between the women on one hand, and on the other hand: figures to compare over time for the individual women: how are business developing?

The final step we made was: drop the balance-figure.

The reason for this was: some see the stock/inventory as part of balance, some not. This is a complicating factor. And: some have different business and they do not split their using of the money. In the end: they just couldn't understand this figure properly. Income and expenses are more easy to handle with. Bottomline: make it as simple as possible!!

In January the team started working with an Excel-instrument in which the summarized results of the weekly visits to every group are being registered. In this Excel-document are also sheets, in which for every single woman the 4 remaining figures are written down, every week: income, business and personal expenses and savings. During February this instrument will be completed and the instructions on how to keep using this will be published on Dropbox.

2. Milkshake Workshop

On January 15, 2014, the Projects Abroad Microfinance Team held a Milkshake Workshop at the Jericho School at Ekenywa, together with the supported women's group called CHE (Community, Health & Education). The team brought a blender from Kilombero Market, while team coordinator Elizabeth Makala purchased fruit (pineapple, mango and banana) and the CHE-women paid for the milk.



The previous week, the Microfinance team talked to the CHE group about problems facing the women while developing their businesses. At that occasion, the women said that the cows produce a large quantity of milk during rainy season, but they do not succeed in selling (or using) the milk.



The team suggested that there is a possibility to look for new markets or other ways the milk can be used. The volunteers and the women came up with some interesting ideas, one of which was making milkshakes. At the end of the meeting, the team and the women made the appointment to organize the workshop that was held on Jan.15.

The women and the team worked together on peeling all of the fruit. The blender was tried out and worked properly. There was enough milk to produce about 10 liters of milkshakes. The first half of the milkshakes, the volunteers and the women drank themselves. Everybody enjoyed the milkshakes very much. Sugar or vanilla did not need to be added as the taste is excellent just by using milk and fruit. The second half, produced about 5 liters of delicious milkshakes, which was given to the community and the children

in the afternoon.

The team donated the blender to the women. The women will begin making the milkshakes themselves and find markets to sell it. The next team visit to the CHE group will involve marketing training. For this training the team will focus on the possibilities of the CHE group using the blender for milkshake business and the team will use the experiences the CHE group to determine how, where, when and to whom bestselling of milkshakes!



It was a very pleasant morning, with much laughter and much enthusiasm from both the CHE-women and the Projects Abroad Microfinance Team (Bernadette and Malcolm Wilson, Rubin Brenner, Matteo Zardini and Niko Winkel).



3. Marketing Training

During the first weeks of January general marketing trainings were given by Malcolm to all of the groups.

During the last week of January Matteo, JB, Rubin and Melanie organized specific marketing training on how to display your products in your shop in the best way.

The training has been done with all the women's groups. The shops of Riverside-women Husna and Hadija have been seen after doing the training. Hadija shop has been rearranged by the team. Husna brought adjustments in her shop, based upon the advices, herself.

More women are gonna make adjustments in the way they display their products in the first weeks of February. The Microfinance team will make some business visits in which further advice can be given.

The Microfinance team found out, that lots of basic principles on how to display your products were not known by the women. The women all responded positive on the given advices. This training surely can be repeated further on in 2014.

5. Future Developments

Meeting with all the supported women at Projects Abroad office

The Microfinance team is preparing a group meeting with all of the supported women at Projects Abroad office on February 13th. On February 6th all of the chairwomen are invited to assist on preparing this meeting. In basic the agenda for the meeting is: learning from each other and bringing the project to a next phase in which we take the supported women more seriously and point out to the women, that Projects Abroad from now on uses some definite rules on keeping track of the business improvements of the women. Bottom line: when there is no improvement and also it is not possible, based on knowledge given by the woman, to find out what the causes are, then there will be no next loan.

Women's groups and the 4th loan; reconsiderations about interest, changing working systems

The Microfinance team developed a new perspective on how to get a stimulating factor in the way the women perceive their loans. The thought is: giving the women just a loan without interest gives way to the feeling of the women, that Projects Abroad is just a bank that gives loan 'for free'. The experience of most volunteers is by times quite frustrating: how is it possible that the women get loans for more than a year(!) and still don't know how to calculate? The feeling arises that some of the women are lacking real attention to what we are all doing it for and just 'use Projects Abroad money'.

The Microfinance team discussed about this with Elizabeth Makala and Glory Matoi. We agreed to build a model in which, starting from the 3rd loan, there will also be a percentage of interest, at least if the women want to have get the maximum loan.

The first weeks in February a group of women will fill in the Loan Application Form for the 4th loan. The Microfinance team will interview the women based on their filling in of the forms, will decide on the reasonable amount of the next loan (flexible) and will stress out, that the loan can only be used for the aimed business improvement as it is written down in the Loan Application Form.

	MAX AMOUNT	INT. RATE	REQUIREMENTS	EXPECTATIONS
1 st Loan	100,000 TSH	0%	DESCRIPTION INVEST. USED SITUATION EXACT AMOUNT IF FUNDS NEEDED	FULL ATTENDING BOOK KEEPING
2 nd Loan	200,000 TSH	0%	1 st LOAN REQ 1 st LOAN EXPEC	BUSINESS GROWING (A LOT OF SALES)
3 rd Loan	300,000 TSH	< 20% > 20% 10% > 30% 15%	2 nd LOAN REQ 2 nd LOAN EXPEC	SAVING MONEY A LOT OF PROFIT
4 th Loan	400,000 TSH	< 20% 0% < 30% 5% > 30% 10%	3 rd LOAN REQ 3 rd LOAN EXPEC	PROFITABILITY GROWING BUSINESS PLAN FOR FIFTH LOAN
5 th Loan	500,000 TSH	< 20% 0% < 30% 5% > 30% 10%	4 th LOAN REQ 4 th LOAN EXPEC	ECONOMICAL INDEPENDENCE

The Microfinance team will evaluate these changes in the working systems in February and will improve the used instruments.

A major target is: for the first time since the start of the project lie down an administrative system (in Excel and Word) based on which the upcoming volunteer teams will work further. For the first time really break with the habit of the reinventing of the wheel over and over again!

Even more important is how the coordinator of the project (Elizabeth) will see to it that the volunteers will keep to this structure/model/instruments and that she is well supervised by Glory Matoi.

Reminder

Mentioned in the previous report (December 2013), but until now without action: the jewelry business as a result of

the group efforts of each group. Workshop? Enhancing network activities on the jewelry business? Support actions to selling the jewelry from the office.