

# Tanzania - Arusha

## MICRO-FINANCE



# > Table of contents – Monthly Report May 2014

Summary of current developments.....	1
Volunteer information.....	4
Loan portfolio.....	4
Monthly achievements.....	5
Future development.....	7

## Summary of Current Developments

### General development

During the month of May we continued to train the women in the new book keeping system and from the second week of May they started reporting their weekly numbers in the new table. The women have made good progress since the start. Many of them already manage the new system well, while some of them still need additional training. They are experiencing difficulties mainly when they make a loss and are confronted with negative numbers. Both the concept of negative numbers and the calculations are a challenge for them. As a consequence we prepared a maths lesson and let the women practice sums with negative numbers. To make it easier for the women to manage the new system, we have decided to provide notebooks for bookkeeping with pre-printed tables to the women, as well as a few calculators for each group.

We have continued the evaluation of the Twaweza and Chemchen groups. For both groups we conducted group interviews, individual interviews as well as provided book keeping training and maths lesson. Currently, there is only room for one more group in the Projects Abroad Micro-finance program, and we have decided to allocate the loan to Chemchen group, which is a smaller group with a higher, more consistent level of proficiency regarding bookkeeping. For the other group, we will still continue to work with them by providing training and maybe give them a loan in the future.

We provided the fourth loan to the Tupendane group. Only Clementina, Hilda and Gladness were offered the full amount.

We have discussed cooperation between Projects Abroad and the NGO Shukuru with founder/director JoAnne Longanilla. Shukuru is helping school girls to finance their secondary school education. On 24<sup>th</sup> May three of the volunteers came with JoAnn for a field visit close to Moshi and met with some of the girls in the program. JoAnne needs help to manage an administrative spreadsheet as well as assistance with her marketing and communication. The administrative work is potentially time-consuming routine work that requires frequent travels to Moshi, and we have therefore decided that we will not be able to help with this. However, we can help her with some of her marketing work as well as provide financial training to members or employees of her project if needed.

We have formalized the administrative work, e.g. Monday morning team meetings, meetings with Glory Matoi every second week and the use of weekly and monthly planner. Each volunteer has been allocated the responsibility of one women's group, and will lead his/her group's weekly meeting, take notes, record figures, arrange business visits and trainings. We will also analyse historical numbers to identify trends and risks etc. for each group.

The Dropbox document library was partly restructured and updated, for example the handbook and individual interview forms have been revised. The handbook should be updated on a regular basis, and contain both the overarching goals of the project as well as details regarding the microfinance process and descriptions of our daily tasks.



## **Development by group**

**Tupendane:** We missed one meeting due to bad weather. Mary is no longer a member of this group because she consistently failed to show up to the meetings – a decision made by the women themselves. They have showed good progress in understanding the new book keeping system especially Gladness, who often translates and helps the other women with their books. Despite a number of the women struggling with calculations there was quite a low level of interest in the maths lesson we offered. We have given them their fourth loans but some others in the group only received 100,000 because we felt they needed to prove to us that they would be able to pay it back.

**Ikusura:** Business as usual with high attendance rates and relatively good business activities. Irene constantly proves to have great business figures. Helena struggles to calculate the sums for her business despite having one-to-one training on some occasions. She responded quite well to the maths lessons and we hope to continue these with her.

**CHE:** With recent bad weather and the women having to travel quite far to meet with us there was some poor attendance ratings and often the women are late. This being said, the women have shown their aptitude for the new book keeping system and seem to be handling it well on the whole. Medinata has had some financial troubles. She has been locked out of her hair salon because she has not paid rent for the last 3 months and is struggling to find the money for her home as well. Her child has been sick which has stopped her from working and used money that would have otherwise been used to pay her rents. We are currently working on a way to help her situation.

**Amani:** This group has progressed well, with a few members missing meetings because of funerals. They seem to have understood the new book keeping system mostly, although there are still a few problems when it comes to negative numbers.

**Mshikamano:** Zainabu has recovered from her illness last month and business has been good for her. Yasintha has holes in her roof, which prevent her from sleeping, so we talked to the Projects Abroad building project lead coordinator (Regan) and asked for his advice on ways to solve this. Rehema also has some building work to finish her shop. Regan provided a quote for both jobs and has recommended they get the work done at the same time to reduce costs. This group is consistently motivated, upbeat and willing to learn.

### **New group – Chemchen**

After responding well to the bookkeeping training, we have decided that we will give them their first loans in June. They have shown they are capable of learning the book keeping system and we believe that a loan will benefit them greatly. They also have knowledge of running businesses that could benefit the other women's groups we already work with, such as making soaps and cleaning products.

### **New group –Twaweza**

Individual interviews have been completed and processed. The next meeting we started the book keeping training, which was well attended. They seem willing to learn and pleasant to work with. Although one or two members are very young and some struggle a lot with basic maths and English, this makes it more difficult to teach them the bookkeeping system. As a result we have decided not to give them a loan yet, but with ongoing training, if they can prove their maths and bookkeeping ability, then we may change our minds in the future. Wirbard introduced us to this group, he works for an independent NGO that gives legal advice to women of poor backgrounds. He really wants to help these women and is proving to be very useful because he understands the women's backgrounds and acts as a second translator.

## Volunteer Information

Weekly visits have been made to all of the groups during the whole month. Almost every week a new member of the Micro-finance Team introduced him/herself to the women. During the month of May, Chloe (UK), Michaela (Australia), Chloe (South Korea) and Damjan (the Netherlands) joined the Microfinance Team. Wiveca, Axel, Fraser and Laura continued with the project. There are now 8 volunteers in total. This number will increase in June and July, so the allocation of group visits and office work will be divided equally among volunteers.

## Loan Portfolio

Group	No. Women	Issue Date	Total Loan Value (TSh)	Repayment 30.04.2014	Defaults	Outstanding Balance @ 30.04.2014
Chemchen	13	0	0	0	0	0
Tupendane	10	6loans 13 <sup>th</sup> May 4loans 27 <sup>th</sup> May	2,500,000	170,000	0	2,330,000
Ikusura	8	8 loans 29 <sup>th</sup> April	3,200,000	640,000	0	2,560,000
CHE	10	10 loans 26 <sup>th</sup> March	2,800,000	1,386,000	0	1,414,000
Amani	10	5 Loans 4 <sup>th</sup> April 5 loans 28 February	3,300,000	1,725,000	0	1,575,000
Mshikamano	6	6 loans 28 February	1,600,000	1,033,500	0	566,500
Total	56	44Active Loans	13,400,000	4,954,500	0	8,445,500

**Available Cash @ 01<sup>st</sup> June 2014: 4,954,500TSh**

**Next Capital Required June 2014: 0**



## Monthly Achievements

### New loans

**Tupendane:** During May we distributed new loans to the Tupendane group. Some women got their fourth loan (400 000 Tsh) and some filled out the loan application for the first loan.

As discussed in the report from April we still strongly believe that it's better for the women to continue with their normal business than to start a new one. Therefore, no demand to start a new business was placed on the women.



### Evaluation of new groups

In the end of April two new groups were taken under assessment and the evaluation of them continued during May.

**Chemchen:** After the first meeting with the group in the middle of April we visited the group again on the 5<sup>th</sup> of May to make individual interviews. The interviews were very constructive and interesting and gave us a much deeper insight into each individual business. It also gave us a better understanding of the women's life situations and about their skills. With the positive results from the interviews we started teaching the bookkeeping system the following week. As agreed upon we did the bookkeeping training the following week and then returned the week after to check the books. Gladly, the women responded well to the training and most women had at least tried to fill out the books. They also understood most of the corrections we made. However, as with most groups, there were some problems when it came to negative numbers and more training therefore has to be done on this matter. Still, we believe that the women are ready to receive the first loan.

**Twaweza:** Similarly to the Chemchen group we started with individual interviews. These interviews were very interesting but also showed that there are big differences between the incomes each group member has. Despite this, we got a good feeling of the group and returned the following week for bookkeeping training.

This training went fine and most women seemed to understand it. However, when we returned the following week pretty much no one had done their books and when we tried to explain their mistakes it became obvious that many of the women lack basic fundamentals in math. Therefore, we have decided to spend the upcoming weeks with mainly math's training before any further bookkeeping training can be done. With this said however, the group is very nice and definitely has potential so if they improve they might be able to receive the loan in the future.



### **Continuing with the new bookkeeping system**

During this month we have continued with the teaching them of the new bookkeeping system. The progress has not been very fast but some groups have now showed real improvement. The progress will hopefully increase as when we print books containing all the necessary information and tables. Previously, either the women or we did the tables by hand, which sparked some mistakes, which, in turn lead to confusion.

### **Themes for June**

As discussed, a lot of women have big problems with negative numbers and we will therefore continue with the math training. This will hopefully lead to the women being able to do their books more properly.

Since a lot of women both have health problems (which affect their business) and/or deal with food which requires high hygiene, we have decided that the next themed workshop will be on health and hygiene. This will include education about certain health topics and individual consultations with doctor(s) from the Ngarengaru Hospital. We feel it is important to help the women with some of their health problems as is an investment in them and their businesses.

## Future Development

- Print new bookkeeping books and give them to all the women. After testing the pre-printed bookkeeping tables with three groups (Ikusura, CHE, Mishikamano) and incorporating their feedback, we will finalise the content, get it approved by Glory and print bookkeeping books in a similar style to the passbooks. These will be given out as soon as they are ready.
- Distribute the first loans to the Chemchen group. Now the decision has been made to lend to this group, we will review their latest bookkeeping in conjunction with their loan applications to decide how much money each woman will get. Money will be given out in June and each woman will be issued with a pass book and a bookkeeping book.
- Continue our involvement with the Twaweza Group. Although we have decided not to lend to this group of women, we want to continue working with them. We have sub-divided the women into three groups based on their ability. Three women have never been to school and do not know how to read or write or do basic mental arithmetic. One group struggle with their sums and need more practice with negative numbers. The remaining group of women can do the maths and are trying very hard to get to grips with how to apply this to the bookkeeping system. We will continue to work with each group of women according to their ability to try to get all of the women up to a level where they can keep their own books.
- Develop a Microfinance curriculum. The work with the Twaweza group has shown how important it is for the volunteers to have range of training materials available to help us teach women of all different levels of ability – in terms of: reading, writing, mental arithmetic, advanced calculations and negative numbers, bookkeeping, business planning, business development and marketing. We'd like to develop some training materials for each level, including a teaching guide, worksheets, practice sums, homework. The existing training on marketing, business planning and business development will be refreshed at the same time, as part of the full microfinance curriculum.
- Hold a series of events. After feedback from the women in the Amani Group on what we could help them with, we have decided to run medical workshops for all of the women we're working with directly. The workshop will include time for individual consultations with a doctor for each women and a presentation from the doctors on health topics the women would like to know more about, such as healthy diet and healthy living conditions. The workshop will be run on the 12<sup>th</sup> and the 19<sup>th</sup> June at the Ngarenaro Hospital. Lunch will be provided and travel expenses will be reimbursed. Planning will also commence for the 'Arts and crafts BBQ Social'. This will be an evening event where we will invite the women to sell the things they make to Projects Abroad volunteers.
- Complete the analysis of historical data for the five longest running women's groups and use this to identify clear quantitative measures to implement throughout the duration of the 5<sup>th</sup> loan. The new measures of success should be use to help inform what happens after the 5<sup>th</sup>, in conjunction with participatory research and one-to-one discussions with the women, so they women can be a part of what we decide to do next and how we measure the success and impact of the Micro-finance project overall.
- Put forward suggestions for what could happen after the 5<sup>th</sup> loan. These suggestions should be developed further over the next few months to ensure there is a clear plan for when the women complete repayments of the 5<sup>th</sup> loan at the end of this year.
- Carry out market research to help the volunteers provide better business advice to the women. Volunteers' knowledge and understanding of the local market in Arusha and what's feasible is limited. This compounded by the time it takes to get a real insight into each woman's business verses the length of time volunteers are here for. It would be really useful to have a rundown of ballpark business expenses for each line of business to help us give more relevant and informed business advice to the women.
- Refresh the library of documents, including the handbook, and loan application form, to bring these in line with the new bookkeeping system and recent developments in the microfinance project. This is an ongoing task. However, given how some things have evolved in the past month into more permanent solutions (ie. printed bookkeeping books for the women) all documentation needs to be updated to reflect these changes.



- Start posting regular updates on Facebook about the Micro-finance project to promote the women's businesses and the work we are doing with them. Working with Kanette, we would like to post on the Projects Abroad Facebook account at least twice a month.