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SUMMARY OF CURRENT DEVELOPMENTS

This month, the Microfinance project has faced with several changes. Sedef left in the beginning of the month, Pier-Alexandre and Noémie are still working in the project. Some new volunteer arrived : Chase Gordon, Rebecca Whitaker (who stayed only one week and the half) and Jayces Garello. We received the visit of Somi Cho, a UK office member, who came to help fix problems met by the team. We also have a new member in the project, Frank. He is here as a translator to help Elizabeth.

We did two meetings with Minassie and one with Somi Cho to evaluate all the project's issues. Somi proposed some solutions to improve the project and fix the problems. With the help of Somi, Noémie created a Google Drive, which aims to allow the UK office and the new volunteers to easily access information about the project and its evolution (summary of the work done during the last months, the evolution of each group, individual projects, Swahili workshops, and the weekly loan figures for every woman).

Pier-Alexandre has created presentations: conservation of milk (pasteurization), candle-making training, business negotiation training, and business proposal training. Chace created a training about business improvement and Jayces showed them how to do postcards.

Five women are working with Pier-Alexandre on individual projects. Beatrice and Margret (ChemChem group) want to start a company of soap and batiks. As they sell the same products, Pier-A proposed them to be partners but they did not really like this idea (lack of trust between the two women). Anna (Che group) found out that she has a water source in her land and she wanted to exploit it. Pier decided to help her but this is a very expensive project and they met some difficulties but are still working on. Fortunata (Che group) wants to start a company of Nutrition food, Pier is teaching her the different steps. Marylin (Tunaweza group) makes jewelry and tailors clothes, and she asked Pier if she can ship her products abroad in order to make more profit. Pier shipped her products to his sister – a physician in Quebec, Canada – and she will try to sell it at her work place.

Concerning the group development, we met some problems with ChemChem: most of them were late or missing the meetings and they did not show any motivation about trainings. We discussed with them and they apologized; they are doing efforts but it is still difficult to work with them. The women of Upendo A received their first loan. We worked a lot with them about the way they used their loan to improve their business. Ikusura has learned how to preserve their milk for a long time – thanks to Pier – and they learned two different recipes from France and America (Kristen & Noémie taught them). Che group is constantly improving, but some women have difficulties running their business correctly because of customers' behavior (thefts or late payments). Upendo B is hardly working on bookkeeping and improving a lot. They meet the same issue than the Che group concerning payments. A lot of women of Tunaweza group did not attend the meetings this month, except when Pier-A did the candle-making lesson.

Mwangaza group struggles with bookkeeping, but they keep on working. We have two new women in this group, one is attending for a loan and one is only participating to the meetings in order to get skills in mathematics to manage her finances correctly.

We noticed a global issue met by a lot of women in every group: the customers' behavior. They lose money by giving the products to their customers and allow them to pay later, but some of the customers do not come back to pay, and some come back really late. We tried to give them ideas like asking the half of the prices first and the half later, or taking some in exchange, so they can sell it if the customer does not come back to pay. But they told us that customers will go to competitors businesses if they do that, so they would rather earn money later than lose customers. We do not know what to do to help them fixing this problem.

We did not do a lot of business visits this month because the women always gave excuses to leave straight after the meetings. We will try to do more next month.



A Micro-finance volunteer runs a training session for project participants.

VOLUNTEER INFORMATION

At the beginning of May, the team consisted of Noemi (France) and Pier-Alexandre (Canada). Sedef (Turkey) left on the 2nd of May. The team was later joined on the 12th May by Rebecca (USA) staying for 2 weeks and Chace Gordon (USA) who is staying for 4 weeks. On the 24th May, another volunteer, Jayces (UK) joined the team and will be leaving the 3rd of June. Thus, at the end of the month, the team consists of 4 volunteers.

Pier-Alexander is a business consultant, Noemie is a business management student, Chace is a Master of Finance student, Rebecca is an Economics student and Jayces is an Accounts assistant.

LOAN PORTFOLIO

GROUP	NO. WOMEN	ISSUE DATE	TOTAL LOAN VALUE (TSH)	REPAYMENT 31.05.2016	DEFAULTS	OUTSTANDING BALANCE @ 01.06.2016
Chemchem	9	6 loans, 4 January 2 loans 29 February 2 loans 11 April	3,200,000	2,200,000	0	1,000,000
Upendo A	15	10 loans 10 May	1,000,000	210,000	0	790,000
Ikusura	9	9 loans, 15th March	6,600,000	3,630,000	0	2,970,000
CHE	9	7 loans, 20 April	3,400,000	800,000	0	2,600,000
Upendo B	15	0	0	0	0	0
Tunaweza	9	7 Loans, 10 March	3,500,000	1,540,000	0	1,960,000
Agape	3	3 loans, 8 October		0	0	0
Amani	7	7 loans, 13 May	4,250,000	340,000	0	3,910,000
Mwangaza	12	0	0	0	0	0
TOTAL	86	41 Active Loans	21,950,000	8,720,000	0	13,230,000
Available Cash						
Next Capital Required						0

MONTHLY ACHIEVEMENTS

We continued working with all 8 groups. And the following developments took place in each group:

■ Chemchem

Chemchem women are repaying their individual loans on a weekly basis. We've discussed with them about the difficulties they face with their business and we are trying to find solutions to those difficulties. This group is too often late, so we push them to be on time and be more attentive.

Two women in this group want to start registered businesses, Beatrice and Margaret. We discussed about the type of business they want to do and the steps to create a business. Beatrice seems to be really motivated, but we doubt the success of her project. The main reason for which they want to start a business is that if they give receipts, they can sell to bigger clients. The 2 women are in the same business, soap and batik, but they don't seem to want to regroup together in a partnership because they don't have confidence in partners.

■ Upendo A

Upendo A women received their first loan in May. They started repaying it and doing their bookkeeping. They still need to improve their bookkeeping, because there are too many mistakes and it is not always filled properly.

■ Ikusura

Ikusura women are repaying their loan and doing their bookkeeping as usual. They have business that works well and they have a good standard of living. We gave them trainings about business planning and business improvement. We gave a demonstration about milk preservation to show them how to preserve it when the price is low until the price is up again.

■ CHE

Che women are repaying their loan and doing their bookkeeping as usual. We discuss about the difficulties they face with their businesses and different options to solve those problems. We also showed them how to write a business proposal, since two of those women are trying to get grants for their project.

Anna is trying to get a grant to build a well for her village and Fortunata is trying to get one for the orphanage. We are working with them to fill out the application and do the logistics around the project.

■ Upendo B

Upendo B women don't have loans yet and are still training on bookkeeping. We also trained them on SWOT analysis and discussed with them the different problem they are facing. We gave them some propositions of business improvement to help them and discussed about the way they would spend their loans when they will have one.

■ Tunaweza

Tunaweza women are repaying their loan and doing their bookkeeping. We talked with them of several business alternatives like candles, lamp shades and shampoo. We even did a presentation on candle-making. We talked about the business decision process to select the best option for them based on the profit forecast, the opportunity cost and the initial cost of investment. We showed them the basic math to do projection on their expenses and revenues, like the rule of three.

■ Mwangaza

Mwangaza women don't have loans yet and are still training on bookkeeping. We tested them on their bookkeeping and they still do a lot of



Micro-finance project participants take part in a training demonstration.

mistakes, especially with negative numbers. We also work with some women on basic math (addition, subtraction, negative numbers, etc). A new woman asked to join the group. She asked to train her in math because she is losing money with her sock sales. We tested her level and math and we will start by teaching her subtraction and negative number. We also discussed the different problems they are facing with their businesses and ways to improve it.

■ Amani

Amani women received a new loan and started to repay it. We did some training about pricing and business forecasting and they were interested in the milk preservation demonstration, but we did not do it because the women didn't show up with the material to do the demonstration. We did some training about advance bookkeeping to show them how to collect information valuable for their decision making. But we did not do much because there were not enough women during 2 weeks for several different reasons.

■ Other Achievements

The milk preservation and candle-making demonstration were really appreciated.

The grant application for the well and the orphanage went well too and we should send the application sometime in June. For the well, we have all the information we need, but there is some work to do on the application.

We also, with Marilyn and her son, sent a package with jewelry to Montreal in order to try to sell them. We optimized the package, focused on the marketing on fair trade and did a pricing for Canada. It is going to be a prototype to test the prices and the marketing; then, we would like to send another one in France soon.

With Beatrice and Margaret, we discussed the business creation process and how to do a business proposal to present their project and do an evaluation of the cost and revenues.

We also talked a lot about the problem they face with their business and listed the main ones to create future trainings. The most important are: clients who don't pay, low price of milk, rotten vegetables, lack of capital to invest and sugar crisis in Tanzania.

CHALLENGES

For a majority of the groups, many of their customers do not pay for the goods/services that they receive until 2-3 days later, leading to many late repayments – or even no repayments at all. This credit issue has led many groups to book losses. Consequently, we've been teaching them the importance of collecting collateral and setting the price of their goods commensurate to the creditworthiness of their customers. However, we expect this issue to persist; thus, we are investigating more tangible solutions.

Additionally, the language barrier for our volunteers remains a tough issue as many of the groups lack English skills. Nonetheless, we've added a new staff member, Frank, to help with translation and, in the near future, we expect to take on a volunteer from a local university to help with translation issues.

FUTURE DEVELOPMENTS

Focus areas for improvement going into June

1. May be getting a volunteer translator from a local university to mitigate the language barrier
2. Develop a training for negotiation (i.e. the importance of setting a target price and minimum price to sell goods for in order to limit losses)
3. Updating the Microfinance Volunteer Handbook (note: we will recommend new volunteers to read/study this before arrival so that they can hit the ground running)
4. Moving our file directory from Dropbox to Google Drive in order to centralize all micro-loan recipient information and maintain better organization