

# Microfinance Report

June 2013

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## **1. Preface**

The purpose of this report is to update the Project Abroad office about the Micro Finance project. Each month the Project Abroad volunteers will write a report. This report will describe the activities during the past month, group updates, future plans, challenges and lessons learned.

## **2. Executive summary**

### Loan status 30 June 2013

The first loans of 100,000 Tsh have been provided to 45 members of 5 groups.

The first loans of 50,000 Tsh have been supplied to 7 members of 1 groups.

The second loans of 200,000 Tsh have been provided to 27 members of 5 groups.

A second loan of 150,000 Tsh has been provided to 1 member of 1 group.

Total loans disbursed by June 30<sup>th</sup>, 2013:

9,100,000 Tsh

Current amount of loans left (loans minus reimbursements) by June 30<sup>th</sup>, 2013:

2,779,500 Tsh

Amount of failures to pay back loans by groups: 0

### Team constitution per week

03-07 June 2013: 6 members

10-14 June 2013: 6 members

17-21 June 2013: 8 members

24-28 June 2013: 7 members

### **3. Activities during June**

This chapter will describe the main activities in June.

During the month of June we had a lot of new volunteers and had introduce them to our project. We had a lot of meetings to organize our tasks and we had to divide tasks. We regularly updated the daily report, the cash flow, the interviews, the loan application forms, a.o. We had a lot of discussions about future loans and tried to work out how to best inform new volunteers of our project.

In the first week of June, we planned to deliver training to Riverside, granted the second loan to five women of CHE (200,000 Tsh each), and carried out post loan interviews to Tupendane. The rest of the week we collected money.

In the second week we collected loan application forms from Tupendane and Ikusura, granted the second loans to five women of Amani (200,000 Tsh each), and carried out post loan interviews. All women of Ikusura finished replaying their first loans. The rest of the week we discussed how to improve our project, collected money, and visited some of the women's businesses.

In the third week we discussed how to divide volunteers, updated the handbook for new volunteers, organized files in Drop box, and started discussions regarding overall project structure - these included task distribution, mission statements, loan criteria and training outline. Regarding marketing training we redefined the content. The structure is now:

- Importance of marketing
- What is marketing for you
- Product and market specifics, discussed with members on a 1-to-1 basis

The rest of the week we collected money and visited some of the women's businesses. We asked clarifying questions about the loan application forms of Tupendane.

In the fourth week we delivered a marketing training to Riverside and Amani. We gave the second loans to five women of Tupendane (200,000 Tsh each) and to 6 of the members of Mshikamano (100,000 Tsh each). The rest of the week we collected money and visited some of the women's businesses. We organized the tasks for next month, updated loan application forms and wrote the monthly report for June.



#### **4. Group update**

##### **1. Riverside**

During the month of June we collected the loan instalments for their second loan. We delivered a marketing training about the definition and importance of marketing. We used examples from their own jewellery business. We will continue to monitor them by visiting their businesses. We plan to talk with them about marketing on a one to one basis and identify solutions to improve their marketing. The objective for this period is to increase sales.

##### **2. Tupendane**

In June all the members of Tupendane finished repayment of their first loan. Five Members finished repaying their loan in the first week of June and the other three members did so in the third week. The members who finished repaying their loan the first week of June received their 2<sup>nd</sup> loan of 200,000 Tsh each. We have collected the loan application forms from the other three members who will receive the second loan in July.

##### **3. Ikusura**

All Ikusura members finished repaying their first loan in June. They all applied for second loans and the forms are under review. In July they are due to receive their second loan. We checked their cashbooks and made recommendations to improve the cashbooks. Ikusura has a new member who wants to start with the first loan – this will be discussed next month.

##### **4. CHE**

This month we distributed the 2<sup>nd</sup> loan to 5 of the members, 200.000 TSH each. We also visited one of the women's (Maria) business and were supposed to visit 2 other workshops but we could not get there by foot because of road works in the area. We visited an orphanage and a date was set for the next visit.

##### **5. Amani**

This month we addressed any outstanding or unclear and missing answers on the loan application forms with the women and distributed the 2<sup>nd</sup> loan to 5 members, 200,000 Tsh each. We also taught one of the women how to decorate a cake for her cake business and visited two of the women, Sara and Beatrice, in their businesses; Sara showed us her report

and Beatrice will bring hers to the next meeting. On Friday 29 June we organised a first marketing and witnessed a lot lively interactions between the women and us and between themselves.

#### 6. Mshikamano

This month volunteers from the health care project held a first-aid workshop with the women. We addressed any outstanding or unclear and missing answers on the loan application forms although one of the women was missing. We had a deep team discussion regarding the expectations we should set upon disbursement of the 2<sup>nd</sup> loan. This group tends to have low attendance rates at the meetings and we do not have full visibility of their businesses, plus they do not have a group business yet. We will need to establish clear criteria for their possible 3<sup>rd</sup> loan. We disbursed the 2<sup>nd</sup> loans of Tshs. 600,000/= which was donated by Britta Spaeth, a Micro finance volunteer. We also told the group members that we need to have 100% presence at the trainings and that we will put a schedule in place to visit each business twice during the next 16 weeks.

## 5. Future plans

### Lessons learned

This month we have experienced some challenges within the Micro Finance (MF) team and with the women groups.

In the month of June more volunteers arrived at the project. We concluded that the introductory documents provided to the new volunteers (the Micro Finance Handbook) could be improved. The volunteers need more information about *what* the MF project is and also *how* the MF team work together, so the structure of the MF project needs to be provided to the new volunteers.

Since new volunteers arrived, the MF group is getting bigger. In the past, all the MF project volunteers carried out all the tasks together but now we see the need to divide the tasks between us. Two groups now take turns working in the field and working at the office.

The MF team also experience that the documents within the group are not organized properly. It is hard to find documents one is looking for in the dropbox, and it is also hard to find information of what has happened in past in the project.

We therefore would like to keep better records of our work, especially the field work. Group work should be shared between all the members of the MF team and all the forms used by the team on a daily basis need to be compiled and made easily accessible.

A better use of daily reports will help both the new and the old volunteers gather information that is needed about the project's progress.

Another challenge the Micro Finance team is facing is the communication within the group. Cross-communication occurs and team members are confused about who is doing what. Having a morning meeting to list all the tasks, divide the tasks among the volunteers with a timeframe will help us address this issue. An afternoon meeting will help us summarize the

day's tasks, and the volunteers can receive information about the work of the whole MF team.

We also believe that to give tasks with a clear timeframe will help us use time more efficiently. This can easily be changed if we have a clearer structure of the day.

Better communication with the groups of women is also needed. While they are keen to receive more loans we need to inform them about the importance of the loan application forms and post-loan interviews as part of the process of receiving loans, so we can ensure that their business is progressing in a prosperous way.

### ***Future plans***

We should start think of the future of this project on the next phase because the number of volunteers is increasing and therefore less work for them. The situation is good at the moment but there is an urgent need of new ideas in MF project.

The current plan is to improve our project by addressing the issues described above. In July, our goal is to ensure that four key areas are clarified: "Basic structure of the project," "Structure of the fieldwork," "New Volunteers," and "Communication."

### Basic structure of the project:

This is our biggest and most important task in July. To date, we have created many basic documents and trainings and practiced, but we have not discussed the basic structure of the project: e.g., the key objective and purpose of each phase of the loan (1<sup>st</sup> loan to 5<sup>th</sup> loan), the criteria to monitor the progress of the women we help. Once we pull together a good definition of the basic structure it will be much easier for the group to share material with the new joiners.

### Goal of each loan phase:

To maximize the impact of our project, we shall discuss about the goal and the meaning of each phase of our loan (1<sup>st</sup> loan to 5<sup>th</sup> loan)

### Update the forms for 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> loan:

Depending on the goal of each loan phase, we will update the documents (e.g., Loan Application Form, Post Loan Interview, business visits, etc) for the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> loans so that we can monitor the women's progress better.

### Loan criteria:

Likewise, we will develop loan criteria depending on goals, participation at meetings, meeting our requests for material, understanding of training, a.o.

### Structure of the fieldwork

We also have to improve the structure of the field work as well as the connection between training, business visits and loans. The purpose of training is to explain the main concept as a 1 to 1 to all training, the business visit is to teach them on the ground as a 1 to 1 training while the post loan interview and the loan application forms are used to check the results of our training and the loan. To connect these 3 activities, we will discuss the concept of each element during each phase of the loan and continuously improve the documents.

### New volunteers:

Since many new volunteers have arrived at the project, we need to provide them with sufficient information about the Micro Finance project prior to their arrival. A PowerPoint introduction is under development and will be provided to the new volunteers, to help them get faster and broader understanding of the MF project.

### Communication:

Since we are facing some communication challenges in the group, we will address this by introducing morning and afternoon meetings. During these meetings a plan of the day is going to be pulled together with division of tasks between the volunteers and with a timeframe. In the afternoon we will inform each other of the work that each member of the team has done.