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## 1. Summary of Current Developments

During October the microfinance team continued to distribute third loans (300,000 Tsh / \$180 USD) to the women' groups. By the end of next month we expect all of the women in the six groups will have received their third loan. To ensure sufficient and consistent book keeping is kept as well as more thought is being put into the investments, we have provided refresher training on book keeping for the groups where we have identified a need and more in depth training in feasibility, forecasting and planning across all groups.

While our cooperation with the women groups has deepened with the third loan round in general, we are experiencing some commitment difficulties from one of the groups. The third loan was dispersed to these women only three weeks ago meaning we will continue the cooperation at least until the loan has been paid back. However, discussions are being held with the chairwoman regarding the possibility of terminating the cooperation ahead of plan if the groups commitment deteriorates further. An early termination would allow us to support new women' groups who may be in greater need and be more committed.

In October we created and handed out evaluation surveys to all of the women. The survey was largely to understand what the women consider the primary benefit of the project and to identify ways in which to improve the project. We are currently in the processes of collecting and analyzing the survey results.

## 2. Volunteer Information



During the month of October, there has been some fluctuation in the micro finance team. Maria Gjerlufsen who had started at the end of August, finished her assignment and continued to Kenya for new adventures. Lewis Davies from Australia stopped by in the beginning of October and stayed for two weeks. Felix Wickenkamp from Germany and Saliya Gunaratne, also from Australia, both joined in the beginning of October to stay for one month. The last addition to the team has been Sondra Kiontke, also from Germany. She joined in the middle of October, after spending six weeks on the human rights project, and will be part of the micro finance team for six weeks in total.

Thanks to Chrissie Bell and Gustav Lange, who have been with the project since early August and the beginning of September respectively, there has been some continuity in the team and the induction of new members went smoothly. While there have been at least four people on the project during all of October and the team exhibited strong substantial work experience from very diverse backgrounds, the high turnover is a challenge for this project. As Gustav, Saliya and Felix will all leave on November 1<sup>st</sup>, there will be only two team members, Chrissie and Sondra, for the first weeks of November. First in the middle of November they will be accompanied by Jeanine Hardy from Canada.

### 3. Loan Portfolio

Group	No. Women	Issue Date	Total Loan Value (TSh)	Repayment @ 01.11.13	Defaults	Outstanding Balance @ 01.11.13
Riverside	4	23 <sup>rd</sup> Sep	1,200,000	300,000	0	900,000
Tupendane	8	5 Loans 25 <sup>th</sup> Jun 3 Loans 16 <sup>th</sup> Jul [8 Loan Applications under review]	1,600,000 (2,400,000)	1,562,500	0	37,500
Ikusura	8	5 Loans 9 <sup>th</sup> Jul 2 Loans 27 <sup>th</sup> Jul 1 Loan 6 <sup>th</sup> Aug [5 Loan Applications under review]	1,600,000 (1,500,000)	1,500,000	0	100,000
CHE	10	4 Loans 18 <sup>th</sup> Sep 6 Loans 16 <sup>th</sup> Oct	2,800,000	501,000	0	2,299,000
Amani	10	5 Loans 6 <sup>th</sup> Sep 5 Loans 25 <sup>th</sup> Oct	2,750,000	611,000	0	2,139,000
Mshikamano	6	4 <sup>th</sup> Oct	1,200,000	360,000	0	840,000
<b>Total</b>	<b>46</b>	<b>36 Active Loans</b>	<b>11,150,000</b>	<b>4,834,500</b>	<b>0</b>	<b>6,315,500</b>

**Available Cash @ 01<sup>st</sup> November 2013: 1,038,000 TSh**

**Capital Required November 2013: 2,000,000 TSh**

Please note that the capital requirement for November 2013 is 2,000,000 TSh as opposed to the earlier indication of 1,000,000 TSh. The reason for this is that some loans are being paid out earlier than originally envisaged. As the repayments from recently issued loans are still low, some of the new loans have to be covered by fresh money. Therefore, the increase in the required capital is primarily a timing issue.

### 4. Monthly Achievements



We had a successful month with a number of initiatives being followed up, including, the chicken seminar, training, evaluation survey and a number of business visits.

The volunteers organized a chicken seminar for the women; a successful local chicken farmer presented this. The seminar was held on two days, the 10<sup>th</sup> and 24<sup>th</sup> of October 2013. Primary objective of the seminar was to provide the women with additional technical knowledge related to chicken farming, may it be for breeding, eggs or meat production and to think more economically about their chicken businesses. The following key points were covered during the seminar to ensure the meeting of our objectives:

- 1) General Overview of breads (inc. pros and cons) and the circle of life

- 2) Equipment, vaccinations (medical) and hygiene requirements
- 3) Economics of chicken farming; investment, operating expenses, income and risks

The above points were successfully delivered to the women and it was apparent that each person was very interactive and sufficient discussion was held during the seminar. Feedback received from the women indicated that they have learned important points in relation to hygiene and medication of chickens and the importance of “space”.

During the month we also conducted a number of training including the following:

- Refresher training on bookkeeping to 4 groups (Tupendane, Ikusura, Amani and Mshikamano).
- Feasibility and Business Planning Training to 2 groups (Tupemane and CHE) and training for the remaining will be conducted in November.

We also took the opportunity to conduct a Jewelry auction in the PA office during a social event. This was very successful as we were able to make sales of over 100,000 TSH for 4 of the women’s groups. Furthermore, 7 business visits were completed in order to improve our understanding of the businesses and subsequently support them to think more structurally and strategically about their businesses.

## 5. Future Developments

In last month’s report we posed the question to the team regarding the introduction of interest from the 4<sup>th</sup> loan stage. The merits being that it would incentivize the applicant to invest in the business with the best return & offer an introduction to the workings of real financial institutions which they are likely to interact with should their businesses continue to grow in scale. We discussed this in the chairwomen’s meeting and also with a number of group members and the idea has been positive received. This is now our recommended go forward position for 4<sup>th</sup> Loans.

During the month we have also considered several ways in which to assist the women following completion of the 5<sup>th</sup> stage. Two key ideas are outlined below:

### 6<sup>th</sup> Stage: Meritocracy Loans

The pool of funding to provide the 5<sup>th</sup> Loan was 23 Million TZS. From this capital we would chose to invest in new groups circa 6 Million TZS (6 groups of 10, first loan stage). The remaining capital would be available for individual loans to the best business cases provided. The expectation is that by this stage the women would be able to write a business plan and feasibility study for their loan application. This would ideally demonstrate that the investment would payback in an appropriate time period and that it was sufficiently profitable to allow for an appropriate level of risk. Given that by this stage we would have been working with the women for 3 years there would be documentation on; their business, level of business acumen, trustworthiness & financial astuteness, so the need for a group to underwrite the investment is not as essential as in the earlier stages.

### VICOBA/ PA members Kibati

Creating a community banking or savings group, which involved all 46 of the women we work with. This would create a pool of money, of sufficient value, which members would contribute to and also apply to for micro credit loans. Loans would be offered with set repayment terms and interest rates as agreed by the group and on a case by case basis. The key issues are ensuring the women trust one another and are comfortable with the risk involved in a community scheme. We endeavour to create more opportunities for the women to interact with one another so that by the end of the 5<sup>th</sup> loan stage they know each other well enough to embark on a scheme like this.