DETERMINANTS OF LOCAL GOVERNMENT AUTHORITIES' LOAN SCHEME MANAGEMENT: A CASE OF BARIADI TOWN COUNCIL

EDGAR WILBARD NGANGO

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN MONITORING AND EVALUATION

DEPARTMENT OF ECONOMICS AND COMMUNITY ECONOMIC DEVELOPMENT OF

THE OPEN UNIVERISTY OF TANZANIA

2023

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation entitled 'Determinants of Local Government Authorities' Loan Scheme Management: A Case of Bariadi Town Council' in partial fulfillment of the requirements for the award of Degree of Master of Arts in Monitoring and Evaluation (MAME).

…………………………..………………

Dr. Noel Matemba

(Supervisor)

……………………..……………………

Date

COPYRIGHT

DECLARATION

I, **Edgar Wilbard Ngango,** declare that, the work presented in this dissertation is original. It has never been presented to any other University or Institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirements for the Degree of Master of Arts in Monitoring and Evaluation (MAME).

…………………………………………………..

Signature

…………………………………………………..

Date

AKNOWLEDGEMENT

I would like to thank GOD for His enduring mercy.

I thank all who participated fully in this study specifically my supervisor Dr. Noel Matemba whose unwavering academic support and guidance were felt throughout.

Also, I thank Bariadi Town Council administration, Simiyu Regional Administration Secretary, Community Development Officers, Council Management Team, Finance and Management Committee for their cooperation during data collection as well as beneficiaries from the 10 wards of Bariadi, Bunamhala, Guduwe, Isanga, Malambo, Mhango, Nyakabindi, Nyangokolwa, Sima and Somanda who provided constructive points on 10% loan management.

Lastly, I appreciate the cooperation from my dear family and classmates whose presence has been fruitful to me indeed.

ABSTRACT

The study assessed determinants of Local Government Authorities' loan scheme management in Tanzania with a case of Bariadi Town Council. Specifically, the study sought to determine the influence of department staffs' capacity, beneficiaries' knowledge, and the influence of politicians' role on 10% loan management and identify challenges that lead to non-recovery of loan funds from beneficiaries. The study used cross-sectional design with a sample of 236. The study employed Cluster sampling and Purposive procedures and questionnaire, focus group discussion and key informant interview during data collection. The study employed inferential analysis and thematic analysis of quantitative data. The study found low staffing level in Community Development (CD) department statistically significant (P=0.01) affecting 10% loan management at Lower Level Governments (LLG). It also found beneficiaries' knowledge statistically significant (0.000) influence loan management requirements. Results further showed Spearman correlation statistically significant (0.03) indicating that politicians have influence on 10% loan management procedures. Findings also revealed nine regulations that call for attention and found weaknesses in 10% loan provision and management regulations giving enough space to defaulters. The study concludes that department staffs' capacity has affected 10% loan management in Bariadi Town Council; Beneficiaries' Knowledge has significance relationship with loan management requirements, and politicians have influence on loan management. Consequently, the study recommends that Local Government Authorities (LGAs) supervise and ensure loan applicants submit workable business ideas, monitor and evaluate their projects from the beginning.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABREVIATIONS AND ACRONYMS

BOT	Bank of Tanzania
CD	Community Development
CDO	Community Development Officer
CF	Conceptual Framework
CMT	Council Management Team
FMC	Finance and Management Committee
LGAs	Local Government Authorities
LLG	Lower Level Governments
MFI	Micro Finance Institutions
M&E	Monitoring and Evaluation
PO-RALG	Presidents' Office Regional Administration and Local Government
SPSS	Statistical Package for Social Sciences
TPLMIS	Ten Percent Loan Management Information System
UN-HABITAT	United Nations Human Settlements Programme
URT	United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.2 Background of the study

Loan Scheme Management is effective in the existence of loan funds recovery from beneficiaries and loans issued to targeted individuals. Loans and other funds for community empowerment are important in the economy because it brings positive challenges for economic development. It is important to ensure loans and funds channeled directly or through empowerment funds are sustainably managed, intended results achieved, and targeted populations are reached (Muthoni 2016). Loan default appears to be a major problem everywhere. To minimize exposure to bad debts, over-reserving and bankruptcies, lenders must have greater insight into customer financial strength, credit score history and changing payment patterns (Moti*etal*, 2012).

Credit management influences and ensures survival and safety of banks. The loan administration is critical in ensuring that proper documentation and approvals are in place prior to the disbursement of loan facilities. Adequate and timely information that enables a satisfactory assessment of the creditworthiness of borrowers applying for loan is crucial for making prudent lending decisions (Aziah, 2016; Community Action Partnership, 2012). Bali and Maria (2010) asserted that the loan is provided to those who have stability and financial discipline, and then the bank decides how to manage loans. As savings increase through the group’s life, the group accesses a larger amount of loans. According to Aziah (2016) capacity relates to the amount of the loan and the ability of the borrower to utilize it effectively.

However, in developing countries, the Local Governments lack technological infrastructure, capacity, manpower, retooling and opportunities for revenue generation are restricted by inadequate frameworks or disadvantageous political infrastructure (UN-HABITAT, 2015). Tanzania in particular has a long history in provision of micro loans to both urban and rural areas (The Microfinance Policy, 2000). The intention behind establishment of the scheme was bridging the gap left by the bank systems, where a huge number of community groups could not afford borrowing requirements. According to Mmari and Katera (2018) the loan provision by the LGAs to registered community groups in Tanzania is for the purpose of boosting their economic development. In the CAG Report of April 2022, many issues were outlined including funds issued not recovered and loans remitted to ineligible people.

The existing situation in Bariadi is the fact that CDOs were not groomed to be loan managers, the fact that government guidelines from PO-RALG were drawn for implementation but no proper structuring, retooling, staffing, grooming programs and capacity building were in place. These formed the foundation for jeopardized 10% loans management activities. As LGAs 10% loans management continues to be politically influenced, it loses its target and goal. Politicians can influence beneficiaries' group's projects from LLGAs to LGA level for personal or political interest. However, there is a gap on the effect of department staffs' capacity on 10% loan management in Bariadi Town Council, beneficiaries' knowledge and loan management requirements as well as politicians' role. It is from these bases that the study assessed determinants of LGA loan scheme management in Tanzania with a case of Bariadi Town Council.

1.3 Statement of the problem

There is ineffective loan scheme management in Tanzania specifically in Local Government Authorities (Rugeiyamu *et al.,* 2021; CAG Report April 2022). Non recovery of the loan funds from beneficiaries and loans issued to non-targeted individuals have raised complaints and doubts from various parts including targeted groups and practitioners on funds management issues (CAG Report April, 2022). Failure to establish participatory grounds of user department in design and development of Loan Monitoring and Evaluation tools may worsen the situation and lead to bankruptcy of the fund eventually the nation will have lost its money.

Rugeiyamu *et al*. (2021) and CAG Report for 2017/2018 financial year hinted out on disbursement and loan recovery. There are several initiatives by the government of Tanzania towards improving community economic livelihoods. These initiatives include; establishment of microfinance banks, saving as well as credit co-operative societies (SACCOS) (URT, 2010), formalization of community saving and micro credit service groups (BOT, 2021), establishment of Ten Percent Loan Management Information System (TPLMIS) and LGA’s Financial Act, (2018) which is principally the bottom line of this study.

Since its establishment in 1993, a number of beneficiary groups and amount disbursed to groups have been increasing from 2017 to 2022. In particular for the whole country, the amount disbursed increased to TZS. 235,886,603,841.34 in 2021/2022; contrary to this, the amount of loans recovered remained extremely low posing serious questions on management systems, resource and capacities of responsible parties. In the CAG Report on LGAs for 2017/2018,out of TZS 17, 009,608,283 only TZS 6,965,154,627 were recovered while leaving a balance of 10,044,45,656 equivalent to 59% (Rugeiyamu *et al.*, 2021). Bariadi Town Council in particular disbursed loans of TZS 350,070,000 in 2020/2021 out of which TZS 281,182,700 were recovered equivalent to 80%, TZS 363,850,255 in 2021/2022 out of which only TZS 184,814,000 were recovered equivalent to 49%. The loan default amount for both financial years is TZS 247,923,955 (CAG's Bariadi TC Special Audit report 2020/2021). It was further pointed out that one of the groups benefited and whose members (youth) turned out to be members of a political party and even their project was politically hijacked. This suggests that LGAs loan scheme management in Tanzania is questionable.

Factors behind non-recovery of funds, challenges behind funds disbursed to unintended individuals and general 10% loans management specifically in LGAs context are less reported in empirical literature. The present study assessed determinants of LGA's loan scheme management in Tanzania specifically in Bariadi Town Council.

1.4 General Objective

The overall objective of this study was to assess determinants of LGA's loan scheme management in Tanzania with reference to Bariadi Town Council.

1. 4.1 Specific Objectives

i. To assess the effect of department Staffs' capacity on 10% loan management in Bariadi Town Council.

ii. To examine the significance relationship between Beneficiaries' Knowledge and 10% loan management requirements in Bariadi Town Council.

iii. To determine the influence of politicians' role on 10% loan management in Bariadi Town Council.

iv. To identify challenges that lead to non-recovery of 10% loan funds from beneficiaries and loans issued to non-targeted individuals in Bariadi Town Council.

1. 5 Research Questions

i. What effects does departments' Staff capacity have on loan management in Bariadi Town Council?

ii. Is there a significant relationship between Beneficiaries' Knowledge and 10% loan management requirements in Bariadi Town Council?

iii. What influence do politicians have on loan management?

iv. What are the challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to loans being issued to non-targeted individuals?

1.6 Significance of the Study

The study is significant to National Labor Policy and amendments of Local Government Authorities, Employment policy and LGA Finance Act informing 10%

loan provision and management regulations. It will help policy makers to formulate policies that will insist proper staffing level to facilitate loans recovery and channel funds to targeted individuals. The study is significant to all community development officers in Tanzania that will facilitate effectiveness of 10% loan scheme management in LGAs. This study will encourage Staff capacity building to overcome challenges and ensure a conducive environment required for 10% loan management.

Also the study findings are expected to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all to factor on ending poverty in all its forms everywhere (SDGs No. 1 and 8); Identifying the major constraints of the socio-economic determinants influencing LGA loan scheme management.

For the community, the study findings will increase awareness and access to 10% loans, capital and access-related resources such as training and technological assistance in the areas. In addition, the findings will boost the local economy by supporting important segments of the economic infrastructures including business, entrepreneurship and industries. For researchers, it will set a foundation for further related studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter includes conceptual definitions, theoretical underpinning, empirical review, research gap and conceptual framework. The chapter is concerned with relevant literature on determinants of Local Government Authorities' loan scheme management. It provides the methods employed in those literatures and findings. It further identifies the knowledge gap that exists and shows the statistical relationships. The chapter includes the conceptual definitions, theoretical, empirical review and the relevant variables to be tested in the conceptual framework.

2.2 Conceptual Definitions

2.2.1 Local Government Authorities

Local government is the decentralization which denotes the transfer of significant power such as law making and revenue generation authorities to the locally elected bodies and sub- national units (Ehsan, 2020). In this study the Local Government Authorities (LGAs) includes Bariadi Town Council (Township), Municipal and District Councils.

2.2.2 Loan

According to Jayakumar (2022) loan is defined as a sum of money borrowed from a creditor that you pay back with interest. In this study context, loan refers to a sum of interest-free money borrowed by registered special groups of women, youth and people with disabilities from 10% loan funds set aside and managed by LGAs that only the principal must be paid back; LGA's Finance Act (2018) (CAP.290) Sect.37A (4).

2.2.3 Loan Scheme Management System

Loan management system is a digital platform that helps automate every stage of the loan life cycle, from application to closing (Jayakumar, 2022). In this study context, loan scheme management system is a combination of digital, manual and legal procedures which include collecting and verifying information on the application, their trustworthiness, credibility, group's projects appraising, disbursements to targeted groups, contracting, mechanism for follow-up on loans, review, control and recovery of funds from beneficiaries as per Government Announcement No.286 of 05/04/2019; LGA's Finance Act (2018) CAP.290 Sect.37A (4).

2.3 Theoretical Review

This study was guided by two models namely Grameen Model of Microfinance and Progressive Lending and Banco Sol Model. The choice of these two models was based on the fact that they are excellent and innovative approaches to loan provision. The models are closely related to Staff capacity on loan management, Beneficiaries' Knowledge and 10% loan management requirements and politicians' roles on loan management. On the other hand, the models are closely related to revealing of challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to loans being issued to non-targeted individuals.

2.3.1 Grameen Model of Microfinance / "grassroots" of microfinance model

The theory originated in Bangladesh by Prof. Mohammed Yunus in 1970s. A primary unit to lending funds to is a group of 5 members that organize and apply for a loan. The first loan is granted for two members to invest in their business. If these two members become successful and repay the amount, two more members become eligible for the loan. Last member becomes eligible for the loan if previous members successfully repay the loan. The loan repayment trends determine the next lending. The default of one member disqualifies the whole group for further loans; this introduces social collateral in place of financial one. Under Grameen Model, eight groups are organized at center level, by which a bank officer deals with these all eight groups. This center of eight groups has its own center chief and center group leader (Khan and Rehman, 2007) cited in Salum (2014).

According to Sengupta and Aubuchon (2008) cited in Salum (2014), first time bank grants a $100 loan and with a repayment of 10 percent per annum but on weekly basis. This repayment ensures loan security, and encourages savings. Along with five percent of loan deposited in group account for emergency and social needs like health care of any one member, this five percent deposit will be used to cover related expenses. Grameen model is a unique and innovative approach to group lending. Its relevance to this study is in the essence of a systematic management that there must be an acceptable system of loan provision and return. Capacitated and equipped loan officers should be in place to penetrate into peripheral areas for services. Community development officers' capacity on loan management is needed to facilitate effectiveness in 10% loan scheme management. Beneficiaries are imparted with knowledge on loan management and if it is participatory will factor on repayment and social economic capacities especially women.

2.3.2. Progressive Lending-Banco Sol Model

This model is twined with Grameen model of microfinance as both were developed by the same person. It emphasizes on lending to villagers and keep loan lending on in smaller amount. The other core concept of this model is formation of groups eligible to secure loans. Progressive lending (Agion and Morduch, 2003) cited in Salum (2014) was introduced to provide loans to individuals with group lending. Amount of loan gradually increases as they mature and adhere to their repayment schedules. Another characteristic included in this model is targeting rural marginalized groups like women groups.

This theory relates to the proposed study that 10% lending needs to be progressive in nature, targeting rural marginalized groups for sustainable inclusive economy as stipulated in SDGs 1 and 8. If community development officers are capacitated and 10% loans are not politicized, effectiveness in 10% loan scheme management will be realized. Lending should target rural marginalized groups but in small amounts until they are matured to manage their mindset and attitudes towards money. Progressive lending is defined in loan recovery which creates 10% revolving fund in LGA loan scheme management context.

2.4 Empirical Literature Review

2.4.1 Staffs' capacity and loan management

The study conducted by Akaba and Orumwense (2021) in Nigeria revealed that lack of competent staff in banking operations can lead to failure of microfinance banks and these can affect also the beneficiaries. The study conducted by Were (2012) found that, a number of staff in loan sales and administration was enough to carry out the required tasks. Understaffing level is associated with lower turnout (Rubado and Jennings 2020). A study conducted by Olatunji (2021) on Local Governments in Britain and Nigeria was guided by democratic participatory theory and found Local Governments in Nigeria were subjected to control due to the poor service delivery and corruption. The literatures provide scant information in relation to issue of capacity among staffs specifically in LGA community microfinancing. Thus there was a need to re-conduct a study in determining the relationship between staff capacity and loan management in LGAs context.

Ryser *et al.* (2019) conducted a study on "transforming government strategies for mobile workforces." They employed an interview method of collecting data in their case study design and it was found that lack of skills related to procurement, internal capacity and supportive technologies were big challenges. This is in line with Zelenbabic (2015) that financial resources can be inadequate to invest in infrastructure to support Local Government initiatives if skills support and policies are not adequate. These literatures contain limited information to feed our generalization on staff capacity in dealing with loan management which is questionable for years. Therefore, the Local Government Authority must be a field of concern to make sure loans provided reach the targeted individuals to realize sustainable development. According to Chandio *et al.* (2020) road access and extension contacts can positively and significantly affect the formal credit.

A study conducted by Were (2012) on loan management and financial performance in financial institutions in Uganda revealed that managers handle loan payment from customers; invoicing to customers on payment dates was done immediately after loan had been granted. However, regular personal visits were not done by the debt collection team to follow-up on debts.

2.4.2 Beneficiaries' Knowledge and loan management requirements

Were (2012) found customers were not able to pay loans due to uncontrollable circumstances. Payment terms were not communicated clearly; customers were not aware of loan due dates and amount, suffered from penalties, reminders from banks irritated them and sometimes missed out on the loan repayment when it was due. The Pearson's correlation coefficient r=0.688 and significance p value 0.000 indicated a highly positive relationship between loan collection and financial performance and that the two variables were related.

Deslate *et al.* (2020) revealed that, a tendency of Local Government to be familiar with communities and their history can lead to tackling many challenges. Despite the fact that literatures revealed the issues of knowledge and skills among loan beneficiaries, still there was scant information in Tanzania context. Following these results by various researchers cannot be generalized to all communities in all countries so it is the right time for the current study to show the influence of Beneficiaries' Knowledge on loan management requirements and loan recovery.

2.4.3 Challenges to non-recovery of the loan funds

Bhattacharjee and Sharma (2021) conducted their study on impacts and constraints faced by beneficiaries of Kisan Credit Card (KCC) scheme in Dimapur District of Nagaland in India. They found that insufficient credit, securities, finding guarantor, illiteracy of borrowers, attitude of loan officers, involvement of too many intermediaries, bribery charges and obtaining no due certificate were the constraints faced by beneficiaries. The challenges explained in literatures critically reveal gap and scant information on loan recovery in Tanzania context. The current study filled that gap by identifying current challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to loans being issued to non-targeted individuals in LGAs context.

According to OECD (2015) financial institutions have developed several methods to mitigate the incidence of these challenges in SME lending such as requests for high equity contributions by prospective borrowers, requirements for collateral.

2.5 Research Gap

This study is essentially focusing on Tanzania context as literatures including Akaba and Orumwense, (2021); Bizikova *et al.*, (2020) and Were (2012) reveal contradicting findings on the issues of capacity among staff in 10% loan management and loans recovery hence pressing a demand to re-conduct a study in determining the relationship between staff capacity and LGA 10% loan scheme management. Fadlallah *et al.,* (2018); Olatunji, (2021); Rubado and Jennings (2020) and Ryser *et al.,* (2019) provide results with limited information in relation to issue of capacity among CD departments' staff specifically at LGA level therefore pressing the need to re-conduct a study in determining the relationship between staff capacity and loan management in LGAs context.

Halseth, (2017); Ryser *et al.,* (2017); Ryser *et al.,* (2019); and Zelenbabic, (2015) pointed out that there should be reforms but still staff capacity in loan managing department has been questionable for years. In this case, Local Government Authority must be a field of concern to ensure loans provided reach the targeted individuals' fruitful sustainable development intentions. Chandio *et al.,* (2020); Deslate *et al.,(*2020) and Were (2012) revealed the issues of knowledge and skills among loan beneficiaries but still no deeper information fitting Tanzania context. The results by various researchers cannot be generalized to all communities in all countries so it is a moment for the current study to examine the influence of Beneficiaries' Knowledge on loan management requirements and recovery.

The challenges explained in Bhattacharjee and Sharma (2021); Kuntari *et al.,* (2019) and Odulayo*etal.,* (2019) critically reveal gap and scant information on loan recovery in Tanzania LGA community interest free lending context. The findings stack on the education level, guarantor, household size and cooperative societies' participation influence loan accessibility significantly to formal loan source users. The current study bridged that gap by identifying current challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to loans being issued to non-targeted individuals in LGAs 10% loan context. In bridging the gap identified in the literatures, this study was guided by two models/theories; Grameen Model of Microfinance and Progressive Lending – Banco Sol Model to assess Determinants of LGA's loan scheme management in Tanzania with a case of Bariadi Town Council.

2.6 Conceptual Framework

According to Varpio *et al.* (2019) a conceptual framework refers to a justification for the reason of a study to be conducted. Basing on Progressive Lending-Banco Sol Model, the framework underpinning this study, shows the state of knowledge factored on literature review. The independent variables will be Staffs' capacity, Beneficiaries' knowledge and Politician's roles while the LGAs' Loan Scheme Management is the dependent variable. The Local Government Authorities' benefit from loan funds recovery from beneficiaries through progressive lending (revolving funding). This can be influenced by Staff capacities meaning that staff capacities and beneficiary's knowledge can influence loan scheme management.

The inferential determined the associations of variables which are Staffs capacity and Beneficiaries' Knowledge in relation to LGA's 10% loan scheme management. The Spearmans' correlation were used to measure influence of department Staffs' capacity on loan management in Bariadi Town Council and influence of Beneficiaries' Knowledge on loan management requirements in Bariadi Town

Council. Descriptive analysis depicted challenges that lead to non-recovery of the loan funds from beneficiaries; challenges that lead to loans issued to non-targeted individuals and politicians' roles in 10% loan management in Bariadi Town Council.

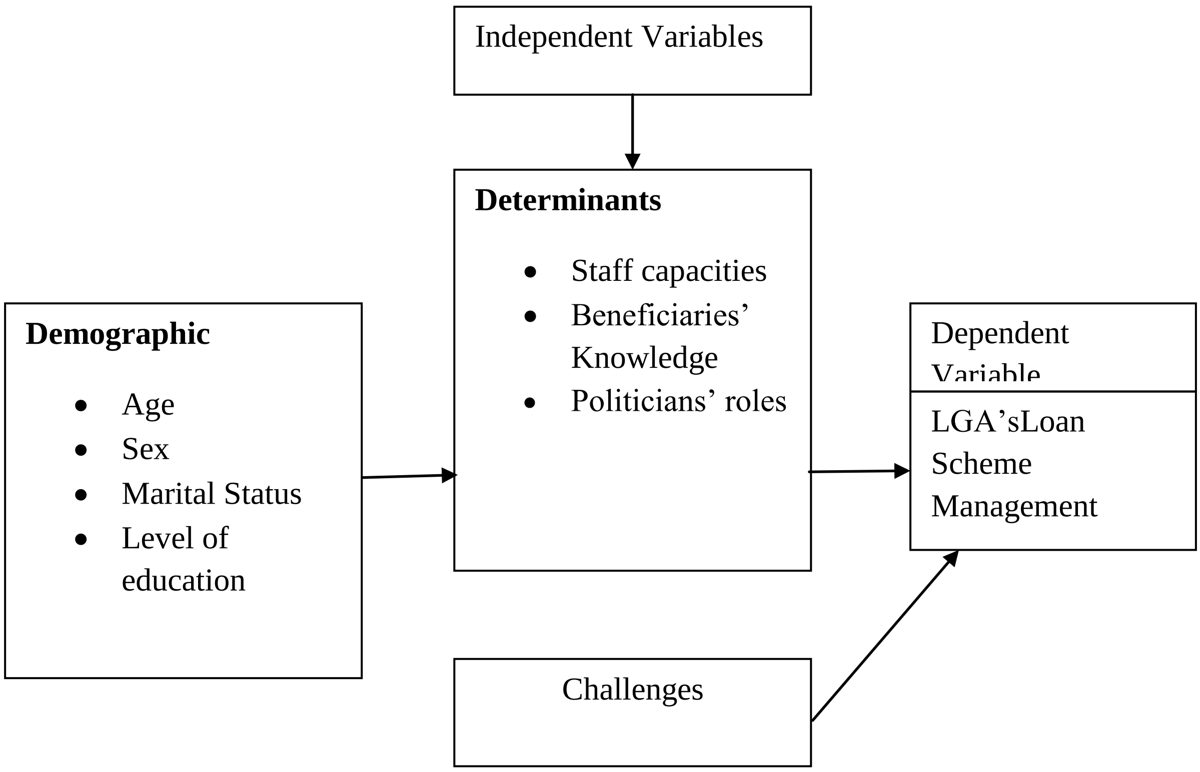

Figure 2.1: Conceptual Framework

Source: Empirical Review

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter consists of research methodology where research philosophy on the assumption is stated. The design of the research linking to data collection methods is also explained in detail. It looks on the area of the study, sampling, analysis, issues of validity and reliability, ethics as well as limitation and delimitations.

3.2 Research Philosophy

The pragmatism philosophy was used in this study where the researcher employed quantitative and qualitative methods to collect, analyze and use data. Research Philosophy is referred to as a system of belief and assumptions about the development of Knowledge. It is concerned with the way in which data about a phenomenon should be collected, analyzed and used (Rehman and Alharthi (2016).

3.3 Research Design

This study used cross-sectional design as it determined the influence of Department staffs capacity on loan management, examined the influence of Beneficiaries' Knowledge on loan management requirements and politicians' influence on loans management activities, and identified challenges that lead to non-recovery of the loan funds from beneficiaries and loans issued to non-targeted individuals. Pandey and Pandey (2015) refer research design as a comprehensive plan for data collection in an empirical research project.

3.4 Area of the Study

This study was conducted in Simiyu region at Bariadi District. Justifications for selecting the particular study area base on the fact that, in 2019/2020 Parliamentary Local Authorities Account Committee (LAAC) directed the National Audit Office (NAOT) to conduct a Special Audit of Bariadi Town Council. Among thematic areas was 10% loan scheme in this Audit exercise. As per audit findings, a number of issues were raised including loans funds not recovered, loans issued to non-targeted group members (CAG's Bariadi TC Special Audit Report 2020/2021).

The loan management practitioners were somehow incompetent because they possessed unrelated professions and were not groomed for loan management practices.

3.5 Study Population

The study population was 606 who are 2021/2023 loan beneficiaries out of whom 236 respondents were involved in this study in Bariadi Town Council. These have been purposively selected as they supervise daily loan provisions, management, returns and provided required information on the influence of departmental staffs' capacity on loan management and loans management activities. According to Momoh (2021) study population refers to the population from which a sample will be drawn and a conclusion can be made. Christensen and Johnson (2010) defined it as a large group of people to whom the study findings are to be generalized.

3.6 Sample Frame and Sample Size

The sample frames were loan beneficiaries and respective officers in charge of daily loan management responsibilities in Bariadi Town Council. The sample size included community development officers from Office Headquarters, ward level, Internal Audit Unit, Council Management Team members, Finance and Management Committee and Council Loan Committee who were self-administered questionnaire. According to Bhattarcherjee (2012) the sample frame is an accessible section of the target population usually a list with contact information from where a sample can be drawn. It is a list of all those within a population who can be sampled and may include individuals, households or institutions. Since the beneficiaries whose total are 606 with the use of the following formula (Kibuacha, 2021).

Sample size (n) = $N*[Z^2*p*(1-p)/e^2] / [N-1+(Z^2*p*(1-p)/e^2]$, where Population size (N) =606, Critical value (95% confidence level) (Z)=1.96, Margin of error (e) = 0.05, Sample proportion (p) = 0.5, A sample size (n) $=606*[1.96^2*0.5*(1-0.5)/ 0.5^2] / [606-1(1.96^2*0.5*(1-0.5)/0.05^2]$ A sample size (n) = 236. From this formula a total number of 236 respondents (beneficiaries) were included in this study.

3.7 Sampling Procedures/approach

This study employed Cluster sampling, random, Purposive and snowballing as the population in Bariadi Town Council is divided in a cluster of 10 Wards. The choice of these was based on the fact that to pave way for other participants to be pointed or recommended to be included as key informers. The units of the sample in this study were all community development officers, LGA officials dealing with loan scheme management and beneficiaries. The list of groupings of these study units was available and was easily compiled; also a number of these groupings can be randomly selected. According to Degu and Yigzaw (2006) clusters are often geographic units such as districts, villages or organization units. The purposive sampling and snowballing technique were used specifically in focus group discussions with beneficiaries. The choice of this technique based on the fact that by judgement the researcher selected those who were able to provide most relevant and deep information concerning loan funds respectively. In addition to that, snowball technique was used in the sense that participants may propose another individual whom they believed had much information to be included in the study.

3. 8 Data collection methods

This study employed different methods and instruments for collecting data. Data collected falls under primary and secondary data. A questionnaire was used to gather information basing on the influence of department staffs' capacity on loan management and the influence of politicians' roles on loan management. Also used to identify challenges that lead to non-recovery of the loan funds from beneficiaries and loans issued to non-targeted individuals. Document review and Focus Group Discussion basing on the objective themes were also employed.

3.8.1 Questionnaire tool

The questionnaire was self-administered to community development officers in 10 wards, Internal Audit Unit, Council Management Team, Finance and Management Committee and loan committee and beneficiaries. This was due to the fact that most of them were busy with work hence it was easy and flexible for them to fill in the answers while working. Wallimani (2011) defines it as the process of gathering information through an instrument consisting of a series of questions and prompts to receive a response from individuals it is administered to.

3.8.2 Document Review

The document review was inevitable in gathering information basing on themes of determinants of Local Government Authorities Loan scheme management. This was part of secondary data where guidelines, reports, thesis that have information related to the influence of Department Staffs' capacity on loan management, Beneficiaries' Knowledge on loan management requirements and politicians' influence on loans management activities, as well as challenges that lead to non-recovery of the loan funds were regularly visited throughout the study.

3.8.3 Focus Group Discussion

Focus group discussion is a qualitative research method and data collection technique in which a selected group of people discusses a given topic or issue in depth, facilitated by a professional and external moderator (Eeuwijk and Angehrn, 2017). In this study, the researcher conducted discussions with 21 focus groups where 14 were for women and 7 youth groups. The researcher managed to cover all basing on the fact that is close to CDOs at the respective area and was one among government officials familiar to those beneficiaries. Each group consisted of at least 8 to 10 participants There was a facilitator and a moderator per group to make sure everything was in good order. Focus group discussion is a qualitative research method and data collection technique in which a selected group of people discusses a given topic or issue in depth, facilitated by a professional and external moderator (Eeuwijk and Angehrn, 2017).

3. 9 Data Analysis procedures

The analysis of quantitative data was done using inferential analysis with the use of Spearman's correlation and thematic analysis basing on themes. For the quantitative procedures, gathered data with the use of questionnaires tool were analyzed systematically. Information was edited, coded and entered in the Statistical Package for Social Sciences (SPSS V.20). Data were regularly checked by the researcher for accuracy during and after check. The inferential analysis determined the associations of variables which are Staffs' capacity and Beneficiaries' Knowledge and politicians' role in relation to LGA's loan scheme management. The Spearman's' correlation used to measure influence of department Staffs' capacity on loan management, influence of Beneficiaries' Knowledge on loan management requirements and politicians' roles. Descriptive and thematic analysis used to identify challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to loans being issued to non-targeted individuals in Bariadi Town Council.

The qualitative data from focus group discussions and key informant interviews were analyzed thematically. It involved several steps such as familiarization, coding, generation of themes, reviewing of themes and finally writing up. That information included opinions from participants on what they think as politicians' roles that factor on 10% loans management, decisions, allocation, process, expenditure and recovery. It also included information about reasons for loan disbursement to ineligible groups, knowledge of beneficiaries in fulfilling loan management requirements and repayment obligation. The thematic analysis included information on the challenges that lead to non-recovery of the loan funds from groups. All these were analyzed basing on themes so as to get deep information from a qualitative angle.

3.10 Validity and Reliability of the research tools

Issues of validity and reliability in this study were considered. The issue of validity was ensured through various aspects such as dependability, consistency, confirmability and trustworthiness. According to Middleton (2022), concepts of reliability and validity are used to evaluate the quality of research, where they indicate how well methods, techniques or the test measures something.

3.10.1 Validity

Milddleton (2022) refers to validity as the accuracy of a measure. This study ensured the validity in the sense that, it considered an aspect of transferability where the findings from the sample of 236 can be applicable to other contexts and situations in relation to loans management, decisions, allocation, process, expenditure and recovery. Triangulation was considered through collection of multiple types of data like those from interview, focus group discussion and from literatures.

3.10.2 Reliability

In this study, reliability was considered; the information gathered was reliable even if the study has to be repeated to make sure findings are the same. Triangulation, reflexivity and peer debriefing were considered to enhance and demonstrate the reliability of their data collection and analysis processes. This was based on the fact that reliability is about the consistency of a measure (Milddleton, 2022) that it relates to human perception, intellect, power of memory and reasoning to organize data and ideas to promote something. The Cronbach Alfa of 0.7 was accepted as reliable.

3.11 Ethical Consideration

Several ethical issues in research were considered during this proposed study. There was informed consent from respondents and their privacy was respected. The researcher avoided conflict of interest and avoided plagiarism. The researcher obtained a letter of permission from the Open University of Tanzania so as to collect data in the selected areas. This assured the respondents that the information they provided was for the academic purpose and not otherwise.

3.12 Limitation and Delimitation of the Study

3.12.1 Limitation of the Study

This study had some constraints. It has been hindered with time where it has been regularly corrected to match the requirement. The study was also hindered with financial constraints since it required a research assistant to gather information from loan beneficiaries to get more insight from them. It was not easy to collect information from some of the respondents due to the fact that some thought that they could be arrested for disclosing their weaknesses.

3.12.2 Delimitation of the Study

Delimitation of these required the researcher to seek employer permission so as to get leave for data collection. The researcher also sought financial assistance from the employer so as to alleviate financial constraints from proposal writing up to submission of the report. Besides this, right to anonymity was considered in order to pave the way for collecting information based on the topic. Respondents were assured that the research was for academic purpose and not otherwise.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Overview

This chapter covers demographic characteristics of the respondents which are age, sex, marital status, years in service, level of education, loan scheme management, education background and training background. It also covers reliability statistics, findings and discussion on the influence of department Staffs' capacity on 10% loan management, the influence of Beneficiaries' Knowledge on 10% loan management requirements, the influence of politicians' role on 10% loan management and challenges that lead to non-recovery of 10% loan funds from beneficiaries and loans issued to non-targeted individuals.

4.2 Demographic characteristics of the Respondents

The respondents included Council Management Team members, Council Loan Service Committee members, Community Development Division Officers and 10% loan beneficiaries. The results in Table 4.1 show majority were males while minority was female. Their age ranged between 26 to 45 years old while few were above. Also most of them were married and had a diploma while few had bachelor degrees. These data exhibit that majority of loan officers were male, with their families and had insufficient education for loan scheme management.

On the other hand, the findings in Table 2 indicate that most of beneficiaries were females and a few males, aged between 26 to 45 years old. Also, majority were married while few were single. Most of the beneficiaries have primary education level. This finding indicates that most of beneficiaries in Bariadi District are young enough to run their groups but have no sufficient education. This may result into failure in managing group funds as well as an indication of being easily deceived and interfered with by some unethical politicians. Similarly, a study by Tarimo (2019) found that women were mostly found in groups focusing on social development and informal financial institutions. Also it found the age of participants ranged between 21 to 38 years old and mostly has secondary education at 53%. However, Sehaba (2022) found that age has significant influence at (p=0.01 on employment creation.

Table 4.1 Council Management Team members/ Council Loan Service Committee members/Community Development Division Officers

Sex	**Frequency**	**Percent**
Male	25	73.5%
Female	9	26.7%
Total	34	100%
Age	**Frequency**	**Percent**
18-25	0	0%
26-35	22	64.7%
36-45	9	26.7%
46+	3	8.8%
Total	**34**	**100%**
Marital Status	**Frequency**	**Percent**
Single	9	26.4%
Married	25	73.5%
Total	34	100
Education Level	**Frequency**	**Percent**
Primary Level	0	0%
Secondary Level	0	0%
Diploma	21	61.7%
Bachelor Degree	13	38.2%
Total	**34**	**100%**

Source: Field Data (2023)

Table 4.2 Beneficiaries

Sex	**Frequency**	**Percent**
Male	65	32%
Female	138	67.9%
Total	203	100%
Age	**Frequency**	**Percent**
18-25	10	4.9%
26-35	89	43.8%
36-45	93	45.8%
46+	11	5.4%
Total	**203**	100%
Marital Status	**Frequency**	**Percent**
Single	35	17.2%
Married	168	82.7%
Total	203	100%
Education Level	**Frequency**	**Percent**
Primary Level	152	74.8%
Secondary Level	37	18.2%
Diploma	6	2.9%
Bachelor Degree	8	3.9%
Total	**203**	**100%**

Source: Field Data (2023)

4.3 Community Development Division Officer's Work Experience

The researcher was interested in knowing the reality of their experience in service, whether their academic backgrounds connect to executing loan scheme management obligations. Also, was intended in discovering on job capacity building programs to groom CDOs in 10% loan management before they are tasked with loan management responsibilities. The results in Table 4.3 show majority have been in-service for 7-8 years, few have been in-service for 10 years. The results show that most of them have no academic background fit to carry out loan scheme management obligations, while few fit for loan management responsibilities. CDOs did not attend any on job capacity building training before and or after being tasked with 10% loan management responsibilities. The findings indicate that despite the fact that

Community Development Division Officers have been in service for a long period, they have no academic basics helpful in executing loan scheme management duties. With these findings, it is clear that loans are blindly disbursed with limited understanding in project appraisal and performing daily loan management obligations. As loan officers pose limited capacities, challenges and failures manifested in issues related to group's project finance management impact loan, issuance processes, monitoring and recovery. According to a similar study by Tarimo (2019) officers at the municipal council have experience in supervising groups registration, development of business ideas and issues related to youth groups.

Table 4.3 Community Development Division Officer's Work Experience

Community Development Division Officers		
Years in Service	**Frequency**	**Percent**
10	1	12.5%
33	1	12.5%
7	4	50.0%
8	2	25.0%
Total	**8**	**100%**
Have Loan Scheme Education background	**Frequency**	**Percent**
No	6	75.0%
Yes	2	25.0%
Total	**8**	**100%**
Attended Capacity Building Training	**Frequency**	**Percent**
No	7	87.5%
Yes	1	12.5%
Total	**8**	**100%**

Source: Field Data (2023)

4.3 Beneficiary Groups

The researcher wanted to know the information on the number of beneficiary groups during focus group discussion. The results in Table 4.4 indicate that there were 21 focused group discussions out of which 14 equal to 67% were women groups and 7 equal to 33.3% were youth' groups. This is an indication that marginalized segments in Tanzania are reached by 10% loans and empowered as per Economic Empowerment Policy 2024. It further indicates that, women are rising up to own various projects and businesses. The government through LGAs has put an effort to foster development by helping small entrepreneurs as well as empowering women, youth and people with disability country wide. BBT-YIA (2022-2-30) revealed that in Tanzania there are about 16 million youths out of whom 10 million are aged between 15 to 24 years old and the rest aged 25 to 34. They are employed in farming, off-farm agri-food system and other sectors however challenged by limited access to loan / capital. It also revealed a weak monitoring and evaluation of initiatives in inspiring youths as well as initiatives concentrated in the southern highlands and thus leaving those in other areas. However, a similar study by Tarimo (2019) found that the ratio of women in community based organization is higher than men. Akaba and Orumwense (2021) in Nigeria discovered that lack of competent staff in banking operations can lead to failure of microfinance banks and these can also affect beneficiaries. In contrast, Were (2012) insists that, a number of staff in loan sales and administration was enough to carry out the required tasks insisting on staffing level in relation to executing loan management obligations.

Table 4.4 Beneficiary Groups

Type of Group	**Frequency**	**Percent**
Women Groups	14	66.6%
Youth Groups	7	33.3%
Total Groups	21	100%

Source: Field Data (2023)

4.4 Reliability Issues

Reliability is essential in this study. The Cronbach's Alpha was employed to measure internal consistency of the items which are Staff capacities, Beneficiaries' knowledge, Politicians' roles and LGA's Loan Scheme Management. Reliability ensures the information gathered is reliable so that even when the study is repeated the findings will hold the same results (Milddleton, 2022). Basing on this fact the Cronbach Alfa of 0.771 from Table 4.5 indicated and accepted as reliable.

Table 4.5 Reliability Statistics

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.771	.735	6

4.5 The Influence of Department Staffs' Capacity on Loan Management

The first objective of the study was to assess the effect of department Staffs' capacity on 10% loan scheme management in Bariadi Town Council.

4.5.1 Spearman's correlation between Staff capacity and Loan management

In order to gather information on the influence of department Staff's capacity on 10% loan scheme management, the researcher applied non-parametric correlation (Spearman's rho correlation). This intended to detect if Loan approval to the eligible groups is done by department's Staff, various loan applicants' projects are appraised, monitored and evaluated by department's Staff before and after approval, and if lack of means of transport to frequently reach 10% loan beneficiaries affect its management to uncover the influence of low staffing level in CD department on 10% loan management from Council to LLG levels.

The result in Table 4.6 indicate the Spearman correlation coefficient (0.203, .333, -.412, -.819) where the positive correlation coefficient indicates that loan approval to the eligible groups is done by department's Staff. Various loan applicants' projects are monitored and evaluated by department's Staff before and after approval. However staff members do not have required skills for technical project appraisal and the negative coefficient indicates that the low capacity, lack of means of transport among department's Staff deeply affects 10% loan management. The negative correlation coefficient indicates that low staffing level in CD department affects 10% loan management at LLG levels. Therefore, the Correlation is statistically significant (P=0.01) level. The finding further reveals that lack of capacity building programs affects CDOs in fulfilling their loan management obligations. This leads to channeling loan funds to non-productive group projects. In some instances it leads to lack of knowledge in managing project. For the case of staffing requirements for CD Department, it has been confirmed during the study that there is insufficient Staff in Bariadi due to the fact that only 8 Staff members are present equivalent to 44% out of 18 equivalent to 56%. The council requires extra 10 Staff members to fill the gap. Zelenbabic (2015) observed that financial resources can be inadequate to invest in infrastructure to support Local Government initiatives if skills support and policies are not adequate. In contrast, the study by Aziah (2016) found that capacity relates to the amount of the loan and the ability of the borrower to utilize it effectively.

Table 4.6 Spearman's Correlation between Staff capacity and Loan management

Correlations							
			Staff capacity	Loan approval to the eligible groups is done by department's Staff	Various loan applicants' projects are monitored and evaluated by department's Staff before and after approval.	Lack of transport to frequently reach 10% loan beneficiaries affects its management.	Low staffing level in CD department affects loan management at LLG levels.
Spearman's rho	Staff capacity	Correlation Coefficient	1.000	.203**	.333**	-1.000**	-.412**
		Sig. (2-tailed)	.	.002	.000	.	.000
		N	203	203	203	203	203
	Loan approval to the eligible groups is done by department's Staff	Correlation Coefficient	.203**	1.000	-.473**	-.203**	-.819**
		Sig. (2-tailed)	.002	.	.000	.002	.000
		N	203	203	203	203	203
	Various loan applicants' projects are monitored and evaluated by department's Staff before and after approval.	Correlation Coefficient	.333**	-.473**	1.000	-.333**	.247**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	203	203	203	203	203
	Lack of transport to reach 10% loan beneficiaries affect its management.	Correlation Coefficient	-1.000**	-.203**	-.333**	1.000	.412**
		Sig. (2-tailed)	.	.002	.000	.	.000
		N	203	203	203	203	203
	Low staffing level in CD department affects loan management at LLG levels.	Correlation Coefficient	-.412**	-.819**	.247**	.412**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	203	203	203	203	203
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Field Data (2023)

The focused group discussion was conducted intending to capture different opinions from beneficiaries in relation to influence of department Staff's capacity on loan management. There were various views on how low staffing level in CD department affects loan management in 10% loan beneficiaries. The findings in Table 4.7 revealed different themes such as lack of close follow up and lack of frequent visits and guidance were raised.

The low staffing level in CD affects loan management in 10% loan beneficiaries groups. Beneficiary groups lack closer supervision, monitoring and timely advice to meet their aspirations. Beneficiary groups lack technical assistance in relation to projects and investments ending up losing money in nonproductive projects. It takes too much time to access CDO technical assistance when they are called for services. The results have been spending of loan money contrary to loan directives, late access to useful information for beneficiary group projects. The participants further claimed of low staffing level in CD department leading to lack of linkages between LGA and lower level government. The response obtained during focus group discussion revealed further that;

"Beneficiary groups lack closer supervision, monitoring and timely advice to meet their aspirations. Beneficiary groups lack technical assistance in relation to their projects and investments ending up losing money. They take too much time to reach us when we call for assistance." (FGDs)

This concurs with finding from the study conducted by Were (2012) on loan management and financial performance in financial institutions in Uganda that, regular personal visits were not done by the debt collection team to follow-up on debts. Were (2012) pointed out that customers were not able to pay loans due to uncontrollable circumstances. In addition to that, Iroegbu (2020) found that persons who are in a community should be recruited and trained to monitor projects in that community to feed staff shortage.

They further claimed of lacking technical assistance, closer follow up on loans expenditures as a result projects are prone to failure. The response obtained during focus group discussion uncovered that;

"There is no one to provide loan guidance and trainings needed by loan beneficiaries. We lack technical assistance and our projects are subjected to failure. No closer follow up on loans and expenditures. We end up conflicting and misusing loan funds as no close follow ups" (FGDs).

Generally, staffing level in CD department affects 10% loan management because loans are disbursed with no closer supervision and monitoring of beneficiary groups expenditures. There is possibility of ending up conflicting and misusing loan funds as no close eyes and this opens a chance for cheating in the process. This leads to spending of loan money contrary to loan contract terms, diverging loan funds into other channels. This study found only 3 wards out of 10 have CDOs equal to 70% understaffing level. This justifies further the real situation when funds are remitted to groups with no close supervision. Beneficiary groups lack capacities, technical assistance in relation to their projects and investments. There is lack of linkages between LGAs and lower level governments limiting information sharing hence worsening the situation. A similar study by Ryser *et al.* (2019) pointed out that lack of skills related to procurement, internal capacity and supportive technologies are challenges.

Table 4.7 Focus Group Discussion

Theme	Description
Monitoring and evaluation	Beneficiary groups lack closer supervision, monitoring and timely advice to meet their aspirations. Beneficiary groups lack technical assistance in relation to their projects and investments ending up losing money. They take too much time to reach us when we call for assistance.
Lack of Guidance on loan expenditure and management at lower levels	No one to provide loan guidance and trainings needed by loan beneficiaries. We lack technical assistance and our projects are subjected to failure. No closer follow up loans and expenditures. They end up conflicting and misusing loan funds as no close follow ups.

Source: Field Data (2023)

The researcher was interested in knowing how LGA Officers link low staffing level in CD department and further capture their thoughts about lack of means of transport to frequently reach loan beneficiaries as both affect 10% loan scheme management. Table 4.8 presents different themes such as job rotation and replacement, and transport which were raised by participants in relation to the influence of department's Staff capacity on loan management. The findings based on these themes are in line with (Deslate *et al.*2020; Rubado and Jennings; 2020; Ireogbu 2020; Chandio *et al.* 2020 and Were 2012) and are presented and discussed as follows;

Theme 1: Job rotation and Replacement

Participants stressed that, understaffing affects many departments in Bariadi Town Council including the CD department. Since the recruitment done in 2015 there has been no new employees added so far. Many retirements, transfers, deaths and other events have occurred but no replacement done to maintain staffing level. The loan management obligations were in place despite insufficient Community Development Officers based at the Council HQ. The response obtained during an interview revealed that:

Participant I.

"Generally, understaffing is affecting many departments in our Council. Community development department last received new employees in 2015 and from there on transfers, retirements and so on have occurred but no replacements made so far. However, daily responsibilities including loan management remained the same with limited number of Community Development Officers based at the Council HQ which deteriorated loan scheme management. So far it needs 18 Community Development Officers but only 8 are available. 55% of staff can tell the fact of CD capacity" (Key Informant-Interview).

A successful loan scheme management requires full department staffing equipped to deal with beneficiaries' challenges. The study by Deslate *et al.* (2020) concurs by revealing that, Local Government must be familiar with communities and their history hence lead to tackling many emerging challenges.

Theme 2: Means of transport

The discussion pointed out that CD department has only 1 motor cycle out of 12 equivalent to 8.3% of motor cycles required. This necessitated loans disbursed to ineligible groups in conjunction with geographical limitations. Participants claimed that means of transport has been limiting Community Development Department to penetrate hard to reach areas for services. It was further noticed that insufficient transport hindered CDOs from extending their services to 10 wards and 92 '*mitaa*' as they based at Council Headquarters where beneficiaries have to visit main office for services. This imposed extra costs to beneficiaries. Stressing on the issue one respondent said;

Participant II.

"Community Development Department provides its services to 10 wards and 92 'mitaa'. It needs 12 motor cycles and 1 car for smooth operations and service provision; the department has only 1 motor cycle equivalent to 8.3% of motor cycles required" (Key Informant-Interview).

Bariadi Town Council is made up of 10 wards demanding 18 Community Development Officers to oversee community development duties including 10% loan management at Lower Level Government and Council Headquarters. Out of 18 Community Development Officers required only 8 are available to date equivalent to 44%. Out of these 3 are allocated to 3 wards equivalent to 30%. The general understaffing level in this department is 56%. Due to understaffing in this department 10% loan management is affected from the roots (lower level government) as follows: funds remitted to groups without closer follow ups; officers at the headquarters lack updates about beneficiaries creating an atmosphere for beneficiaries to disappear with government money. Similar to Rubado and Jennings (2020) understaffing level is associated with lower turnout. Therefore, beneficiaries are not often reached on time for technical guidance and advice to feed on proper project supervision and management. CDOs are informed after some projects have failed or beneficiaries have disappeared from their localities. When we compare wards with CDO officers and those with none, there is a big difference. The response obtained during an interview revealed that:

Participant III

“Beneficiaries lack professional guidance from CDOs thus decide the way they see, as they don’t have one to guide them properly or they don’t even seek for advice. You can just think of what happens when a lot of money is given to a particular group and no one to continually keep an eye on them” Key Informant-Interview).

Lack of means of transport has an intense effect on 10% loan management as follows: -CD officers cannot easily move from one point to another in reaching loan beneficiaries taking into consideration geographic limitations of some areas. CDOs have to wait until there is a special visit arranged to a particular area so that they can join the team and reach peripheral places. The situation opens a room for groups to manipulate loan money as they wish and sometimes disappear from their areas. The combination of low staffing level and lack of means of transport have significantly contributed to departmental poor 10% loan management. A study conducted by Olatunji (2021) on Local Government in Britain and Nigeria guided by democratic participatory theory found Local government in Nigeria was subjected to control due to poor service delivery and corruption. However, it is contrary to the finding by Were (2012) that a number of staff in loan sales and administration was enough to carry out the required tasks.

Table 4.8 Key Informants Interview

Theme	Description
Job rotation and Replacement	Generally, understaffing is affecting many departments in our Council. Community development department lastly received new employees in 2015 and since then transfers, retirements and so on have occurred but no replacements made so far. However daily responsibilities including loan management remained the same with limited number of Community Development Officers based at the Council HQ. This deteriorated loan scheme management. So far it needs 18 Community Development Officers but only 8 are available, 55% of staff can tell the fact of CD capacity.
Means of transport	Community Development Department provides its services to 10 wards and 92 'mitaa'. It needs 12 motor cycles and 1 car for smooth operations and service provision; the department has only 1 motor cycle equivalent to 8.3% of motor cycles required.

Source: Field Data (2023)

4.6 The Influence of Beneficiaries' Knowledge on 10% Loan Management Requirements

The second objective aimed to examine the significant relationship between Beneficiaries' Knowledge and 10% loan management requirements in Bariadi Town Council.

4.6.1 Spearman's correlation between Beneficiaries' Knowledge and Loan management

The information gathered on the influence of Beneficiaries' Knowledge on 10% loan management requirement. The researcher approached this by non-parametric correlation (Spearman's rho correlation) purposeful to depict information on whether beneficiaries received training on how to manage loan funds before loan funds were disbursed into their group account, and allowed to spend it as per regulation No.13(1)(f); it further focused on testing what beneficiaries could remember out of the trainings contents provided to them.

The result in Table 4.9 indicate Spearman correlation coefficient (-.655) where the coefficient reveals the negative relationship between beneficiaries' knowledge and influence on 10% loan management requirements. Meaning that if beneficiaries are trained on how to manage loan funds before spending loan funds it may lead to effective loan management and repayments respectively. Therefore, the Spearman's Correlation is statistically significant (P=0.00) level.

Table 4.9 Spearman's correlation between Beneficiaries' Knowledge and Loan management

<table>
<tr><th colspan="5">Correlations</th></tr>
<tr><td></td><td></td><td></td><td>Loan Scheme management</td><td>Beneficiaries Knowledge</td></tr>
<tr><td rowspan="6">Spearman's rho</td><td rowspan="3">Loan Scheme management</td><td>Correlation Coefficient</td><td>.203**</td><td>-.655**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>002.</td><td>.000</td></tr>
<tr><td>N</td><td>203</td><td>203</td></tr>
<tr><td rowspan="3">Beneficiaries' Knowledge</td><td>Correlation Coefficient</td><td>-.655**</td><td>1.000</td></tr>
<tr><td>Sig. (2-tailed)</td><td>.000</td><td>.</td></tr>
<tr><td>N</td><td>203</td><td>203</td></tr>
<tr><td colspan="3">**. Correlation is significant at the 0.01 level (2-tailed).</td><td></td><td></td></tr>
</table>

Source: Field Data (2023)

The findings revealed the Council's 10% loan disbursements to beneficiaries increased as indicated TZS 240,500,000 in 2020/2021 and TZS 666,417,255/= in 2021/2022. However, the findings proved further that in 2020/2021 only TZS 213,275,000/= was recovered from beneficiaries' equal to 88.7% leaving 11.3% unpaid back. In 2021/2022 only TZS 490,225,600 was repaid by beneficiaries equivalent to 73.6% leaving out 26.4 in beneficiaries' hands. This study witnessed a potential increase in disbursements proportional to non-recovery of loan funds from beneficiaries as a result of weaknesses in 10% regulations. Beneficiaries disappear upon securing loans; loan funds are divided among group members and avoid implementing group / collective projects resulting to failure. Beneficiaries use 10% loan funds to finance loan facilities they have with other microfinance institutions like BRAC and Vision Funds. Beneficiaries secure loan facilities from different lending institutions using same project as collateral, misuse of loan funds, failure of group projects, lack of experience in project management, group projects are politicized, conflicts and misunderstanding jeopardize their operations. A similar study by Bali and Maria (2010) pointed out that loans should be provided to those who have stability and financial discipline; as savings increase through the group's life, the group accesses a larger amount of loans. The concept is supported by progressive lending model by Prof Yunus (1970) that the increase in the loan amount must depend on the increase in trust and discipline.

Community Development Division Officers claimed that knowledge imparted to loan beneficiaries intends to support them in loan management and meeting repayment obligations. However, it has been realized that some beneficiaries ignore them as soon as they quit the training room.

There were issues culminating in loans being remitted to non-targeted individuals or groups in Bariadi Town Council. Political influence from Ward to Council level gives loopholes for politicians to penetrate and finally hijack the process, cooked information are generated from beneficiaries causing delays, loan recovery chaos, lack of satisfactory information about borrowers, limited capacity to trace loan applicants and weakness in TPLMIS linkages to other systems have brought the scheme to failure.

A similar study conducted by Were (2012) discussed that customers are not able to pay loans due to uncontrollable circumstances. Payment terms and procedures were not communicated clearly, customers were not aware of loan due dates and amounts, suffered from penalties, reminders from banks irritated them and sometimes missed out on the loan repayment when it was due. The Pearson's correlation coefficient r=0.688 and significance p value 0.000 indicated a highly positive relationship between loan collection and financial performance and that the two variables were related.

The researcher intended to unfold different opinions from beneficiaries concerning beneficiaries' knowledge influence on loan management. The focus group discussion revealed brilliant understanding of 10% loan provision and management regulations pertaining to loan handling and repayment obligations. Findings in Table 4.9 revealed themes such as loan disbursement and lack of clarity. Participants claimed to know and were informed of 10% loan requirement and obligations during the training; that loan money is for investment in an agreed project, it is neither meant for rewards nor covering personal luxurious needs. Some attended trainings on how to supervise loan funds before loan was disbursed into their group account and allowed to spend it. The Loan payment schedule was provided indicating first to last repayment instalments, start and end dates. The response obtained during focus group discussion revealed that;

"We know and we were informed during our training that 10% funds are loan money, not for free or rewards. We were trained on how to supervise loan funds before it was disbursed into our group account and allowed to spend it. We were provided with loan repayment schedule indicating first to last repayment instalments start and end dates" (FGD).

This is in line with Tarimo (2019) that beneficiaries especially youth spend loans contrary to intended purposes. Sehaba (2022) pointed out that funds are used to establish new businesses and expand their existing businesses.

Beneficiaries are informed of loan facility requirements and their obligations during training; this entails to impart knowledge that holds the group on its loan facility purpose. All group related funds are to be managed through one group bank account. Lack of system linkage limited CD capacity to trace and identify cheating cases. A study conducted by Mmari and Katera (2018) pointed out that the loan provision by the LGAs to registered community groups in Tanzania is for the purpose of boosting their economic development. Basing on that, in some areas the study found Community Development Officers educate them well on how to correctly handle and repay the loan. It was reported that some group members come with differing ideas on how loan money should be spent after receiving it; the idea meant dividing money among group members so that each starts her independent business. This has been fatal to group loan management and projects.

The government lacked specific loan management guidelines, directives and regulations about who exactly is disabled and intended to benefit from 10% loans. The reasons for loan disbursement to non-eligible groups / individuals include political atmosphere and influence has hijacked 10% loans turning it into a political agenda rather than community empowerment point. Moreover, some beneficiary group members have political ties with parties or relatives with political ground hence they access loans using that door. One of the participants in the focus group reacted that;

"As it is money, people will do whatever they can to have access to it. Who is immune against this force?" (FGD).

10% loan scheme began in absence of a specific system for its proper management. Beneficiaries used this chance as there was no means for tracing beneficiary personal information for compliance before loan facility approval and disbursement processes. 10% loan management information system (TPLMIS) commenced in 2022 while many mistakes had already happened. TPLMIS did not address all challenges. However helpful; it lacked system linkage only with National Identity Cards system leaving the issue of loan applicants' traceability unsolved. In justification, a participant from the focus group stressed that,

"How can a CDO know employed or unemployed individual not eligible for 10% loans if the system has no access to another platform for traceability?" (FGD).

Still politics influence 10% loan processes, beneficiary group members are affiliated to politics and use it to manipulate and access the loans. The study by Ireogbu (2020) pointed out that there should be a good coordination and cooperation through evolvement of a formal forum for the purpose of experience and information sharing. During focus group discussion a participant lamented that;

"These days politics influence everything, 10% loans have been a political agenda. Since beneficiary groups are formed politically, how can you avoid this? No clear preparations were in place to guide the process before lending started" (FGD).

The term disability has been reported as a hiding bush as no clear guide and definition on who is really disabled hence entitled to benefit from 10% loan. It was summarized that some people with disabilities are not needy but still want to benefit from these funds. Furthermore, some disabled people cannot engage in production depending on one's disability condition. The response obtained during focus group discussion underlined that;

"Once it was heard that our Councilor forged a disabled group intending to acquire 56,000,000/= for his personal project capital "the trick was realized at the final stage of the process. His position could play a role in approving the loan." (FGD)

Weakness in some of 10% loan provision and management regulations harden its execution at all levels. It provides an environment for cheating by beneficiary groups. Political influence has penetrated 10% loans and turned it into a political agenda rather than community empowerment instrument. The loan management information system lack linkages with necessary platforms which could facilitate applicant's traceability and ensure compliance. No preparations were in place to guide the process before lending started; it was politically started thus produced all these challenges. It has been revealed by Muthoni (2016) that loan default appears to be a major problem everywhere. To minimize exposure to bad debts, over-reserving and bankruptcies, lenders must have greater insight into customer financial strength, credit score history and changing payment patterns (Moti*etal.*, 2012).

Table 4.10 Themes from Focus Group Discussion

Theme	Description
Loan disbursement	Community knows that 10% funds are loan money, not for free or rewards. They have been trained on how to supervise loan funds before it was disbursed into our group account and allowed to spend it. Were provided with loan repayment schedule indicating first to last repayment instalments start and end dates.
Lack of Clarity	The government specific loan management guidelines, directives and regulations about who exactly is disabled and intended to benefit from 10% loans lack clarity. The reasons for loan disbursement to non-eligible groups / individuals include political atmosphere and influence has hijacked 10% loans turning it into a political agenda rather than community empowerment point. Moreover, some beneficiary group members have political ties with parties or relatives with political ground, they must access loan using that door

The researcher conducted an interview for key officials for triangulation purposes and got inputs concerning the influence of beneficiaries' knowledge on 10% loan management. This technique was employed to elicit a true picture of the Council Loan Service Committee and Council Management Team member's perspective on the influence of beneficiaries' knowledge on loan management. Specifically, in loan facility handling, its repayment and the reasons for loan disbursement to non-eligible groups or individuals. Table 4.11 reveals that opportunism was one of the themes.

Theme1: Opportunism

It has been found that opportunism jeopardizes loan scheme management skill and knowledge among beneficiaries. The information given to them determines the way they behave towards handling and repayment of funds handed to them. One of the key officials insisted that beneficiaries have enough knowledge in handling and repayment of borrowed money. However, there are some issues declining that knowledge and paralyzing the efforts including opportunism, the misleading information that 10% funds belong to politicians, thus require no repayment (a political gain point). The response obtained during an interview quoted that:

Participant V

"Generally, beneficiaries have enough knowledge in handling and repayment of the loans. However, there are same issues declining that knowledge and jeopardize the efforts: -Beneficiaries have always been opportunistic; information given to them determines the way they behave towards handling and repayment of the loan. Formally the efforts were put on extending information to the community about how to access 10% loans "the misleading information was; go and take, it is your money." The information ignored the repayment obligations thus understood and believed it was political free money" (Key Informant Interview).

A similar study by Iroegbu (2020) in Nigeria puts an emphasis on the need to train beneficiaries and NGOs to understand why loans must be serviced at market rates and to train to repay.

Beneficiary's knowledge in handling and repayment of loan funds is jeopardized for political gain hence loan funds are poorly managed at group level and finally failure in loan repayment. The interpretation of who is eligible for 10% loans as per Reg.No.6 (1 and 2). However, the issue tends to be irrelevant when loans are disbursed for political interest. The findings are relevant and concur to that obtained from focused group discussions that some groups are formed for political purposes especially women and youth. The situation becomes intensive during election periods.

The same case has been noticed in loans issued to people with disabilities where there is lack of clarity on who is really disabled to benefit from 10% loans. There was lack of system-based 10% loan management from the start which could ensure proper documentation and traceability of beneficiaries. Lack of system linkages; even after establishing TPLMIS traceability of beneficiaries has remained unsolved so that loans can't be channeled to eligible individuals. Example there is no means CDO could justify a person to be a public servant or not as mentioned in Regulation 6 (1(f). No enough preparation and research conducted before 10% loans scheme establishment. These could have suggested the best approaches and models to be applied in our context. Sehaba (2022) found that training that was provided to youth groups includes entrepreneurship, financial management, marketing as well as business management. These are important to impart knowledge in handling and repayment of loan funds.

Table 4.11 Themes from Key Informant Interview

Theme	Description
Opportunism	Beneficiaries have enough knowledge in handling and repayment of the loans. However, there are some issues declining that knowledge and jeopardize the efforts. Beneficiaries have always been opportunistic; information given to them determines the way they behave towards handling and repayment of the loan. Formally efforts were put on extending information to the community about how to access 10% loans. The misleading information was; "go and take, it is your money." The information ignored the repayment obligations thus understood and believed, it was political free money.

4.7 The politicians' influence on 10% loan management

4.7.1 Spearman's correlation between politicians and 10% loan management

To gather the information on politicians**'** influence on 10% loan management, the researcher approached this through non-parametric correlation (Spearman's rho correlation). The result in Table 4.12 show the Spearman correlation coefficient (0.143) where the positive coefficient indicates that politicians have influence on 10% loans management procedures, meaning loan allocation processes resulting to its poor management. The Correlation is statistically significant (P=0.03) level. This indicates that staff freedom and professionalism in executing 10% loan management obligations in existing political atmosphere is poor; 10% loan provision and management regulations in ensuring loan recovery are not effective and responsive.

Table 4.12 Spearman's' correlation between politicians' role and loan management

Correlations				
			Politicians' influence on 10% loans management procedures	Loan allocation and process is Poor
Spearman's rho	Politicians' influence on 10% loan management procedures	Correlation Coefficient	.	.143*
		Sig. (2-tailed)	.	.030
		N	232	232
	Loan allocation and process is Poor	Correlation Coefficient	.143*	1.000
		Sig. (2-tailed)	.030	.
		N	232	232
**. Correlation is significant at the 0.03 level (2-tailed).				

Source: Field Data (2023)

The researcher intended to capture different opinions from beneficiaries on how elected and non- elected leaders influence loans recovery at beneficiary group level. Table 4.13 shows the themes included use of force, deceitful, conflicts and ignorance.

Theme 1. Use of Force

Beneficiaries claimed to be forced to join into groups that some politicians would help them secure loans from their LGA, while actually stealing their money and disappearing. It was further noted that some leaders do not want to be involved in 10% loan recovery, because they know in one way or another, they personally benefited from it. Dr.Ramesh Kumar Chaturvedi, (2012) insisted that MFIs must design appropriate policies and operating guidelines to treat clients and employees with dignity.

The response obtained during focus group discussion quoted that:

"We were forced to register his son into our group that he would help us secure a loan from our LGA, he later stole our money and disappeared. Our leaders do not want to be involved in 10% loan recovery issue because they know in one way or another, they personally benefited from it" (FGD).

Participants explained further that sometimes leaders insist and remind them on timely loan repayments so that they can reapply for a loan again. They assist in group conflict resolution that may affect loan recovery. Participants lamented that politicians use 10% loan as a justification for their re-election even lower level leaders. They avoid talking about loan recovery to avoid upsetting voters.

Theme 2. Deceitful

Some leaders do not want to be involved in 10% loan recovery because they know in one way or another they personally benefited from it. Beneficiaries are encouraged during loan application stage but when it comes to repayment and other problem solving, they disappear. Some group participants claimed that all money was grabbed by some leaders, the loans have not been paid back until now. Loan recovery follow up is done by CD officers but are not supported by local leaders who know beneficiary's places of domicile. Beneficiaries are advised not pay until CD officers come to find them or called before the Court. There is a wrong belief that loan funds from the government is for free. The response obtained during focus group discussion insisted that:

"We collected our money for loan repayment but he told us that he was going to attend meetings at the Council Office so could help us deposit that sum. Indeed, he took it all and has not paid until now" (FGD)

Some politicians deceive 10% loan beneficiaries; this is in line with Mwankuga (2018) that politicians may use the 10% municipal loans to attract support or reward supporters contrary to the objectives of loan scheme management by LGAs. Therefore, deceit is one among the challenges affecting 10% loan management.

Theme 3. Conflicts

Leaders' investments are used to justify cheating in accessing 10% loans. Participants testified that sometimes leaders told beneficiaries to use family business as a group project to secure a loan; after the loan was remitted into group account conflicts separated them. Information was shared to the CD office but because the Councilor has leadership power, they were silenced. The focus group discussion revealed that:

"We were told to use his wife's business as a group project to secure 10% loan; after the loan was remitted into our group account conflicts separated us, to solve it each group member was given 250,000/= and the rest remained in her hands. Information was shared to the CD office, because our Councilor has leadership power, two years now, who will pay that money? He once told us that this money belongs to Government and it cannot imprison its people, they will finally forgive and forget" (FGD).

Lack of trust among group members sometimes raises regular conflicts. This aligns with Mwankuga, (2018) that there is a challenge that group members are not trusted due to their attitude toward 10% loan recovery. Soon after loan funds are remitted into group account conflicts separates them affecting its management and recovery.

Theme 4. Ignorance

Ignorance among beneficiaries limits their capacity in managing group projects and funds. This opens the gap for external controls in groups risking group and government funds. In discussion, a group member admitted that youth did not have an idea for interlock brakes project. They revealed further that leader persuaded them to engage in such project and secure capital through 10% loan in their LGA. However, after investing the whole money, produced brakes faced market challenges. As no output was realized, group members disappeared to different places for other businesses. Dr.Ramesh Kumar Chaturvedi, (2012) added that MFIs must educate clients on the code of conduct and its implications. The focused group discussion cemented that:

"We as youth did not have an idea for this (interlock brakes) project; our leaders told us to start this project so that we could access 10% loan from our LGA. We invested the whole money, produced brakes but no one bought them. As no output was realized group members disappeared to different places for other businesses. I am just alone here; I don't know how to have this loan paid" (FGD).

Findings revealed that scouts were advised by a former Regional Commissioner to establish onion farming project at Nane Nane area. However, LGA was directed to provide all necessities including capital for the project. 20,000,000/= was invested, the media came to document the project. As he left, it went with him, two years now. They claimed loan recovery has been a real challenge to them. In a similar study by Mwankuga, (2028) there is lack of entrepreneurship skills and capacity among targeted groups affecting 10% loan scheme management.

Table 4.13 Focus group Discussion

Theme	Description
Use of force	We were forced to register his son into our group so that he would help us secure loan from our LGA, stole our money and disappeared. Leaders do not want to be involved in 10% loan recovery issue because they know in one way or another, they personally benefited from it.
Deceitful	Leaders do not want to be involved in 10% loan recovery because they know in one way or another they personally benefited from it. Beneficiaries are encouraged during loan application stage but when it comes to repayment and other problem solving, they disappear. Some group participants claimed that all money was grabbed by leaders, the loan could not be paid back until now.
Conflicts	Leaders' investments are used to justify cheating in accessing 10% loans. Participants testified that sometimes leaders told beneficiaries to use wife's business as a group project to secure a loan, after the loan was remitted into group account conflicts separated them.
Ignorance	Youth did not have an idea for interlock brakes project. They revealed further that a leader persuaded them to engage in such projects and secure capital through 10% loan in our LGA. After investing the whole money, produced brakes but faced market challenges. As no output was realized, group members disappeared to different places for other businesses.

4.7.3 Key Informant interview

Political Interest

The findings in Table 4.14 revealed that political interest is an obstacle. Participants claimed that funds allocated for a particular group project may not reflect the project reality but political interest behind the decisions. Councilors make decisions based on what political atmosphere they want to build. As loans are issued based on political interest they will neither produce effectiveness and impact nor sustainability. The response obtained during an interview insisted that:

Participant V:

"We have three youth projects in which Bariadi Town Council injected more than TZS 40,000,000 in implementing Regional Commissioner's directives but not even a *coin recovered to date. "In this project the RC directed youth to engage in horticulture and produce onions as the market was in high demand. The project was not a brainchild of the beneficiaries thus it died a few days after the RC was transferred. We have another scenario whereby a Councilor formed a disabled group pretending to help them. The group project used for loan application belonged to the same councilor. We finally discovered the secret behind and stopped the disbursement process, however it wasn't easy"* (Key Informant Interview).

Participants lamented that politicians manipulate 10% loans concept into their political agenda for political gains. During elections they give directives on loan issuance to groups and loans issued during elections have never been recovered (as beneficiaries term it as eat and run money). Leader's guide is implemented as it is and should not be questioned or compromised. The response obtained during an interview contended that:

Participant VII

"At this particular point, they will go with anyone who cut across their interest. We have another case here "after loan was disbursed into beneficiary's account a Councilor went to collect 50% of the loan funds since no one will come to demand it back, it is money given for thanking them for voting for a particular party" (Key Informant Interview).

On the other hand, it has been revealed that, decisions on 10% loans allocation are initiated by individual groups based on their business interests. The applications are passed by Mtaa to the ward level whereby the Ward Development Committee headed by the Councilor goes through each application and suggests to the Council level what it is deemed right for each applicant group. At the council level, once the applications are systematically received, discussed by Loan service committee, channeled to Council Management Team and finalized by Finance Committee which is made up of Councilors. Decisions made at this stage cannot be implemented otherwise; funds are disbursed to approved groups.

A study conducted by Mwankuga (2018) revealed existence of political interference in the 10% municipal loans for the reason being rewarded imposing challenges to 10% loan management specifically loan provision to non-eligible people.

Table 4.14 Key Informant Interview

Theme	Description
Political Interest	Funds allocated for a particular group project do not reflect the project reality but political interest behind the decisions. Councilors make decisions based on what political atmosphere they want to build. Loans issued based on political interest will neither produce effectiveness and impact nor sustainability.

4.8 Challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to Loans issuance to non-targeted individuals

The researcher employed questionnaire, focus group discussion and key informant interview tools to depict various challenges. The interest was on how effective and responsive is 10% provision and management regulations in enforcing 10% loan recovery while outlining regulations that call for attention. Further interest was on jotting down the factors that influence non-recovery of the loan funds from beneficiaries in Bariadi Town Council, as well as factors behind loans issued to non-targeted individuals. Dr. Ramesh Kumar Chaturvedi, (2012) said MFIs must conduct proper due diligence as per their internal credit policy to assess the need and repayment capacity of clients before advancing a loan and must only advance loans commensurate with the client's ability to pay.

Table 4.15 discusses various challenges such as weaknesses in legal framework, lack of collateral requirement in loan provision and management regulations, business ideas, politicians behind beneficiary projects, loan beneficiaries spend money contrary to loan facility terms, signing loan facilities from different lenders for the same project, community development officers face a lot of challenges in enforcing them, conflicts, lack of technical skills and business instability.

Theme 1. Weakness in legal frameworks governing 10% loan processes

Result in Table 4.15 justifies weaknesses in 10% loan provision and management regulations leaving spaces for beneficiaries to default. Participants jotted down 9 regulations that call for attention including regulation number 6(1-2), regulation number 7(1-3), regulation number 8(1-3), regulation number 9(1-2), regulation number 10(1-4), regulation number 11(1-4), regulation 12, regulation number 13(a-g) and regulation number 24(1-2). The findings indicate that these regulations obstruct loan scheme management and lead to non-recovery of the loan funds from beneficiary groups. Funds are regarded as political money which need no recovery, misuse of funds and political interference during the process. Beneficiary groups lack collateral as no such provision in 10% loan provision and management regulations. Some beneficiaries especially youth have no trust, since 10% loans are not collateral money, nothing to hold them responsible and committed, it was further realized that some youth group members disappeared few days after receiving the loans. This can be linked to Rugeiyamu *et al.,* (2021) that youth groups are formed by individuals characterized by mistrust using existing loopholes.

Theme 2. Business ideas

It has been discovered that loan funds are issued to beneficiaries with business ideas as guided in 10% provision and management regulations 2021 Edition rather than a real existing business. It was put on light that once loan is secured the business idea and interests changes into something else.

"Beneficiaries have no idea of working together as a group but rather individually. Funds are provided to project ideas rather than real project; group members divide money among themselves as a result government loses its money" (Key Informant Interview).

Theme 3. Politics behind 10% loan beneficiaries

Some beneficiary groups have politicians behind them, the invisible people set the arrangements from registration, preparation of fake projects for demonstration and secure loans; with this group bank accounts are ceased or dormant as soon as they secure loan and drain it off. In addition, participants mentioned that leaders avoid showing their faces and leave it to CD Officers. Some beneficiary groups are penetrated by politicians who manipulate things for their political interest. The discussion quoted that;

"Most leaders do not want to be involved in 10% loan recovery because they personally benefited from it. Politicians always chip in to defend their people from being pinched. Most of beneficiary groups are penetrated by politicians' hands which channel money to unknown directions. There is political influence from the grassroots ward to council level" (Key Informant Interview).

A similar study by Bhattacharjee and Sharma (2021) pointed out that involvement of too many intermediaries, bribery charges and obtaining no due certificate are the constraints faced by beneficiaries.

Theme 4. Loan funds spent contrary to facility terms

In focus group discussion, participants underlined that most of beneficiary groups spend loan funds contrary to the agreed projects. Most of beneficiary groups divide loan funds among individual members so that each operates his / her business. Once these funds enter individual hands, no group project is implemented as everyone has own decisions when it comes to money. Dr.Ramesh Kumar Chaturvedi, (2012) insisted that beneficiary group members preferably have a homogeneous background and interest; the group should be convinced that the group has not come into existence only for availing loan. The discussion concluded that:

"Our group members after receiving loans came with a new idea that we must divide the money so that everyone could start her independent businesses. This has been affecting our group loan repayment so much. Some of beneficiaries take interest free loan to repay interest loans taken from other lenders like BRAC and VISION FUND" (FGD).

It is generally clear that, our government has a good intention to empower its people. However, it didn't take enough time to study the situation through which a relevant model could be developed for execution and avoid loss of its money. Groups are mob formed and apply for loans even without knowing how to productively use it and service the facility. They invest loan funds into projects they have no experience with, finally lose both money and project. One participant further explained that;

"Most of the groups are mob formed and apply for loans even without knowing how to wisely invest and repay it back. If we are to rescue the situation, restructuring is a must while among others looking at the areas of failure" (Key Informant Interview).

In a similar study by Zelenbabic, (2015) pointed out that the Local Government Authority must be a field of concern to ensure loans issued reach targeted individuals to realize sustainable development. The beneficiaries' investment should be channeled into projects they have experience with so as to avoid wastage of government money.

Theme 5. Loan facility agreements from different lenders for same project

Participants insisted that most beneficiary groups secure loans from different lenders for the same project. At this point an interlinked system platform is a must for quick and easier tracing, monitoring and management of beneficiary behaviors; from its start, TPLMIS is working as an island system as it lacks linkages with other systems to facilitate tracing. Dr.Ramesh Kumar Chaturvedi, (2012) added that if a client has loans from two separate lenders then irrespective of the source of the loans, a MFI shall not be the third lender to the client.

"You may find one project registered for loan in CRDB Bank, BRAC, VISION FUND and other individual lenders. Most of beneficiary groups have been taking loans from different lenders for the same project. How can the same group manage this tight loan repayment schedules?" (Key Informant Interview).

Theme 6. Conflicts

There were challenges in managing and handling group based projects. Each member may have personal interest which ends with group conflicts, disintegration and failure in loan recovery. Conflicts have been a hiding bush for defaulters to avoid government action in recovery of its money. This is similar to Bhattacharjee and Sharma (2021) that when politics and money meet on the same stage, conflict can’t be avoided hence driving groups from their objective. Atieno, P.O., Mose, G.N., and Oino, P.G.(2022) observed that feedback and grievance redress mechanism is required for maximum control.

Theme 7. Lack of technical skills

The study found that group projects do not achieve their objectives due to lack of technical skills leading to failure in project operations, productivity and loan repayment. Participants discussed further that some group members have no permanent address; they form groups, take loan and disappear. Participants’ discussed that:

“Some beneficiary groups have people behind them; these invisible people make all arrangements from registration, preparation of fake projects to demonstrate that they have something real until loan is secured. This is why some group accounts were ceased soon after loan is disbursed through it. Some beneficiary group members have no permanent address, they form groups, take loans and disappear, CD Officers have no control on beneficiary mobility” (Key Informant Interview).

Loan funds should be provided to beneficiaries with visible businesses for this can be easy to trace them. This is in line with Bhattacharjee and Sharma (2021) that illiteracy among beneficiary group members are the challenges limiting realization of induced efforts.

Theme 8. Unstable Business Environments

Instability in business environment poses serious challenges in various sectors in which 10% loan funds beneficiaries invest. This was reported among hindrances behind loan defaulting as connected to not meeting recovery schedules. Loan funds are injected in projects fragile and prone to failure. It was noticed that all groups invested in chicken farming projects faced serious failure due to diseases and lack of technical ingredients. Participants further advised that government has a good intention to empower its people. However, enough studies are required on the situation through which a relevant model will be developed that fits our local context and situations.

Community Development Officers face challenges in enforcing them just as regulation 6 (1) b. It has been revealed in the focus group discussion that it is through restructuring that the situation can be rescued. A similar study conducted by Ryser *et al.* (2019) on “transforming government strategies for mobile workforces” found that lack of skills related to procurement, internal capacity and supportive technologies are challenges. Unstable business environment is also one of the obstacles as Mwankuga (2018) pointed out that despite the successes there is also poor business environment overall as many businesses have been closed. Deslate *et al.* (2020) pointed out that, a tendency of Local Government to be familiar with communities and their history can lead to tackling many challenges.

Table 4.15 Thematic Analysis

SN	Challenges / Theme	Descriptions
1	The weakness in law and regulations governing the process	Weaknesses in 10% loan provision and management regulations leave enough room for beneficiaries to manipulate it. There are 9 regulations that call for attention which includes Regulation number 6(1-2), regulation number 7(1-3), regulation number 8(1-3), regulation number 9(1-2), regulation number 10(1-4),regulation number 11(1-4), regulation 12, regulation number13(a-g) and regulation number 24(1-2).
2	Lack collateral requirement in loan provision and management regulations.	Some beneficiaries especially youth have no trust, since 10% loan is not collateral money, they disappear few days after receiving loans as nothing holding them committed.
3	Business ideas	Loan funds are given even to beneficiaries with business ideas, once loan is secured the business idea and interests changes into something else,
4	Politicians behind beneficiary projects.	Most of beneficiary groups are penetrated by politician's hands which channel money to unknown directions.
5	Loan beneficiaries spend money contrary to loan facility terms.	Most of beneficiary groups divide loan funds among individual members so that each will run his / her business.
6	Taking loans from different lenders for same project.	Most of beneficiary groups have been taking loans CRDB Bank, BRAC, VISION FUND and other individual lenders and no system linkages to facilitate tracing.
7	Community development officers face a lot of challenges in enforcing them.	They offer chances for defaulters to maneuver and set personal schedule for loan repayment. And in case of failure to pay, beneficiaries can't be sued (as regulations direct to file a civil case against defaulters). The study witnessed 21 civil cases filed but none come to an end with payments.
8	Conflicts	Each member may have personal interest which ends with group conflicts, disintegration and failure in loan recovery.
9	Lack of technical skills	Some loan beneficiary projects are distracted due to lack of technical skills leading to failure in loan repayment.
10	Business instability	Instability in business environment imposes challenges that hinder loan beneficiaries from meeting recovery schedules.

Source: Field Data (2023)

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Overview

This chapter summarizes the findings and conclusions on the key angles of the study which are; influence of department Staff capacity on 10% loan management, the influence of Beneficiaries' Knowledge on 10% loan management requirements, politician**s'** influence on 10% loan management and challenges that lead to non-recovery of the loan funds from beneficiaries and that lead to loans issuance to non-targeted individuals; Recommendations are also covered here in.

5.2 Summary

The study objectives on the influence of department Staff capacity for loan management were analyzed through Spearman's correlation. The Spearman correlation coefficient indicates that low capacity, lack of means of transport among department staff and understaffing affect 10% loan scheme management.

The information collected on the influence of Beneficiaries' knowledge on 10% loan scheme management revealed that Beneficiaries' knowledge on 10% loan management requirements influences its management.

In respect to politician's influence on 10% loan management the Spearman correlation coefficient revealed that politicians have influence on 10% loans management procedures.

The triangulation of methods in data collection revealed challenges that lead to non-recovery of the loan funds from beneficiary groups. They included, weakness in legal framework governing the processes, business ideas, politics behind beneficiaries and projects, beneficiaries spend money contrary to facility terms, Beneficiaries signing loan facilities from different lenders for same project, conflicts within groups, Community development officers face challenges in enforcing some 10% provision and management regulations, lack of technical skills, lack collateral requirement in 10% loan provision and management regulations and business instability were raised. Findings also indicated politics, lack of system linkage limit CD officers to trace and discover cheating.

5.3 Conclusion

5.3.1 The influence of department's Staff capacity on 10% loan management

There is the influence of department's Staff capacity on loan management. Therefore, lack of capacity building programs affect staff in fulfilling loan management and repayment obligation. The combination leads to channeling loan funds to non-productive projects as a result risking government money. In addition, monitoring and evaluation, lack of loan guidelines, job rotation and replacement, lack of transport for staff may significantly have contributed to poor 10% loan management.

5.3.2 The influence of Beneficiaries' Knowledge on 10% loan management requirements

Basing on the second objective, beneficiaries have questionable knowledge in handling and repaying loans, loan disbursement, there is lack of clarity in

Government guidelines, directives and regulations about who exactly is a disabled person intended to benefit from 10% loans. In conclusion, opportunists jeopardize the original purpose of 10% loan scheme hence calling for skills and knowledge to be imparted among beneficiaries.

5.3.3 The influence of politicians on 10% loan management

In respect to the third objective politicians have influence on loan management. Loan allocation processes are poor; staff freedom and professionalism in executing loan management obligations in existing political atmosphere are poor. Some 10% loan provision and management regulations are not effective and responsive in ensuring loan recovery. Docility, conflicts and ignorance are used to drive group member out of their purpose.

5.3.4 Challenges that lead to non-recovery of the loan funds from beneficiaries and that lead Loans issued to non-targeted individuals

There are weaknesses in legal framework governing the process and Community Development Officers face challenges in enforcing them. Business ideas, politicians behind beneficiaries, loan beneficiaries spend money contrary to loan facility terms, beneficiaries taking loan facilities from different lenders for the same project, lack of technical skills in projects implemented by groups, lack of collateral requirement in loan provision and management regulations and business instability.

5.4 Recommendation

Basing on the finding for the first objective, there is the influence of department staff capacity on loan management. Therefore, capacity building programs should be in place for CD staff members in loan management and project appraisal. CD department should be retooled with enough transport to ensure they frequently reach 10% loan beneficiaries and provide them with extension services hence loan funds are channeled to productive projects.

The study recommends that beneficiaries should be trained on loan management before spending it. Also recommends LGAs supervise and make sure loan applicants submit workable business ideas, monitor and evaluate group projects from the beginning. There should be loan guidelines clearly defining disabled intended to benefit from 10% loan scheme for effective loan management.

The government should ensure responsive system linkages to facilitate loan applicant's tracing. This will eliminate cheating and ensure that beneficiaries do not engage in more than one loan facility in a time. There should be collateral requirement in 10% loan provision and management regulations.

It is recommended that government review legal framework governing10% loans. The legal framework should ensure 10% loan management procedures are free from political influences. Professionalism and staff freedom in executing loan management obligations should be a nuclear for guaranteed responsive loan recovery.

The revision and amendments based on regulation number 6 (1-2), regulation number 7 (1-3), regulation number 8 (1-3), regulation number 9 (1-2), regulation number 10 (1-4), regulation number 11 (1-4), regulation 12, regulation number 13(a-g) and regulation number 24 (1-2) are among challenges phased out. In addition, all the weaknesses in 10% loan provision and management regulations should be eliminated so as to avoid space to defaulters.

To the future researchers, the study recommends them to focus their study on impacts of politicians’ interference on 10% loan scheme management; in line with impacts on 10% loan provision and management regulations. This study is further recommending the future studies to focus developing Council Loan Scheme model practical in Tanzania context.

REFERENCE

Akaba,J. and Orumwense,O.O. (2021)'The role of micro finance bank on the socio-economic. empowerment of beneficiaries in Egor Local Government Area of Edo State',*International Journal of Management, Social Sciences, Peace and Conflict Studies (Ijmsspcs),4(.2), pp41 – 52*

Agion, B. A.D. &Morduch, J. (2003), "Microfinance, where do we Stand?"

Atieno,P.O., Mose,G.N., and Oino,P.G.(2022) Self-help groups as alternative vehicles for sustainable development among households in Kisumu East Sub-County, Kenya. *International Journal of Research and Innovation in Social Science (IJRISS) | VI, IX, September 2022|ISSN 2454-618. Kisii University, Kenya*

Aziah, A.S. (2016) The importance of loan management in a microfinance institution: Case Dr.Ramesh Kumar Chaturvedi, (2012) Management of Microfince Study Material. Community Credit Company (CCC) Plc AkwaLiberte-Douala. IFABS *Africa.www.ifabsafrica.org*

Bali, S.R and Maria, F.(2010) Reducing vulnerability through microfinance: evidence from Indian Self Help group Program. Working Paper, No. 2010:23, Uppsala University, Uppsala.

Bizikova, L., Nkonya,E., Minah,M., Hanisch,M., Turaga,R.M.R.,Speranza,C.I., Karthikeyan,M., Tang,L., Ghezzi-Kopel,K., Kelly,J., Celestin,A.C. and Timmers, B.(2020) 'A scoping review of the contributions of Farmers' Organizations to Smallholder Agriculture', *Nature Food*, 1, pp 620–630

Bhattacherjee, A. (2012). *Social Science Research:* Principles, Methods, and Practices

Bhattacharjee, P& Sharma, A. (2021). 'Impact and Constraints faced by the Beneficiaries of Kisan Credit Card Scheme in Dimapur District of Nagaland, India. Journal Homepage: Http://Www.Plantarchives.OrgDoi Link : Https://Doi.Org/10.51470/Plantarchives.2021.V21.S1.294

Chandio,A.A., Jiang,Y., Rehman,A., Twumasi,M.A., Pathan,A.G.&Mohsin,M. (2020)

Determinants of demand for credit by Smallholder Farmers': a Farm level analysis based on Survey in Sindh, Pakistan. *Journal of Asian Business and Economic Studies* Community Action Partnership (2011) *Tool Kit*. California Community Economic Development Association

Cresswell, J &Cresswell,J.D (2018) Research Design: Qualitative, Quantitative and Mixed Method Aproaches. 5th edn, SAGE Publicatios,Inc.

Deslatte,A., Hatch,M.E.&Stokan,E.(2020) 'How can Local Governments address Pandemic Inequities? *Public Administration Review,* 80 (5), pp827-831

Eeuwjk, P &Angehn, Z. (2017). How to conduct a focus Group Discussion (FGD).

Methodological Manual. Swiss TPH-Fact Sheet Society, Culture and Health. Edited by AMENA Briet(Swiss TPH)

Fadlallah,R., El-Jardali,F., Hemadi,N., Morsi,R.Z., Samra,C.A.A., Ahmad,A., Arif,K.,

Hishi,L., Honein-AbouHaidar,G.&Akl,E.A.(201) Systematic Review for Barriers and Facilitators to implementation, uptake and sustainabilityof CHBI schemes in LMICs. *International journal for equity in health 17 (1), pp 1-18*

Khandker,S., Khalily,B, Khan,Z. (1994) “Is Grameen Bank Sustainable? “.

Kibuacha, F. (2021). How to determine sample size for a research study?

Kuntari,Y., Chariri,A.&Prabowo,T.J.W.(2019) ‘Capital expenditure of Local Governments. *Academy of Accounting and Financial Studies Journal,* 23 (1), pp1-13

Halseth, G. (2017) Introduction: Political Economy perspectives on the transformation of resource Towns and Peripheries. In G. Halseth (Ed.), *Transformation of resource towns and peripheries: Political economy perspectives,*1-10. London and New York: Routledge

Iroegbu, P.C.(2020).Review of Micro-credit and Business Development Programmes in the Nigeria Delta Region of Nigeria. *Development Economics:Microeconomic Issues in Developing Economies ejounal.Available at SSRN.* Jayakumar,A.(2022). What is Loan?

Nabayiinda,L&Were,L.N(2012)Loan Management and Financial Performance in Financial Institutions: A Case Study of Barclays Bank Uganda. A Dissertation for the Award of The Master’s Degree in Management Studies (Financial Management) of Uganda Management Institute.

Middleton, F. (2022) Reliability Vs Validity in Research: Differences, Types and Examples

Mmari,D.M.S. and Katera, L. (2018) Financial Discretion in LGAs and its effects on delivery of Financial services thorgh special funds for women and youth. Research on Poverty

Alleviation (REPOA) Brief.Dares Salaam, Tanzania: Policy Research for Development

Momoh, O. (2021) Population, Fundamental Analysis Tools. Investopedia

Moti, H.O., Masinde, J.S., Mugenda, N.G and Mary NelimaSindan,M.N. (2012) Effectiveness of Credit Management System on Loan Performance: Empirical Evidence from Micro

Finance Sector in Kenya. International Journal of Business, Humanities and Technology 2(6).

Muthoni,M.P (2016) Assessing Borrower's and Business' Factors Causing Microcredit Default

in Kenya: A Comparative Analysis of Microfinance Institutions and Financial

Intermediaries .*Journal of Education and Practice*

7, p12, www.iiste.org

Mwankuga ,A.(2018).Empowerment Loans: How 10% Allocated budgethelps women, Youth and people with disabilities. Dares salaam City.

O'Brien,P.and And yPike,A. (2019)'Deal or no deal? 'Governing urban infrastructure funding and financing in the UK City deals. *Urban Studies 56 (7), 1448-1476*

OECD (2015) New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instrument. *OECD Publishing.*

Olatunji,M. (2021) 'Local Government in Britain and Nigeria: Lessons from Comparative perspective..*Journal of Management and Social Sciences,* 10 (2)

Oludayo,K.O., Abiodun,O.S. and Udo,E. (2019) 'Determinants of access to formal and informal Agricultural Loan among Farmers in Obubra Local Government Area, Cross River State,Nigeria. *International Journal of Multi-Dimensional Research, 7 (3), pp 40-49*

Pandey, P &Pandey,M.M (2015) '*Research Methodology: Tools and Techniques*. Bridge Center. Romania, European Union.

PO-RALG (2018). Local Government Authorities Finance Act (CAP.290) Sect.37A (4).

Rehman,A.A&Alharthi,K.(2016) 'An Introduction to Research Paradigms. *International Journal of Educational Investigations*, 3(8), pp51-59

Reid, A.R, (2007). Applying the TOC five-step focusing process in the service sector. A banking subsystem. *Journal on managing service quality*. 17,2

Rubado,M.E.&Jennings,J.T.(2020) 'Political consequences of the endangered Local watchdog: Newspaper decline and Mayoral elections in the United States. *Urban Affairs Review, 56 (5), pp1327-1356*

Rugeiyamu, R., Kashonda,E., Shayi, A. and Mohamed, B. (2021) 'Role of Local Government Authorities in Promoting Local Economic Development and Service Delivery to Local Communities in Tanzania. *Local Administration Journal*, 14(2), pp123-144

Ryser,L., Halseth,G., Markey,S., Buchanan,C., and Tolsma,K. (2019).Transforming Local Government Strategies for Mobile Workforces

Ryser, L., Markey, S., Halseth, G., and Welch, K. (2017) 'Moving from mobility to Immobility in the political economy of resource-dependent regions. *Applied Mobilities*, 1-22.

Salum, Z (2014) The role of microfinance on entrepreneurial development: a case of Dar es salaam city.A dissertation submitted in partial fulfillment of the requirements for award of the Degree of Master of Science in Accounting and Finance (MSc-A&F) of Mzumbe University.

Sehaba, L.B.(2022). Contribution of Youth Development fund in creating youth employment opportunities in Kilosa District, Tanzania. A dissertation for the award of degree of

Master Of Arts in Rural Development of Sokoine University of Agriculture.

Simiyu Region Investment Guide (2017). President's Office, Regional Administration and Local Government. Simiyu Regional Commissioner's Office

Sina,D., Chang-Richards,A.Y., Wilkinson,S.and Potangaroa,R.(2019 'What does the future hold for relocated communities' post-disaster? Factors affecting livelihood resilience. *International Journal of Disaster Risks Reduction*, 34, pp173-183

Tarimo, C.F.(2019).Effects of Youths development fund on the growth of youth economic activities: a case of Moshi municipality. A dissertation for the award of the degree of master of science in project planning and management(Msc.PPM) at Mzumbe University.

Un-Habitat (2015).The Challenge of Local Government Financing in Developing Countries.

United Nations Human Settlements Programme (Un-Habitat), The City of Barcelona and the Province of Barcelona

URT.Building a better tomorrow:YouthIniatiatives for Agribusiness(BBT-YIA,)2022-2-30

Walliman, N. (2011) *Research Methods the Basics*. Routledge, London and Newyork

Zelenbabic, D. (2015) Fostering innovation through innovation friendly procurement practices: A case study of Danish local government procurement. *Innovation: The European Journal of Social Science Research*, *28*(3), pp261-281.

APPENDIX

Appendix i: Questionnaire Tool for Community Development Division Officers/Beneficiaries

Dear Respondent, my name is Edgar WilbardNgango pursuing Masters of Arts in Monitoring and Evaluation at The Open University of Tanzania. I am conducting a study entitled**determinants of local government authorities' loan scheme management: a case of Bariadi town council.** I request you to fill in the questionnaire which is for the academic purpose and not otherwise. I assure you confidentiality and right to anonymity Thanks.

SECTION A: Demographic Characteristics of Respondents

Please put a tick where applicable

1. Sex Male ( ) Female ( ).

2. Age i) 18-25 ( ) ii) 26-35 ( ) iii) 36-45 ( ) iv) 46 + ( )

3. Marital status i) Single ( ) ii) Married ( )iii) Separated/ Divorced ( )iii) Widow/widower ( ).

4. Education level i) Certificate ( )ii) Diploma ( )iii) Post graduate diploma ( ) iv) Bachelor degree vi) Master's Degree

5. How many Years in-service……………………………………(mention)

SECTION B: The influence of department's Staff capacity on loan management.

5. Do you have any idea from your academic background helpful in executing loan scheme management duties? i) Yes ( ) ii) No ( ).

6. Before or after being tasked with 10% loan management responsibilities, did you attend any on job capacity building training? Put a tick) Yes…… ( ) ii) No………..( ).

7. If your answer is to question 6 is No how lack of on job capacity building programs affect your daily executions and effectiveness in 10% loan management practices……………………………………………………

Please tick (√) one most appropriate option.

SN	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
10	Loan approval to the eligible groups is done by department's Staff.					
11	Various loan applicant's projects is monitored and evaluated by department's Staff before and after approval.					
12	Lack of transport to frequently reach 10% loan beneficiaries affect its management.					
13	Low staffing level in CD department affects loan management from Council to LLG levels.					

14. What are staffing requirements of CD Division? Please fill in the gap …………………………

15. What was the council 10% loan disbursement status to beneficiaries in 2020/2021 and 2021/2022.…………………………………………………………………

16. What is the council 10% loan recovery status from beneficiaries to date? ………………………………………………………………………………………

17.What do you think can be the factors that determine the situation in question 16 above?...

SECTION C: The influence of Beneficiaries' Knowledge on 10% loan management requirements

18. Did Beneficiaries receive any training on how to manage loan funds and project before you were allowed to spend it? i) Ye ( ) ii) No ( )

19. If yes, how did that knowledge imparted to them help in loan management and meeting repayment obligations?...

20. If No why…………………………………….

21. If your answer is No how do lack of capacity building programs affect them in fulfilling loan management and repayment obligation?...

24. How often do CD officers visit beneficiaries project to remind them on loan management and recovery obligations? i) Monthly ( ) ii) Quarterly ( ) iii) Annually ( ) iv) In special events ( ).

25. What could be the challenges that lead to non-recovery of the loan funds from their groups?

…………………………………………………………………………………..

26. Have you ever had a case of loans disbursed to non-eligible groups? i) Ye ( ) ii) No ( )

27. What can be a reason for loan disbursed to non-eligible groups? ………………………………………………………………………..

SECTION D: The politicians influence on 10% loan management

28. How do you rate politicians influence on 10% loans management procedures? i) Very high ii) High iii) Moderate

29. How do you rate loan allocation and process?i. Very Poor ( ) ii. Poor ( ) iii. Good ( ) iv. Excellent ( ).

30. How do you rate staff freedom and professionalism in executing loan management obligations in existing political atmosphere? i. Very Poor ( ) ii. Poor ( ) iii. Good ( ) iv. Excellent ( )

SECTION E: Challenges that lead to non-recovery of the loan funds from beneficiaries and that lead Loans issued to non-targeted individuals

31. How effective and responsive are 10% provision and management regulations in ensuring loan recovery? i. Very Poor ( ) ii. Poor ( ) iii. Good ( ) iv. Excellent ( )

32. Outline regulations that call for attention.

…………………………………………………………………………………………

33. What do you consider to be challenges that lead to non-recovery of the loan funds from beneficiaries in Bariadi Town Council?..

34. What do you think are issues in place that makes Loans to be issued to non-targeted individuals in Bariadi Town Council?...

Appendix ii: Focus Group Discussion Guide for Beneficiaries.

1. As 10% loan Beneficiaries, how low staffing level in CD department affects loan management?
2. How do elected and non- elected leaders influence loans recovery as at your group level?
3. What could be the reasons for loan disbursement to non-eligible groups individuals?
4. As Beneficiaries, what knowledge do you have in handling and repay loans?
5. Which challenges lead to non-recovery of the loan funds from beneficiaries' groups

Appendix iii: Key Informants Interview Guide for Local Government Officers (Council Management Team members, Council Loan Service Committee members)

1. As one among Local Government Officers how do you link Low staffing level in CD department as affects 10% loan scheme management?
2. What do you think about lack of transport to frequently reach loan beneficiaries?
3. How do elected and non-elected leaders' decisions on 10% loans affect
    - Allocation process?
    - Expenditure?
    - Management and recovery?
4. As one among Local Government Officers what do you say about the knowledge of beneficiaries in handling and repay the loans?

5. What could be the reasons for loan disbursement to non-eligible groups individuals?
6. Which challenges lead to non-recovery of the loan funds from beneficiaries' groups?