

**SAVINGS AND CREDIT SCHEME FOR WOMEN ENTREPRENEURS AS
MEANS FOR IMPROVING PERSONAL INCOME AT MWANDIGA WARD,
KIGOMA DISTRICT**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF COMMUNITY
ECONOMIC DEVELOPMENT OF THE OPEN UNIVERSITY OF
TANZANIA**

2013

CERTIFICATION

I certify that this dissertation entitled “Saving and Credit Scheme for Women Entrepreneurs as means for improving personal income at Mwandiga ward, Kigoma District was submitted to the Open University of Tanzania for the award of the Master of the degree in Community Economic Development, as an independent project work carried out by Mr. Mkate, Hussein Ally, under my supervision and guidance in any higher learning institution.

.....
Dr. Leonard Fweja
(Supervisor)

.....
Date

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DECLARATION

I Mkate, Hussein Ally declare that, this project paper for fulfillment of Master of Community Economic Development (CED) is based on my own efforts and exclusively complete by myself except where quoted for knowledge and information purposes. It has never been presented at any other Institution for similar purposes.

.....
Hussein Ally Mkate

.....
Date

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First and Foremost, My sincere thankfulness and love goes to those who respond after chosen for the interviews especially women who give the information which is used in my study. I humbly acknowledge my supervisor's Dr. Leonard FWEJA and course coordinator DR. FELICIAN MUTASA. This study completed after their support.

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I have many thanks to the Government of Tanzania and Open University of Tanzania for giving me with an opportunity.

DEDICATION

I dedicate this dissertation to my Son ABDILLAH HUSSEIN MKATE, also to my beloved Wife ANGEL GERVAS for gave me support and strength to complete this research project.

ABSTRACT

The purpose of the community needs assessment in Mwandiga Ward in Kigoma district was to identify the magnitude of problems as well as identify needs priorities so that to get the entry point, in collaboration with the researcher host organization, to intervene and bring changes needed in the selected target community. The most pressing need of Mwandiga community was to improve of personal income therefore the project is trying to addresses this problem. The project intended to establish saving and credit society as means of improving personal income. A total of 29 women were sensitized on the importance of saving and credit schemes. Guiding constitutions was also developed as a management tool. The startup income mobilized amounted to 1.8 million. The establishment of a saving and credit scheme was still in process. Generally the saving and credit scheme will act as a tool for financially empowering women to start up their business.

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ABBREVIATION

| | | |
|----------|---|--|
| B.A | : | Beneficiary Assessment |
| CAN | : | Community Needs Assessment |
| CED & FS | : | Community Economic Development and Food Security |
| CRDB | : | Cooperative and Rural Development Bank |
| CB | : | Credit Beneficiaries |
| EVG | : | Extremely Vulnerable Groups |
| FAWETA | : | Federation of Association of Female Entrepreneurs in Tanzania |
| IFAD | : | International Fund for Agricultural Development |
| FGD | : | Focus Group Discussion |
| KDC | : | Kigoma District Council |
| LDC | : | Less Development Countries |
| MDG | : | Millennium Development Goals |
| MFI | : | Micro Finance Institutions |
| MEDA | : | Mennonite Economic Development |
| NGO | : | Non Governmental Organization |
| NMB | : | National Micro-Financing Bank |
| NCB | : | Non Credit Beneficiaries |
| PRA | : | Participatory Rural Appraisal |
| PLWHA | : | People Living with HIV/AIDS |
| PRIDE | : | Promotion of Rural Initiative and Development Enterprises Limited |
| SACCOS | : | Savings and Credit Cooperative Society |

| | | |
|--------|---|---|
| SME | : | Small and Medium Enterprises |
| SPSS | : | Statistical Package for Social Sciences |
| SWOT | : | Strength Weakness Opportunity Threat |
| TCRS | : | Tanganyika Christianity Refugees Services |
| UN | : | United Nation |
| URT | : | United Republic of Tanzania |
| VICOBA | : | Village Community Banks |
| WEO | : | Ward Executive Officer |
| WFP | : | World Food Programme |

CHAPTER ONE

1.0 PARTICIPATORY NEEDS ASSESSMENT

1.1 Background Information

Participatory need assessment is a method that plays a significant role in the community. Moreover, it aims at procedures which are to be undertaken for setting priorities (Witkin et al, 1995). Therefore under this section the participatory needs assessment seeks to identify problems and opportunities available and measure them so that the determination to bridge the gap to be achieved. And therefore it can be said that need assessment aims at identifying the assets of a community and potential concerns that it faces (Sharma et al, 2000).

As the community needs assessment was used at Mwandiga ward in Kigoma district to assess the economic, social, potential and cultural aspect so as to identify the threat hence to undergo the procedures for solving the community needs. So, the problem or the community needs requires the project formulation in which it requires the accurate and usable information that reflects the needs of the specific community. In gathering the required information various tools and participatory methods are used to determine the essence need of the community so that the project to address it can be established.

Thus, the present community need assessment was conducted in Mwandiga for the same purpose of identifying their problems and needs and hence intervenes through establishment an appropriate project.

1.2 Community Profile

1.2.1 Geographical Location

Mwandiga ward is among the 25 wards of Kigoma District Council (KDC). It is located in the northern part Kigoma- Ujiji Municipal which is about 15 kilo meters from the town centre. The ward is situated along the Kasulu and Manyovu highways respectively. To the Eastern and Northern side the ward is bordering with Kihinga and Munghonya villages respectively. Mwandiga ward is made up of three villages namely: Mwandiga, Kibingo and Kiganza. The three villages are closely located.

1.2.2 Population

Mwandiga ward has 3,596 households with a population of 31, 385 inhabitants. Among them 13,429 are men and 17,956 are women (Source – Ward Executive Officer- 2011). According to the 2002 population and housing census, the population growth Mwandiga ward shows an increase in growth rates (URT 2003). The population projections show that population growth rate will increase from 1.2 percent in 2003 to 1.8 percent in 2025.

As shown in Table 1, Mwandiga ward has 12, 923 people who are employed in one way or another at wage employment or self-employment. Among them 5, 193 are men and 7,730 are women. The number of people who are unemployed is 18,462 with unemployed men being 8, 236 and unemployed women about 10, 226.

1.2.3 Economic Activities

The main economic activities of Mwandiga ward are: agriculture, livestock keeping, and small and medium enterprises (SME) and fishing at Lake Tanganyika.

According to the Ward Executive Officer (WEO 2011), the type of agriculture that is being carried out in Mwandiga ward is subsistence farming with main crops being palm, maize, beans, cassava, banana and vegetables. Commercial farming has not yet been embraced by the people. Most people keep livestock like goats, pigs, sheep, cows and chicken. A substantial number of people are involved in micro and small enterprises like kiosks, small shops, and selling goods at the market (vegetables and fruits), Pemba business, Mama Lishe,



Figure 1: Manufacturing of Pemba

Source: Photo by Researcher, 2013

* Pemba Mostly Used by Women When They Are Pregnant).

Table 1: Population of Mwandiga Village as at 02 September 2010

| Village | Households | Inhabitants | | | Employed People | | | Unemployed People | | | Total |
|----------|------------|-------------|------|-------|-----------------|-----|-------|-------------------|------|-------|-------|
| | | F | M | Total | F | M | Total | F | M | Total | |
| Mwandiga | 147 | 5612 | 7090 | 1270 | 190 | 284 | 4791 | 371 | 4199 | 7911 | 1270 |
| a | 0 | | | 2 | 0 | 1 | | 2 | | | 2 |
| Kibingo | 121 | 3814 | 4859 | 8673 | 169 | 243 | 4128 | 212 | 2423 | 4545 | 8673 |
| | 2 | | | | 2 | 6 | | 2 | | | |
| Kiganza | 914 | 4003 | 6007 | 1001 | 160 | 240 | 4009 | 240 | 3604 | 6006 | 1001 |
| | | | | 0 | 1 | 3 | | 2 | | | 0 |
| | 359 | 13429 | 1795 | 3138 | 519 | 773 | 1292 | 823 | 1022 | 1846 | 3138 |
| | 6 | | 6 | 5 | 3 | 0 | 3 | 6 | 6 | 2 | 5 |

Source: WEO - Mwandiga, 2010.

1.2.4 Health

Mwandiga ward consists of public and private dispensaries. The area has of 02 dispensaries namely Mwandiga Dispensary which is owned by the government and one private dispensary.

1.2.5 Water Supply

The Kigoma Urban Water and Sanitation Authority (KUWASA) supply water serving more than 100,000 customers in Kigoma district include Mwandiga ward, the sources include piped water while other people used dams, harvested rainwater and natural spring water called Nyakageni as their sources of water. In total, water services delivered covers 70% of the population demands.

1.2.6 Infrastructures

Kigoma district is served by tarmac surface roads network from Kigoma district

headquarter to different parts include Kigoma to Manyovu border with neighboring country Burundi,Uvinza district and Kidahwe highway to Nyakanazi (Kagera). Mwandiga ward is among the 25 wards of Kigoma District Council. It is located in the northern part Kigoma-Ujiji Municipal which is about 15 kilometers from the town centre. Mwandiga ward located at the junction between Kigoma to Nyakanazi and Kigoma to Manyovu (Buhigwe district) whereby people are served by loose surface road but passable all season within their ward.

1.3 Community Needs Assessment

Intentionally the Community Need Assessment was conducted to identify the real needs of the community and thereafter make interventions to the critical community's need. Participatory techniques were used during the exercise purposely to come up with community owned and initiated project. In order to come up with the real needs it is thought that a CAN should be conducted for better outcome for project implementation.

1.3.1 CNA Research Objectives

The objective of this survey is as follows:

1.3.2 General Objective

Assessment households Income in relation to their economic Activities

The specific objectives of the CAN were

- i. To identify the community's problems and needs
- ii. To prioritize the community's problems and needs

- iii. To identify the most pressing needs that could help in formulation the intervention through setting up a project

1.3.3 Research Questions

- i. What are the community's problems and needs?
- ii. What is the ranking order of the community's problems and needs?
- iii. What is the most pressing need?

1.3.4 Research Methodology

1.3.4.1 Research Design

The study intends to use both Quantitative and Qualitative research approach. The quantitative approach will be used for questionnaires that will be administered to respondents in Mwandiga ward. Then, since the qualitative is purposely for description therefore, the approach will be used to determine the people's perceptions.

1.3.4.2 Sampling Techniques

In sampling techniques the study intends to use probability random sampling that requires every member in the study area to be included in the study. Another technique which will be used is purposive sampling technique (Non- Probability). This technique will be employed to famous people such as village leaders, Ward Executive Officer (WEO) to obtain the intended information.

1.3.4.3 Sample Size

Sixty (60) respondents were selected for the project work. The questionnaire was

administered to 45 respondents whereas 15 respondents were involved in an interview and focus group discussion (FGD).

1.3.4.4 Data Methods

1.3.4.4.1 Primary Data

Primary data as the first hand information will be employed to get community based data which will stimulate the establishment of the project. Addition, the participatory observation will be used to reflect the realities of the study area in the process of project establishment

1.3.4.4.2 Secondary Data

Secondary information's will be obtained from the Kigoma district, Mwandiga ward, village and various literary works (literatures). The secondary information was meant to grasp knowledge of the study area so that to come up with tangible thing for the benefit of the community of Mwandiga ward.

1.3.4.5 Data Analysis

Data obtain from questionnaire were analyzed by using a programme known as Statistical Package for Social Sciences (SPSS),the programme used to run different procedures for analyzing the information. The tables were drawn using descriptive analysis provision of the programme. Descriptive analyses primarily include frequencies and percentages. Analyzed information will be also being presented in tabular forms and charts mainly pie chart and bar graphs.

1.4 CNA Findings

1.4.1 Age of respondents

The study has used respondents of different age. The results show that the age between 21- 30 were 4 equal to 8.8%, 31 -40 were 23 equal to 51.1%, 41 – 50 were 11 equal to 24.4% and 51 and above were 7 equal to 15.6%. So, the highest age percentage falls between 31-40, constituting about 51.1%. Under this age class is assumed to be a working class. The table 2 shows the age group of the respondents.

Table 2: Age of Respondents

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|----------------|-----------|---------|---------------|-----------------------|
| | (21 - 30) | 4 | 8.9 | 8.9 | 8.9 |
| | (31 - 40) | 23 | 51.1 | 51.1 | 60.0 |
| | (41 - 50) | 11 | 24.4 | 24.4 | 84.4 |
| | (51 and Above) | 7 | 15.6 | 15.6 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: researcher, 2013

1.4.2 Sex of Respondents

Apart from the age of the respondents, the respondents' sex was as follow; 19 were male equal to 42.2% and 26 were female equal to 57.8%. Through this finding shows that female were more compared to male. The reason behind this is that the study is much concern to female to be empowered. The table 3 shows the sex of the respondents who were given questionnaire.

Table 3: Sex of Respondents

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|--------|-----------|---------|---------------|--------------------|
| | Male | 19 | 42.2 | 42.2 | 42.2 |
| | Female | 26 | 57.8 | 57.8 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.3 Marital Status of Respondents

The study findings show a mixed composition of the respondents that is, the married and singles. Therefore, 68.9% of the respondents were single and the remained 31.1% were married respondents. So, the big number was single. The table 4 shows the marital status of the respondents

Table 4: Marital Status

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | Single | 31 | 68.9 | 68.9 | 68.9 |
| | Married | 14 | 31.1 | 31.1 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.4 Number of Children per Household

The present study wanted to know the number of children presence in every household. The finding shows that 9 respondents equal to 20% said household has a

number children between 1 to 3, 25 respondents equal to 55.6% said children from 4 to 6, then 8 respondents which is 17.8% said every household has more than 7 children. And lastly who said none were 3 equal to 6.7%. Therefore, conclusively every household on the study presupposes to have 4 to 6 children. The table 5 shows the number of children in the every household on the study area.

Table 5: Number of Children per Household

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|--------------|-----------|---------|---------------|--------------------|
| | (1 - 3) | 9 | 20.0 | 20.0 | 20.0 |
| | (4 - 6) | 25 | 55.6 | 55.6 | 75.6 |
| | (7 and more) | 8 | 17.8 | 17.8 | 93.3 |
| | None | 3 | 6.7 | 6.7 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Research, 2013

1.4.5 Education Level

The education level on the study area seemed to vary. This may be due to education background where they have been brought to. The finding verify that 26 of respondents equal to 57.8% were primary education, 13 respondents equal to 28.9% were completed secondary level, the tertiary education were 4 that means 8.9%. And those who did not attend the class were 2 equal 4.4%. Generally, in the study area the high number of respondents completed primary education and few to secondary and tertiary education. The table 6 depicts the education level of each respondents involved in the study area.

Table 6: Education Level of Respondents

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|-----------------------|
| Primary Education | 26 | 57.8 | 57.8 | 57.8 |
| Secondary Education | 13 | 28.9 | 28.9 | 86.7 |
| Tertiary Education | 4 | 8.9 | 8.9 | 95.6 |
| Illiteracy | 2 | 4.4 | 4.4 | 100.0 |
| Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.6 Economic Activities

The present study wants to know predominant activities done by people on the study area. It was observed that 15.6% of the respondents engaged in farming activities, it was found that 8.9% occupied by livestock keeping, it was observed that 13.3% of the respondents engaged in small business. Also it was found that 20% engaged in employment from public and private sectors, 11.1% engaged in fishing activities and 6.7% engaged in brick making. Lastly it was observed that Pemba manufacture occupied 24.4% of the population.

Therefore, it was found that the predominant activities on the study area are Pemba manufacturer and agricultural activities as the backbone of the nation of Tanzania. The table 7 shows various activities on the study area with frequency and percentage received to each.

Table 7: Respondents' Activities on Study Area

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|--------------------|-----------|---------|---------------|-----------------------|
| | Farming | 7 | 15.6 | 15.6 | 15.6 |
| | Livestock Keeping | 4 | 8.9 | 8.9 | 24.4 |
| | Small Business | 6 | 13.3 | 13.3 | 37.8 |
| | Employment | 9 | 20.0 | 20.0 | 57.8 |
| | Fishing | 5 | 11.1 | 11.1 | 68.9 |
| | Brick Making | 3 | 6.7 | 6.7 | 75.6 |
| | Pemba Manufacturer | 11 | 24.4 | 24.4 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

Moreover, through focus group discussion and interview conducted to ward executive officer (WEO) and village leaders from three villages said that the most common activities on the study area is pemba manufacturer followed by agriculture. Therefore, with this can be said that it is true pemba manufacturing is leading on the study area. Those people in the focus group discussion also insisted that, the work of making Pemba is done mostly by women and men are in other business like fishing and agriculture.

1.4.6 Annual Income

The high percentage of the respondents said that their annual income generation is ranging from one hundred thousand to four hundred ninety nine thousands nine hundred ninety nine shillings. The following are result finding, 2.2% of respondents

said they get income from 50,000 to 99,999 shillings only, 57.8% said from 100,000 shillings to 499,999 shillings, 28.9% said from 500,000 to 999,999 shillings and 11.1% said they earn income more than a million. Therefore, it can be concluded that the average income of the Mwandiga people is in between 100, 000 shillings to 499,999 shilling annually. The table 8 shows the annual income accumulation.

Table 8: The Annual Income

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------------------|-----------|---------|---------------|--------------------|
| Valid 50,000shs - 99, 999shs | 1 | 2.2 | 2.2 | 2.2 |
| 100,000shs – 499,999shs | 26 | 57.8 | 57.8 | 60.0 |
| 500,000shs - 999,999shs | 13 | 28.9 | 28.9 | 88.9 |
| More than 1,000,000shs | 5 | 11.1 | 11.1 | 100.0 |
| Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

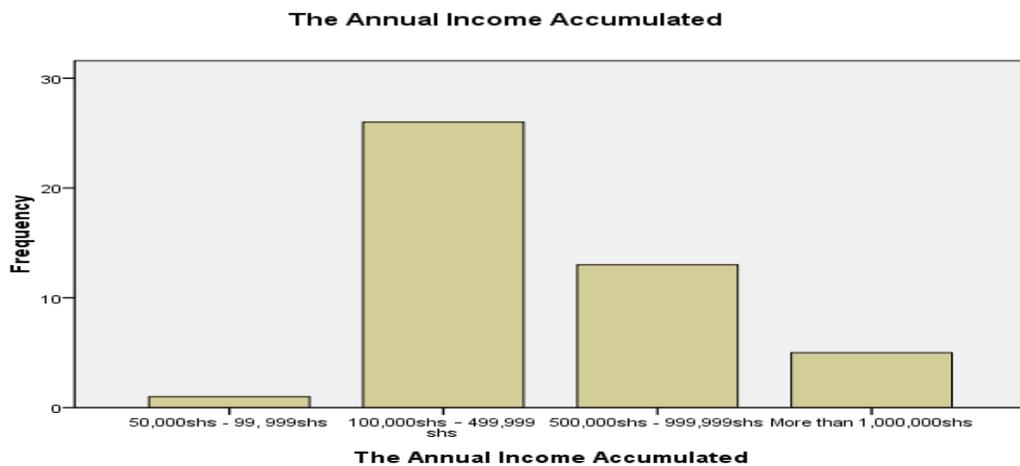


Figure 1: Annual Income

Source: Researcher, 2013

1.4.7 Satisfaction of Annual Income Gained

Through the use of structured questionnaire administered to the respondents checking whether the annual income gaining satisfy them or not, the result was as follow; 11 respondents equal to 24.4% said the annual income do not satisfy them, however, 34 respondents equal to 75.6% said they are satisfied. Moreover, the result finding form the interview and FGD is that the income gained to people does not meet the essential demands due to the price fluctuation and hard ship life. The tables 9 show the results from the respondents who responded the question of satisfaction from the income gained due to their activities.

Table 9: Satisfaction of Annual Income Gained

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-------|-----------|---------|---------------|--------------------|
| | YES | 11 | 24.4 | 24.4 | 24.4 |
| | NO | 34 | 75.6 | 75.6 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.8 Saving Ability

Despite of the fact that the income earned annual being not enough, the present study wanted to know where Mwandiga people save their surplus. The result show that 8.9% save their money to VIKOBA, 17.8% Bank, 33.3% said at home and lastly, 40% said they have no saving. This implies that since the majorities do not have any saving, and then hinder the development of the study area. Therefore, there is a need

to educate people about saving money in the microfinance institution for future use even getting the soft loan.

The respondents suggested the amount of shilling which is deposited in the microfinance institution as follows; 64.4% said that they saved the amount of below 50,000.00 shillings, 24.4% said saved money ranging 50, 000.00 shilling to 100,000 shillings and 11.1% said they deposit their money above 100,000.00 shillings. The table 10 depicts the amount in shillings which is deposited in the microfinance institutions.

Table 10: The Amount of Shillings Saved Annually

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Less than 50,000shs | 29 | 64.4 | 64.4 | 64.4 |
| 50,000shs to 100,000shs | 11 | 24.4 | 24.4 | 88.9 |
| Above 100,000shs | 5 | 11.1 | 11.1 | 100.0 |
| Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.9 The Entrepreneurship Skills

Moreover, the respondents through the use of questionnaire were asked if they have entrepreneurship skills. The finding show that 28.9% have got entrepreneurship skills and the rest 71.1% do not have. In the finding is collating with the result from the Interview and Focus group discussion. The table 11 below shows the result finding.

Table 11: The Entrepreneurship Skills

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|-------|-----------|---------|---------------|--------------------|
| | YES | 13 | 28.9 | 28.9 | 28.9 |
| | NO | 32 | 71.1 | 71.1 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.10 Community Problems

The challenges which they face on their activities were identified as follow; 51.1% said they don't have capital, 6.7% said lack of modern tools, 17.8% said lack of external markets and 24.4% said price fluctuation. Also the findings from the interview and FGD add that the capital is a critical source that impinge or acts as bottleneck to people of Mwandiga. The reason behind this is that they do not have immovable property which can stand in the Bank and get Loan. The other factors as said in the questionnaire they said they are minor. The table 12 tells the challenges people face on their activities.

Table 12: The Results of Focus Group Discussion – The Problems Encounter in Daily Activities

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------------|-----------|---------|---------------|--------------------|
| Valid | Lack of capital | 23 | 51.1 | 51.1 | 51.1 |
| | Lack of Modern tools | 3 | 6.7 | 6.7 | 57.8 |
| | Price fluctuation | 11 | 24.4 | 24.4 | 82.2 |
| | Lack of external market | 8 | 17.8 | 17.8 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.4.11 Result from Focus Groups Discussion

Group members of two focus groups were requested to list all problems which are affecting their activities. 4 main problems were listed as follows; lack of capital, price fluctuation, lack of external market and lack of modern tools. Members were separated into two focus groups and each group was advised to rank the problem. The process was very participatory and research role was to guide the discussion processes in the groups and ensure the focus group members understand what to be done. Again during focus group discussion, participants were advised to think on the viable strategy and help needed to improve their personal income at Mwandiga ward.

The respondents the solution to challenges can be met. The following are the result; 51.1% said to establish SACCOS, 37.8% said to lower interest rate given from the Bank and 11.1% said to establish VIKOBA. Through this finding, it seemed that Mwandiga people are more interested with SACCOS rather than other microfinance institution. It is believed that once they have established SACCOS then it can assist them to get loan at a reasonable interest rate and conditions affordability. The table 13 show the solution met to challenges.

The results from the focus group discussion and the interview supported the establishment of SACCOS. The reasons which have been raised were as follow

- i. They want to have their own firm which they will have a say over it
- ii. They will be ready to contribute to any amount according to the constitution that will guide the operation of that SACCOS member.
- iii. To access soft loan without of being confiscated of people's property

Table 13: The Solution to Challenges Mentioned Above

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|---------------------------------|-----------|---------|---------------|--------------------|
| | Establishment of SACCOS | 23 | 51.1 | 51.1 | 51.1 |
| | Low interest rate from the BANK | 17 | 37.8 | 37.8 | 88.9 |
| | Establishment of VIKOBA | 5 | 11.1 | 11.1 | 100.0 |
| | Total | 45 | 100.0 | 100.0 | |

Source: Researcher, 2013

1.5 Community Needs Prioritization / Leveling of Needs

Pair wise ranking technique was used to prioritize the identified community needs so as to get project area; this was conducted in participatory manner using small sticks to count the scores, low income was ranked as number one since it was highly scored compared to other identified community needs. Table 14 indicates the table showing pair wise ranking of identified problems.

Table 14: The Community Need Prioritization

| SN | Community needs | Score | Rank |
|----|---|-------|-----------------|
| 1 | Establish financial Institution for soft loan acquisition | 5 | 2 nd |
| 2 | Create employment opportunities | 4 | 3 rd |
| 3 | Improve personal income | 6 | 1 st |
| 4 | Skills in micro-business | 2 | 4 th |
| 5 | Solve agriculture and livestock related problems | 1 | 5 th |

Source: From field data, 2013

1.6 Conclusion

The present study explains that the community from Mwandiga ward has various needs and problem which include lack of capital for business venture, employment, lack of skills in micro-business and agriculture / livestock related problems. After Pair wise ranking technique was used to prioritize the identified community needs, the most pressing need of Mwandiga community was improvement of personal income since the financial institutional provide loan with harsh conditions, high interest rate and loan offers with being confiscated of people's property as a bond. As a result the level of poverty increases within member of community due to fact that they face many problems in the accessibility of soft loan for their entrepreneurship and other important family matter. The peoples of Mwandiga need their own group member saving and credit society to improve their personal income by establish new business venture and expand existing one as well as attend family issues for their own future development.

From the study findings, it was observed that 51.1% of the respondents face the problem of capital in their daily activities, while it was observed that 51.1% of the respondent put forward for the establishment of saving and credit society as their own solution for their pressing need. Thus, the peoples from Mwandiga community believe that once they have established SACCOS then it can assist them to get loan at a reasonable interest rate and conditions affordability.

CHAPTER TWO

2.0 PROBLEM IDENTIFICATION

2.1 Background to Research Problem

Mwandiga ward has 3,596 households with a population of 31, 385 inhabitants, among them 13, 429 are men and 17,956 are women. From the needs assessment conducted in chapter one, the most pressing need of the community peoples in Mwandiga ward is improvement of personal income, therefore solution to particular need is to establish saving and credit society so that group member can easily access capital in order to improve personal well being.

The project host organization Tanganyika Christian Refugees Services (TCRS) uses the community empowerment approach to build the capacity and competence of both individuals and groups especially women, so that they might work as communities to achieve results for themselves, also equip people and local groups with the knowledge, skills, and attitudes that broaden their options, their confidence grows as they begin to understand that they are capable of taking charge of their own destinies.

Through participatory needs assessment conducted in Mwandiga, community needs/problems were identified include lack of financial institution for soft loan acquisition, unemployment, low income, little fund and knowledge to start micro-business, lack of savings spirits and agriculture and livestock related problems. Therefore from community participatory needs assessment conducted, the most prioritized need was identified as improvement of personal income. The focus of the present study is therefore towards addressing this need.

2.2 Problem Statement

The accessibility to soft loan helps poor people in the informal sector especially women entrepreneurs to start new and expand existing micro enterprise in order to bring about economic development. This implies that particular society can easily fulfill their daily basic human needs and others social services as well as save money for future venture.

Many related scholarly papers have been developed on this, for instance Mushi (2007), in CED project title “*The Establishment of Savings and Credit Scheme at Mwembemadafu, Ukonga-Ilala, Dar-es-salaam*”. The project suggested that saving and credit schemes provide access to financial services to common people enabling them to meet their goals and improve their economic and social conditions. Another study from Shija (2007) in CED Project “*Establishing Community Based and Managed Saving and Credit Group Systems to People Living with HIV/AIDS in Marumbo Ward in Kisarawe District*”. The study observed that, a community based managed saving and credit group system, has proven to assist people of low income including people living with HIV/AIDS (PLWHA). Groups need to be organized to form SACCOs so that they can easily access large loans/capital from micro financing service providers like the National Micro-Financing Bank (NMB) and the Co-operative and Rural Development Bank (CRDB).

Although various project including Mushi (2007) and Shija (2007) have done good work they have not dealt with gender parity. Even if others did, their project / researches are not of recent time and were not conducted in the same locality.

Therefore, this project intends to establish saving and credit cooperative society specific in Mwandiga ward, Kigoma district.

2.3 Project Description

The title of the present project is “*Savings and credit scheme for women entrepreneurs as means for improving personal income: Case of Mwandiga ward, Kigoma District*”. The project was design to be implemented in women entrepreneurs located in three villages of Mwandiga Ward namely Mwandiga, Kibingo and Kiganza. The project intended to assess the household income in relation to their economic activities.

2.3.1 Target Community

The study entirely focused on all women in Mwandiga Ward, Kigoma district.

2.3.2 Stakeholders

The stakeholders in this project include Kigoma District Council, District Administrative Secretary, Host Community, Host CBO (Mtema Women Groups), members based microfinance institution, microfinance policy makers, Mwandiga councilor and TCRS Kigoma Staff.

2.3.3 Project Goal in CED Terms

Income level of household members has increased.

2.3.4 Projective Overall objective

The project overall objective is to establish savings and credit scheme for women entrepreneurs as means for improving personal income in Mwandiga ward

2.3.5 Project Specific Objectives

- i. To sensitize 33 women entrepreneurs on the importance of saving and credit cooperative society by the end of May, 2013.
- ii. To develop a guiding constitution for running up the saving and credit scheme by the end of June, 2013.
- iii. To mobilize a start up income 5 million shillings by the end of August, 2013.
- iv. To establish saving and credit scheme and make it operational by the end of September, 2013.

2.4 Host Organization / CBO Profile

2.4.0 Introduction

Since its formation in 1964, TCRS has worked to enable, facilitate, and provide humanitarian aid to those whose livelihoods are threatened by the effects of natural and man-made disasters, namely the marginalized and EVG's (Extremely Vulnerable Groups).

2.4.1. Mission and Vision

2.4.1.1 Mission Statement

The vision statement is to reducing human sufferings and poverty by empowering vulnerable, marginalized, and displaced communities in Tanzania to achieve self-reliance and sustainable development.

2.4.1.2 Vision Statement

The Vision statement is to empower communities living in just, democratic societies, united in diversity, and enjoying quality of life and God-given dignity.

2.4.2 Country Strategy

The ideology of community empowerment has become concretely manifest in the Community Empowerment Programmes (CEPs). In these programmes, TCRS uses the community empowerment approach to build the capacity and competence of both individuals and groups, so that they might work as communities to achieve results for themselves. By equipping people and local groups with the knowledge, skills, and attitudes that broaden their options, their confidence grows as they begin to understand that they are capable of taking charge of their own destinies.

2.4.3 Overall Programme Goal

In formulating its 2008-2013 Country Strategy, TCRS identified *"reducing human suffering and poverty by empowering vulnerable, marginalized, and displaced communities in Tanzania to achieve self-reliance and sustainable development"*.

2.4.4 Strategic Approaches

The Empowerment Approach builds people's capacity and competence - both as individuals and as participating members of groups and communities - to achieve results for themselves. By equipping people and local groups with knowledge, skills and attitudes that broaden their options, their confidence can be built up and they can be empowered to take control of their lives. By this it is expected that people must be actively involved in all aspects of their development, from assessment and planning to implementation, monitoring, and evaluation.

The Integrated Approach guarantees that issues such as the environmental, HIV/AIDS, gender, and the like are not addressed separately but are considered as

integral parts of all lines of action taken in any given sector. As a result, many development initiatives can result in positive impacts on multiple aspects of community life.

The Rights Based Approach (RBA) involves a conscious and continual reference to human rights standards and objectives which then ensures that the root causes of poverty and exclusion receive proper attention in the formulation and implementation of development programs. This also guards against narrow technical objectives becoming the reference point for development activities and reduces the risk that the poor are seen or treated merely as needy objects of charity.

Therefore in seeking to address those above issues, TCRS began a partnership with Concern Worldwide that ultimately led to the creation of the Kigoma Community Empowerment Programme & Food Security Project (Kigoma CEP-FS). To this end, the project is working closely with communities in Kigoma to increase their ability to track and influence relevant national policies and to train local farmers on disaster management and household budgeting, facilitating the formation of income generating activities. Additionally, the project is working hand-in-hand with area farmers to educate them on issues such as improved farming & storage techniques, use of compost and farm yard manure, and land rights.

2.4.5. Activities

The activities of TCRS in Tanzania are shaped by a sincere desire to enable marginalized communities to enjoy fundamental human rights and empower them to achieve self-reliance along with a sustainable quality of life. Empowerment in this

sense refers to the TCRS-facilitated process of awareness creation, capacity building, and training for marginalized members of rural communities and their local leaders, paving the way for those individuals to be the primary factors involved in improving their livelihoods.

2.4.6. Organization Structure

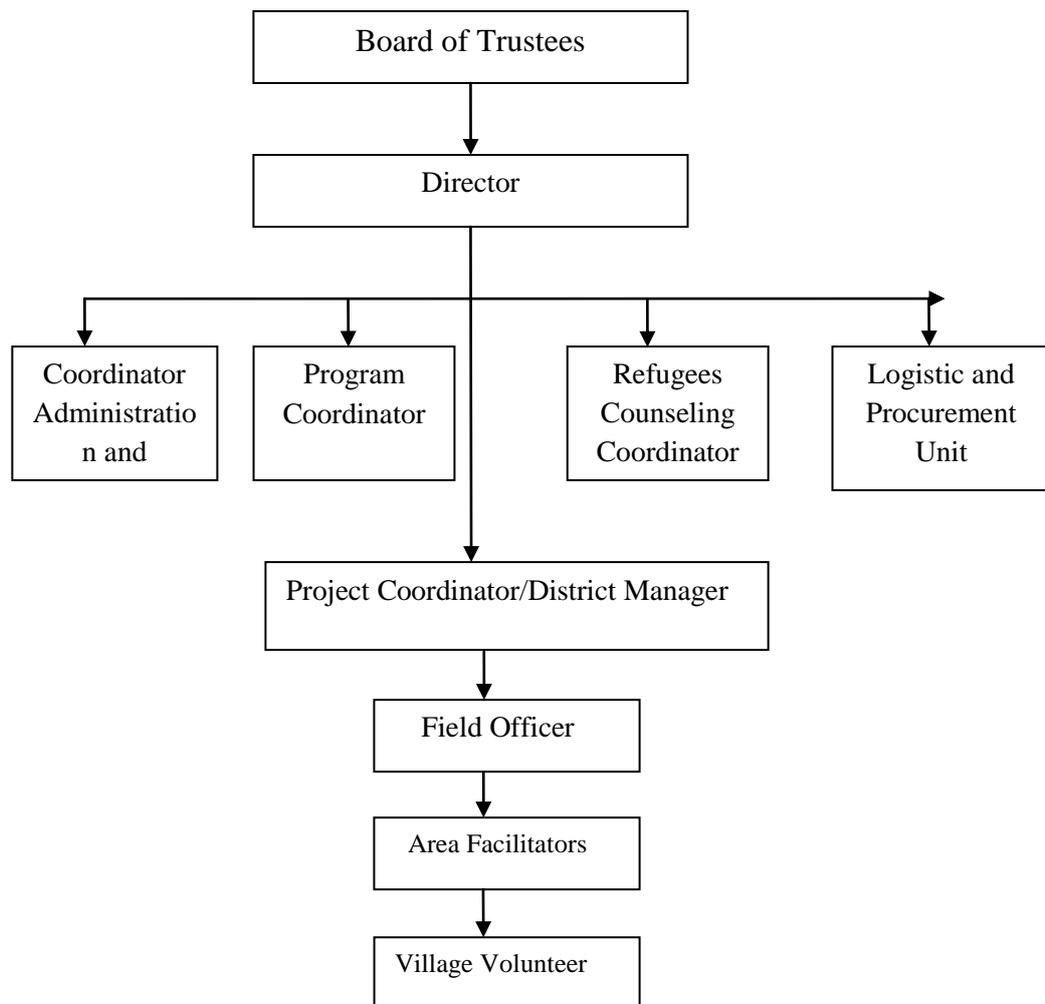


Figure 2: Shows Organization Structure of TCRS

Source: From TCRS, 2013

2.4.7. SWOT Analysis of TCRS

Table 15: show SWOT analysis of host organization

| Strength | Weakness |
|---|---|
| <ul style="list-style-type: none"> • All staff are committed and well organized to perform required duties • Leaders are responsible and ready to serve as well as fulfill organization goals. • Policy is well design and clearly elaborates. | <ul style="list-style-type: none"> • According to TCRS Staff, issue of religion emerge due to some fanatic Muslim in different areas refuse to be assisted by Christians as a result TCRS faces challenge during field work at household level. |
| Opportunity | Obstacles |
| <ul style="list-style-type: none"> • Through CEP, TCRS support the establishment of Oil Processing Industries controlled by Mkeresi Groups in Kazuramimba at Kigoma district which used to process different sources of oils like sunflower, groundnuts. Good relationship with local leaders and community leaders as well as those peoples who are interested in entrepreneur. | <ul style="list-style-type: none"> • Interference from politician's in the TCRS areas of intervention because they want to take advantage of achievement in different project or programme within the community as their initiative as a result it confused and discourage some community individuals', participants and donors. |

Source: From

2.4.8. CED Student's Roles and Responsibilities in the Project

My role in the project was to facilitate and smooth the progress of the project cycle from the first stage of needs assessment, then to be able to identify the problem and therefore project planning and implementation as well as monitoring and evaluation

in order to achieve project goal. The purpose was to improve the means of sustainable livelihood of women entrepreneurs in order to bring about community economic development at community level.

CHAPTER THREE

3.0 LITERATURE REVIEW

3.1 Introduction

In the previous chapter, problem identification on the study was presented. According to Ngaiza (2003), “literature review is a procedure that guides writers to access both published and unpublished source of information on respect to study”. This chapter presents the information related to microfinance. This chapter review theoretical literature on microfinance. Moreover this chapter reviews on the empirical literature concerning the project. The third section presents national and international policy reviews which are relevant to my project. The last section provides the highlights or summary of the entire literature review chapter; at the same time play significant role to ensure that microfinance contribute to wellbeing of the society.

3.2 Theoretical Literature Review

3.2.1 Meaning of Key Terms

Microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector (Wrenn, 2005). According to Syngenta Foundation Discussion (2006) indicates that concepts of microfinance vary widely, with significant implications on development strategies. Thus, Microfinance is that part of the financial sector which comprises formal and informal financial institutions, small and large, that provide small-size financial services in theory to all

segments of the rural and urban population, in practice however mostly to the lower segments of the population.

Microcredit insisted on repayment, on charging interest rates that covered the cost of credit delivery and by focusing on clients who were dependent on the informal sector for credit (Wrenn, 2005). Economic Empowerment, women's access to savings and credit gives them a greater decision making role. A woman optimizes herself and her household's welfare when she makes decisions pertaining to credit and savings. Investment in a woman's economic activity will improve her employment opportunities and thus have a 'trickle down and out'¹ effect. By providing women with the means to generate their own income, microenterprise development helps them play a greater economic role in decision making.

Social empowerment, a woman gains more respect and plays more active role in the family and community through microfinance and microenterprise development; it provides her with greater economic empowerment and increased self-confidence. A woman becomes more involved in society as a member of women's organizations, professional associations and political parties, adding her contribution to collective decision making (De Gobbi et al, 2005).

3.2.2. The History and Approach of Microfinance

From the 1950s throughout 1970s, the provision of financial services by donors or governments was mainly in the form of subsidized rural credit programmes. These often resulted in high loan defaults, high loss and an inability to reach poor rural

¹ Mayoux, 2000.

households (Robinson, 2001). The term microfinance and microcredit relatively approach in 1970s into the field of community development. After Grameen Bank and Bank Rakyat Indonesia established, they started to provide small loans and savings services on a wider scale without continuing receiving financial support. In 1990's MFIs increased on remarkable level. Along with the growth in microcredit institutions, attention changed from just the provision of credit to the poor (microcredit), to the provision of other financial services such as savings and pensions (microfinance) when it became clear that the poor had a demand for these other services (MIX, 2005).

The importance of microfinance in the field of development was reinforced with the launch of the Microcredit Summit in 1997. The Summit aims to reach 175 million of the world's poorest families, especially the women of those families, with credit for the self-employed and other financial and business services, by the end of 2015 (Microcredit Summit, 2005). More recently, the UN, as previously stated, declared 2005 as the International Year of Microcredit (Wrenn, 2005).

Lindvert (2006) said there are two main approaches in the area of microfinance today. One is described as Subsidized Credit Delivery. Which means poor people are considered unable to lend and save, and therefore are in need of subsidized credit services. The other approach is known as Commercialized Sustainable Microfinance which is based on the idea that poor people can and do save and repay their loans to a market-oriented interest rate, but need secure financial institutions for doing this. He said this approach has a more long term perspective, with the purpose to create sustainable organizations, communities and markets.

3.2.3 Role of Microfinance in Reducing Poverty

Microfinance plays a major role in achieving Millennium Development Goals (MDG)², but regardless of several challenges ahead microfinance industry offers a potential alleviation solution to the poverty crisis to future sustainable development. According to Vicent (2012) in terms of development and social impact, the microfinance industry allows significant improvements in quality of life for the micro entrepreneurs of LDCs around the world. They can now stabilize the cash flow of their economic activity, bringing security to the enterprise. This allows them to better manage spending, which often generates savings; and this provides better standards of living to their family, and dependents in terms of housing, nutrition, health and education. Finally, an access to banking and increased security promotes a sense of entrepreneurship, and thus their self-esteem and reputation increase.

3.2.4 Microfinance and Women Empowerment

Mayoux's study (1998), proposes a participatory approach for integrating women's empowerment concerns into ongoing programs learning, which itself would be a contribution to empowerment. Micro finance programs for women are currently promoted not only as a strategy for poverty alleviation but also for women's empowerment.

De Gobbi et al., (2005), in her study concluded that it is clear that women use loans to create, expand or develop an enterprise. Micro-finance services have created an

² The MDGs are (i) eradicate extreme poverty and hunger; (ii) achieve universal primary education; (iii) promote gender equality and empower women; (iv) reduce child mortality; (v) improve maternal health; (vi) combat HIV/AIDS, malaria and other diseases; (vii) ensure environmental sustainability; and (viii) develop a global partnership for development

enabling environment for the emergence and development of small enterprises, which then generate income and employment. Demand for financial services is very high and about half the women still use informal financial sources. The high interest rates charged by MFIs, strict and strong repayment terms coupled with high transaction costs are the real barriers for women clients. She says that new, flexible and cheap products need to be developed and offered by the MFIs. Support for skill development programmes can stimulate the promotion of women's enterprises and also women's economic empowerment and the needs of rural illiterate women entrepreneurs should be taken into account more carefully, especially in training programmes. According to him, government policies related to microenterprise development need to be directed towards strengthening those businesses that have the potential to expand and create new jobs in rural areas.

Mayoux (2012) underlying current debate contrasted on three paradigms³ on microfinance and gender which consist of financial self-sustainability paradigm, poverty alleviation paradigm and feminist empowerment paradigm. According to him, Poverty alleviation paradigm underlies poverty-targeted programmes. Here the main considerations are poverty reduction among the poorest, increased well-being and community development.

The focus is on small savings and loan provision for consumption and production, group formation, etc. This paradigm justifies some level of subsidy for programmes

³ A paradigm is understood here as a distinct discourse arising from particular value and political premises which, despite internal inconsistencies in practice, is internally logically consistent in relating values to aims and policies. As I have discussed in detail elsewhere in relation to micro-finance, it is possible to identify three distinct paradigms, each of which have different understandings of the role of micro-finance, women's empowerment and sustainability (Mayoux, 1998a).

working with particular client groups or in particular contexts. Some programmes have developed effective methodologies for poverty targeting and/or operating in remote areas. Gender lobbies in this context have argued for targeting women, because of higher levels of female poverty and because of women's responsibility for household well-being.

Poverty alleviation and women's empowerment are seen as two sides of the same coin. The assumption is that increasing women's access to micro-finance (together with other interventions to improve household well-being) will in itself increase Household income which will then translate into improved well-being for women and enable women to bring about wider changes in gender inequality (Mayoux 2012). Microfinance services have a significant positive impact on the depth (severity) of poverty and on specific social-economic variables such as children's schooling, household nutrition status, an improved quality of life and women's empowerment (International Fund for Agricultural Development 2008).

3.2.5 Need for Microfinance

According to Sacerdoti (2005), among the reasons for lack of access to credit from banks in Sub-Saharan Africa are inability of borrowers to provide accurate information on their financial status, absence of reliable and updated company and land registries, weak claim recovery and collateral realization process such as malfunctioning courts and cumbersome legal and judicial procedures. Other reasons include, long physical distance to the nearest financial services provider, high cost of the credit, socio-economic and demographic characteristics that make them less creditworthy.

Singh (2009), Microfinance aims at assisting communities of the economically excluded to achieve greater levels of asset creation and income security at the household and community level. Access to financial services and the subsequent transfer of financial resources to poor women enable them to become economic agents of change. Women become economically self-reliant, contribute directly to the well being of their families, play a more active role in decision making and are able to confront systematic gender inequalities.

The current literature on micro finance is also dominated by the positive linkages between micro finance and achievement of Millennium Development Goals (MDGs). Micro Credit Summit Campaign's 2005 report argues that the campaign offers much needed hope for achieving the Millennium Development Goals especially relating to poverty reduction (Ibid). According to Misra (2006), IFAD along with Food and Agriculture Organisation (FAO) and the World Food Programme (WFP) declared that it will be possible to achieve the eight MDGs by the established deadline of 2015 "if the developing and industrialized countries take action immediately" by implementing plans and projects, in which micro credit could play a major role.

3.2.6 Main Constraints on Women Access to Financial Services

The following are limitation most women entrepreneurs on the way to access the financial services.

3.2.6.1 Economically

- i. Low income as a result of an economic base for business operations.

- ii. Insolvency of women, lack of security.

3.2.6.2 Environmentally and Gender Relation

- i. Tradition and religion (customs)
- ii. Lack of support from their male counterparts
- iii. Availability constraints related to the many tasks assumed by women
- iv. Financial management and trade monopolized by men
- v. Loan service often in the hands of men
- vi. Few formal or informal sources of financing and disregard for joint guarantees.
- vii. Concentration of financial institutions in major urban centers and remoteness of these services

3.2.6.3 Technically

- i. Ignorance of the mechanism of the banking system
- ii. Unfavorable access conditions for women (non-existence of specific credit policies)
- iii. Failure to master profit-making activities and lack of training or project follow-up

3.2.6.4 Training and Organization

- i. Illiteracy and lack of training in general
- ii. Inadequate information and awareness, lack of solid and reliable organization.

3.2.7 Challenge faces MFI to Alleviating Poverty

However not all critics are excited about the role of the microfinance in the development and is not only a solution for poverty alleviation. Mayoux (2001) stated that key challenges facing MFIs today that are affecting their impact on poverty alleviation were seen to be an over-emphasis on financial sustainability over social objectives, and a failure of many MFIs to work with the poorest in society. Rogaly (1996) finds five major faults with MFIs. He argues that:

- i. they encourage a single-sector approach to the allocation of resources to fight poverty,
- ii. microcredit is irrelevant to the poorest people,
- iii. an over-simplistic notion of poverty is used,
- iv. there is an over-emphasis on scale,
- v. there is inadequate learning and change taking place.

3.3 Empirical Literature Review

3.3.1 Empirical Literature from Tanzania

Mushi (2007) in the CED Project title *Establishment of Saving and Credit Scheme at Mwembemadafu, Dar-es-salaam*, using 20% of the community population 3500, and 35 women respondents were randomly selected out of 90. The study concludes that people need a diversified range of financial services to match their different needs. Savings and Credit schemes are market-oriented institutions. While their rates are among the lowest on the market, savings and credit schemes operations are subject to market forces. Also the study recommends that for many women, including very poor women, savings facilities are as important as loans in increasing amounts of

income and assets under their control. However, women may already have effective ways of savings, which provide a safety net for very poor women. Where the main concern is financial sustainability, low-interest and unsuitable savings schemes may divert women's scarce resources from investment and/or consumption, decreasing profits and harming their nutrition and health.

The project above literature cemented that all group member based organization should work hard, work together, committed, and trusted and courageousness to increases investment and consumption for saving and credit cooperative societies sustainability because people needs diversified range of financial services to match their different desires.

Monata (2007) in the CED project title *Assessment of Opportunities and Challenges for Establishment of a Member-Based Micro-Finance Institution (SACCOS): A Final Project Report for Kishapu SACCOS in Shinyanga Region*. The methodology questionnaires administered to a sample of 100 randomly selected respondents from three villages: Mhunze, Iboja and Ndoleleji in Kishapu District were used to collect primary data. The analysis of findings was then done using a statistical computer package for social scientists (SPSS 11.5). Cross tabulation and regression analysis was also done. Major findings indicated that the majority of the population in Kishapu is not accessible due to none availability of financial institutions. Government and donor-funded schemes such as Women and Youth Revolving fund are only availability of financial schemes in the area which again are not comprehensive as they are only geared toward specific target groups based on sex, age, or socio-economic status. The findings suggest that there is a need to address

key factors that inhibit access to credit by small farmers and petty businessmen that would facilitate alleviation of poverty amongst the majority of the rural population in Kishapu district.

Nyella (2005) in the project title *Establishment of saving and credit scheme in Charambe Community* observed from research findings that women are more vulnerable as compared to men. These facts indicate that women are vulnerable and cannot make own decision at both house hold and community level. Therefore problem needs to be addressed so that women can at least have some power. The study recommends for the establishment of saving and credit scheme/project because this will assist people develop and expand their small businesses and create employment. When people have an increased income they can be able to take their children to school and avoid low level of education in future.

Thus, the Mwandiga ward saving and credit system will emphasize on women to be harmonized and encourage to join and start their group by increases saving so as they can access credit to expand existing petty business or start new venture in order to empower among themselves through their local community initiatives. Girabi and Mwakaje (2013) *Impact of Microfinance on smallholder farm productivity in Tanzania: The Case of Iramba District*. A total of 98 respondents were selected randomly from credit beneficiaries (CB) and noncredit beneficiaries (NCB). The collected data were analyzed through descriptive statistics and multiple regression analysis. Findings revealed that, CB realized high agricultural productivity compared to the NCB respondents. The study suggests that access to MFI credits has significant impact on agricultural productivity under smallholder farmers. Factors

constraining access to credit were mentioned to be lack of microfinance credit information, high interest rates, and inadequate supply of credit institutions and risk averse.

In order to enhance the agricultural productivity and improve the wellbeing of smallholder farmers, it is recommended that smallholder farmers should be facilitated to form SACCOS and for collective responsibilities of accessing credits and paying loans. Also the government in collaboration with development partners should build capacity for farmers to use credit efficiently and enforce laws for defaulters. Literature from Girabi and Mwakaje reveals that, smallholder's farmers should be facilitated to form SACCOS in order to solve the problem of low productivity through accessing credits and paying loan from their established saving and credit co-operative society.

Emma and Aberg (2004), in the study *"The Performance and constraints of the micro-finance institutions and constraints for poverty reduction in Tanzania"* The primary data collected through fieldwork interviews by a detailed structured questionnaire that administrated at different levels and regions. Some information obtained from the MFIs' data files and survey methodology. In their study findings suggest that Tanzania micro financing is successful at reaching the relatively poor while it is less successful at reaching the vulnerable poor. Despite the goals by the government not reached, this is a good start of reaching the poverty goal. The microfinance is good, but it does not help to reduce the poverty as much as believed.

3.3.2 Empirical Studies from Outside Tanzania

Imai et al., (2010) in the *Microfinance and Household poverty reduction: New evidence from India*, the study is based on the national-level household data in India. The findings of this study provide further impetus to the existing evidences on the impact of microfinance institutions on the household poverty. In rural areas, significant poverty reducing effects are observed in all cases, taking loans for productive purpose has a larger impact in raising the IBR⁴ indicator for those above the poverty threshold. That is, clients' intended use of loans is important in determining poverty reduction outcomes.

Lesson learned from above literature is that, if entrepreneurs especially women entrepreneurs from Mwandiga ward will get access to soft loan for productive purpose, with low interest rate compared from banks institutions are likely to start new business venture or expanding an existing one. As a result the establishment of Sacco's will tackle community problem of accessibility to credit resulted from number of problem mentioned above and in long run household poverty reduced and bring about community economic development.

Mavimbela et al., (2010) in the study "*Contribution of savings and credit cooperatives to food crop production in Swaziland: A case study of smallholder farmers*". Secondary data and primary data were collected through structured questionnaire and the use of an interview schedule. The Statistical Package for

⁴ Index Based Ranking (IBR) Indicators were created to overcome any limitations of the income or consumption based poverty measures and to capture non-income or multi-dimensional dimensions of poverty, such as basic needs, wealth, type of housing, job or employment security, sanitation, and food security (Sinha 2009)

Social Science (SPSS version 10) programme was used to analyze the data. Data analysis involved the use of a regression technique in the form of a Cobb-Douglas⁵ function. The study has shown that savings and credit cooperatives play an important role in improving agricultural production. Hence there is a need to encourage farmers to join and save with cooperatives in order to have access to microfinance and improve their production through the use of improved seeds, technology and fertilizers.

The literature above point out that membership to a saving and credit cooperative society enables members to access credit, which becomes more functional in improving agricultural production. Accessibility of credit through SACCOS made a very good contribution in the direction of available capital and land to improve production.

3.4 Policy Review

The government major role in Microfinance Policy; to create a supportive macroeconomic setting and a regulatory environment that allows sound financial institutions offering micro-finance services to emerge. The key government functions with direct benefits for such services include keeping inflation low, allowing interest rates to be set freely, developing rural infrastructure to allow access to remote areas, building a healthy credit culture through public awareness programs, providing high-quality and independent banking supervision, and developing a legal

⁵ Data analysis involved the use of a regression technique in the form of a Cobb-Douglas function. Despite its well known limitations, the Cobb-Douglas functional form was used in this study because it exhibit any degree of returns to scale, it has an elasticity of substitution equal to 1 and is also quite useful in many applications because it is linear in logarithms. These properties of the Cobb-Douglas production function have made it very appropriate for analyzing agricultural production (Mavimbela et al.,2010)

framework supportive of financial institutions' operation (National Microfinance Policy 2000).

In promotional role, the government encourages and guide donors in establishing programs to support micro-finance institutions in building internal capacity, promote the adoption of best practices and standards by service providers and to support capacity-building efforts. In its promotional activities, the government will leave it to the institutions to make their own choices on matters that properly belong to the institutions themselves, such as product development, delivery methodology, loan terms and pricing, geographic location, and target clientele (National Microfinance Policy 2000).

For majority of Tanzanians, whose incomes are very low, access to financial services offers the possibility of managing scarce household and enterprise resources more efficiently, protection against risks, provision for the future, and taking advantage of investment opportunities, for economic returns. For household, financial services allow higher standards of living to be achieved with the same resource base, while for enterprise and farmers, financial services can facilitate the pursuit of income growth (National Microfinance Policy 2000).

3.4.1 Saving Services

Saving services are among the most beneficial financial services for low income people. Nearly all households need to save to protect themselves against periods of low income or specific emergencies and to cover large anticipated expenses (like school fees). Enterprises also need to store the value they accumulate from their

profits until they can invest them to earn a higher return. Moreover, savings in financial form provide funds for investment by others. Thus, saving services can have a very broad outreach and value. (National Microfinance Policy 2000).

3.4.2 Credit Services

Credit services can perform some of the same services as saving and can allow enterprises and families to make some important investments sooner. Enterprises use credit as a source of short-term working capital and longer term investment capital. Households use it to meet consumption needs, particularly during periods when income flows are low, such as during the off seasons before crops are harvested, and to make investments, such as housing improvements (National Microfinance Policy 2000).

According to Microfinance Policy microfinance providers include financial institutions, NGOs, SACCOS, and other service providers. Such institutions are free to develop micro-finance services on the basis of their own internal objectives, whether profit, poverty alleviation, self-help, or other motivations. They will not be required to support the sector, but will be encouraged to learn about services to make informed choices about the fit between their organizational objectives and services to the rural sector and micro enterprises.

3.4.3 Cooperative

Cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. According to the International Cooperative

Alliance (1995) cooperatives values are based on the values of self-help, self-responsibility, democracy, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

3.4.4 The Savings and Credit Cooperative (SACCO)

The Savings and Credit Cooperative (SACCO) is a private and cooperative financial intermediary. Membership is open and voluntary. It belongs to its members, who manage it democratically. It is thus the crucible of the members' economic and cooperative education. It aims to meet the financial needs of all its members-men/women, old/young, rich/poor-in particular, by encouraging savings and granting loans to the members. In order to provide the best and most durable satisfaction to its members, the cooperative is concerned about its own financial stability and to do so it must achieve profitable management on an ongoing basis. Mission of saving and credit cooperative is to take available on site, to anyone wishing to join it, financial services under the best conditions, while enabling the cooperative to cover its operating expenses and providing for the economic education of its members.

3.4.5 Basics Principles of Sacco's

SACCOs are organized and operated according to seven basic co-operative principles: The seven basic principles of SACCOs:

- i. Open membership to interested people from designated area of operation,
- ii. Democratic member control; one member one vote in all matters of decision making,

- iii. Member economic patronage,
- iv. Autonomy and independence,
- v. Promotion of members' education and awareness through constant education, training and information,
- vi. Cooperation among cooperatives,
- vii. Concern for community development i.e. corporate social responsibility.

From the above, it can be seen that a SACCO or any other type of cooperative has four basic characteristics namely, Member owned, Member used, Member controlled and Benefits member (Nawaguba, 2012).

3.4.6 Characteristics' of Sacco's

According to (Nawaguba, 2012) Co-operatives all over the world have common characteristics such as:

- i. Clients tend to come from low income and lower middle – income groups.
- ii. Services are almost exclusively financial in nature.
- iii. They provide Self generated capital, typically without any dependence on outside funding to cover operating costs which are generally kept low. This is because they are always started on self-help philosophy.
- iv. Members are united through at least one common interest.
- v. Members pursue the goal of improving their economic and social situation through joint actions.
- vi. Members use jointly owned and operated unit which provides them with services or goods regardless of its physical size and activities, the units

purpose is to use joint resources of the members to produce or obtain goods or services for members (Kabuga and Batarinyebwa, 1995) .

vii. Have common bond as a result of single employer, community based bond, professional bond for example teachers. Mutual self help group - where members have joint action which is geared towards the attainment of the group's objectives through mutual self help.

3.5 Summary of Literature Review

The study will not be different from the surveyed literature but will be more currently since it will scrutinize the establishment of saving and credit cooperative society to among women entrepreneurs in Mwandiga ward, Kigoma district.

CHAPTER FOUR

4.1 PROJECT IMPLEMENTATION

4.1 Introduction

The chapter focuses on the implementation of the project in an establishment of saving and credit scheme in Mwandiga ward. The implementation of the project is a process of operation and action of any project which is designed to assist all stakeholders to manage and monitor specific project objectives are being implemented in an appropriate and effectively manner.

Projects results need to be keep going to make sure that there is elongated community economic development, therefore capacity building and involvement of project beneficiaries in the project planning, project implementation, project monitoring, evaluation and sustainability should be well thought-out in the project cycle. Everyone who participates in the implementation of the project should make sure know their roles and responsibility in order to be successfully in accomplishing planned project objectives.

4.2 Product and Output

1. Awareness of the importance of savings and credit societies
2. Savings and credit society in place
3. Increased borrowing opportunities
4. Increased employment opportunities
5. Improved income
6. Improved living standard

4.3 Project Planning

The planning of the activities was covered through:-

4.3.1 Implementation Plan

Table 16: Implementation Plan Table

| Specific objective | Activities | Time Frame | | | | | | | | | | | | Resources Needed | Personal Responsible |
|--|---|------------|---|---|---|---|---|---|---|---|---|---|--|---|--|
| | | J | F | M | A | M | J | J | A | S | O | N | D | | |
| To sensitize 33 women entrepreneurs on the importance of saving and credit cooperative society by the end of May, 2013 | <ul style="list-style-type: none"> • Importance of saving & credit societies • Establishment of saving & credit societies • Running of saving and credit | | | | | | | | | | | | | Transport Funds, Stationeries, Training materials, Consultancy. | CED Student, Mtema Group Leader; Community Leaders, TCRS Staff |
| To develop a guiding constitution for running up the saving and credit scheme by June, 2013 | <ul style="list-style-type: none"> • Identify a constitution team • Identify the requirements of the constitution • Establish the contents of the constitution • Develop the constitution | | | | | | | | | | | | Transport Funds Stationeries Venue Consultancy | <ul style="list-style-type: none"> • CED student • Consultant • Community members TCRS staff | |
| To mobilize a start up income 5 million | <ul style="list-style-type: none"> • | | | | | | | | | | | | <ul style="list-style-type: none"> • Funds • Stationerie | <ul style="list-style-type: none"> • CED student • Consultant • Community members | |

| Specific objective | Activities | Time Frame | | | | | | | | | | | | Resources Needed | Personal Responsible |
|---|---|------------|---|---|---|---|---|---|---|---|---|---|---|---|--|
| | | J | F | M | A | M | J | J | A | S | O | N | D | | |
| shillings by the end of August, 2013 | | | | | | | | | | | | | | <ul style="list-style-type: none"> • Consultancy | <ul style="list-style-type: none"> • TCRS staff Community Leaders |
| To establish saving and credit scheme and make it operational by the end of June 2013 | <ul style="list-style-type: none"> • Launching | | | | | | | | |  | | | | <ul style="list-style-type: none"> • Funds • Stations | <ul style="list-style-type: none"> • CED student • Consultant • Community members • TCRS staff Community Leaders |

4.3.2 Project Inputs

Table 15 shows project inputs.

Table 17: Project Input

| SN | Inputs | Cost (Tshs) |
|----|-----------------------------|-------------------|
| 1 | Consultancy cost | 100,000.00 |
| 2 | Training costs | 250,000.00 |
| 3 | Training venue | 60,000.00 |
| 4 | Training materials/manual | 130,000.00 |
| 5 | Transport costs | 80,000.00 |
| 6 | Communication costs | 10,000.00 |
| | Total input (costs) | 630,000.00 |

Source: From field research, 2013

4.3.3 Staffing Pattern

Table 16 shows staff outline of the project.

Table 18: Project Staff

| No | Position | Supervisory role | Training needs |
|----|---------------|--|---|
| 1 | Manager | <ul style="list-style-type: none"> - Top executive officer of the project. - Overall supervisor of the project activities. | <ul style="list-style-type: none"> - Leadership and management of the project. - Business management. - Project Planning and management. |
| 2 | Accountant | <ul style="list-style-type: none"> - Keeps the books of accounts of the CBO. - Prepare and present financial reports | <ul style="list-style-type: none"> - Book keeping. - Financial management. - Business management. |
| 3 | Loan officers | Deal with Loan matter | - Loan management |
| 4 | Borrowers | Repayment | -Loan repayment management |

4.4 Project Implementation

The following part focus on the actual implementation of the Establishment of Sacco's to women entrepreneurs in Mwandiga ward through detailed project activities that already accomplished and project activities that are not yet accomplished their stated objectives. For instance all activities under objectives one is implemented and accomplished, however some activities under objective two are on the process of implementation.

4.3.4. Project Budget

The project funds are raised by researcher from his own sources of income because at that time CBO are not in the position to provide funding rather than others

material support. This is the total budget for a project and it will be shown as follows:

Table 19: Project Budget

| Activity | Budget (TShs) |
|---|---------------------|
| Stationeries (Paper, printing, photocopying) | 60,000.00 |
| Supervision: Questionnaire forms distribution and collection for analysis | 65,000.00 |
| Transport costs | 50,000.00 |
| Report writing / printing and binding | 65,000.00 |
| Identification of training needs | 50,000.00 |
| Preparation of training materials | 130,000.00 |
| Identification of training resources (Human and financial resources) | 50,000.00 |
| Identification of training venue. | 60,000.00 |
| Acquiring required training resources. | 50,000.00 |
| Consultancy costs. | 100,000.00 |
| Sensitizing of women entrepreneurs on the importance of saving and credit society | 100,000.00 |
| Developing a guiding constitution for running up the saving and credit scheme | 80,000.00 |
| Mobilization of a start up income | 100,000.00 |
| Establishment and operationalization of saving and credit scheme | 100,000.00 |
| Total budget | 1,065,000.00 |

Source: From field researcher, 2012

4.4.1 Project Implementation Report

Sensitization on the women entrepreneurs on the importance of saving and credit

cooperative are accomplished after different community meeting held, whereby 33 women helped to form the foundation basis of the Sacco's. During community mobilization at Mwandiga, Mtema Women Group consist of more than 20 members interested in the project and after consultation they promised to be part of implementation. Everyone as individual in the group and other local community admitted that access to credit is one of the problem faced by many entrepreneur. Mtema group smooth the implementation of different project activities. Identification of training needs accomplished where by targeted group of 33 women entrepreneurs are identified, all training resources requirement accomplished.

Another activities done was mobilization of financial resource, done by researcher from his own source of fund, project stakeholders participate in planning and approved seven topic for community training which include entrepreneurs' skill, how to start new and operate micro-enterprises, saving and credit co-operative society model, record keeping, bookkeeping, loan guideline and business ethics. Trainers identified Mr. Cuthbert Chobanka who also is Co-operative Officer Grade II in Kigoma District Council, and Managing Director of Budida Business and Microfinance Consultation.

Project activities to prepare materials implemented after all training material and stationeries collected such as flipchart, marker pen, notebook, pen, and plain paper and other relevant stationeries. Training was conducted on 4th May, 2013 whereby trainers trained trainee based on the approved topic by project stakeholders. One successful business women were also invited to share her experience in entrepreneurship with project beneficiaries.



Figure 3: Training Women Entrepreneurs at Mwandiga, Kigoma

Source: From field research, 2013

4.4.1.1 Training Details

During One day of training, 33 selected participants informed through call/letters about training, venue, topic, training starting and ending time, seven days before start of training. 29 participants attended the training. Officially the training was opened by Kigoma District Administrative Secretary JOSHUA ELISHA. He thanked the organization of the training and talked about that, women entrepreneurs are doing a lot in Kigoma District therefore need to be supported. The participants were urged to participate fully for their own benefit and were advised to ask as many questions as possible to elucidate any long exceptional issue.

Women entrepreneurs at Mwandiga ward are part of Kigoma District residents; hence this community contributing to development of Kigoma though its contribution is not properly recorded. The community acknowledged problems affecting their economic development efforts including low income as a result of an economic base for business operations, insolvency of women, and lack of security, tradition and religion (customs), lack of support from their male counterparts, financial management and trade monopolized by men, loan service often in the hands of men, concentration of financial institutions in major urban centers and remoteness of these services, unfavorable access conditions for women (non-existence of specific credit policies), failure to master profit-making activities and lack of training or project follow-up, illiteracy and lack of training in general, inadequate information and awareness, lack of solid and reliable organization. Participants requested government sponsor to top up their share/savings to facilitate the formation of Sacco's.

Project budget and training day costs Tanzania shillings 1,065,000.00 raised by CED Student from his own sources of fund and his good relationship with others stakeholders. During training Mr. Cuthbert Chobanka facilitated formation saving and credit society system, record keeping and bookkeeping, Mr. Budida facilitated on micro-enterprises, entrepreneurs' skill, loan guideline, and business ethics. TCRS District Project Coordinator facilitated on community empowerment. Training was offer through participatory approach whereby in each session participants were engaged in some type of experience and allows them an opportunity to reflect on the experience to draw out key concepts and lessons, develop generalizations about the

lessons learned in order to apply new learning materials.

4.4.1.2 Training Output

This involves 33 community members decided to joined together and form pre-cooperative society in May, 2013. Contribution and saving from community member who joined started immediately after training was conducted and up to now mobilized startup income reached to 1.8 million shillings. Group member planned to start offer loan with few money collected to few people at least's 5 member group who have more saving and share in the group. The main reasons are to start access credit and stabilized their group for improving their personal income at the end of September, 2013.

Challenges of training, low turn up number of participants due to unknown reasons despite that all were informed one week before training days. Other participant comments on the issues of low turn up, said that the training conducted in the harvest period as many participants concentrate and went on their farmers for harvesting their different crops. Another challenge is that some participants complaint about per diem Tanzania Shillings 5000 it was little amount, but after trainers explained to them again and again they accepted and no problems encountered. All trainers were paid by CED Student.

The evaluation indicated that 100% of the participants appreciated, liked the contents and met the goal expectation. 100% of the participants pointed out that record keeping, bookkeeping, micro-enterprises and business ethics were the best and interesting topic, but 10% were more interested on the formation of saving and credit

system. 100% of the participants evaluated themselves that after the training they will be able to starting saving, joined and formed the groups without any problem. 92% evaluated that trainers were well prepared, arranged and understood. The setting of the training was good and was ranked well by 100% of the participants. Finally 100% of the participant's comments that the training was good and healthy and advice that the training of that nature is better to be organized on routine regularly bases.

In conclusion regarding training, 29 women entrepreneurs at Mwandiga Ward were trained on various aspects including how to form good group, how to increase saving, share and capital, the larger savings the larger loan amount (three times of your saving amount), how to access loan, loan repayment and interest calculation, entrepreneurs skill based on the principle of risk taker, the training impart skills on how to keep record in systematic way. The total budget of the training was Tanzania Shilling 630,000.00

The only reason lead to conducted only one day is that all training budget raised by researcher's source of fund since TCRS refused to offer fund because this project was not budgeted during Financial year. In addition to that the training conducted at the harvest period where by majority of women entrepreneur opt to go for harvesting.

Objective number two accomplished after agreement between member group and Budida Business & Microfinance Consultation to draft a Sacco's constitution and this will be approved later by all group members. Note that, Sacco's draft

constitution already established by Budida Business and Microfinance Consultation after consultation and participation from group member based, however constitution will be approved during formation meeting of saving and credit cooperative society to be held later September, 2013. Also organize initial meeting of pre-cooperative society, to follow up legal procedure, submit constitution and economic viability, to organize formation meeting, and recruit credit officer are not yet accomplished but the members planned to elect interim or temporary leaders in September, 2013.

Mobilization of startup income started but still on the process, but currently total amount of 1,800,500 Tanzania Shillings are collected includes cash in hand and promises. Leaders continued asked and encourage members to increases saving, weekly or monthly contribution fees, and share for the health of the group to start give loan. The activities under objective four to establish saving and credit scheme and make it operational by the end of September, 2013 are not yet implemented but still on the process due to fact that its implementation depending on the implementation of all activities.

4.4.2. Project Implementation Gantt Chart

Gantt chart is a technique in which the activities of a project are drawn as horizontal bars, the length of which is proportional to the time duration of the activity. One of the advantages of Gantt chart is making it easier to visualize what is taking place in project. The Gantt chart shows the schedule of activity's overtime with the starting date, time duration and completion date of each project activity (action plan), also it include relationship among activity, actual time spend in the performance of the

activities as well as show activity progress obtained towards the completion of each activity.

Table No 20: Gantt Chart

| Activities | Implementation period | | | | | | | Resources needed | | | | Responsible Person | |
|---------------------------------------|-----------------------|---|-----------|---|---|---|---|------------------|---|---|---|-----------------------------|-------------------------------------|
| | Year 2012 | | Year 2013 | | | | | | | | | | |
| | N | D | J | F | M | A | M | J | J | A | S | | |
| Identification of the Community | ↻ | ↻ | | | | | | | | | | Stationery | CED student |
| Conducting CNA | | ↻ | ↻ | | | | | | | | | Funds Stationery Fuel | CED student Community Members |
| Identification of problem | | | ↻ | ↻ | | | | | | | | Funds Stationery | CED student Community Members |
| Project formulation | | | | ↻ | | | | | | | | Stationery | CED student Community Members |
| Writing CNA report | | | ↻ | ↻ | ↻ | | | | | | | Stationery, Funds | CED student |
| Identification of training needs | | | | | | ↻ | ↻ | | | | | Funds Stationery | CED student and Target group |
| Identification of training resources | | | | | | ↻ | ↻ | | | | | Funds, Stationery | Facilitator CBO leaders |
| Mobilization of financial resource | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | | | ↻ | ↻ | ↻ | Funds Stationery | CED student, CBO leaders |
| Preparation of training materials | | | | | ↻ | ↻ | ↻ | ↻ | | | | Funds, Stationery | CED student Trainers |
| Identification of training venue | | | | | | ↻ | ↻ | | | | | Stationery, Funds | CED student |
| Acquiring required training resources | | | | | ↻ | ↻ | ↻ | | | | | Funds | CED student |

| Activities | Implementation period | | | | | | | Resources needed | | | | Responsible Person | |
|---|-----------------------|---|-----------|---|---|---|---|------------------|---|---|---|--------------------------------------|--|
| | Year 2012 | | Year 2013 | | | | | | | | | | |
| | N | D | J | F | M | A | M | J | J | A | S | | |
| Sensitizing of women entrepreneurs on the importance of saving and credit society | | | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | Funds Stationeries, Fuel | CED student CBO Leaders Community Members |
| Developing a guiding constitution for running up the saving and credit scheme | | | | | | | ↻ | ↻ | | | | Funds, Stationeries | CED Student, CBO Leaders, Community Members, Consultancy |
| Mobilization of a start up income | | | | | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | ↻ | Funds Stationeries | CED student CBO Leaders Community Members |
| Establishment and operationalization of saving and credit scheme | | | | | | | | | ↻ | ↻ | | Funds, Stationeries, Transport | CED student CBO Leaders Community Members |

Source: From field research, 2013

CHAPTER FIVE

5.0 PROJECT PARTICIPATORY MONITORING, EVALUATION AND SUSTAINABILITY

Participatory monitoring and evaluation are extremely important for learning about the achievement or deviation from original concerns and problems faced by local development projects or programs being implemented, so that corrective measures can be taken in time. Aim of participatory monitoring and evaluation is to access information or generate data on development activities being carried out at the local community level.

5.1 Participatory Monitoring

Participatory monitoring involves local beneficiaries in measuring, recording, collecting, processing and communicating information to assist local development project extension workers and local group members in decision-making. Therefore participatory monitoring is a system that involves the community to keep an eye on their programme activities (Pauline Mbondo & Geoffrey Ochieng, 2013).

The regularly gathered information helps Project Manager to analyze current situation (to check original monitoring plan and the actual), identify problems and find solutions, discover trends and patterns, keep project activities on schedule, measure progress towards objectives and formulate/revise future goals and objectives and lastly help to make decisions about human, financial, and material resources. Monitoring was carried out by stakeholders with the help of CED Supervisor.

5.1.1 Monitoring Information System (MIS)

A system designed to collect and report information on a project and project activities to enable a manager to plan, monitor, and evaluate the operations and performance of the project. (Source)

5.1.2. What is needed for Monitoring?

Effective and efficient monitoring system is needed for monitoring and that system should have the following components:

- i. Baseline information (Family Profile)
- ii. Selection of indicators related to activities, outputs and objectives
- iii. Tools for collecting information
- iv. Collection of information
- v. Process information
- vi. Analysis of information
- vii. Presenting and communication of the results in an appropriate ways
- viii. Using information (UN-HABITANT 2012)

5.1.3. Monitoring Questions

- i. Have the venue been identified?
- ii. Have the facilitators been identified?
- iii. How many group members attended the training session?
- iv. How many community members have joined community saving and credit cooperative association?
- v. Have the group members been mobilized to start saving from their own income? How many are participating?

- vi. How much capital investment base has been accumulated for group at the end the month?
- vii. What about loan services? What about loan repayment? Amount being credited to community members based group?
- viii. What new business venture, micro enterprises and income generating activities have been established after the training?
- ix. Does the group member meet?
- x. What has been the impact of community saving and credit cooperative association to individual's group member?

5.1.4. Monitoring Methods

The different methods used during monitoring and evaluation which involves interview with staff and community member, focus group discussion, physical check and content analysis. One of methods applied during monitoring and evaluation is interviewing with the staff and community member on training delivery mode and how community started to form their member group based. When some of the community member interviewed, most said, we need additional training on the importance of saving and credit society, because we need to save for our own family benefit and our own future development.

The focus group discussion was achieved during monitoring where by two groups were requested to list their expectation after training conducted, the process was very participatory and the role was to guide the discussion processes in the group and ensure the focus group members understand what to be done. Again during focus group discussion, participants were advised to think on the viable strategy and help

them to improve their personal income which leads to economic community development. The physical check methods of evaluation were achieved during visiting while training continues to see and monitor what's going on. The tools instruments applied included questionnaires, discussion guide, and review of records, report, work plan, schedules and written materials. After manual recording of individual daily activities in the project key areas of implementation, consequently, from that ground weekly, monthly and quarterly reports produced respectively in order to propel particular reports to stakeholders.

5.1.5. Participatory Monitoring Methods

5.1.6. Participatory Monitoring Plan

Table 21: Participatory Monitoring Plan

| Work plan activities | Monitoring objective | Objective verifiable indicators | Importance of monitoring | Responsible person | How gathering monitoring information | planned delivery time |
|--|--|--|---|---|---|------------------------------|
| Identification of training needs | - To know training needs of the target group | - Conducted trainings -Target groups attended trainings | -Know the gap and train what is real needed by the target group | - CED student - CBO members | -Training needs assessment report | December, 2012- January 2013 |
| Identification of resources (Human and financial resources) | - To know and get right trainers and funds for training. | - Acquired resources. | - To have valuable resources for implementation of the project. | - CED student, - CBO members - CBO leaders. | -Human and finance resource report | December, 2012 |

| Work plan activities | Monitoring objective | Objective verifiable indicators | Importance of monitoring | Responsible person | How gathering monitoring information | planned delivery time |
|---------------------------------------|---|--|---|---|---|------------------------------|
| Identification of training resources | -To know and get resources, fund for training | -acquire resources | -To have valuable resources for implementation of the project. | -CED student -CBO leaders -Facilitator | -Training resources report | February 2013 |
| Preparation of training materials | -To know relevant material needed and fund | -get training materials | -To have proper materials for implementation of the training | CED student -CBO leaders | Project Report | May 2013 |
| Identification of training venue | -To know and get the right place for training | -Attained Venue | -To have perfect train venue for implementation of the project. | - CED student, - CBO members - CBO leaders. | Project Report | March 2013 |
| Acquiring required training resources | -To get training resources and funds for training | -Acquired resources | -To obtained valuable resources for project implementation. | -CED student -CBO leaders -Facilitator | Training resources report | March 2013 |
| Sensitizing of women | -To sensitizing | - Conducte | -To offer training | -CED student | -Training report | May, 2013 |

| Work plan activities | Monitoring objective | Objective verifiable indicators | Importance of monitoring | Responsible person | How gathering monitoring information | planned delivery time |
|---|--|---|---|---|---|------------------------------|
| entrepreneurs on the importance of saving and credit society | women | train to target group from local level. | on the importance of saving and credit society | -CBO leaders -Facilitator -CBO Members | | |
| Developing a guiding constitution for running up the saving and credit scheme | -To follow all rules and procedure on draft constitution | -Acquire constitution | -To have reasonable and relevant constitution that reflect particular community | -CED student -CBO leaders -CBO Members - Consultancy | Report Constitution | June, 2013 |
| Mobilization of a start up income | -To know and get start up amount of money | Amount collected on Saving and share from members | -To know start up money and how will be collected for the target group | - CED student, - CBO members - CBO leaders | Project report | September, 2013 |
| Establishment and operationalization of saving and credit scheme | -to get amount according to planned objectives | -Member access credit or loan | -To identify importance of saving and credit | - CED student, - CBO members -Project staff | Project report | September, 2013 |

Source: From field research, 2012

Methods used during participatory monitoring and evaluation include stakeholders workshops, Participatory Rural Appraisal and Beneficiary Assessment. Technique applied includes semi structured interview/discussion (individual's household focus groups, community meeting and key informant interview), participant observation, conversational interviewing and focus group discussions. Secondary sources these include review of existing literature, which may include project reports, project documents, and other related text material. This will be done through reviewing of activity schedule.

5.1.7 Monitoring Results

Review of meeting records, had show a good attendance of more than 65% of women entrepreneurs in Mwandiga ward, in the same day members groups started to organized themselves. Also after the training, they appreciated the training content and delivery mode, some ask for additional training in saving and credit society. Attendants start to believe that they will access soft and small loans in order to open and expand their existing business venture and attend family issues. The process to offer loan was not yet started since the target amount was not reached because other are not yet fulfill the promise of increase saving and share in order to meet the target amount of Tsh 5 million.

5.2. Participatory Evaluation

Participatory evaluation assists in adjusting and redefining objectives, reorganizing institutional arrangements or re-allocating resources as necessary. Monitoring and evaluation system (MES) allows continuous surveillance in order to assess the local development project's impact on intended beneficiaries. The assessment of the

project will be conducted through formative and summative (Dr.Ngaruko, 2012).

The Figure 9 shows the whole process in the evaluation of the project.

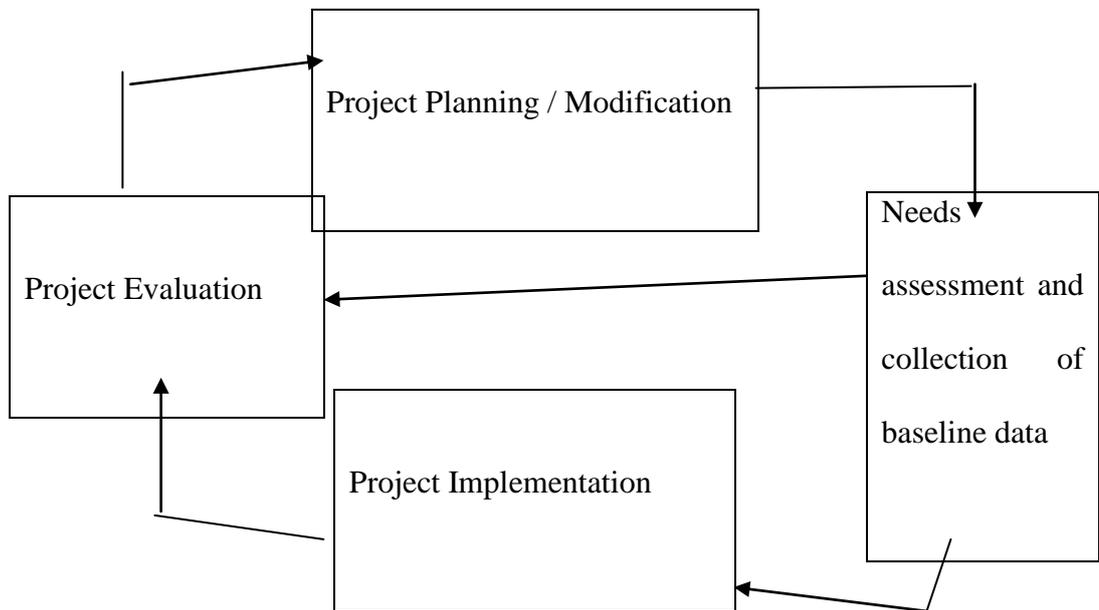


Figure 3: Project Evaluation Process

Source: Shija, 2007

Project evaluation is mainly conducted three parts:

- i. Periodically (Monthly, Quarterly, Half a yearly or a yearly)
- ii. Mid-term
- iii. At the end of the project

5.2.1. Performance Indicators

The following are performance indicators Sacco's establishment to women entrepreneurs at Mwandiga ward in Kigoma district.

Table 22: Performance Indicators

| S/N | Objectives | Performance Indicators |
|-----|--|---|
| 1. | To sensitize 33 women entrepreneurs on the importance of saving and credit cooperative society by the end of May, 2013 | <ul style="list-style-type: none"> • Increases in the savings volume • Increases membership in group • Growth in business volume in terms of loan portfolio • Signed participant list of attendance • Signed list of facilitators • Invitation letters (participants / facilitators) • A letter to request for venue • Training materials developed and provided to the participants • Repayment rate of individual members' loans (receiving loan) • Number of new business venture, micro enterprises and income generating activities formed • Number of existing new business venture, micro enterprises and income generating activities expanded |
| 2. | To develop a guiding constitution for running up the saving and credit scheme by the end of June, 2013. | <ul style="list-style-type: none"> • Draft constitutions established • |
| 3. | To mobilize a start up income 5 million shillings by the end of August, 2013 | <ul style="list-style-type: none"> • Tshs. 1.8 million Cash in hand |
| 4. | To establish saving and credit scheme and make it operational by the end of September, 2013. | <ul style="list-style-type: none"> • Still on the procedure |

Source: From field research, 2013

The formative evaluation will be done after the completion for phase one of the project, in order to assess the success of the project.

5.2.2. Participatory Evaluation Methods

5.2.2.1 Formative Evaluation

Provides feedback and information during the project process, while the establishment of SACCOS taking place, and while the establishment of SACCOS is occurring. Formative assessment measures progress of local development project but it can also assess progress of the community development project to project manager and community for decision making (assessment focuses on the process toward completing the product). The most important focus of formative evaluation in the project of SACCO's establishment to women entrepreneurs at Mwandiga ward is to assess improvements in current project activities and to identify areas that may need improvement.

During the process of the training, the Trainer evaluates how the training completed in an effective manner, that the participants acquire the best possible knowledge of microfinance, entrepreneurs skills, legal law and operation procedure guided the formation of SACCO's and policies related.

5.2.2.2 Summative Evaluation

Summative evaluation is executed at the very end of the project or training offered to women entrepreneurs because it more product-oriented and assesses the final product or the ultimate effectiveness of the overall project. In other words, summative evaluation conducted at the end of a project to determine to what extent

program objectives were achieved, cost effectiveness, potential for sustainability.

The Figure 4 shows the level of Project Evaluation.

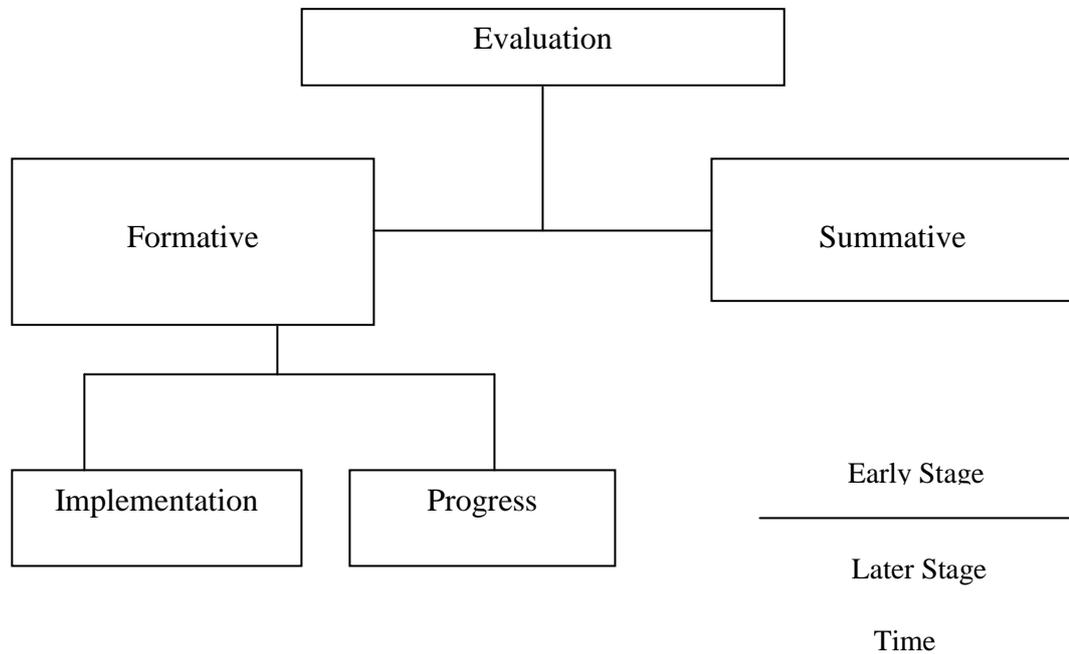


Figure 4: Levels of Project Evaluation

Source: (Shija, 2007)

5.2.2.3 Participatory Evaluation Methods

Methods used in participatory monitoring and evaluation include stakeholders workshops, Participatory Rural Appraisal (P.R.A) and Beneficiary Assessment (B.A). Stakeholders workshop is technique employed throughout the project life by hearing the views and concerns of the local community and sharing this view by select one representative and invited to raised their concerns to others key stakeholders

Participatory rural appraisal was applied where by community people and outsiders serve as collaborator in data collection and analysis. Key technique used includes individual household focus groups and community meeting. PRA conducted in order to encourage local communities to participate in project planning and design. Beneficiary assessment is a qualitative method of information-gathering, beneficiary assessment was achieved through voices of all beneficiaries and community member by assessing the value of project activities as it is supposed by main users.

Technique applied includes semi structured interview/discussion (individual's household focus groups, community meeting and key informant interview), participant observation, conversational interviewing and focus group discussions. Secondary sources these include review of existing literature, which may include project reports, project documents, and other related text material.

5.2.3. Project Evaluation Summary

Table 23: Project Evaluation Summary

| Objectives | Performance Indicator | Target / Expected Outcomes | Actual Outcome |
|--|---|-----------------------------------|--|
| Training on saving and credit cooperative association for women groups | 29 women entrepreneurs trained | 33 women entrepreneurs | 33 women are active members of women's saving and credit cooperative association |
| | Number of topic approved includes M & E, PS & PA. | Seven topic | Skills and knowledge about microfinance to women entrepreneurs |

| Objectives | Performance Indicator | Target / Expected Outcomes | Actual Outcome |
|--|--|-----------------------------------|---|
| | Numbers of trainers identified. | 2 trainers | 2 trainers participate on training, promised for another training session sponsored by TCRS |
| To develop a guiding constitution for running up the saving and credit scheme by the end of June, 2013 | Constitution developed | 1 draft constitution | Draft constitution approved by member group |
| To mobilize a start up income 5 million shillings by the end of August, 2013. | Group member mobilized among themselves to increase share and saving | Ths. 5 million | Ths.1.8 million |
| To establish saving and credit scheme and make it operational by the end of September, 2013. | | | The process is ongoing. |

Source: From field research, 2012

5.3. Project Sustainability

Project continuity or sustainability refers to the capacity of a project to continue functioning, supported by its own resources (human, material, and financial), even when external sources of funding have ended (CEDPA, 1994).

5.3.1. Sustainability Elements

Sustainability elements of any project must include financial, political and programmatic / institutional situation that may affect the host community and the viability of the project in the future prospect.

5.3.2. Sustainability Plan

5.3.2.1 Financial Sustainability

For financial sustainability to be achieved group member planned to raise fund by soliciting and gathering voluntary contribution as money or others resources, by requesting donation from government agencies, business, charities, or individual / politicians. The technique will be through conducting “Harambee” by prepared a dinner or public meeting while the main reason is to increase funding and create new opportunity for existing project. The event planned to be conducted in November, 2013 by inviting Regional Commissioner or Kigoma District Commissioner and others business to top up an existing amount of money of 1.8 million from member’s savings and shares. In addition during training group members were trained on the magnitude to increases their saving and share for the health of their SACCOs.

5.3.2.2 Political Sustainability

Political sustainability denotes the political will of the government and an adequate policy framework of prudential deregulation and the strengthening of market processes which is underpinned in good governance. Government support for the SACCOs and women entrepreneurs is very crucial for the survival of the project in long period of time. Beside’s community support and participation needed for all community members because problems solved involve highly participation from the

community or grassroots without thinking about any political ideology, which in turn may hinder project sustainability in the future.

5.3.2.3 Institutional Sustainability

The Members and elected committee of the SACCO should work to build reserves or treasury from yearly financial margin and preserve them every year to protect from possible future unexpected and unpredicted risk. As well as; the elected committee should build transparent methods that are through encouraged member's participation and member's sense of ownership. In addition the member and elected committee should conduct performance review at every year to seen the current trend and thee way forwards.

CHAPTER SIX

6.0 CONCLUSION AND RECOMMENDATION

6.1 Introduction

Financial development is playing an important role in Tanzania's economic progress. Financial failures, particularly insufficient institutions and high transactions costs limit poor people's access to formal finance and prevent low income people from borrowing, and saving. Providing extended access to financial services would enable Tanzania to reallocate capital, through mobilizing savings and increasing investments. The result could be increased capital accumulation, which in turn can lead to economic growth in Tanzania. From a micro perspective, individuals acquiring adequate financial services would be able to improve their private economy, through accumulating larger lump sums, for school, medicines, houses, stationary etc. which can increase human capital, the individuals' productivity and ultimately contribute to poverty (Mwakajumilo, 2011).

Therefore, this chapter will come across on the conclusion and recommendation of the project from the commencement of community needs assessment, problem identification, literature review, project implementation, monitoring, evaluation and sustainability.

6.2 Conclusion

Based on the findings from the community needs assessment, focus group discussions and consultations, it was clearly indicated that establishing saving and credit cooperative society to women entrepreneurs is a solution to their number one

need of improving personal income to reduce existing low income gap countenance many household/community.

The result of 51.1% from respondent said to establish SACCOS, therefore through this finding; it seemed that Mwandiga people are more interested with SACCOS rather than other microfinance institution. The finding show that 71.1% does not have entrepreneurship skills and 51.1% said they don't have capital. The sensitization of 29 women on the importance of saving and credit cooperative achieved after seminar conducted on 4th May, 2013 as implementation of specific objectives number one.

Sacco's draft constitution already established by Budida Business and Microfinance Consultation after consultation and participation from group member based and stakeholders, however constitution will be approved during formation meeting of saving and credit cooperative society to be held later September, 2013. Mobilization of startup income started but still on the process, but currently total amount of 1,800,500 Tanzania Shillings are collected includes cash in hand and promises. Leaders continued asked and encourage members to increases saving, weekly or monthly contribution fees, and share for the health of the group to start give loan.

Saving behavior as major expected occurrences in the project since turn up of women entrepreneurs to save their money in their member based group is not in full-size, up to the end June 2013, the all members saving reached Tsh. 750,000.00. But group leaders continue with saving mobilization and encourage other members to contribute on weekly/monthly fees, increase share and increases their saving so that at the end o September 2013, loan services will start with small amount from Tsh.20,

000.00 and above for six month reimbursement, but this will depend on the amount of money available in the Sacco's and number of loan applicant's at the end of the month. However last specific objective to establish saving and credit scheme and make it operational by the end of September, 2013 are not yet implemented but still on the process due to fact that it's implementation depending on the implementation of all activities.

The triumphant project result will come out as a major meaningful and beneficial to the members and non-members in terms of credit accessibility and savings capability, capacity building among women entrepreneurs in advocacy participation, improving literacy, information sharing and others, learning from best practices and up-scaling, and for group member-based to be responsible in making investment.

6.3 Recommendation

Women entrepreneurs should be linked to micro-financing service providers, so that they can access business capital to run a small enterprise/business for earning income to improving family livelihoods. Give far above the ground priorities to community education and sensitization for the sustainability of activities. Establishment of SACCOS has confirmed to help people of low income especially women entrepreneurs. The healthily and wellbeing operational assist them to micro finance providers without doubt so that they can access large loans/capital from NMB, MEDA, PRIDE and CRDB.

There is a need to support women entrepreneurs with financial capital and technical skills for establishing and expanding small income generating activities for their

livelihood development. There is need for association of women entrepreneurs and women entrepreneurs to connect their network for their businesses in order to improve relationship. Since association can act as imperative sources of support, developmental opportunities and advocacy mechanism for women entrepreneurs. It is important for women to join women entrepreneurs association in order to benefit from wide range of services and support that can be provided by such association (FAWETA).

Business Development Services providers need to facilitate women entrepreneurs to become more competitive in the face of international competition, as this is placing severe economic pressure on women entrepreneurs throughout Tanzania. Advocacy bodies and other women entrepreneurs' association should work in jointly in order to challenge the current cultural norms and behavior which result in men having superior control over all resources FAWETA should open many branches in all regions and these branches must be active as well as working closely in helping women entrepreneur at community level. Also women entrepreneurs should know the important of this organization and kind of assistance or services they should acknowledged from the association.

It is recommended that the central government and micro financing institutions providers should set out the challenge of collateral which is likely to eliminate women entrepreneurs from obtaining loan from banks more than men. The solution is through establishing mechanism that will assure fund to help women entrepreneurs to solve the difficulty of access to credit.

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APPENDICES

Appendix i: Structured Questionnaire

The rationale of this questionnaire is to gather your views regarding community need assessment. I expect that the result of the study will aid in improving the community economic development. I appeal your cooperation in filling this questionnaire the information will be taken with strict confidence.

A. Personal data

1.1. Your age: 1. 21 – 30 2. 31 – 40 3. 41 – 50 4. 51+ []

1.2. Sex: 1). Male 2). Female []

1.3. Marital status: 1). Single 2). Married []

1.4. Number of your children:

1). 1 – 3 2). 4 – 6

3). 7 and more 4). None []

1.5. Education level: 1). Primary level

2). Secondary level

3). Tertiary level

4). Not attended the school []

2.0 What activities you are dealing with among these listed below?

1). Farming

2). Live stock keeping

3). Small business

4). Employment

5). Fishing

6). Brick making

7). Pemba manufacturer []

2.1 What is your annual income?

1). 50,000shs- 99, 999shs

2). 100,000shs – 499,999shs

3). 500,000shs - 999,999shs

4). More than 1,000,000shs []

2.2 Is income gained annually satisfying your daily basis?

1. YES 2. NO []

2.3 Do you remain with surplus after your annual spending?

1. YES 2. NO []

2.4 If the answer is ‘YES’ from question number 2.3; where do you serve your surplus?

1). VIKOBA

2). Bank

3). At home

4). No saving []

2.5 How much shillings do you save?

1). Less than 50,000shs

2). 50,000shs to 100,000shs

3). Above 100,000shs []

3.0 Do you have any entrepreneurship skills?

1). YES 2). NO []

3.1 What challenges do you encounter in your activities to improve household income?

- 1). Lack of capital
- 2). Lack of Modern tools
- 3). Price fluctuation
- 4). Lack of external market []

3.2 Suggest one way among the list given below to alleviate challenges mentioned in question 3.1.

- 1). Establishment of SACCOS
- 2). Low interest rate from the BANK
- 3). Establishment of VIKOBA

Appendix ii: Training Manual

1. Training Objectives:

- To provide training assistance to women micro entrepreneur.
- To impart knowledge of saving and credit system, entrepreneurs skills, loan guideline and record keeping.
- To build necessary skills and capability concerning entrepreneurship.
- To impart knowledge on how to start business, running business and establish new business (creativity).

2. Relevance of training

- Help women entrepreneur to acquire skills and capabilities of doing business.
- Help to fulfill her entrepreneurial motives.
- Analyze the environment setup of small scale business and industry.
- Prepare all entrepreneurs to face the uncertainties involved in running a business.

3. Targeted trainees

Selected women entrepreneurs at Mwandiga ward, Kigoma district.

4. Presentation Techniques

- Participatory Approach.
- Simple language with vividly examples.
- Participants should be encouraged to reflect on the topic, their experiences and what they think.
- Use inclusive language that refers to both men and women

- Encourage the participants to work on activities and commitments at the personal, family and community levels.
- Recognize, thank, and congratulate participants constantly.
- Time management.
- Early distribution of materials and handouts.
- Remember that evaluation is the reinforcement and acknowledgment of an effort and represents the possibility of improvement.

5. Outline of Course Contents

Training on Women Entrepreneur on Importance of saving and Credit Scheme 4th May, _Ndela Hall, Mwandiga Ward, Kigoma District Council.

SCHEDULE:

DAY 1: 04.05.2013

- 8:00 – 8:15 Opening Remarks
- 8:15 – 9:30 Formation of Saving and Credit Scheme
- 9:30 – 10:15 Importance of Saving and Credit Scheme
- 10:15 – 10:30 Coffee break
- 10:30 – 11:30 Entrepreneurship Skills
- 12:30 – 13:00 Entrepreneurship skills continue
- 13:00 – 14:00 Lunch Break
- 14:00 – 16:00 Micro Enterprises
- 16:00 – 16:15 Coffee Break
- 16:15 – 17:00 Record Keeping

17:00 – 17:45 Loan Guideline

17:45 – 18:15 Training Evaluation

Details Training Notes:

TOPIC ONE: Formation of Saving and Credit Scheme:

1. Meaning of a Saving and Credit Cooperative Organizations

A cooperative society is a form of a business organization whereby people agree to voluntarily associate on the basis of equality for the promotion of their economic interests. Though Cooperatives are both economic and social in their aims, they are primarily economic institutions and they must, therefore strive to succeed in business in order to be sustainable.

2. Why form SACCOs?

- i. To reduce poverty by improving the members' economic and social conditions.
- ii. To reduce exploitation of powerless individuals by other individuals or institutions.

3. Seven Basic Principles of SACCOs

- a. Voluntary and open membership.
- b. Democratic member control; one person, one vote in all matters of decision making.
- c. Member economic participation.
- d. Autonomy and independence.
- e. Promotion of education, training and information.
- f. Cooperation among cooperatives

- g. Concern for economic development.

4. Characteristics of a Cooperative Organization

Cooperatives have mainly 4 basic characteristics namely;

- i. Member owned
- ii. Member used
- iii. Member controlled
- iv. Benefits members.

5. Steps in Forming a SACCO

Step 1. People with a common bond come together and identify their problems, discuss and identify how to solve them.

Step 2. Mobilize other interested people to join.

Step 3. Elect from amongst themselves an interim Committee that will take ideas forward (Chairman, Secretary, and Treasurer and committee members representing areas to be covered). These hold offices until the first Annual General Meeting at which members elect a new committee.

Step 4. Mobilize other members that are willing to subscribe to the cause.

Step 5. Arrange for more training, public awareness generation and sensitization.

Step 6. Draft by-laws, which are later approved at the first Annual General Meeting.

Step 7. Register the cooperative society with the Registrar of Cooperatives.

Step 8. Hold first Annual General Meeting to elect leaders.

In this whole exercise, you should work with the area Cooperative officer or other established Cooperatives in the area

6. What is saving?

Saving can be defined simply as holding something back from today's consumption.

Saving means with holding something valuable to day for future use

Saving is not as simple as the word as we talk it. Saving is

- A Discipline
- A Sacrifice
- Planning.

Types of Savings

- ❖ Compulsory Savings
- ❖ Voluntary Savings
- ❖ Contract Savings (Time Deposits)

7. What is share?

- i. Share is the capital of the SACCO and an asset to members.
- ii. Share is a risk protecting capital that collected from members in proportion to savings
- iii. Since share is risk protecting capital it should be saved in a SACCO.
- iv. If a member wants to with draw from the SACCO membership he/she has the right to take it.
- v. This is to protect the SACCO from any loss and to give the member the chance of having dividends for the period he stays as a member within the society.
- vi. Therefore, every member should buy shares based on the amount of saving he/she deposits in the SACCO.

The checklist for any member of a cooperative should at all times be:

- i. Do I own it?
- ii. Do I use it?
- iii. Do I control it?
- iv. Do I benefit from it?

The answer to all the above questions should be YES in order for the business organization or institution to be described as a good co-operative.

DHANA YA UJASIRIAMALI NA MBINU ZA UFANISI WA BIASHARA/MIRADI.

1.0 UTANGULIZI

Mada hii inalenga kupanua wigo wa ujuzi na uelewa wa dhana ya Ujasiriamali. Inatarajiwa kuwa baada ya kuelewa barabara dhana hii watu binafsi na wanachama wa vikundi katika jamii watautumia ujasiriamali kama changamoto au kichocheo cha kubuni, kuanzisisha, kuendeleza, kutekeleza, kusimamia, kudhibiti na kuratibu miradi/miradi yao.

Ni lengo langu pia katika mada hii ni kubainisha maana ya mradi/biashara, sifa za biashara nzuri, masoko na mbinu za msingi za ufanisi wa biashara.

1.1 DHANA YA UJASIRIAMALI

Chimbuko la maana ya Ujasiriamali:- Neno Ujasiriamali linatokana na maneno mawili

Ujasiri - Uhodari, uimara ,ushujaa, ushupavu, ukakamavu, msimamo na umwamba.

Mali - Wingi na ubora wa bidhaa au huduma, Kitu anachokithamini mtu, kinachoshikika na kisichoshikika.

Dhana ya Ujasiriamali inaeleweka zaidi kwa kuainisha tafsiri za maneno yafuatayo:-

- ❖ Wazo, muono wa karibu na mbali, upeo mkubwa.
- ❖ Msukumo, kujiamini, kuthubutu.
- ❖ Ubunifu, kuvumilia kushindwa, kutokata tamaa.

Hivyo baadhi ya sifa za mjasiriamali ni pamoja na :-

- ❖ Mwenye ujuzi, uelewa,upeo na muono.
- ❖ Mwenye kuchukia uchoyo wa mawazo.
- ❖ Anayefanya kazi kwa bidii kwa kujiamini na asiyekata au kuwakatisha wenzake tamaa.
- ❖ Asiye mwoga wa kuthubutu.
- ❖ Asiye tegemezi wa mawazo.
- ❖ Mwenye kuhimili mkanganyiko katika hali yoyote ya utata.

1.2 DHANA YA BIASHARA.

a) Biashara ni nini ?

Biashara ni tendo la kubadilishana kitu kwa kitu, kitu kwa fedha au fedha kwa fedha.

Ni tendo la kuuza kwa upande mmoja na kununua kwa upande mwingine.

b). Bidhaa na huduma

muuzaji humuuzia mnunuzi ambaye ni mteja bidhaa au huduma bidhaa au huduma hizo zinazalishwa moja kwa moja na wanachama wa vikundi au wanavikundi wazinunua na kuziua kwa faida na kadri inavyowezekana.

FAIDA KUBWA

Ili faida kubwa iweze kupatikana kuna mchakato wa hatua mbalimbali zinazolazimu kuzichua kama ifuatavyo:-

- ❖ Kubuni mradi wa biashara utakavyo iendesha .
- ❖ Kupanga jinsi na utaratibu wa kuendesha mradi au biashara` ulioichagua ikiwa ni pamoja na rasilimali zinazotakiwa.
- ❖ Uwekezaji wa ujuzi , fedha, nguvu kazi, vifaa, bidhaa na rasilimali nyinginezo mradi/biashara.
- ❖ Mpango na mgawanyo wa kazi wa utekelezaji au uendeshaji wa biashara.
- ❖ Utaratibu na nidhamu madhubuti ya usimamizi, udhibiti na uratibu wa biashara.
- ❖ Kupima matokeo(tadhimini) ya ufanisi wa biashara kulingana na malengo na uendelevu wa biashara yako.
- ❖ Kubwa zaidi ni kujiuliza ni kwa kiwango gani mradi au biashara unayoiendesha inachangia kuboresha maisha yako, familia na jamii kuondokana na umaskini uliokithiri.

Hivyo biashara ni shughuli ya uuzaji wa **Huduma** au Bidhaa ambamo umewekeza mtaji kwa lengo la kuzalisha faida, na mara zote biasharailenge katika kuzalisha FAIDA KUBWA.

1.3 MBINU ZA UFANISI WA BIASHARA.

➤ **Masoko (Markets)**

Ili tuweze kubadilishana bidhaa kwa fedha na kupata faida lazima kuwepo masoko. Masoko ni nini? Masoko ni shughuli zote zinazohusiana na uuzaji wa bidhaa au

huduma ambazo ni pamoja na uzalishaji , ununuzi, usafirishaji, hifadhi(storage), mpangilio wa bidhaa dukani,pa utangazaji, uuzaji, upangaji bei, ufungaji(packaging),uandishi wa kumbukumbu n.k

Tafsiri ya jumla ya neno soko ni mahali pa kuuzia bidhaa au huduma lakini tafsiri hilisi kibishara ni **WAJETA** wanaonunua bidhaa au huduma unazouza. Hinyo mbinu ya msingi kabisa katika biashara yoyote ile ni kutambua **WATEJA** na umuhimu wao katika biashara yao.

➤ **Wateja.**

- a. mteja hununua huduma au bidhaa kukidhi mahijati au matakwa yake ,tambua mahitaji na matakwa ya wateja wako.
- b. Tambua kwa nini mteja hununua huduma au bidhaa kutoka kwako na si kwingine ili uimalishe vivutio na kupunguza vikwazo: upambane na ushindani
- c. Elewa kiasi gani cha huduma | bidhaa zinazohitajika na jitahidi kutosheleza mahitaji ya wateja wako.
- d. Makisio ya kiasi gani utauza hutegemea sana taarifa za mauzo kulingana na bidhaa zinazoelekeana au kufanana mahali biashara ilipo(location) ili wateja waione na kuifikia kwa urahisi.
- e. Tangaza na kuijengea jina biashara yako. Tangaza kwa bei nafuu lakini hakikisha wateja wanatambua umhimu, umaalufu na ubora wa bidhaa zako. (Je ni njia zipi utatumia kutangaza biashara yako?)
- f. Bidhaa ziwe katika mpangilio unaovutia, unadhifu ni mhimu.
- g. Wewe binafsi waheshimu na kuwajali wafanyakazi wako kuhusu

maslahi yao na hata maisha yao ya kawaida.

- h. Panga bei inayokubalika lakini pia inayohimili ushindani.
- i. Toa maelezo yanayowezesha wateja kujua huduma na bidhaa zako, wavutie wanunue.
- j. Wafanyakazi wawajali na kuwaheshimu wateja, kauli mbiu daima iwe “ mteja ni malikia/mfalme”.
- k. Imarisha uhusiano mzuri kati ya biashara yako na mteja kwa kujenga utaratibu wa kupata na kuzingatia maoni ya mteja.

➤ **Bidhaa/Huduma zinazouzwa.**

Wateja hununua bidhaa au kulipia huduma ili kukidhi MAHITAJI au matakwa yao. Hivyo kwa mteja, bidhaa au huduma ni daraja au nyezo ya kukamilisha mahitaji au matakwa yake, hivyo ni vyema daima ujiulize:- Mteja wangu ananunua nini kwenye biashara yangu? Je mimi nauza nini hasa? Majibu ya maswali haya yatakuwezesha kupata na kuendelea kuwa na mteja wako.

HUDUMA BORA KWA WATEJA.

Mfanyabiashara anazo kazi kubwa mbili, kwanza ni kupata SOKO(Mteja), na pili na kuhakikisha soko lake hilo, yaani mteja hamponyoki na kwenda mahali pengine.

Ili aweze kuzingatia hayo inabidi:-

- Mteja ajulishwe biashara yako.
- Mteja apende bidhaa yako kuliko ya washindani wako.
- Avutike kununua kwako.
- Mteja mpe huduma za ziada kama muuzie kwa mkopo, usafirishaji,.
- Bei nzuri.

- Ubora wa bidhaa na manufaa yake
- Sifa nzuri za wafanyakazi.
- Huduma nzuri kwa wateja ulionao itakuongezea wateja wapya.

Huduma hizo nzuri ni pamoja na kujali muda hasa wa mteja kufanya shughuli kwa ufanisi, bidii, uchangamfu, upendo na heshima

- ❖ Kuwa msafi na nadhifu.
- ❖ Jitume , jiamini na kuwa mbunifu
- ❖ Mteja anaweza kukubali bei ya juu kidogo ikilinganishwa na washindani wako.
- ❖ Shughulikia malalamiko ya wateja wako kuhusu wafanyakazi, huduma/bidhaa unayotoa , sehemu ya biashara.
- ❖ Tambua wateja wasumbufu na kuwahudumia ipasavyo ukipunguza au kuondoa kabisa kero zao.
- ✓ Mazingira ya Kiuchumi na Kijamii.
- ➔ Jua tabia na mahitaji ya wateja kulingana na utamaduni wa jamii na nyakati .
 - ❖ Uzaji tai kwa wafanyakazi wa benki.
 - ❖ Uzaji wa kofia za kiisilam wakati wa mwezi mtukufu wa Ramadhani.
 - ❖ Uzaji wa Lozali kwa wakatoliki wakati wa Quaresma.
 - ❖ Uzaji wa bible kwa wakristo wakati wa Quaresma.
- ➔ Zingatia msimu wa kuhitajika bidhaa kama pasaka, X-mass, Eid Elfitiri na Mwaka Mpya.
- ➔ Baini fursa na vikwazo vya biashara katika eneo husika, fursa zitumiwe na vikwazo viondolewe.

→ Mazingira ya Biashara yaboreshwe.

- ✘ Sehemu ya biashara na mazingira yanayozunguka biashara yako iwe safi na nadhifu.
- ✘ Yafanye mazingira yavutie wateja- maua, taa za rangi ya yakuvutia.
- ✘ Weka kipunguzi bei kwa kipindi fulani ili wateja wakimbilie kununua mfano:- Siku za sikukuu za nane nane, mwaka mpya.

FAIDA

Faida ya salio baada ya kuondoa gharama zote. Lazima ujue kwa usahihi gharama zako ili uweze kuuza bidhaa kwa bei sahihi. Kwa maneno mengine upangaji mzuri wa bei ni matokeo ya kuzielewa ghara zako, ambapo kadri gharama zitavyopungua ndivyo faida itavyoongezeka.

FAIDA = mauzo- gharama za biashara(manunuzi)

MASWALI YA MAKUNDI

Ni mbinu gani utazitumia kufanikisha:-

1. Kuitangaza biashara yako?
2. Kupata wateja kwa wingi?
3. Kuhakikisha wateja wako ulionao unabaki nao hawakuponyoki?
4. kuhakikisha unapata wateja wapya kila siku?

TOPIC: MICROENTREPRISES

1. Micro Enterprises

This is a specific form of small enterprise. It involves businesses with informal characteristics, e.g. small service business, small furniture makers, maintenance

business (garage, electricians), photography, copying business small scale food production etc Employs 1 to maximum 10 people

2. Category of Micro Enterprises

| Category | Employees | Capital Invested |
|-------------------|--------------|----------------------------|
| Micro Enterprises | 1 to 4 | Up to 5 million |
| Small Enterprise | 5 to 49 | 5 million to 200 million |
| Medium Enterprise | 50 to 99 | 200 million to 800 million |
| Large Enterprise | 100 and more | Above 500 million |

3. Characteristics of Micro enterprises

- a. Small scale enterprises and produce for the local market.
- b. Women account for a relatively high proportion of owners or workers
- c. Personal savings or family money provide the primary source of capital for establishment of the business
- d. Access to formal channels for the provision of credit and other forms of support is minimal or non-existent
- e. Most micro enterprises keep incomplete and inadequate accounts
- f. Micro enterprises require small amounts of capital to enter the market and produce results quickly. Mainly provided through family savings or micro credit.
- g. Micro enterprises use local products and skills.

- h. Micro enterprises are labor intensive and create jobs
- i. Micro enterprises improve the income of the entrepreneurial poor.

4. Merits of Microenterprise

- a. Family employment
- b. Financial opportunities
- c. Job security
- d. Cushion against natural disasters and economic instability
- e. Independence
- f. Community services

5. Factors Influencing Microenterprises Development

- a. Existence of a business opportunity
- b. There must be some customers in the market place who want to buy the goods and services that is being offered.
- c. Management ability
- d. Adequate capital and working capital
- e. Modern business methods
- f. Friendly business environment
- g. Availability of business development services

MADA: TARATIBU ZA MIKOPO

- Mikopo itatolewa kwa wanachama tu.
- Maombi yote ya mikopo yataidhinishwa na Kamati ya Mikopo, ambayo lazima ihakikishe kuwa taratibu na masharti ya utoaji mikopo

yamezingatiwa na mkopaji.

- Chama hakitaanza kutoa mikopo mpaka baada ya $\frac{2}{3}$ ya wanachama wote wawe wamefikisha jumla ya hisa kila mmoja zilizo sawa na shilingi.....kila hisa. Mwanachama mpya hataruhusiwa kukopeshwa mpaka atakapokaa muda wa miezi itakayopangwa na chama.
- Fomu maalumu ya maombi ya mkopo itajazwa na kila mwombaji na kuiwasilisha kwa mweka hazina.
- Kwa mujibu wa Sheria ya Vyama vya Ushirika na Kanuni zilizowekwa, pamoja na masharti na maazimio yanayotolewa na Mkutano Mkuu, Kamati ya Mikopo itafikiria dhamana kwa kila mkopo kama inatosha na masharti yatakayotumika katika ulipaji. Ikiwa fedha za kuwakopesha waombaji wa mikopo haitoshi, na kama sababu za maombi ni karibu sawa, maombi ya mikopo midogo midogo yatafikiriwa kwanza. Dhamana zionyeshe katika fomu ya maombi ya mikopo na hati ya ahadi
- Mwanachama atakayekubaliwa kupatiwa mkopo atadhaminiwa na wanachama wa kudumu wawili (2). Wadhamini watapaswa kulipa mkopo walioudhamini kwa kiasi kile kilichokopwa endapo mkopaji atashindwa kuulipa mkopo wake katika muda uliokubaliwa.
- Mali inayoondosheka au isiyoondosheka, itakayowekwa dhamana na mkopaji itakuwa chini ya chama mpaka hapo mkopo wote utakapokuwa umelipwa. Hivyo mkopo ulioidhinishwa hautatolewa mpaka hapo Meneja/Katibu atakaporidhika kuwa hati zote muhimu zinazohusika na umilikaji wa mali zilizowekwa dhamana zimepokelewa na chama au zimesajiliwa ipasavyo.

MASWALI KWA MAKUNDI

1. Mikopo maana yake nini?
2. Faida za Mikopo?
3. Hasara za Mikopo?
4. Unapopata mikopo unatakiwa kufanya nini?

Asanteni.

MADA: UTUNZAJI KUMBUKUMBU:**Utangulizi:**

Utunzaji wa kumbukumbu za biashara ni muhimu sana. Biashara bila ya kuwa na kumbukumbu ni sawa na bure. Utunzaji wa kumbukumbu una faida mbalimbali katika biashara. Utunzaji wa kumbukumbu ni njia ya kuweka kwenye maandishi kiasi cha fedha na mali kilichopokewa na kutumiwa kutokana na shughuli za biashara za kila siku. Wapo wajasiriamali wanaotembea na kumbukumbu za biashara zao vichwani.

Faida za Utunzaji Kumbukumbu**1. Udhibiti wa fedha taslimu**

Moja, kumbukumbu husaidia kudhibiti fedha taslimu, huonyesha kiasi cha fedha ambacho biashara inapaswa kuwa nacho wakati wowote ule na zinasaidia kuhakikisha kwamba fedha hazipote .

Mjasiriamali anapaswa kuhakikisha kuwa, kila anapofunga biashara yake anafanya uhakiki wa biashara yake na hasa kufahamu kile ambacho kimepatikana kwa mauzo ya fedha taslimu.

2. Biashara inavyoendelea

Pili, kumbukumbu zinasaidia kufahamu jinsi biashara inavyoendelea. Kwa jinsi kumbukumbu zinavyotunzwa vizuri zinaashiria kwamba, biashara husika inasimamiwa ipasavyo na iko ndani ya udhibiti.

Kwa mfano ili kujua faida halisi ya biashara, ni muhimu kuwa na kumbukumbu sahihi. Faida ya biashara inatokana na mapato baada ya kutoa matumizi, hivyo ni dhahiri kuwa ili kupata faida halisi yafaa mjasiriamali kuweka taarifa zake za mapato na matumizi halisi.

3. Ukusanyaji na ulipaji wa madeni

Tatu, kumbukumbu hurahisisha ukusanyaji au ulipaji wa madeni. Kwa mfano kama umechukua mkopo toka taasisi fulani ya fedha, utunzaji wa kumbukumbu utakusaidia kuwa na mpango mzuri wa ulipaji wa mkopo huo.

4.

5. Uhusiano na washirika wa biashara

Nne, utunzaji wa kumbukumbu huimarisha uhusiano na washirika wa biashara. Kwa mfano mtu anapenda kuinua biashara yako au kuwekeza katika biashara yako, kumbukumbu zitatoa dokezo la thamani ya biashara yako.

Watu wengi hutumia njia ya mikopo toka taasisi za fedha kwa ajili ya

kuongeza nguvu katika mitaji yao. Kamwe huwezi kufanya mazungumzo na taasisi hizo kama huna kumbukumbu sahihi za biashara yako, wakati wote wanahitaji taarifa za biashara husika.

Ili uweze kutembea kifua mbele na kufanya mazungumzo na taasisi hizo kwa lengo la kukopeshwa, ni vema utunze vizuri kumbukumbu za biashara yako. Ukweli uko wazi kwamba kumbukumbu nzuri za biashara hurahisisha maongezi na wadau.

6. Mipango ya siku ya baadaye

Tano, kumbukumbu zinasaidia kuwa na mipango ya siku za baadae. Hii ni kutokana na kwamba biashara yahitaji kutathminiwa uwezo na udhaifu wake ili kuandaa mipango mizuri zaidi kwa siku za baadae.

MASWALI KWA MAKUNDI

1. Eleza umuhimu wa kutunza Kumbukumbu ?
2. Ni wakati gani unatakiwa kutunza kumbukukmbu ?
3. Taja faida za kumbukumbu hapo mbeleni?
4. Hasara za kutotunza kumbukumbu?

Asanteni.