TRAINING OF COMMUNITIES ON INFORMAL SAVINGS AND COLLECTIVE MARKETING: A CASE OF MISUNGWI AND KWIMBA DISTRICTS

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A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS IN COMMUNITY ECONOMIC DEVELOPMENT (MCED) OF THE OPEN UNIVERSITY OF TANZANIA.

2013

CERTIFICATION

The undersigned certifies that she has read and hereby recommend for acceptance by The Open University of Tanzania, a dissertation titled Training of communities on informal savings and collective marketing a case of Misungwi and Kwimba Districts**,** in partial fulfillment of the requirements for the degree of Masters in Community Economic Development (MCED) of the Open University of Tanzania.

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Dr. M.S. Bushesha

(Supervisor)

…………………………………………..

Date

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DECLARATION

I, **Daniel Memirieki Laizer,** declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

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Signature

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Date

DEDICATION

This study is dedicated to the community members of Kikubiji village,in Kwimba district, Mwanza region.

ACKNOWLEDGEMENT

This work would have not been done with God's grace and help, I am so thankful to Him.

I would like to thanks those who helped me accomplish this work, these are none other than, Dr. Magreth Bushesha my supervisor who provided a lot of inputs and guidance for a success of this study accomplishment. I am also indebted to Community development initiative support (CDIS) organization, lead by Mr.Kafuku,for their hard working in community mobilization and training of both SILC and apex(SIGA) groups.Many thanks go to Ms Diana Nyangasa CDIS's monitoring and evaluation office for her tireless work at the field and inputs for this study.

Many thanks to my wife and children for their time and financial support for the success of this work.

ABSTRACT

Research findings have revealed a high level of poverty which is caused by a number of external and internal factors such as drought, unreliable market for cash (cotton and chickpeas) and food (maize, green gram and paddy) crops. Therefore, there is a big problem of low income which causes food insecurity and hunger.

Due to the fact that 75% of Misungwi and Kwimba community is excluded from savings of any kind, the researcher sees the importance of introducing a household income savings and credit association (SILC) which is globally translated as Village Savings and Loan Associations (VSLAs), agricultural collective marketing at village and ward level which will lead into development of forward contracts with big buyers. These programs will cuter for the following:

SILC methodology has a high positive impact in poor communities compared to other informal saving schemes. Use of this scheme will assist farmers' access or increase number of meals per day. However, capacity building on business skills and savings need to be undertaken. The methodology should not be rigid in nature, it should just be a vehicle towards accomplishing other community development intervention. The researched project has started in Kwimba at a village called ***Kikubiji*** where SILC groups have been formed. The groups are increasing at an increasing rate because of spill-over in the villages. These groups will eventually reduce hunger in the areas of Kwimba and finally will reduce poverty.

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ABBREVIATIONS

BDS	-	Business Development Services
CNA	-	Community Needs Assessment
DHS	-	Demographic Health Survey
FGD	-	Focus Group Discussion
FinScope	-	Financial Scope
HH	-	Household
IGA	-	Income Generation Activities
MFI	-	Micro Finance Institution
MVC	-	Most Vulnerable Children
OVC	-	Orphans and Vulnerable Children
PEPFAR	-	The President's Emergency Plan For AIDS Relief
PLHIV	-	People Living with HIV
SACCO	-	Savings and Credit Co-operative
SILC	-	Savings and Internal Lending Community
VICOBA	-	Village Community Bank
VSLA	-	Village Savings and Loan Association
PMG	-	Producer market group

CHAPTER ONE

1.0 PARTICIPATORY NEEDS ASSESSMENT

1.1 Introduction

This chapter is on the assessment of the community vulnerability and resilience, it therefore focuses on the methodology used ,and data collection and a little discussion on data analysis. Before going to the assessment, we will discuss a little bit on the profile of Misungwi and Kwimba district.

1.2 Community Profile

This study was conducted in two districts of Misungwi and Kwimba in Mwanza region. Mwanza region is too big for a researcher to assess every district and villages, therefore the two districts are the representation of the region. The two districts are in urban/peri urban setting and have more than ten development organizations working with local communities, in a number of interventions such as food security, rural microfinance, health, Most Vulnerable Children (MVC), agriculture, nutrition and HIV/AIDS. Looking at the economy of these communities it seems there is little or no change in terms of household economy, regarding household wealth despite of the related interventions carried out by development organizations in the area to improve the economy of ordinary rural people.

This paper is looking at household economic status which will lead to the community identifying critical needs to overcome the identified poverty problems. In Misungwi and Kwimba districts agriculture employs more than 80 per cent of the total population and is therefore the main source of income and food security for the rural poor. However, agriculture production has been deteriorating due to declining soil fertility, erratic rainfall with frequent droughts, high costs of cotton production and low international prices (as a cash crop), lack of alternative crops to cotton that can withstand the changing environment of drought and undeveloped market linkages and agro-enterprise development for those alternative crops. The study is mainly looking at communities' livelihood or rather economic status while trying to find out their needs priorities using participatory approach. As a sustainable livelihoods approach which has worked for a few decades of changing perspective on poverty, this helps community members to improve their lives and institutional and structural issues. According to Ashlay and Carney (1999) the concept of livelihoods, is increasingly becoming popular in the thinking of most development practitioners, conceptualizing the economic activities of poor communities undertaken in their totality.

Participation, as an approach to development, began in the first instance, as an approach intended to subvert development orthodoxy (Richards, 1995). It is not as modern a concept as most people think, having first appeared in the development literature in the 1950s. This, and later developments of participation, were the logical direction to take with respect to so many failed, wasted and damaging top-down projects and programs. Participation became known as being synonymous with democracy, equity and popular success. Ratna Mani Nepal, TU 2008Participation has become, economically, an appealing proposition. Because of small government funds, especially those devoted to rural development, participation is the low cost option. Some, cynically, see this as passing on government costs to the poor. Participation is perceived as an instrument for greater effectiveness as well as a new source of investment. Participatory Approaches bring: a close knowledge of the ‘field reality’ which foreign techniques and government bureaucrats do not have; networks on relations, essential both to the success of on-going projects and long term investments in rural areas; the co-operation, on the local scene, or organisations able to carry out development activities. In this context, grassroots organisations are becoming the infrastructure through which investment is made. According to Dr. Linda Mayoux,,PRA stands for Participatory Rural Appraisal. Literary translated, PRA means to anticipatively understand a village. According to the terms PRA represents a group of approaches and methods that will encourage the community of a village to actively participate in raising and analyzing their knowledge of their life conditions in order to create the correct action plan. This means that by implementing PRA the community is facilitated by an outside party such as researchers, donor or government officials to analyze their life conditions that consists of existing potentials and problems in their village. They are facilitated to develop a program based on those existing potentials and also the potentials available outside of their village/community that are possible to be used by the village community to solve the problems of that community.

The formulation of the PRA Method has a background of the long experience from an expert in, Robert Chambers (1983), in the field of community development working in various developing countries. Based on his experience, the community,especially the marginal class, such as the women, farmers, and children, must be involved in every development process. We must listen to their opinions, complaints, life experiences, hopes and their analysis ability, before we can facilitate them to enable them to create a plan. They are not merely the object of development, we must also help to position them to be development actors. According to Conyers (1984), positioning a community as the development actor is important because of three reasons. The first reason is: the community is the source for information on the conditions, needs and attitude of the local community.Without them development programs and projects will fail because of inaccuracy. The second reason is: the community will trust a development project or program if they know the twist and turns of it. The third reason is that it is the right of the community to be involved in the community developments that target themselves.Livelihood activities can be those carried out throughout the year and those performed seasonally. We can also categorize these activities into formal and informal sectors. Usually, year round activities are mostly found in urban areas for example formal employment, small businesses, labor sales in deferent categories, etc. In rural settings seasonal activities are pre dominant where as apart from gardening and livestock keeping they are carried out year round. Farmers have two main seasonal activities which are planting and harvesting. For the purpose of the study we will base on looking at community economic status in rural setting.

However, it is vital for one to understand the multiple vulnerability sources that are facing poor communities and the multiple ways they affect the lives of these communities. The multiple vulnerability may be caused by structures and institutions and even the different ways the interventions are carried out by different stakeholders. It is believed that these factors may either weaken or strengthen the livelihood activities of communities and hence, improve or weaken the economic strength of the communities.

In addition to recognizing these activities using livelihoods approaches according to Hebinck and Bourdillon (2002), it requires an attempt to understand the processes that underlie poverty, social, cultural, political and institutional contexts in which poor people live. Although the individual, household, and community are the primary levels of analysis, livelihoods approaches seek out the relevant interactions at micro, intermediate and macro levels.

The study was done in a very participatory way with community leaders of the areas visited and also farmers,whom were found to be of two or three different levels,such as those with more than two acres,less than two and those who own more than fifteen acres.Generally their levels of vulnerability were not very much different from level to level.The study conducted a number of community meetings to discuss vulnerability and access to financial services in their localities.

However,during discussion with them it was found that there is a great need of microfinance or rather capital amongst the community members which is not provided formal microfinance institution because of the nature of these communities that, they do not have businesses to make profit and pay for loans,no collateral when default happen lastly, it is expensive to manage rural loans as many providers are found in town center,and the infrastructure of the rural areas is very poor.Famers/community members were able to identify three people from the village to be trained as community resource persons,to assist them in ensuring that the groups that are formed are assisted and have a continuity.

1.3 Mwanza Community Profile

1.3.1 Global Position

Mwanza Region lies in the northern part of Tanzania, located between latitude 10 30' and 30 south of Equator. Longitudinally, the region is located between 310 45' and 340 10'east of Green Winch. Regions bordering Mwanza region are Kagera to the west, Shinyanga to the south and south east. The north east boarders Mara region. The northern part of Mwanza is surrounded by the water of Lake Victoria which in turn separates the region from neighboring countries of Uganda and Kenya. Mwanza is a relatively small region occupying 2.3 percent of the total land area of Tanzania mainland.[1]

1.3.2 Ethnicity

The main ethnic groups in Mwanza region are the Sukuma, Zinza, Haya, Sumbwa, Nyamwezi, Luo, Kurya, Jita and Kerewe. The Sukuma dominates by constituting over 90 percent of the population. The rest of the groups occupy small proportions and are mainly in Mwanza municipal area. National policy gives very little importance to ethnic grouping and information related to this issue is difficult to come by .Misungwi and Kwimba are dominated by the sukuma who are mixed farmers.

[1] This is according to Planning Commission in Dar es salaam and the Regional commissioner's office Mwanza in october,1997.

1.3.3 Population

According to Tanzania Population Census of 2012 Mwanza as a region is comprised of a population of 2,772,509 people of which males are 1,360,381 while females are 1,412,128. The average household size is at 5.7 and the sex ration stands at 96.[2] Narrowing down to Misungwi and Kwimba; the population of Misungwi is 351,607 whereas males are 173,997 and females are 117,610.

Household size for Misungwi stands at 6.5 and the sex ratio is at 98. Kwimba's population is 406,509 people comprised of 198,096 males and 208,413 females. The household size form Kwimba stand at 6.5 as well while the sex ratio is at 95 a bit lower compared to Misungwi district. The population of Misungwi and Kwimba which is being studies comprise of 27.3% of Mwanza region population and 1.69% of Tanzania population.

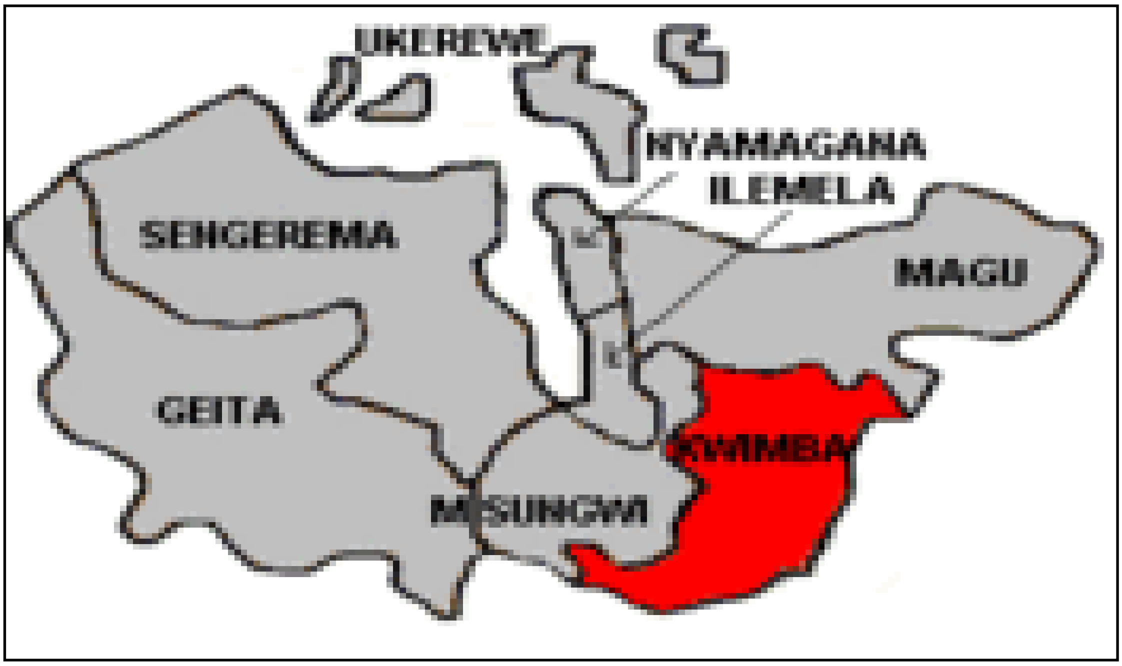
1.3.4 Administration

Mwanza region occupies a total of 35,187 sq kms out of the area 20,095 sq kms. are land and 15,092 sq km. are covered by Lake Victoria. Thus 43% of the region's surface area is water and 57% is land. Mwanza region is divided into seven administrative districts since July 1996, Missungwi and Kwimba districts being among the seven districts which comprise Mwanza. The districts in Mwanza are divided into 33 divisions, these are further subdivided into 168 wards. The village being the basic administrative unit are 682 in Mwanza region.[3]

[2] Sex ratio means the number of males per every 100 females
[3] By Mkakati wa Maendeleo Mkoani Mwanza 1996 - 2001 (1997).

1.3.5 Misungwi District

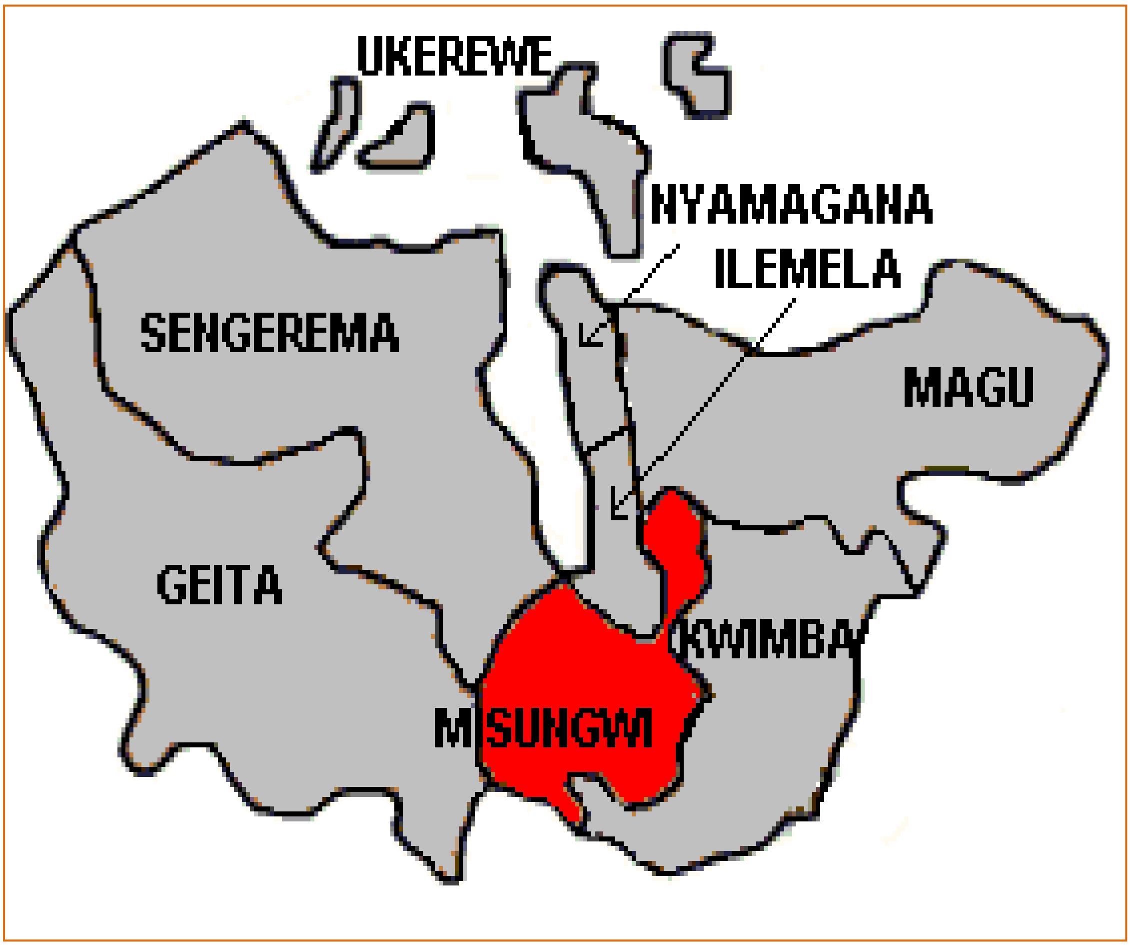
Misungwi district is located in the Mwanza region on the shores of lake Victoria. Administratively the district is sub-divided into 4 divisions, 20 wards, and 78 villages. It is bordered to the west by Mwanza city, Kwimba district.to the East, Magu District to the North, Shinyanga region to the South, and to the South-west by the Geita and Sengerema districts. The Misungwi's wards are *Buhingo, Bulemeji, Busongo, Idetemya, Igokelo, Ilujamate, Kanyelele, Kasololo, Kijma, Koromije, Luburi, Mbarika, Misasi, Misungwi, Mwaniko, Nhundulu, Shilalo, Sumbugu, Ukiriguru* and *Usagara.*



Source :Wikipedia 2006.

1.3.6 Kwimba Disrict

Kwimba is one of seven districts of the Mwanza region of Tanzania. It is bordered to the West by the Misungwi disrict and to the North by the Magu District. The majority of residents of Kwimba are the *Sukuma* tribe and are engaged in subsistence farming of rice, sweet potatoes, cassava, millet or maize as indicated on Wikipedia (2006).



Source :Wikipedia 2006

1.4 Community Needs Assessment

1.4.1 Objectives of the CNA

The researcher is working out the objective of the study, in this section, followed by the discussion on the methodology and techniques used in data collection and analysis.

1.4.2 General Objective of CNA

The study objective is to assess the vulnerability and resilience of the poor communities, of Missungwi and Kwimba,then come up with an intervention to be undertaken by the project with the project to address the identified community needs. The researcher will focus on gaining a better understanding of economic needs of poor communities at household level, which helps to come up with the type of intervention that one could undertake in this particular community as a representation of many poor communities in Mwanza region and Tanzania. The researcher has decided to conduct a household economic assessment to get a sense of the level of poverty within target community, which leads to a participatory identification of community needs. In the end, the researcher developed a project in targeted community of Kikubiji village in Kwimba district.

1.4.3 Research Questions

i. Do rural communities have access to microfinance services?.

ii. Does collecting marketing improve the lives of small famers?

.

1.4.4 Research Methodology and Design

The research deployed a case study which involves an in-depth, longitudinal examination of a community against indicators in question, while providing a systematic way of looking at them, collecting data, analyzing data and reporting the results. Two types of data were collected which are quantitative and qualitative. Quantitative data aimed at identifying the magnitude of indicators examined. These are like number of participants, amount of savings loan size and the like. Qualitative data accrued information from opinion of respondents to support or compare from quantitative data.

1.4.5 Sampling techniques

The researcher picked a sample of two villages per district with a total of 120 respondents.however**,t**wo tools were used to collect data from the field, namely member survey questionnaire from which data was collected from individual respondents and focus group discussions (FGDs) where group collective responses were noted in terms of opinion answers in order to qualify, support or enrich the answers accrued from quantitative survey.

1.4.6 Data Collection Method

The study deployed different methods of data collection, whereby primary and secondary data were collected. Questionnaires were administered to get a sense of household economic and or livelihoods status. However other data collection methods were used in order to gather relevant information which are not captured in the questionnaire. These methods are; focus group discussions done at village level using community group meetings and key informants, ranking and Mapping (venn diagrams). This was used to map out institutions providing different services in these communities.

The study used existing traditional savings group(ifogong'ho) members and non savings group members separately during community meetings as the two have different perception and priorities. Local leaders were vital link to the community members. Though in some areas they were involved in the discussion but with careful control for them not to overpower group members, hence prevent other people’s ideas and contributions. There were areas where groups were divided according to their sex/gender. Data collection included all members of the community but discussions were mostly lead by those groups already engaged in income generating activities and group savings.Nonetheless the interview questions had ten main parts, which are household demographics, food security, household assets and amenities, household income, expenditure and livelihood support, access to finance, agriculture production, small and micro business activities, household education and health, perceptions of well being, perceptions and knowledge of HIV. A total of 120 community members responded to key informants and FGD. It was not easy to have a homogeneous number of participants per discussion but managed to have an average of 63 members in total this is from four different villages.. During these discussions farmers were able to map out the development practitioners working in their areas and services provided by them. The information obtained was on food access, nutrition, impact of HIV/AIDS, financial services access, sources of monthly income per household and asset protection.

1.4.7 Data Analysis Methods

The descriptive and statistical analysis was conducted basing on data and information collected from primary and secondary sources. Quantitative data were analyzed using EPI INFO computer software to compute the desired results in the form of tabulated reports and charts. However, qualitative data were grouped and consolidated basing on observation and focus group discussion output.

1.5 CNA Findings

1.5.1 Low Income Earners

Study findings have revealed that 50% of low income earners are PLHIV followed by OVC care givers who are at 34%. Other low income earners are women (10%), OVC headed household (5%) and vulnerable youth (2%) as indicated on Figure 1 below.

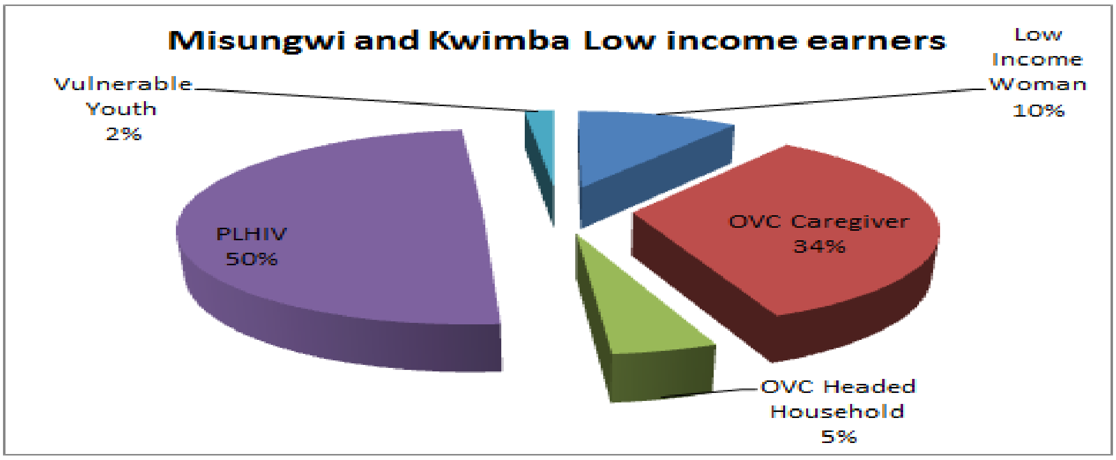


Figure1: Percentage of Low Income Earners
Source: Field data 2013

Looking at this finding the bigger percentage of this community's population is vulnerable. As we go along we will later see more statistical data on the levels of vulnerabilities before we come to the causes of it. The issue here is that there are a bigger percentage of people living with HIV and AIDS, which reduces human capital. As result there is an increase of orphans and vulnerable children who are burdening women and community members.

1.5.2 Food

The research findings have indicated food situation that is unfavorable to Misungwi and Kwimba people where 76.3% of respondents are buying food for household consumption. It is indicated that 37.5% of respondents depend on grown food from agricultural and horticultural activities. Those who engage in raising poultry and livestock for food are just 2.2%. Since there is shortage of food in the area 5.9% of respondents indicated to depend on food aids for the upkeep of their families. These findings are indicated in Figure ii below:

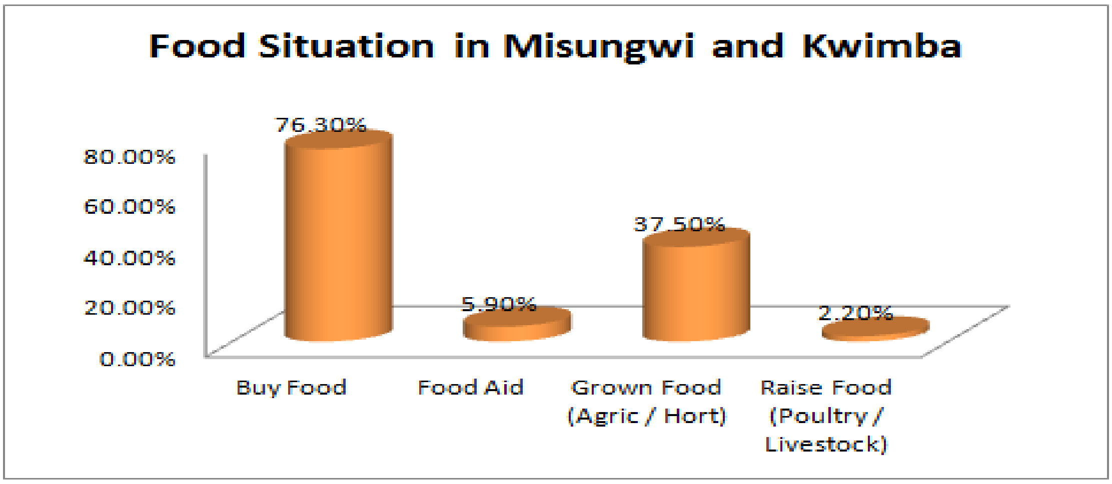


Figure ii: Food situation in Misungwi and Kwimba
Source:Field data 2013

In Misungwi and Kwimba districts, the food situation is worse. This is also stipulated by a study carried out by *Feed the Future PEPFAR* project in Mwanza and the whole country and was among the four regions which were identified having high rate of hunger despite of availability of massive arable land. Also, despite of practices in small and medium businesses as sources of income in peri-urban and urban areas hunger is still prevailing. For three years consecutively from when the PEPFAR study performed the food situation has never attained a significant positive change. However, among households who reported engaging in agriculture to grow/raise food for consumption or commercial purposes were twice as likely to have little to no hunger using the household hunger scale.[4] When respondents were asked on perception of hunger in the area, 32% indicated that the situation has remained at steady still which another 32% of respondents indicated that the hunger situation is much more worse during the time of carrying out this study(this means that during the study most famers were planting and it was a season which most people do not have enough to food for consumption.). Only 8% of respondents indicated a little better situation and 1% showed to have much better situation by time of study as indicated on Figure 3 below:

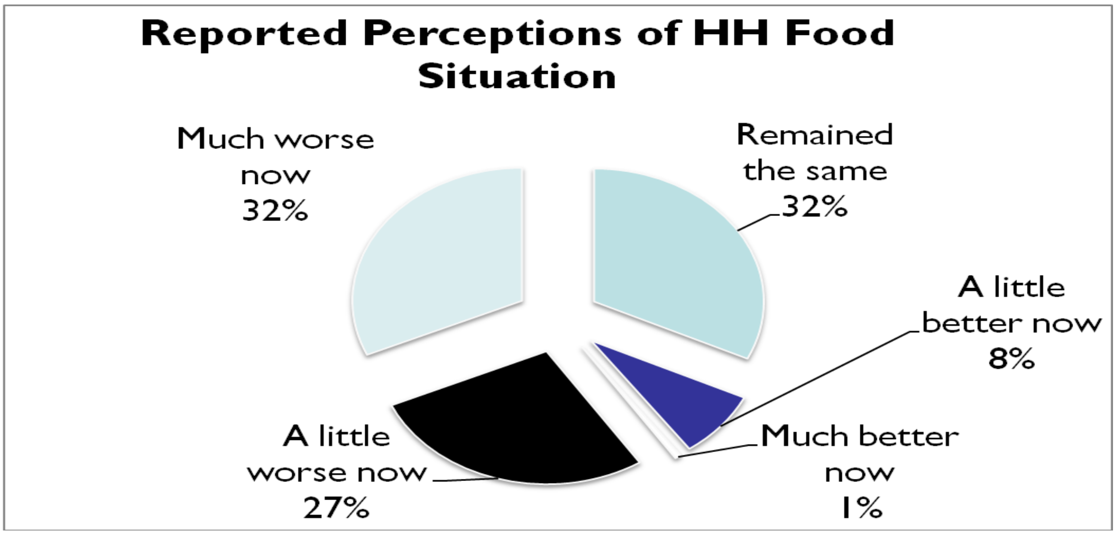


Figure3:Reported perceptions of household food situation
Source: Field data 2013

Also, from research findings it is seen that hunger situation is dominating the areas of Misungwi and Kwimba. The main question remains to be what might be the cause of hunger or food insecurity in the area. What is seen is that community members as sources of income for their household are not well utilized to bring up enough income in the household. An example of this is cotton production which is carried out in Misungwi and Kwimba districts. Cotton is a cash crop but still the sales of the

[4] OR 2.04, p-value 0.000001.

crop is the fourth in monthly income contribution to the household as indicated in Figure iv below:

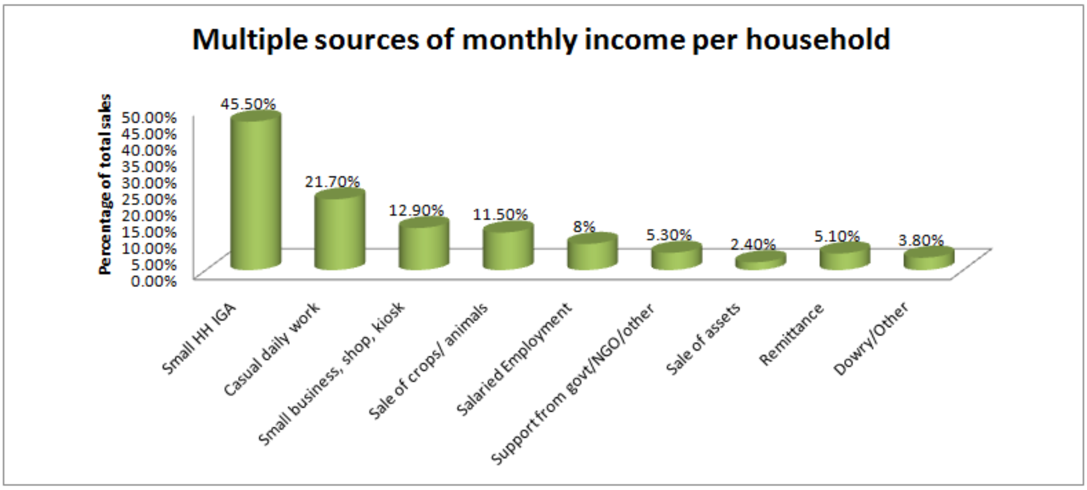


Figure iv: Multiple sources of monthly income per household
Source: Research findings (2013)

It should be noted that since 45% of households are engaged in IGAs that does not mean IGA sources of income mitigate household hunger. The above statistical result show that people in these districts, obtained their monthly income more in small household income generating activities. This means that when there is a reduction in human capital due to HIV/AIDS pandemic, then there is a low production and income at a household level, hence low production of destitute households. The other evidence we are getting from group members who indicated that the percentage of community members who are able to save is very low to the point that only 2% of the respondents are able to save more than 100,000/= a month, and 29% are able to save a maximum of 10,000/= a month. The situation seems to be caused by the amount of income community members earn per month, nonetheless, it may not be true that the more they earn, the more they save. This is because more income might mean more spending, especially in the community where bigger percentage of source of food is buying.

Household income is a difficult and frequently inaccurate measurement, where households don’t always include the value of traded or produced goods as a part of their income and resources. Three quarters of the community members earn less than Tshs. 50,000 a month. As we have seen that the higher household source of income come from IGAs of the household, but again this does not mean that it reduces the household hunger according to the researcher’s observation. The sense here is even though the poor person gets a little more income from IGAs, there is no guarantee that the money is used for buying food only, instead, the money may be spent other social services which need money, for instance medication, school fees for children, buying agriculture inputs etc.

Moreover, the fact is that there is a high possibility of not being into hunger as indicated on Figure 5 below, over three times for those whose source of income is from sales of crops and livestock than those depending on small business. During focus group discussion over 60% responded indicated that this is happening due to the fact that small businesses in most areas are carried out seasonally; particularly during harvest people tend to start a number of different small businesses at cotton collection centers and around the cotton ginneries. Conversely, households who depended on the sale of assets for income were 4.69 times as likely to be in a situation of severe hunger.

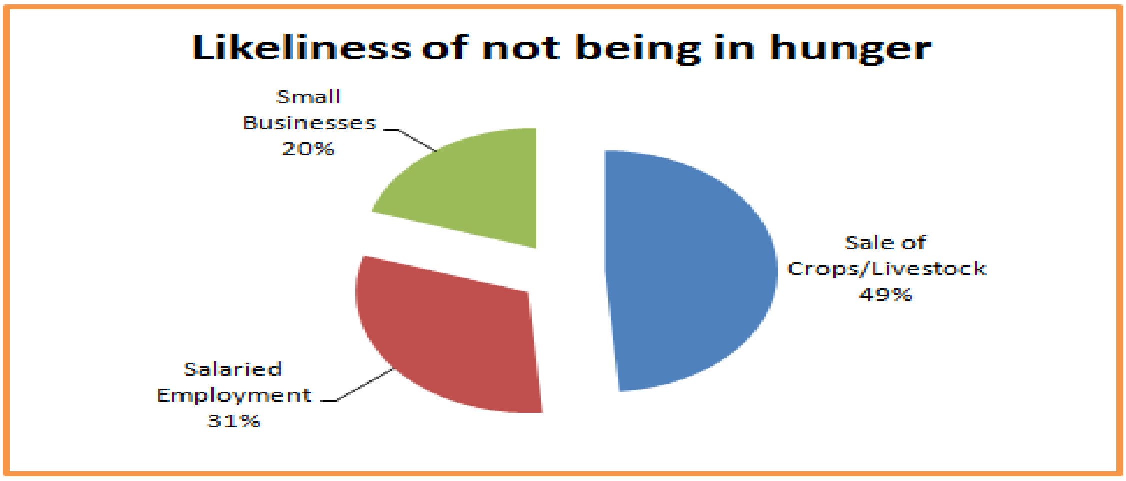


Figure v: Likeliness of not being in Hunger
Source: Field data 2013

Findings on monthly income have indicated that the majority, 42% of respondents are earning between Tshs. 10,000 and 50,000. This is followed by 36% of respondents who are earning between Tshs. 0 and 10,000. Only six percent are earning an income of between Tshs. 101,000 and 250,000 while exceptionally, two percent are earning more than Tshs. 250,000 as indicated below:

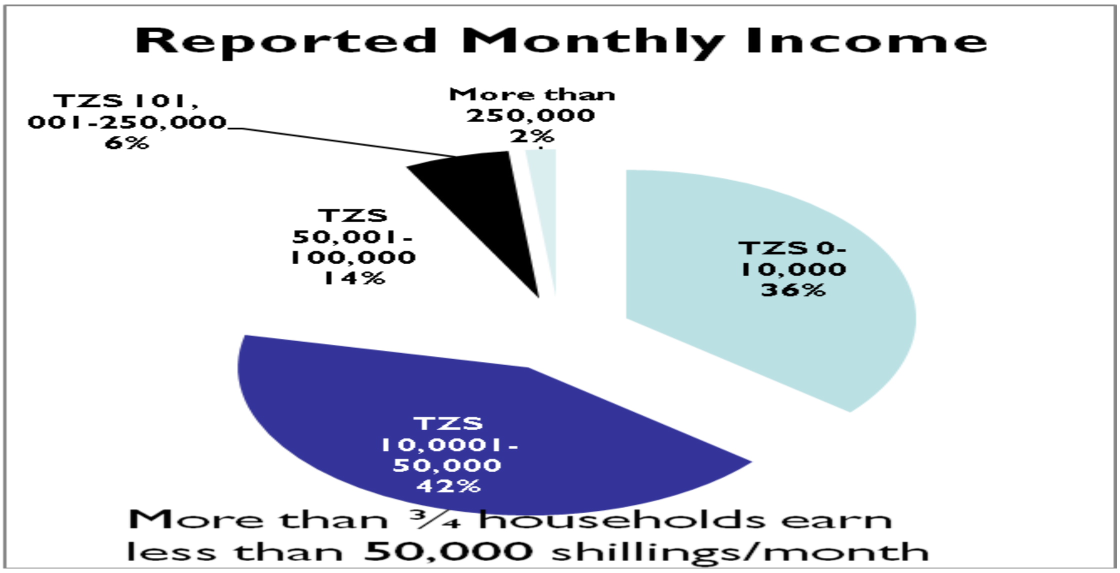


Figure vi: Reported monthly income
Source: Field data 2013

Research findings show that there are a big number of people who do not save in any way whether in a group, traditional savings or through bank accounts. Figure vii below is indicating that 18% of respondents can save between Tshs. zero and 2,000 per month. While, 27% can save between Tshs. 3,000 and 5,000 those who can save between 5,000 and Figure vii: *Range of savings per month* 10,000 per month are 29%. Respondents 15% can save 10% can save between Tshs. 25,000 and 100,000. Only, 2% indicated that they can save more than Tshs. 100,000 per month. These findings are indicated on figure vii below:

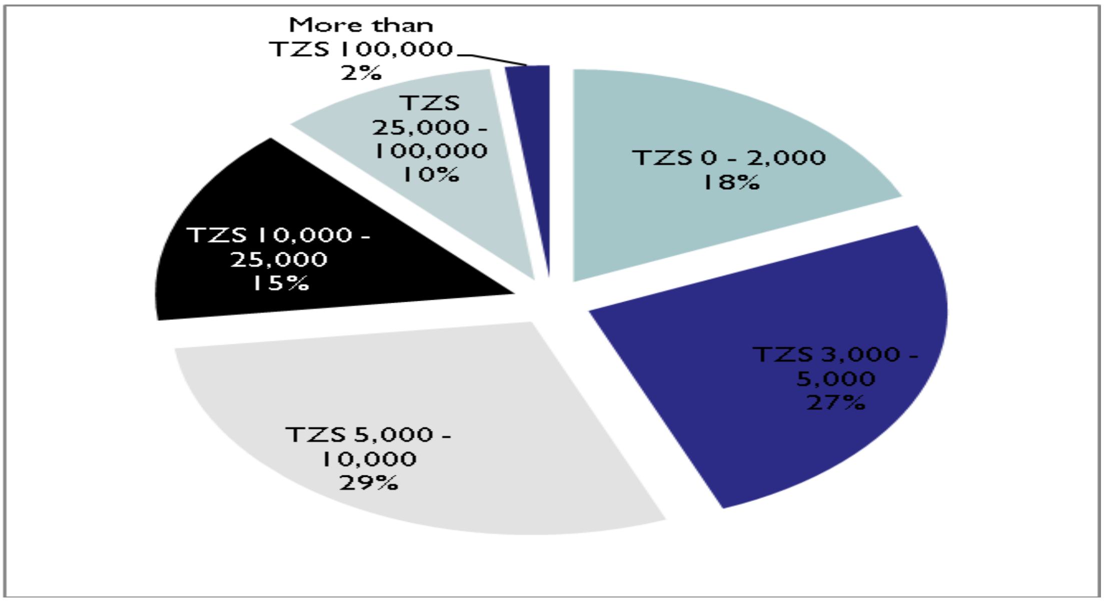


Figure vii: Range of savings per month
Source: Field data 2013

In all the surveyed groups it came out that people do not save because, what they earn is very little that is not enough for a chain of social needs by a household. It was found that most people in this community get cash only during crop harvest season and much of the cash is used up to meet household social needs to the point that others sale their assets to buy seeds and food during planting season between Tshs. 10,000 and 25,000 of their earnings per month while the few households who save do not save in banks but in traditional savings known as *Ifogong'ho* and informal savings like *SILC groups*, Village Savings and Loan Associations (VSLAs), Village Community Banks (VICOBA), Savings and Internal Lending Communities (SILC) and Savings and Credit Cooperatives (SACCOs). *Ifogong'ho* is a *sukuma* tradition savings scheme which is in two main fold, one is saving at family level, where members of related family decide to start a group and save their money in not only to help relatives save money to get soft loans and food during hard times but also help them to come together and solve their social problems and family events and ceremonies. The second level is the village traditionally known as *"fong'ho la wana nzengo."* During FGDs, there was a hot debate on the indicators of a poor or wealthy person in the rural community. Indicators that came up out of discussion are as indicated on Table 1 below:

Table 1: Indicators of Poor and Wealthy Households

No.	**Poor household's Indicators**	**Wealthy household's Indicators**
1	Many children with single wife	Many wives with many children
2	Grass thatched hut (house)	Iron roofed house
3	No or very little cash for family use	Able to pay for health and school services
4	Cannot manage to get money for medication/health services	Have cash and savings
5	No bicycle	Have a bike, bicycle or and sometimes a car
6	A Less than two acres of land	More than 30 acres of land
7	One or two cows	Own a business
8	Hand hoe	Own a plough
9		More than 100 cows
10		Use a tractor

Source: *Field findings (2013)*

1.5.3 Financial Access

Apart from savings and levels of poverty discussed above, it is also useful to know if these communities are accessing any financial services from any provider. The Financial Scope (FinScope, 2006) study indicates that 54% of rural Tanzanians do not access formal financial services. This situation brings about an opportunity for the formation and promotion of informal rural financial associations to mitigate the situation; hence, VSLAs among many financial services delivery systems. According to Allen (2006) and Anyango *et al.* (2006) VSLAs are associations of people with a common objective of accessing financial services and are operating suitably in rural areas where Microfinance Institutions (MFIs) cannot work effectively because of the costs involved in reaching clients. The higher the rate of participation in financial access is found on informal savings. However still more people are financially excluded by 75.5% through this study and by 54% as it was revealed by FinScope (2006). These findings are indicated on

The figure/picture below is the researcher's innovative idea to show the difference of two households in a picture form.

Highly Vulnerable

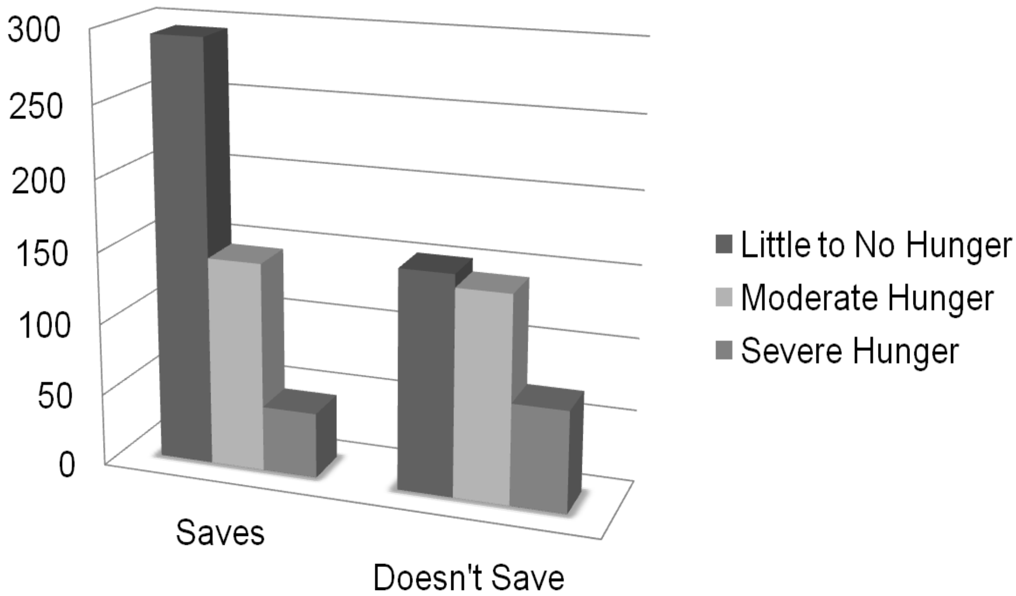
Least Vulnerable

Table 2: Financial Access

Financial Sector	CNA findings	FinScope (2006) Survey
Formal financial institutions	7.2%	9%
Semi-formal financial institutions	1.1%	2%
Informal/ Savings groups	16.2%	35%
Financially excluded	75.5%	54%

Source: ***Field data (2013)***

Statistically, the higher the savings, the little the hunger. Findings show that those who were able to save more were able to buy food as compared to those who saved little or did not save at all. This relationship is illustrated on Figure 8 below which shows that households who consistently save have little hunger and those which do not save have severe hunger.



1.5.4 Households vulnerability

Research findings have indicated that 66% of respondents are vulnerable to hunger while 12% are highly vulnerable. Only, 22% of respondents are least vulnerable as indicated on Figure ix below:

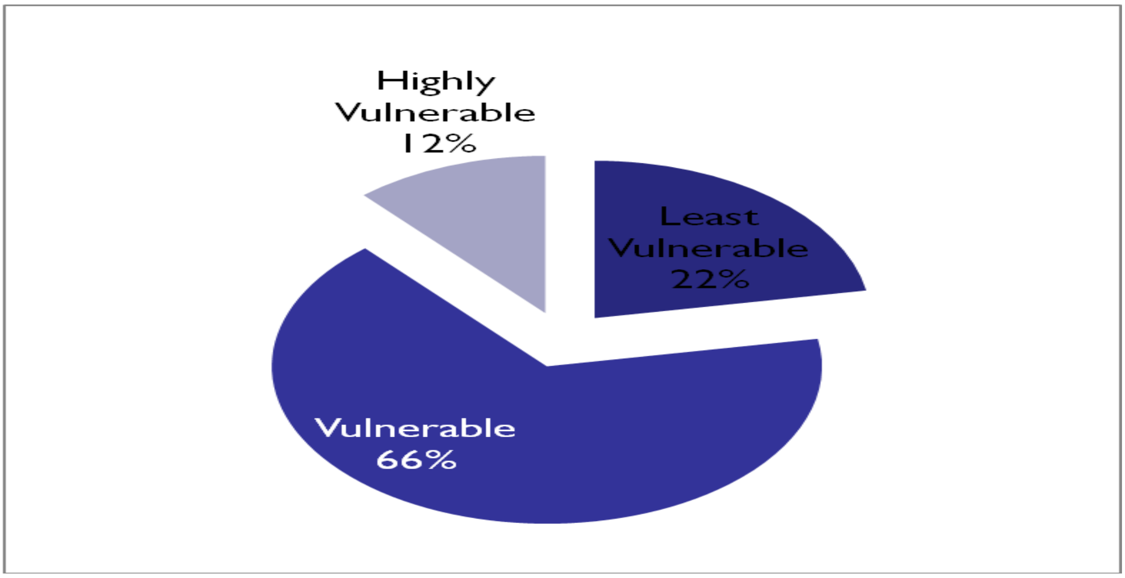


Figure ix: Vulnerability in households
Source: Field data (2013)

After a long discussion during FGDs the researcher and respondents came into consensus of the following vulnerability characteristics.

a) Household size

b) Number of earners in HH

c) Hunger Scale HH

d) OVC within the HH

e) Not receiving medical treatment due to inability to pay

f) f)Lack of transport

g) Lack of savings

h) Resiliency of sample households

Research findings have revealed that six percent of respondents are most resilient while 37% are resilient and 57% of them are least resilient as indicated on Figure 10 below. Development workers have tried to support the resilient class of people but have been unable to connect them in any capacity building programs so that these people can relieve out of resiliency. At resilient and most resilient stage the only way out is to give them handouts so that they give a way for self supporting.

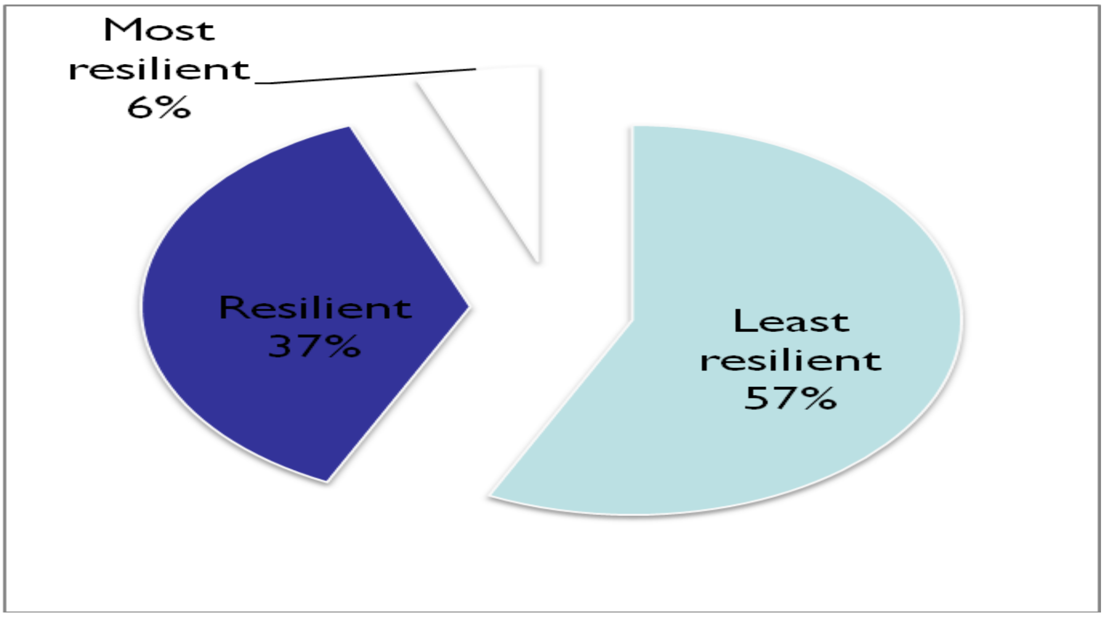


Figure x: Household resiliency
Source: Field data (2013)

1.5.5 Reported Perception of Household Food Situation

The researcher wanted to know whether food situation among respondents was improving or deteriorating. When the respondents were asked on it 32.10% of them indicated that their respective food situation has remained the same. 31.70% showed that their food situation is much worse now while 27.60% indicated that their food situation is a little worse now as indicated on Table 3 below. A significant small number of respondents (0.60%) indicated that their respective food situation is much better now and 8.10% of them indicated that their food situation is a little better now. These results are indicated on Table 3 below.

Table 3: Food situation in households

Item	Percent
My food situation has remained the same	32.10%
My food situation is a little better now	8.10%
My food situation is much better now	0.60%
My food situation is much worse now	31.70%
My food situation is a little worse now	27.60%

Source: ***Field findings (2013)***

1.5.6 Household Assets Comparison to Demographic Health Survey (Dhs) with illustrative Assets

Findings through CNA reveal that 51.1% respondents in Misungwi and Kwimba own mobile phones. This is in line with the fast growing communication technology in conjunction with e-money technology where owners use the equipment for making and receiving calls, sending and receiving messages as well as making different financial transactions. This is a leading asset that is owned by respondents and this data is supported by DHS (2010) which indicated that 45.4% residents in Misungwi and Kwimba own mobile phones. The next asset owned in large quantity is radios where 38.9% of respondents own radio and DHS (2010) indicated a 60% of ownership of the asset. The least owned asset is bajaj and motorcycle at 0.5% and also is least on DHS (2010) finding which indicated 2.9% of ownership of the asset. More findings are indicated on Table 4 below:

Table 4: Households Asset

% of Households Reported Assets	CAN	2010 DHS

Bajaj or Motorcycle	0.5	2.9
Bike	23.6	43.1
Car	0.9	1.8
Mobile Phone	51.1	45.4
Radio	38.9	60
Refrigerator	3.2	5.5

Source: ***Field findings (2013)***

1.5.7 Productive Assets

Productive assets are defined as household assets that can be used to bring in income, reduce vulnerability and increase resiliency. Within this household assessment, productive assets are bikes, motorcycles/bajajs, cars, mobile phones, shovels, pickaxes, ploughs, sewing machines, wheelbarrows and water pumps. On average, households reported having less than two productive assets per household (1.89 = means). Households who reported having three or more productive assets, were more than two times as likely to not have hunger (using Household Hunger Scale).

1.6 Community Needs

After a number of data collection from different wards and villages of the two surveyed districts of Misungwi and Kwimba, prioritization of community needs were carried out to give an understanding of the community needs. Table 5 below shows a compiled prioritization of community needs in Misungwi and Kwimba.

Table 5: Needs prioritization

No.	Community need	Rank	No. of respondents
1	Food	1	52

2	Clean water	5	20
3	Agriculture inputs	4	47
4	Roads	6	12
5	Teachers	9	6
6	Boreholes	8	8
7	Secondary school	10	3
8	Capital /loans	2	50
9	Business skills	7	9
10	Agriculture produce market	3	49

Source: ***Field findings (2013)***

The above table gives us a picture that this community has a problem of food access. But by observation the food is a problem only during planting season to many community members. They also loose harvest when they sell to get cash for household consumption. The second priority is a requirement of capital (loan). This explains that households require extra cash to cushion their income levels during low income periods. They need extra cash to meet family expenses as well as investing into IGAs so that they can generate profits for family use. Secondary schools and teachers are ranked least respectively since school services are provided by the government. For school children that do not pass primary school examination and hence they do not qualify for joining secondary schools they are termed to have finished their studies and therefore they are left at home as villagers.

CHAPTER TWO

2.0 PROBLEM IDENTIFICATION

2.1 Background to Research Problem

Discussion on microfinance in relation to poverty is very long, but again it is important as we found that, most members of formal microfinance sector do not reach out to the rural community in Tanzania which is actually the bigger part of this country's population. However, after a throughout study as shown in the previous chapter, members of the community were involved in mapping and ranking of their major problems.

Looking at the three ranked priorities by communities, the researcher observed that there is a big food insecurity in the area that is why 76% of respondents said they buy food while only 37% get it from agriculture and horticulture.However, a part from the fact that most areas of Kwimba are suitable for agriculture, still, community members are poor and have insufficient food. The identified problem of food insecurity, capital and reliable market for agricultural produce, will be solved by introduction of informal savings groups which later becomes apex at village level to deal with collective marketing after a linkage to big traders.

One the other hand, the solution of the three identified issues/problems is to have to help famers on savings and credit so that at the end of the day they have money to not only cutter for food and their, social needs but also improve agriculture through collective makerting.This is discussed in depth in the following chapters. The main part of our discussion is savings group or rather informal savings methodology. Lots of studies have been done on this methodology and currently many international and local not for profit organizations have started using this methodology as a vehicle for other development and health interventions taking place in rural areas.

2.2 Statement of the Problem

The problem of food security and capital for small business has persisted for a long time in this village. Catholic Relief services (CRS) in Tanzania, worked in this village since 2006,on an agro enterprise project which help farmers in the formation of producer market groups(PMG).With this project no savings groups were involved ita was purely for small and progressive farmers.

Given the fact that the PMG project has been in the village for more than six years, still there is no significant change on the community members', food and financial, improvement. Farmers are still selling their produce using volumes instead of standard measure and sold at throwing prices.It was learned that even though there were three attempts to link Farmers with big chickpea traders, none of them worked.Farmers are found to have little cash only during harvest, while after two or three months after harvest they have nothing, as they used every cash gotten from sales of their produce.

This study is therefore introducing a saving and credit methodology commonly known as saving and and internal lending communities (SILC, to first have group members come together save little they have and develop a loan fund which gives them an opportunity to borrow money for small business. The aim is to later join these groups and come up with the second tier/apex which will cuter for collective marketing after linkage to big traders.

According to Paul Repay in his study with Agakhan foundation(beyond savings 2011),has pointed out that, Savings groups have the potential to reach the hundreds of millions of people who are not served by more formal financial service providers because they are either too poor or live in places difficult to access. For this reason, SGs are being actively promoted by leading development agencies in Tanzania and their partners.The paper in the following chapters will explain on how training on savings and collective marketing is done during project implementation.

2.2.1 Project Description

The researcher is implementing an project in collaboration with a local not for profit organization, on training of communities on informal savings and collective marketing. This will be done at a community level with identification and training of community members who are ready to volunteer the work of group mobilization, training and monitoring of the newly formed SILC groups.

2.2.2 Target Community

The project is targeting to work with Kikubiji village communities in Kwimba district which is in Mwanza region. However it is expected that sometimes before the end of three years of the project operation, community resource persons will be able mobilize, not less than 15 SILC groups and at least two SIGAs.This will reach about 200 hundred households of this village by the end of the project.

2.2.3 Stakeholders

The main stakeholders of the project are both small and progressive farmers of Kikubiji village, it aiming at involving more women not only in group membership and leadership of SILCs but also more engaging in SIGAs for collective marketing.

2.2.4 Project Objective

The main objective of the project is to increase food security to at least 200 famers of Kikubji village by training them on saving and credit/SILC and later form apex/SIGA which cuters for collective makerting and linkage to big chickpea traders.

2.3 Host organization

2.3.1 Community Development Initiative Support(CDIS).

CDIS is an acronym for Community development initiative support. CDIS is a registered n Non-Governmental, Non – Political, Non-religious, Non-profit- making organization. The Organization is registered by the NGOs registrar of the Ministry of Community Development Gender and Children with registration no. SO. 0470. Twelve people with varying professional backgrounds and experience and who were motivated to assist in the struggle for human-centric sustainable development formed CDIS in 2008, of this number nine are males and three females. The organization is working to assist in the improvement of socio-economic condition in vulnerable, marginalized and deprived communities in Tanzania. To accomplish these goals CDIS promotes education, Health and other integrated Rural/ Urban development Programs. It is currently implementing a USAID project on Economic strengthening in Kwimba and Ilemela districts in Mwanza region.

VISSION – The **vision** of the Organization shall be to influence positive changes and establish an enabling environment for Tanzania grassroots communities to contribute equally in the development process of their country by utilization of locally available resources and those from external sources.

MISSION – The Organization mission shall be to prepare the grassroots communities through participatory to the new and challenging political socio-economic reforms to bring about peoples' dignity, understanding and confidence economically.

2.3.2 Summary of objectives

The objectives of the organization shall be:

(a)To work out strategies for and co-ordinate implementation and management of economic, social welfare, community and environmental development projects in the area for the benefit of its members and the community of the area.

a) To instil a sense of community belonging among all residents of the areas for purposes of jointly tackling community related problems in the area, e.g. educational, environmental, health, refugees, marine and other social economic services and facilities, including road infrastructure, availability of water, generation and distribution of electricity, poverty reduction, HIV/AIDS, disease epidemics etc.

b) To raise awareness among the residents of the area on the importance of self reliance projects and carry out animation programmes aimed at making self reliant projects a success.

c) To formulate and implement programmes with a view of laying an economic foundation upon which the members and other community members can be assisted in fighting and eradication poverty in the society.

d) To support community based organisation in developing Savings program and support the implementation.

CHAPTER THREE

3.0 LITERATURE REVIEW

3.1 Introduction

Tanzania is one of the poorest countries in the world, with a per capita GDP of just $1,400. The economy depends heavily on agriculture, which accounts for 27.1% of the GDP, provides 85% of exports, and employs 80% of the work force. The World Bank, the IMF, and bilateral donors have provided funds to rehabilitate out-of-date economic infrastructure and to alleviate poverty. Microfinance is one way of fighting poverty in rural areas, where most of the world's poorest people live. It puts credit, savings, insurance and other basic financial services within the reach of poor people. Through microfinance institutions such as credit unions, financial non-governmental organizations and even commercial banks, poor people can obtain small loans, receive money from relatives working abroad and safeguard their savings.

The microfinance revolution started with the recognition that poor people needed access to loans and that they could use these funds productively. It has also changed the perception that poor people are not credit worthy. Records have shown that, instead, they are a good risk, with higher repayment rates than conventional borrowers. In some of the most successful microfinance institutions, repayment rates are as high as 98 per cent.

3.1.1 Theoretical Literature

According to Ratna Mani Nepal, (TU 2008), Since independence in 1961, the government of Tanzania has had poverty eradicate as its main goal.One of the intervention measures suggested is the introduction and implementation of social and economic policies which address the issue of poverty both at national and individual level. This may necessitate increased state intervention in education and other social welfare service, and the creation of enabling environment for private investment in productive sectors.

However, Owen Barder,in his publication titled, What Is Poverty Reduction? (Owen Barder. 2009.) states that,In addressing the key challenge of strategizing to reduce pervasive poverty Tanzania prepared and adopted Development Vision 2025 in 1999 and the National Poverty Eradication Strategy (NPES) in 1997, which spell out a vision for the society with abject poverty and improved social condition. The NPES that was adopted in 1997 aimed at providing guidance to all stakeholders in identifying, formulating, implementing and evaluating their poverty.

3.1.2 Meaning of Microfinance.

Microfinance can be defined as financial services provided to low-income/poor community individual or groups to help support self employment, which results into food security, cash access for household use in education,health,agriculture,etc.microfinance provides a variety of services such as:-small loans, savings, insurance, payment transfers, and other services that are provided in small increments that low-income or poor individuals can afford.

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The microfinance revolution started with the recognition that poor people needed access to loans and that they could use these funds productively. It has also changed the perception that poor people are not credit worthy. Records have shown that, instead, they are a good risk, with higher repayment rates than conventional borrowers. In some of the most successful microfinance institutions, repayment rates are as high as 98 per cent.It is clearly known that, in many African countries wage paying jobs are scarce and therefore most citizens earn their living through self employment by starting small business, gardening/agriculture, but lacking financial capital to fuel their productivity. Hence these individuals can not develop their sources of income into huge profit which could help then escape the challenge around them commonly known as poverty. With this in mind, one could think of microfinance as the solution for financial support to the poor.

Although it is widely recognized that microfinance alone will not end poverty, it is a vital step in that direction. Microfinance institutions, also known as MFIs, offer financial services to underserved, impoverished communities. Few years back before establishment and promotion of microfinance institutions, in Tanzania, entrepreneurs seeking loans in poor communities had a hard time to look for physical collateral to provide to unlicensed money lenders at a very high interest rate. This is because microfinance institutions and banks,were not able to reach this type of clients due to the reality that most of them are remotely located and therefore hard to be reached due to but infrastructure.secondly,these communities are poor to the point that they are not able to even take profitable loans(big amount of loans),as their businesses are small.Thirdly,administration of small loans is expensive,so a microfinanace institutiona and bank could not afford to provide this service.

Infact there are number of hindrance which made microfinance institutions(MFIs) fear rural and or poor communities' lending.Delay of Tanzania's microfinanace policy, have also contributed to the poor dispossess of the right to access loan and other services from microfinance institutions.

Nevertheless, Microfinance is still a relatively new concept inTanzania. Beginning in 1995, it was mainly linked to women and poverty alleviation. The government tried to convince commercial banks to support small and medium businesses. Once the National Microfinance Policy was implemented in 2001, microfinance was officially recognized as a tool for poverty eradication and with its increased use and exposure to the country, banks have taken an interest in offering microfinance. The National Microfinance Bank is an institutional provider of microfinance services, and the AKIBA Commercial bank and CRDB Bank are also two big supporters of microfinance. There are additional organizations involved in microfinance in Tanzania, including FINCA, PRIDE and SEDA as well as the Tanzania Postal Bank. Community banks and small banks have taken an interest in this, as well as many NGOs and non-profit organizations. However Bank of Tanzania did a survey on microfinance institutions,and found that apart from the above, still there are other small commercial banks, financial institutions financial Non-Governmental Organizations (NGO).Below is a general overview of Microfinance industry in Tanzania, and the contribution of the industry in the country's economy. This will inform us in a nutshell different types of micro finance institutions and their supply.

3.1.3 Microfinance in Tanzania

As discussed earlier, Microfinance in the other hand involves activities directed at provision of access to financial services for working poor or small and micro-enterprises. Micro financial services comprise of micro credit, savings, micro leasing, micro insurance and other forms of financial services. The micro finance market consists of the poor who are essentially involved in some form of economic activities. The small and micro enterprises in Tanzania operate in the informal sector, which is estimated to support about 60% of the economically active population.

3.1.4 Microfinance General Approach

While microfinance alone does not improve roads, housing, water supply, education and health services, it can play an important role in making these and other sustainable contributions to the community. As microfinance becomes more widely accepted and moves into the mainstream, the supply of services to the poor may likewise increase, improving efficiency and outreach, while lowering costs. This, in turn, can have a multiplier effect on people's standard of living. Perhaps the greatest contribution of microfinance is that it empowers people, providing them with confidence, self-esteem, and the financial means to play a larger role in their development. The potential of microfinance far exceeds the micro-level, scaling-up to address macro-problems associated with poverty eradication though this tend to take a long time depending on the starting level of support and the commitment of service receivers, without forgetting other external factors.

In Tanzania or any other African country, microfinance is as diverse . A number of approaches have been used, ranging from traditional kinship networks and Revolving Savings and Credit Associations (ROSCAs) to NGOs and development projects, and funded by both the informal and formal financial sectors, as well as domestic and international and donors. Here we will come up with an idea on what works and what does not. By so doing we should look at few key approaches used by microfinance institutions to become institutionally sustainable, and building capacity to better serve the poor communities, while becoming financially viable and self reliant. As many of us know, microfinance work with different cultural, economic and political settings. This therefore make these institutions develop their approaches basing on the following principles or rather key approaches.

- Pool together people's resources through group organizing
- Rely and build upon what people know – tradition
- Reinforce microfinance to empower the private sector
- Strive for efficiency

3.1.5 Group Formation and Networking

Collective and cooperative support is a critical microfinance strategy at both the local level, in the form of solidarity groups, and at the national and regional level in the form of Networking groups. Collective organization has several advantages in microfinance initiatives, the foremost that they pool together human and material resources. In Tanzania, group organizing has proven itself an effective strategy for MFI sustainability that Africans are especially predisposed. Group formation for individual and community goals is a pre-existing, "homogeneous" mode of organization in Tanzania that already operates in traditional financial schemes and is readily adaptable to new microfinance initiatives. The group has proven especially effective in the rural setting, where a bigger percentage of citizens reside.The relative isolation, small size, and common resources of villages engenders a mentality and approach to problems that are seen as mutual rather than individual.

Microfinance institutions(MFIs) can utilize and support groups with regular meeting to reinforce group solidarity, discipline, and consistent repayments. Groups are especially effective for educating and training microfinance participants, enhancing networking and information dissemination. They are also an important participatory tool that can reduce administrative cost by giving certain responsibilities, such as loan monitoring, to the members themselves. Typically, small group sizeis more effective to ensure that members genuinely know and trust each other.

Microfinance group members are typically more ready to take ownership for and support microfinance initiatives. Mutual trust and peer pressure within savings and credit groups ensure participation and repayment in microcredit programs. The support and strength of a group often raises community consciousness and creates a common infrastructure to solve problems common to all, pooling local knowledge and resources for initiatives, such as bulk purchasing and transportation, collective bargaining, and common infrastructure development – i.e. water pumps, health care, and education schemes. Groups empower individuals to support each other not just financially, but also emotionally. The group impresses upon members that they are not alone or helpless, but can rely upon the support of their community, and cultivate self-esteem through contributing to each other. This non-material benefit is an important resource, especially during individual or collective crisis.

However, traditional methods need to adapt to the modern context, but while they can be rendered more efficient and benefit from modern innovation, they should not be replaced. When people rely and build on traditional knowledge and values, it is easier for them to go further and learn more because their knowledge base builds on a secure foundation rooted in their own identities and society.

3.1.6 Challenges of Microfinance Institutions in their Service Delivery

The challenges of reaching very poor people with microfinance (and microenterprise development services) include physical and economic barriers, self-selection and self-exclusion, as well as sector risks and the deprivation of extreme poverty itself. The world Bank report(2002)elaborates these challenges as follows:-

3.2 Policy Literature

3.2.1 Regulatory Environment of microfinance

The government is concerned about the state of poverty in Tanzania. It is therefore, actively involved in providing some poverty alleviation interventions. The government views microfinance not only as an effective tool for poverty alleviation but also as an important ally in that direction. To this end the government has been keen to improve and develop the microfinance industry. It has established a fully fledged directorate of microfinance within the central bank - the Bank of Tanzania (BOT), which spearheaded a number of key processes towards the development of the industry. One of the unique aspects as a first step was the formulation of the National Microfinance Policy in year 2002 to guide the microfinance activities in the country. The policy gave rise to the formulation of legal, regulatory and supervisory framework for microfinance activities. It is important to point out that the entire process starting from policy formulation to the development of legal, regulatory and supervisory framework was highly participatory involving all the stakeholders in the industry including MFIs. The legislation was concluded in year 2003 by an amendment of the Banking and financial Institutions Act 1991, Bank of Tanzania Act 1995 Cooperative Societies Act 1991 and other related statues giving the Bank of Tanzania (BOT) the mandate to license, regulate and supervise deposit taking equity-based microfinance companies to be established.

The legislation also empowers BOT to regulate and supervise cooperative based institutions whose sizes are above a certain threshold. Therefore under the framework, MFIs could now be licensed to take public deposits and hence carry out financial intermediation just like banks. Under the legal framework, the credit only NGOs will not be subjected to prudential norms but will be required to abide by non prudential guidelines and supervised under the Ministry of Finance. On the other hand, cooperative based microfinance institutions other than those to be regulated by

BOT would be regulated and supervised under the Ministry responsible for Cooperatives. However, up to the time of this discourse, the regulatory framework had not been made public and therefore it is still unknown as to when the licensing, regulation and supervision of MFIs by the Bank of Tanzania will take place.

3.2.2 Microfinance and poverty reduction

Microfinance is believed to be a tool for poverty reduction in many African countries, including Tanzania .However,given the complexity of microfinance,it has been so difficult for the providers to reach the poor rural communities who are very much in need of these services. Communities decided to establish their traditional ways of savings and get credits,a good example is thath of the sukuma people known as "*Ifogong'ho"*

According to the united nations study paper titled microfinance in africa: combining the best practices of traditional and modern microfinance approaches towards poverty eradication(2000**)** sattes that, microfinance initiatives can effectively address material poverty, the physical deprivation of goods, services, and the income to attain them. When properly guided, the material benefits of micro financing can extend beyond the household into the community. At the personal level, microfinance can effectively address issues associated with "non-material poverty, which includes social and psychological effects that prevent people from realizing their potential. The economic performance of Sub-Saharan Africa (SSA) and other regions over the past three decades has been closely associated with their savings and investments. In fact, Africa's relatively slow economic growth has been linked to its poor capital accumulation. Microfinance is not a panacea for poverty and related development challenges, but rather an important tool in the mission of poverty eradication. Poverty is a multidimensional problem, embedded in a complex and interconnected political, economic, cultural,and ecological system.

As microfinance becomes more widely accepted and moves into the mainstream, the supply of services to the poor may likewise increase, improving efficiency and outreach, while lowering costs. This, in turn, can have a multiplier effect on people's standard of living. Perhaps the greatest contribution of microfinance is that it empowers people, providing them with confidence, self-esteem, and the financial means to play a larger role in their development. The potential of microfinance far exceeds the micro-level, scaling-up to address macro-problems associated with poverty eradication.

‘Microfinance can support initiative for direct supply and market linkages to small and medium businesses targeting promising micro-entrepreneurs in non-traditional, low volume but high value-added products in potential niche growth areas of the economy. Such an approach could reach existing micro-entrepreneurs who are seeking to graduate from the survivalist profileof microenterprises into a more secure and productive foothold of the formal sector of theeconomy.It would expose microenterprises to larger enterprises "higher up the chain",encouraging forward and backward linkages with established companies. Targeted micro entrepreneurs can potentially develop, produce, and perhaps market low-volume but higher profit products, expand, and take on additional employees, thus scaling-up.

This potential, however, is contingent upon a supportive environment at all levels' .Poverty Eradication in Africa: Selected Country Experiences (UN/OSCAL 1998),Prof. Samuel Wangwe et al,in their paper for a microfinance conference in Arusha,(2004),state that, rural finance refers to the broad range of financial services, such as: savings, credit, payment transfers, leasing, insurance,etc provided by formal and informal financial services providers operating in rural financial markets.

Rural finance addresses the financial needs of the rural population, which form the majority of the Tanzanians. Like other types of financial services, rural finance is a facilitator rather than a creator of economic opportunities. Where economic opportunities already exist, access to credit facilities can contribute to faster and more extensive adoption of improved technology which is consistent with raising the level of productivity and therefore the level of incomes.

In Tanzania, agriculture has always been at the top of the agenda when it comes to discussing economic and developmental issues. With 60-70% of it population involved in agricultural production and living in poverty this initiative has been of particular importance.

One approach that has been taken up to improve agricultural production is to disseminate new technologies such as improved seed varieties, fertilizers, implements and chemicals. However, the cost of technology was identified as a major constraint to the adoption of improved production technologies. It is in this context that credit is a key element in modernization of agriculture. It can enable farmers to afford technology before they harvest and that way contribute to accelerating adoption of new technologies. Credit facilities are also an integral part of the process of commercialization of the rural economy.The policy framework has been evolving at various levels. With the Tanzania Development Vision 2025 emphasizing on the need to transform the economy from a predominantly agricultural one with low productivity to a semi industrial economy with modern rural sector, great emphasis is placed on the role of the private sector in stimulating economic growth and developing the rural areas. Thus, the promotion of income generating activities, development of a diverse and strong micro and small-scale enterprise sector, and diversifying the skill base through vocational training is an integral part of the strategy for achieving the vision.

Since development of rural finance is dependent on a variety of factors that cut across different sectors, the formulation of the Rural Development Policy and Strategy and the Agricultural Sector Development Strategy are an integral part of the overall policy framework for rural finance. The rural development strategy sees the need to diversify the structure of the economy with a view to reducing dependence on agriculture.

However, Josh Martin,et al,seep network,(February,2013),came up with a discussion that wide-scale savings mobilization is fundamental to building inclusive financial systems. It is now widely understood, that savings has great potential impact. This insight is grounded in evidence that the poor do save in cash and in kind whether as a way to build assets, manage household cash flow, or effectively cope with risk. However, much, of their savings remain informal and outside of the financial system.

The World Bank's Global Find ex reports that only 16 percent of adults in the bottom two income quintiles (lowest 40 percent) of low-income countries have an account at a formal financial institution, compared with 86 percent of adults in the bottom two income quintiles of high-income countries. Closing this savings gap is central to any strategy of financial inclusion and equitable economic development. Savings products have intrinsic value for consumers, institutions, and policy makers.

Access to savings services enables consumers to protect their money from demands of family and friends, keep a reserve to smooth consumption, monitor their funds and be confident about their safety, and invest in new activities once they have built up their savings. Financial institutions benefit from mobilizing savings to the extent that deposits can constitute a significant and relatively inexpensive source of funds to finance lending and other financial services.

Additionally, savings services can help institutions build a relationship with their customers, possibly leading to greater demand for credit and other products, such as insurance and payment services. Organizations and foundations interested in improving the overall welfare of the poor also benefit from savings mobilization, in so far as these services can be linked to programs in such areas as market access, health, education, gender empowerment, and human rights. The expansion of savings services is valuable to governments as well, given that the promotion of savings advances political objectives focused on improving impoverished citizens' living standards. Moreover, deposit accounts can be used to deliver cash transfers and other government.

benefits. Practitioners who plan to support savings mobilization must first ask themselves which is the best institutional solution to pursue. Whether an institution chooses to partner with already authorized deposit-taking institutions or make their own foray into deposit-taking, challenges related to “organizational culture” and start-up costs need to be taken into account.

The issues of institutional formality and ownership are linked to institutional design: a provider must choose among options ranging from less formal solutions (e.g., member-owned and operated small savings groups) to more formalized options (e.g., cooperatives or agent models in partnership with regulated institutions) to full transformation into a regulated financial entity subject to prudential supervision by the government.Once the institutional framework is established, the characteristics of the product have to be identified and the associated benefits and downsides analyzed. Savings products can be group or individual based; providers may also build commitment conditions into the products based on time, intensity, balance, or purpose. In general, savings products have to be tailored to local needs and preferences.

Mobilization strategies and challenges have to be considered, including transaction costs for both clients and providers, lack of trust, education challenges, and illiteracy and/or innumeracy. Several programs have tried to address these challenges by adopting innovative approaches, such as consolidating savings into government-to-person (G2P) payment programs, the use of mobile banks and technologies to lower costs, approaching social and familial networks, and offering financial capability training. Providers also have to carefully choose delivery channels. A host of different solutions have been tested in the field, including promising uses of mobile platforms, the most prominent example being the M-PESA model. When thinking about mobilization strategies, practitioners should not forget the importance of the nabling environment and their relationship.

with regulators. Norms concerning consumer protection and a system of prudential regulation can contribute to reinforcing consumers' trust in financial services. Nevertheless, an excessive amount of restrictive regulations and taxation can substantially lower the sustainability of savings programs, jeopardizing the positive effects that savings mobilization could have for poor clients.

3.2.3 Advantages and disadvantages of Microfinance

3.2.3.1 Material Benefits of Micro financing

Microfinance initiatives can play an effective role in addressing material poverty, the physical deprivation of goods, services, and the income to attain them. MFIs can help people become more economically secure. This, in turn, has a multiplier effect on people's standard of living, enhancing basic household welfare, such as food security, nutrition, shelter, sanitation,health and education services.

MFIs can help prevent and extricate people from debt. often times, they liberate low-income households from moneylenders with outrageous interest rates that often reach 100% annually. Savings and credit services help people start or improve their own small businesses, providing income generation and employment for themselves and their families.

Credit can be used as working capital so that clients' efforts become more productive; for example, clients can buy rice or grains in bulk at wholesale prices and resell it at retail prices or buy a refrigerator to keep produce fresh. As clients become more productive, their income increases and they are able to accumulate savings for other investments and emergencies. Savings serve as reserves for important household expenditures (such as school fees and funeral costs),and as insurance against sudden crises (such as illness, natural disaster, or theft) that can otherwise result in destitution for people already living at the poverty line.

In many cases low income. People want to save, and have been saving in a variety of traditional ways, ranging from kinship networks to Revolving Savings and Credit Associations (ROSCAs), but lack appropriate saving facilities that offer a combination of security of funds, liquidity, positive real return, and convenience. MFIs can build upon Africa's traditional savings ethic to enhance outreach and quality of services. It is important to keep in mind that for any financial service to have a lasting impact on poverty eradication, it must be flexible and innovative to adapt to their needs of its clients.

3.2.3.2 Non-Material Benefits of Micro financing

Microfinance initiatives offer more than just material benefits; they can also address issues associated with "non-material" poverty, which includes social and psychological effects that prevent people from realizing their potential. Microfinance initiatives individually and collectively empower people. A steady income, a savings account, training, and the discipline to honor loan repayments usually raise the self-esteem and status of clients, in societies where they are often treated as second-class citizens. MFIs often utilize microfinance groups to provide training in financial management, legal rights, business management, as well as other support services.

MFI participants, especially women, are often empowered to speak out more, assume leadership roles, and address issues beyond their workplace, such as domestic violence. For many women, the group is the first opportunity to meet formally with other women to discuss problems and develop joint action. The groups serve as a channel of information. For example, members may tell each other about counseling services that have been established for women victims of violence and drug and alcohol addicts. Many women participants experience a change in their household and community status. Some experience an increase in financial responsibilities when their husbands noticed that they are involved in lucrative activities. economies; in a world of limited resources, such assumptions are ultimately unrealistic.

MFIs also have a variety of induced or consumption impacts on local economies. When MFI programs and employees make expenditures and village health bank clients spend their loan proceeds within the local community, this spending sets off a chain of secondary, tertiary, etc., expenditures that filter through the local economy, causing increased overall spending much greater than the initial spending. Such increases are known as income. Generally, apart from the above two main types of benefits/advantages, there a lot of other benefits of microfinance services to not only the country's economy but also to individuals and groups taking loans from different microfinance institutions The microfinance industry in Tanzania is still young. The fact that only around 5% of the market is being served by all institutions involved in microfinance combined is an indication that there is a huge demand for microfinance services in Tanzania particularly in the rural areas, which is prone of high risks and costs. There are only a handful of MFIs that operate in the market mostly concentrated in the urban centres an aspect that has left the rural areas grossly under-served. The government has played its part by creating an enabling environment. All in all, it can be concluded that the microfinance market in Tanzania promises a potential avenue for investment of patient capital.

There is an urgent need for microfinance institutions to improve their ability to reach the poorest families and to satisfy their growing demand for a range of financial services. This includes the safe and flexible savings services that poor people need and value. One way to meet the objectives of Millenium Challenge Campaign is to help microfinance institutions that are legally authorized to provide simple savings services ensure that these services are available to very poor people. Although the amounts involved may be small, the loans, savings and insurance options that microfinance offers can give millions of rural men and women an opportunity to find their own solutions.

3.3 Empirical Literature

3.3.1 The Microfinance Market

3.3.1.1 Demand

It is estimated that there are close to 8 million small and micro entrepreneurs who need financial services and the number is growing by 4% annually, the majority of whom are found in the rural areas. The SMEs are involved in a wide range of businesses including trading, small scale manufacturing, agriculture (crop farming and animal husbandry) and services (food vending, transport, hair and beauty salons and what have you).

3.3.1.2 Supply

Microfinance institutions operating in Tanzania provide financial services to the SMEs mainly in the form of micro credit with an exception of cooperative based microfinance institutions, which are predominantly savings based. The credit based institutions number between 80 and 100 out of which 42 are registered members of the Tanzania Association of Microfinance Institutions (TAMFI), the local microfinance network.

The main microfinance institutions can be categorized as nongovernmental organizations (NGOs), Cooperative based institutions namely SACCOS and SACCAs while the third category is banks. The major players in the NGOs category include PRIDE Tanzania, FINCA (Tanzania), Small Enterprise Development Agency (SEDA) and Presidential Trust for Self-Reliance (PTF). Others, which are relatively smaller in size, include Small Industries Development Organization (SIDO), YOSEFO, SELFINA, Tanzania Gatsby Trust, Poverty Africa and the Zanzibar based Women Development Trust Fund and Mfuko. There rest consists of very tiny programmes scattered throughout the country mainly in the form of community based organizations (CBOs). Banks that are actively involved in microfinance services delivery include the National Microfinance Bank (NMB), CRDB bank, Akiba Commercial Bank (ACB) and a few Community/regional banks namely, Dar es Salaam Community Bank, Mwanga Community Bank, Mufindi Community bank, Kilimanjaro Cooperative Bank, Mbinga Community Bank and Kagera Cooperative Bank.

It is estimated that all the MFIs in Tanzania put together serve a combined client population of about 400,000 SMEs, which is only around 5% of the total estimated demand. Commercial banks including community banks account for around 50,000 while the NGO category accounts for the an estimated population of 220,000 clients. PRIDE Tanzania being the largest single player accounts for about 29% of the market share in this category or 16% of the existing total market share. (Bank of Tanzania microfinance report 2005)

3.3.1.3 Urban versus Rural Distribution

The distribution with respect to the concentration of microfinance activities in Tanzania is tilted in favor of the urban areas leaving rural areas grossly under served. Most MFIs with an exception of tiny rural based SACCOS are reluctant to extend their services to the rural areas due to poor infrastructure, high risk and high cost of operation.Even so,some MFIs have started reaching peri urban in rural areas(these only those areas which are easily accessed by roads eg fishing centers, cotton ginning centers etc.)

3.3.1.4 Cooperative based MFIs

The cooperative based MFIs consists mainly of SACCOs numbering about 800 in total and found all over the country. The SACCOS account for about 130,000 of the combined client population, most of whom being savers. It is important to note that cooperative institutions in Tanzania has had a very bad history as most were associated with financial mismanagement to the extent that they lost peoples' trust and confidence. The cooperative based financial institutions therefore, could not make any meaningful impact in the lives of their members as they operated at very small scales due to funding constraints. However, since year 2000 the government in collaboration with some donors has been implementing a special programme to resuscitate the cooperative based financial institutions.

The drive, which is on going, has given rise to a new generation of SACCOS being established countrywide. However, these are still new to the business and it will take some time before their impact is felt.That is why in some areas SACCOS is not performing well, communities do dot see a direct benefit from this scheme. a question to ask ourselves was this a community initiative or government after receiving funds from the donors? in this phenomenon,in many areas especially rural members are pulling out of SACCOS and join other new community saving groups, like village savings and loans associations, which are more of community managed.

In many settings, very poor people live in remote rural areas that have no access to financial services. Reaching very poor people in remote, rural areas means higher transactions costs for MFIs. Such areas are often characterized by poor infrastructure, relatively low population density,low levels of literacy and relatively undiversified economies. Many rural economic activities, moreover, have low profitability and are prone to high risk. Even if microfinance programs are present in rural areas, they often suffer from a lack of well-trained professionals and insufficient support by the regional or district head office. Many microfinance programs use group-lending methodology clients to attend a weekly or monthly meeting to access credit. The cost of transportation to these meetings, together with the opportunity cost of attendance (i.e., lost income due to time away from work) can present a barrier for very poor people to participate in microfinance programs. Alternatively, many individual lending or savings programs require clients to save a certain amount before they can access loans, a practice that often prevents participation by very poor people. It is well known that solidarity groups in Pride, Seda, FINCA and other microfinance programs and village banks reject very poor members because they might be unable to repay their loans and would thus jeopardize the creditworthiness of the entire group.Self-exclusion: Even when very poor people are not actively excluded by a community, they often opt out of community-related projects because they are intimidated, believing that the services offered by such projects is not suited to their needs.

Very poor people are often dependent on subsistence farming as their main source of livelihood. Given the high risks of agricultural activities and the unique requirements of financing such activities (payback of loans, for instance, can only take place after the production period, which often lasts several months), MFIs usually shy away from lending to this sector.

Living in absolute poverty for a prolonged time strongly affects a person’s dignity and hope for the future, as well as his or her ability to take initiative and overcome stigma. Moreover, poor health (especially chronic diseases such as malaria and HIV/AIDS) presents a major obstacle for conducting successful microenterprise activities.

In general, when regulating savings, the regulator should analyze the size and maturity of the financial services industry in a given country. While there is no consensus as to whether service providers should participate in the regulatory process, scholars tend to hold that the relationship between service providers and regulators should be one based on collaboration and cooperation in order to design the best possible framework.

The report concludes by considering pathways to accelerating the capacity of practitioners to meet the growing demand for savings products by the poor. Foremost among them is more research, particularly on how poor people access and use savings services, in order to better inform the design of secure, cost-effective, and appropriate products. Increased research would also support practitioners in their drive towards innovation and sustainability, influencing decisions about the use of technology in the delivery of services and investments in organizations' human capital.

That said,more research alone is likely to be insufficient unless it is buttressed by learning opportunities that build the capacity of practitioners to effectively use research findings to adjust, adapt, and improve the savings products that they develop, as well as engage regulators, funders, and investors.

Additionally, platforms-ranging from member led industry associations to websites-are needed to foster collaboration and speed the dissemination of sorely needed innovations. These robust industry platforms can help practitioners drive greater cooperation and exchange with researchers and regulators on how the industry can quickly scale up to meet the huge demand for quality saving services among poor people.

CHAPTER FOUR

4.0 PROJECT DEVELOPMENT AND IMPLEMENTATION

4.1 Introduction

Following the findings and community preference, the researcher decided to implement a project on informal microfinance and collective marketing for chick pea products, at Kikubiji village.However,it was not easy to have cohesive marketing groups without first making strong small groups, using an informal saving methodology termed in this study as savings and internal landing communities(SILC).

Before implementation of the project a number of stages were gone through for preparation as shown on the tables below.

Table 6: Preparation of the project implementation proposed activities schedule

Activities Preparatory phase	Input required	Sources of information about project progress	Assumptions / risks
• **Sign Memorandum of Understanding** in which is agreed how CDIS coordinate project activities with in collaboration with the researcher.	Proposals of Implementing agencies	Memorandum of understanding/agreement	CDIS is identified by the researcher to implement the project. CDIS, and the researcher agreed on the project strategy and methodology.
• Procurement of HISA/SILC kits	CDIS link the researcher to kits suppliers.	Procurement records	The researcher prefers to pay for kits procurement

Activities Preparatory phase	Input required	Sources of information about project progress	Assumptions / risks
Recruitment of staff: • Project officer • Monitoring and evaluation Officer • Supervisor	Plans for CDIS staff to assist voluntarily in the project implementation.	Written agreement and procedures / job descriptions	CDIS agrees to have staff implement the project on voluntary basis.
• Review training material and train staff, including identified community resource persons in the project area, on the SILC methodology	CDIS staff, and Community resource persons	Project Implementation Report (Quarterly)	• CDIS agree to use the developed SILC training manual.
• **Activities in relation to result 1:** *At least 12 successful SILC groups have been formed with a total membership of 300 people, mainly in rural areas. Women are in leadership positions of the SILCs*			
• Introduction to District and local authorities • Introduction to the communities and village leaders • Contact publicity meetings at village level • Group self selection and training • Training CDIS staff on management information system(MIS),and supervision of the SILC groups. • Operational supervision and group graduation • Group performance monitoring • Program evaluations and impact evaluation	• Focused efforts of CDIS: • Provide strong continuous training and capacity building to staff • Determine and evaluate quarterly targets • Avail of committed, qualified and gender sensitive staff, who are able and committed to facilitate CRPs and savings groups on SILC methodology.	Quarterly Project Implementation Report Results of MIS Impact assessment	CDIS submit groups portfolio reports timely

Activities Preparatory phase	**Input required**	**Sources of information about project progress**	**Assumptions / risks**
Activities in relation to result 2: *At least 10 qualified community resource persons (at least 30% women) are trained who train SILC groups.*	**Input required**	**Sources of information about project progress**	**Assumptions / risks**
• Recruitment of community resource persons (30% women) • Design and implement training for community resource persons • Supervision of community t resource persons • Determine a data reporting structure by CRPs	Focused efforts of CDIS: • To provide strong continuous training and capacity building to CRPs • A clear strategy to broker services of community resource persons to groups and structure of quarterly data collection and reporting.	• Quarterly Project Reports • Results of MIS • Interviews with Community resource persons	• Community resource persons are willing to provide their services on the free market
Development of collective marketing centers and formation of apex/SIGAs • Formation of at least one apex per year • Training of CDIS staff and CRPs, on collective marketing and negotiations skills. • Disseminate the marketing message to SILSLC groups	• CDIS to identify strong SILC groups to form apex. • CDIS links SIGA/apex members to big chickpea traders. • CDIS assist SIGAs in identification and preparation of a collective center	• Quarterly Project Reports • Interviews with Community resource persons	• CDIS is conversant with marketing value chain strategy.

Table 7: Gantt chart -Timeline

Tasks	**Yr 1**				**Yr 2**				**Yr 3**				
Preparatory phase	**Q 1**	**Q 2**	**Q 3**	**Q 4**	**Q 1**	**Q 2**	**Q 3**	**Q 4**	**Q 1**	**Q 2**	**Q 3**	**Q 4**	Who
Sign Memorandum of Understanding(agreement meeting)													CDIS and Researcher
Introduction of the project to district and village leaders.													CDIS and Researcher
Review training material													CDIS and Researcher
Training of CDIS staff on SILC methodology													The Researcher
Planining on the field work.													CDIS and Researcher
Activities 1 : ***At least 10 successful SILC groups have been formed with a total membership of 300 people, mainly in rural areas. Women are in leadership positions of the SILC***													
Conduct publicity meeting at the project village area hamlets													CDIS staff and the resercher
Mobilization of the first five groups and continue with mobilization of others.													CDIS staff
Identification of the Community resource persons for groups training.													CDIS staff and Researcher
Training of newly formed SILC groups													The researcher
Operational supervision of new groups before payout..													CDIS and CRPs
Activity 2:Formation of SIGA/Apex and linkage for collective marketing													
Meeting with SILC groups which are ready to form apex													CDIS,Researcher and CRPs
Apex leaders election and training on makerting and negotiation skills.													Researcher
Linking apex leaders and CRPs with big chickpea traders.													CDIS
Identification and planning of haverst estimate in metric tones for sharing with traders.													SIGA and CDIS
Sharing and signing of forward contract with traders.													SIGA leaders and members,with CDIS assistance.
Collection center operational													SIGA members and partner traders.
Supervision and monitoring of SILC and SIGA performance.													CDIS and CRPs
Supervision of community resource persons													CDIS
Continue SILC groups mobilization													
Project evaluatiaon													CDIS,resercher and CRPs

Table 8: BUDGET

Administration and operational	***Quantity***	**Unit**	**Calculation**	**Total Budget**	**Yr 1**
Car rental per annum	*1*		10 X2100,00	2,100,000	2,100,000
CDIS Motorcycles 'fuel	*500*	lts	500X2,200	1,100,000	1,100,000
Training venue	*6*	days	30,000X6	180,000	180,000
Participants meals	*15*	pax	7000X15X6	630,000	630,000
CDIS staff travel	*3*	pax	12,000X3X2	72,000	72,000
Training stationeries	*15*		270,000	270,000	270,000
MIS and supervision training cost(done at CDIS office)	*4*	pax	120,000	120,000	120,000
Per diem personnel and CRPs during supervison	*15*	pax	4,000X15X12	720,000	720,000
Printing of data collection forms	*200*	pcs	500X200	100,000	100,000
Cash boxes	*15*	Pcs	30,000X15	450,000	450,000
Passbooks	*300*	pcs	300X1500	450,000	450,000
Internal Evaluation of the project costs			includes per diem and travel	3,000,000	3,000,000
GRAND TOTAL					**6,192,000**

It is obvious that, most small farmers in rural areas do have cash during harvest season but after two or three months, they are no longer liquid. The SILC groups therefore, save the purpose of ensuring liquidity throughout a year.famers are helped not to sell their agricultural produce at throwing prices using volumes where middlemen("wagaragaja"),come to the village with their containers and not ready to use the standard measure/weighing machine.SILC methodology help group members take loans from group, solve family problem during harvest and keep crops for better prices. According to Harri Daniel Benefits of microfinance (July , 2011), It is estimated that there are close to 8 million small and micro entrepreneurs who need financial services and the number is growing by 4% annually, the majority of whom are found in the rural areas."

Nonetheless, the researcher thought of forming savings groups which later lead to formation of the second tier or level/apex of group which is termed,SILC group associations(SIGA),to help community members be able to sell their products collectively for premium prices,by soo doing,community will have mney for food medication and other community needs.This chapter explains on how after the choice by community members, SILC groups were formed in the areas for the purpose of making savings and lending to each other as a means of members accessing financial services. The loans accessed were invested into their agricultural activities and finally, through forming Apex organizations, the farmers have been able to engage in business discussion with buyers on the quantity of chick pea to be sold this season, this lead to an agreement to have a forward contracts(contract of selling and buying chickpeas before harvest, usually range of price is brokered, minimum and maximum)to the same buyer(Afrisian and export trading companies were approached). During implementation of this project,the researcher, did a training on SILC methodology and the structure of the project to four staff of Community development initiative support (CDIS)project who are partners in the project as it is implemented in their project area.In order to insure that there is a continuity of this project, the researcher in collaboration with CDIS staff and community members identified three committed community members to become community resource persons(CRPs).These are community volunteers, very important resources at community level and they have vital function in sustainability of SILC groups.Like other types of savings groups, SILC group self-management is critical. CRPs are trainer of members of the SILC group, but never manage the group, write in the passbooks or ledgers, or touch money belonging to the members.

Members assume complete responsibility for SILC operations and management of the cash box. Initially the CRP will play an active role in assisting the SILC in savings and loan operations, but will steadily take a less active role, becoming more of a technical resource to be called on from time to time when the SILC encounters difficulties. His/her principal duty is to get the SILC to take charge of its savings and loan activities as quickly as possible. S/he is also responsible for facilitating access to other resources relevant to the SILC's principal concerns (i.e. agricultural extension, etc.). The CRPs in Kikubiji have done a very good work and after the formation of one SIGA/apex ,they have started mobilization of new groups in new hamlets,within and without Kikubiji village,while continuing supervision of the apex and its member groups.

The duration of the CRP's intervention with each savings group is limited to a maximum of two years. It can be less than two years depending on how quick the group is in catching up SILC operation.The case load for facilitating new groups given to each CRP is establishment of a minimum of 4 groups, two of them formed 4 but one only did two because she became sick for two months.The CRP is given the responsibility because SILC groups will set an example in the community and among the beneficiaries the project serves.Thus, the CRP is not just training SILC Groups but is setting up a self-financing system of sustainable service delivery that will allow new SILC Groups to be continually created. As such, their role need to be skilled as trainer, good planner, and managers, and always concerned about high quality.

4.2 Formation of SILC groups

As discussed earlier, the researcher, after training CDIS staff and identified community resource persons, had to join this team in group mobilization of which the following steps were followed:-

Orientation of Community Leaders and Administration officials**.** This was a very important meeting because the researcher had a chance to meet with Kikubiji village executive officer,chairperson and six village council members, the aim is to introduce the project and obtain assent and their support. In organizing a public meeting with the community. Before the plan for publicity meeting briefing on the project and how important it is for this village was provided by the researcher. The meeting was planned to be on a Sunday afternoon so that we have most people attending.

Conducting of publicity meeting.This meeting had more than 120 villages some being representatives of traditional savings groups known as "*Ifongon'ho*"while others have no groups. During this meeting promotion of SILC methodology and collective marketing, was done but mostly insisting on group mobilization, and that the SILC system requires the creation of a Savings and Internal Lending Community group of between 20 to 30 participants; probably people with similar interests and backgrounds. More than one SILC can be created in a community if the need exists, and pre-existing groups that are larger than this number can sub-divide for the purposes of savings and loan activities. To be successful, the SILC will need a Management Committee of five members as well as a Constitution, which they will develop for themselves with the CRP's assistance.

The preliminary meeting is involved more three potential SILC. At this time the groups have made no decision as to whether or not they will participate in the program and the purpose of the meeting is *not* to undertake training.As such, it is practical to conduct a meeting with them to clarify some issues with a smaller group which has shown interest. There were lots of questions asked mostly trying find out whether the methodology will as well involve those who have very little to contribute in the group,loans procedures and credibility criteria for lonees etc.The three groups met after publicity meeting become our first SILC groups in the village. To form a SILC groups starts with community mobilization which also includes leaders sensitization for supporting the initiative. I collaborated with Community Development Initiatives Support organization to work out in formation of SILC groups in Kikubiji village. Successfully, we formed 10 SILC groups after mobilization meeting. The formed groups received training on the SILC methodology. The lessons involved in the SILC training were:

- Groups, leadership and elections
- Social fund, savings and credit policies
- Development of association constitution
- Record keeping and how to manage meeting
- First saving meeting
- First loan disbursement meeting
- First loan repayment meeting
- Payout meeting

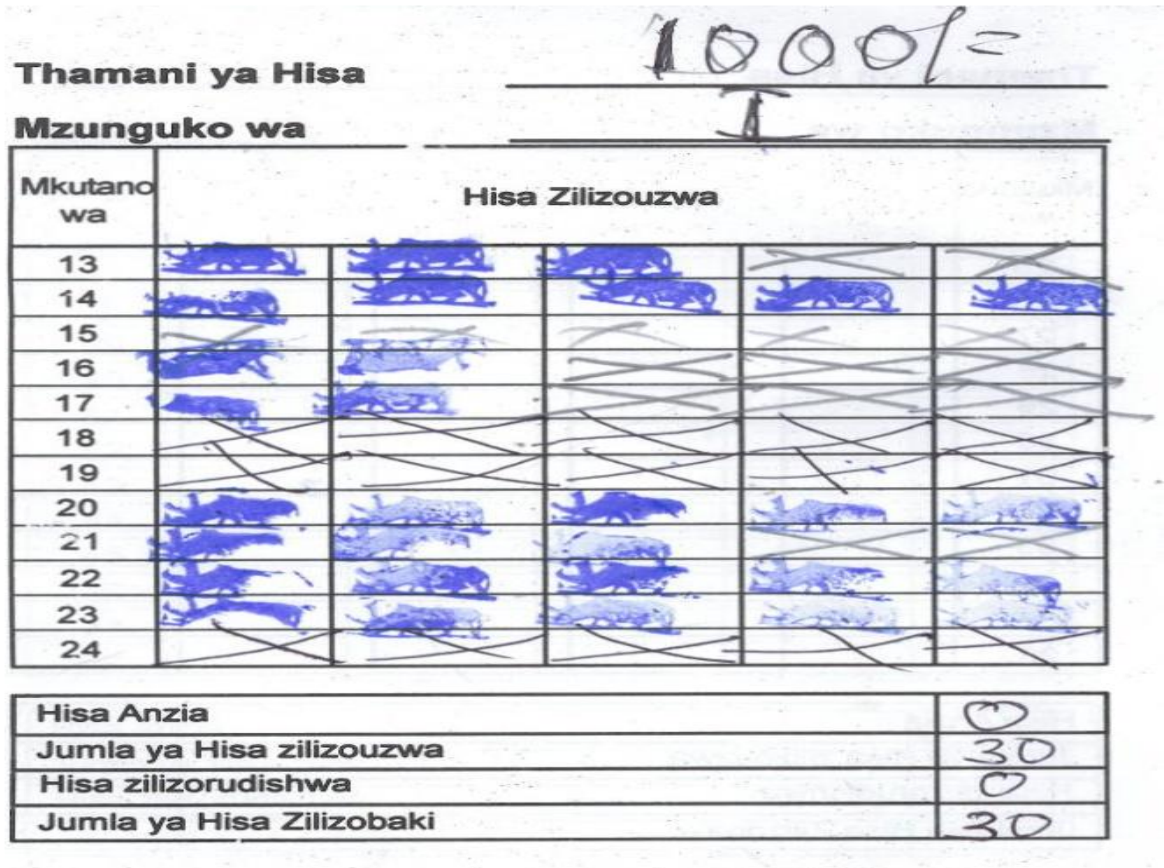
The 10 formed SILC groups comprise members who are self selected and have voluntarily agreed to formulate their own constitution and agree to save money in the form of purchasing shares. The savings have built up loan funds where members have, in turn, borrow from it for investing in agricultural activities and IGAs, meeting household expenses and finally, repay the loans with interest mark up.The formed groups have been used as a tool to provide simple savings and loan services to their members who had no access to formal financial services. In addition to loans, members have been accessing some sort of insurance services through a separately contributed Social Fund (SF). The SF provides small grant amounts for emergency events to members who are in distress.

Each of the 10 SILC groups(these are the ones ready to form apex) is formed with membership of 30 people. The membership of 30 creates a useful pool of loan capital within a short period which could not be the case with fewer members. It also gives meetings manageability, contrary to meetings of fewer than 15 or beyond 30 members. The members are self selected with the criteria of knowing and trusting each other. Membership is open to men and women and in some cases children are accommodated into these groups with patronage from their parents. The training manual is attached.

Researcher during training on savings SILC methodology.

Source:Field data 2013

The formed groups carry out their meetings at weekly intervals. Members make their savings through share purchase. An individual member can purchase shares in the range of 1 to 5 shares in a single meeting. The share value is set by group members in a meeting and is recorded in their respective group constitution. The share value is set at a level where it can allow the poorest member to buy at least a single share per meeting. But, it should not be set too low where the five shares could not satisfy the savings objectives of the majority.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Mzunguko wa I

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Hisa Anzia	0
Jumla ya Hisa zilizouzwa	30
Hisa zilizorudishwa	0
Jumla ya Hisa Zilizobaki	30

Figure: 10 a stamped SILC group member's passbook.

Source: field findings 2013

Loans are disbursed once per month. All members of a group have the same rights to borrow from the loan fund, which is comprised of the members' share purchase money, loan service charges, fines and grants. A group sets the length of the loan repayment period, which is not more than three months. Groups also set the interest rate on loans as a percentage of the amount borrowed and once the percentage is decided and agreed by members it is recorded in the constitution of the group. The interest on loan is charged on the remaining balance of the loan and is charged on monthly basis. Interest on loan must be paid when due, regardless of whether or not the member repays loan principal. The loan principle is paid at the end of the loan period or may be paid partially in between the three months.

The amount of SF is used to mitigate the impact of emergencies to members on such things as death, fire, sickness and the like. Members access the agreed amount from SF as grants in case of destitution. Anyone needing a grant from the SF makes the request publicly to the meeting. The approval of the loan rests with the members in the meeting and may be immediately disbursed. The SF is kept separate from the loan fund, and is not included in the end of the cycle share-out.

Figure 12 SILC group meeting at Kikubiji village Kwimba district.

Source: Field Data 2013

4.2.1 Loan investments

As it is seen from above that through training provided by CDIS to group members of SILC groups invest their accessed loans into agricultural activities and mainly on growing chick peas. The focus has been to produce chick peas since this product is very much demanded in the market and if appropriate marketing strategies are applied it can at great extent benefit the producers. While working on chick peas, CDIS and SILC members agreed to follow value chain concept where they discussed and decided to join hands and work as one group in selling chick peas. This necessitated forming an Apex organization of the 10 SILC groups as a framework for managing the value chain from production side.

4.2.1.1Formation of apex

Apex organizations can be defined in a simple way as an affiliation of SILC groups in a particular area for the purpose of building an umbrella organ for overlooking SILC groups and the related development. Apex is simply owned by SILC groups who are members to it. The 10 groups formed and trained at Kikubiji village has been affiliated to form SILC groups Associations (SIGA). This SIGA has a constitution which stipulates a number of key issues including name of SIGA, address, date of formation, goals, objectives, activities, membership and leadership. However, this SIGA has not been formally registered as NGO with the Community Development Office in the Local Government Authorities.Figure xiii presents the organization structure of SIGA as indicated in its constitution. In view of the constitutions the key organs of the SIGA include the General Assembly, Inputs and

Agriculture Committee, the Planning and Economic Committee and the Management and Administration Committee.

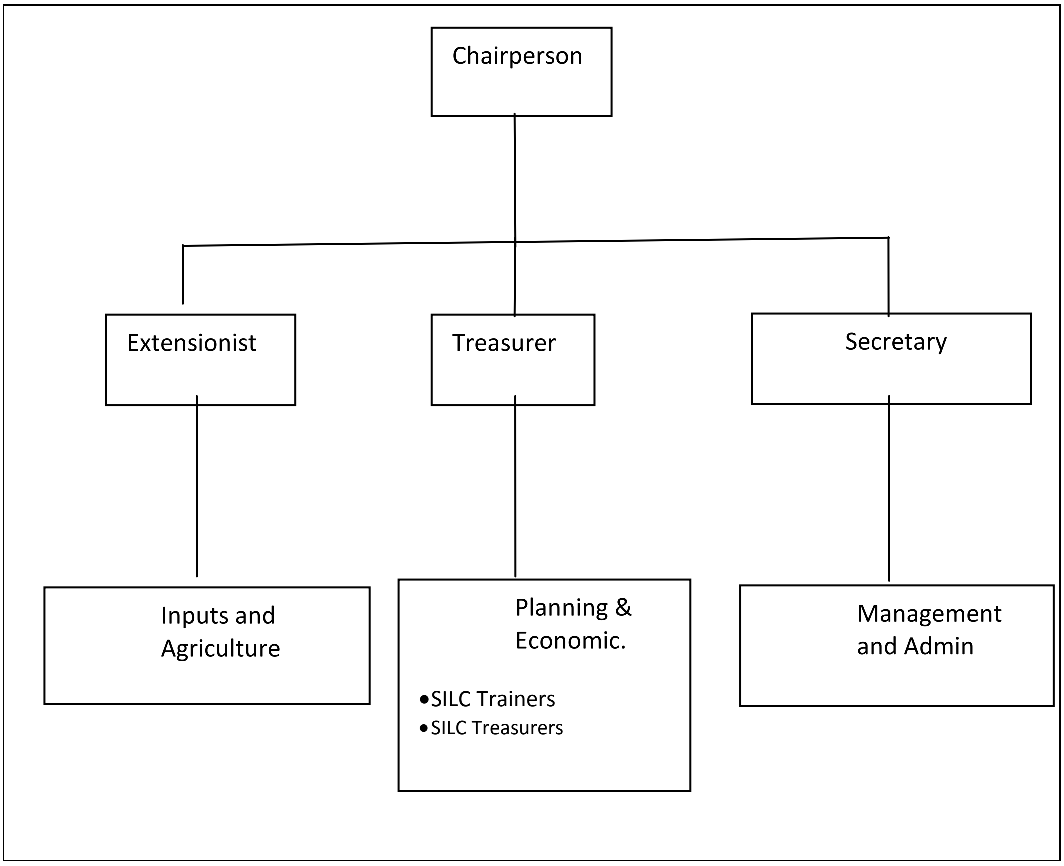

Figure xiii: Organization structure of SIGA

Source: Field findings (2013)

The General Assembly which is the supreme organ of the association its responsibilities include election of leaders; authorizing SIGA fund expenditure such as inputs purchase, SILC material purchase and insurance fund reimbursement; negotiating with buyers on crop contract and its implementation; making sure all crop contracts are implemented as agreed; and making sure all leaders are responsible and committed to their work.

4.2.1.2 SIGA functions

The main functions of SIGA is split into three parts namely marketing and microfinance functions.

4.2.1.3 Marketing functions

Market function is the primary goal of establishing this SIGA. Some of the problems facing producers are unreliable market outlets and unfavorable markets governance. Establishment of SIGA was intended to mitigate the effects of these problems. The main objective of SIGA was therefore to provide an alternative market outlet for SILC group members. In this sense, SIGA is responsible for collection of crops from their members and other producers and deliver them to buyers. Collective marketing has many advantages including transaction cost reduction, and market accessibility by being able to attain the volumes of products that satisfy lager buyers. This SIGA is also responsible for provision of information on prices and products required by farmers and buyers.

In carrying out groups marketing functions SIGA has organized SILC group members to grow chick peas in large quantities and the members has done so in the last season. An assessment has estimated that the harvest will be to the tune of around 200 metric tons. But, also SIGA is positioning itself to buy chick peas from other farmers who are non SILC members. Therefore, collection of chick peas will be more than the 200 metric tones. Since, the harvest of chick peas is expected by September this year and around that time on every year, SIGA has initiated discussions with two crop buying companies, the Afrisian and Export Trading Companies.

The aim is to get one company that can work with SIGA in long terms in value chain of chick peas and other products of choice. Firstly, this relationship will benefit SILC members as will sell their chick peas collectively after collective bargaining with the company for a better price of the crop. Also, the buyer will benefit by getting large volume of chick peas at once collected at one point.

4.2.1.4 Microfinance Functions

Financial capital facilitates development as it is needed for investment and access to other resources such as information, manpower, innovations, etc. In recognition of this, SIGA has in its plans a component on savings and lending. Microfinance activities were found to be one of the important functions of this SIGA. The main objective of operating microfinance activities is to avail money to farmers to be able to meet their immediate needs that may arise before their harvesting and marketing season.

Another important objective of operating microfinance function relates to the difficulties facing poor people in accessing financial resources from formal institutions. Many researchers (Ellis, 1992; Matin et al., 2002; Moseley et al., 1998) report that, coupled with price fluctuations and unreliable weather, poor people cannot meet the conditions set by the formal lending institutions such as collaterals, experience in business etc. Lack of adequate knowledge on credit processing and management could be one of the sources of fear among many poor people on loan acquisition. SIGA's microfinance services have provided an opportunity to member farmers to access financial resources with favorable conditions.

SIGAs has established various sets of funds at both the SILC group levels and SIGA level. At SILC level there are SILC Fund, Social Fund and Inputs Fund while at SIGA level there are slightly different funds namely Inputs Fund, Education Fund, Insurance Fund and Operational Fund. All of these funds have a provision for lending to members at some agreed conditions. One may wonder why microfinance activities are operated at both the CSILC and SIGA levels. The main justification for such design was the need to attract participation of the farmers in the system. As an entry strategy, operation of microfinance activities at SIGA level would sound necessary, as farmers would not participate readily in a purely marketing institution.

CHAPTER FIVE

5.0 PROJECT MONITORING AND SUSTAINABILITY

5.1 Introduction

This chapter explains on how monitoring aspects will be carried out for SILC groups and SIGA to ensure the sustainability of the program. Monitoring is of utmost importance for the development and sustainability of SILC groups and SIGA.

5.2 Monitoring

SILC groups association (SIGA)supervises the quality and standards of the performance of saving and internal lending community (SILC) groups in their respective areas. Through continuous checking of group activities and operations; the gaps on quality and standards are being filled by the Apex organization through retraining or study visits. On monitoring of SILC groups information on the performance and the development of SILC groups is being administered by the SIGA. Data are collected on monthly basis from SILC groups and sent to SIGA which are punched in SILC Management Information System (MIS) for giving the results on the performance development of SILC groups in the area.

After analysing the performance of every group, SIGA gives feedback to every group on individual performance and where required in case of seen performance gaps SIGA provides training to fill the gaps. Also, records on agricultural data are maintained by SIGA for reflecting their performance on production and selling of products to buyers.

Table: 9 Logical Framework Project Goal

Intervention Logic	Indicators of achievement	Means of Verification
To strengthen rural household livelihood security in Kikubiji Kwimba district	• Participants, particularly women, increase their social and economic status and bargaining power • Members make more efficient use of their economic resources • Women's access and control over household resources is enhanced • Members indicate that their vulnerability to seasonal and unpredictable shocks are reduced because of their SILC membership • Members succeed better to pay school fees and health services and improve their children's diet • Members purchase household and productive assets with savings accumulated in the SILC groups and from enterprise profits • Members engage in and expand, their income generating activities as a result of savings and credit obtained through the SILC group • Members are less dependent on money lenders	Qualitative Impact assessment at the end of the project

Project Purposes

Intervention Logic	Indicators of achievement	Means of Verification	Assumptions
The project purpose is to create a permanent and self-replicating system of savings and credit in rural areas by: ⇨ Establishing self-sustaining community-based savings and credit groups - emphasizing female membership - able to organize, monitor and maintain savings and credit activities after technical support ceases ⇨ Training of community resource persons – giving appropriate weight to female trainers - to promote the formation of these self-sustaining savings and credit groups.	At least 80% of Community Associations continue operating independent of project support 2 years after achieving independence, providing basic savings and credit facilities At least 60% of the SILC members are female, At least 30% of the community resource persons are female Groups are formed in rural areas including district centre; around one third of the groups are formed in remote rural areas	End-of-project evaluation Project reports	Sufficient trust exist within communities to form groups and entrust their savings to them Enough men and women have access to enough resources to make regular deposits Men allow women to participate in the groups Political situation remains stable

Expected Results

Intervention Logic	Indicators of achievement	Means of Verification	Assumptions
At least 15 successful SILCs have been formed with a total membership of 300 people, mainly in Kikubiji rural areas. Women are fairly represented in leadership positions of the SILCs	Community Associations have: Clear goals and plans Motivated leadership and members Useful services that are in high demand Effective record-keeping systems A real positive return on savings At least 2 women in the management committee of mixed groups, 1 being either Chairperson, Treasurer or Secretary	End of the project evaluation Project's monthly monitoring and evaluation system	
At least 10 qualified community resource persons (30% women) continue to train SILC groups, on demand, after the end of the project.	Community resource persons are effective in training successful SILCs and are able and committed to continue to train groups without project supervision	End of the project evaluation Project's monthly monitoring and evaluation system	No barriers are put in the way of community resource persons for service their service delivery, by government or any other agency.
Formation of at least one SIGA/apex for collective marketing and linked to chickpea market.	• ILC groups are effectively joined to have one SIGA. • IGA is successfully linked with big traders. • IGA is collectively selling her members 'produce to big traders.	Project monthly and quarterly reporting system. CRPs'reports.	SILC groups agree to collectively sell their agricultural produce. Big traders agree to enter into contract with SIGA.

Table: 10 Monitoring and evaluation matrix

Indicator	Type of information (short explanation of indicator)		Methods of data gathering	Who to collect, analyse data	Frequency of reporting
Final goal: Increase the food and income security of 150 vulnerable households in Kikubiji village, particularly those headed by women, by November 2014.					
Intermediate goals (objectives – numbered) and outputs (numbered by intermediate goals)					
Output 1 SILC methodology schemes based largely on saving mobilization with policies that optimize access to credit especially for women are operational in the project area	Number of SILC groups operating in the project area. Percentage of women loaned by saving and credit schemes	Indicator will show potential SILC groups (CBOs) operating and the amount of funds that are saved for enabling the target groups to invest in developmental activities Indicator will show S& C groups favoring women and FHH loaned	CDIS field reports,CRPs and group records Will tell • Number of SILC groups • Amount of fund saved per SILC groups SILC schemes will tell • Number of FHH loaned • Recording keeping system • Use of loan by gender	CRPs CDIS field staff	Monthly quarterly Annually
2. Output 2 A cadre of community resource persons is in place that offer training on Savings /SILC and collective , marketing	• Number of trained CRPs on SILC methodology and collective marketing,	Indicator will show identified gaps in S &C on IGA management	CDIS field report and CRP reports/ records Will tell • Number of training sessions • Training package • Number of HH trained CBOs records • Number CRPs	CDIS field staff and CRPs	Quarterly

Indicator	Type of information (short explanation of indicator)		Methods of data gathering	Who to collect, analyse data	Frequency of reporting
			trained • Number of farmers trained by CRPs		Quarterly Annual
3. Output 3 Formation, training, and linkage of SIGA to agricultural market.	Number of SIGAs formed and trained on collective marketing Number of SIGAs linked to external market	Indicator will show external sources identified, and SIGA linked Training provided.	CDIS staff and CRPs reports/SIGA records Will tell • The number of sources identified • Type of BDS provided by traders. • The number of SIGAs linked.	CDIS field staff reports. FO records	Quarterly Quarterly

Table 12 Monitoring Tools

Tools	Indicator Number	Indicator
SILC and SIGA reporting format	1	Percentage of targeted HHs participating in SILC groups, segregated by gender
	1.1.2	Percentage of skilled SIGAs in promotion of collective marketing.
	1.1.3	Percentage of farmers acquired collective marketing training by gender
	2.1.2	Percentage of women loaned by SILC schemes
	2.2.1	# of trained CRPs on savings and credit skills, marketing, by gender
	2.1.2.1	# of children supported SILC social funds by gender
	2.1.3.1	# of SILCs monitored and evaluated
	2.1.4.1	# of SILC groups linked for mentoring purposes
	2.2.2.1	# of training in savings, credit schemes and marketing conducted to CRPs
	3.4.1	# of SILCs supported by SIGAs
	3.4.1.1	# of S&C groups recruited in new wards
	3.4.1.2	# of assessments made on training needs to SILC groups
	3.4.1.3	# of SILCs,monitored per month

5.2.1 Sustainability

SIGA is a centre for provision of new and replenishing of worn-out and finished equipment for running SILC groups. It has links with fabricators of SILC cash boxes, pass-books and other equipment. Once a SILC group runs out of equipment items; it contacts the apex and buys from there. In this sense, SIGA will ensure the sustainability of SILC groups by equipping them with operational tools.

The sustainability of SIGA and SILC groups solely depends on the level of capacity building provided to members and management team by CDIS. Capacity building may be in form of training provided to human resources of the SIGA and SILC groups or provision of non-human resources. The need for capacity building normally is based on the outcome of organizational assessments but is focussed on improving personnel skills and technical competencies of SIGA and group leadership; organizational development; and the creation of an enabling institutional and working environment. Income flows to SIGA and SILC groups is very for the sustainability of the program. Following the above monitoring plan, the researcher will visit the village at quarterly to see the project progress in the first year and only semi annually in the following year.

5.2.2 Sources of income of SIGA

SIGA may look not very much viable economically especially at the beginning. The level of their income depends very much on the activeness of the leaders and the environment where they work. Leaders of SIGA are working hard to make sure that their SIGA is a viable venture. The following are some of the major sources of income for an Apex organization:

a)Entry fees from SILC groups – this is about Tshs. 60,000 for the 10 groups which make Tshs. 600,000. The amount is paid once when a SILC group is joining a SIGA.

b)Annual subscription from member SILC groups – the member SILC groups are required to pay an annual subscription to the SIGA to support the Aid in provision of services to SILC groups. The amount of annual subscription is Tshs. 15,000 per annum. This makes Tshs. 150,000 per annum from the 10 groups.

a)Sale of SILC kits to groups – The SILC kits are fabricated by SIGA and sold on demand to SILC groups at a margin. For example, if the cost of making up a SILC kit is Tshs. 100,000. The Apex can sell it to SILC group at Tshs. 110,000 to accrue a margin of Tshs. 10,000. Usually, the margin for selling SILC kit to groups is around Tshs. 10,000 per kit. Sometimes, the individual contents of the kit are sold to groups on demand.

b)Commission from sale of SILC group members' agricultural products. This commission is due to mediation of producer farmers and the buyers. Normally, this may be around Tshs. 50 to 500 per kilogram of a product depending on the volume and the value of the crop.

CHAPTER SIX

6.0 SUMMARY, CONCLUSION AND RECOMMENDATIO

6.1 Conclusion

After the whole process of evaluating the Kwimba and Misungwi community, it is concluded that a high level of poverty which is caused by a number of external and internal factors such as drought, unreliable market for cash (cotton and chickpeas) and food (maize, green gram and paddy) crops. Therefore, there is a big problem of low income which causes food insecurity and hunger.

Due to the fact that 75% of this community is excluded from savings of any kind, the researcher sees the importance of introducing a household income savings and credit association (SILC) which is globally translated as Village Savings and Loan Associations (VSLAs), agricultural collective marketing at village and ward level which will lead into development of forward contracts with big buyers. These programs will cuter for the following:

a) Provide community with knowledge on how to serve the little money they have for future consumption.
b) Provide small and soft loans to group members to cater for agriculture improvement and small business during off season.
c) The small SILC groups will be joined to form apex at village/ward level which will basically deal with collective marketing and inputs procurement. Linkage will be performed to traders to have a direct relationship with these groups and buy their products at village centres, at an agreed price where there will be

forward contracts between the two parties which will be signed right after planting and estimation of harvest. This will not only shorten the value chain but provide premium prices to the poor famers. These apexes will obtain business development services (BDS) from traders and other development practitioners including the government.

d) SILC groups will maintain a small fund where members will contribute little money into it to help in mitigating the impacts of most vulnerable children (MVC) in the area who emerge due to HIV/AIDS pandemic. This will give community members a chance to know that it is their responsibility to take care of these very poor children and that regardless of their poverty condition, as a community coming together will only need a very small contribution to bring up a large impact on MVC.

e) SILC scheme will help community members save the little money they get from the harvest and borrow during off harvest season to cushion their income levels.

6.1.1 Conclusion

SILC methodology has a high positive impact in poor communities compared to other informal saving schemes. Use of this scheme will assist farmers' access or increase number of meals per day. However, capacity building on business skills and savings need to be undertaken. The methodology should not be rigid in nature, it should just be a vehicle towards accomplishing other community development intervention. The researched project has started in Kwimba at a village called ***Kikubiji*** where SILC groups have been formed. The groups are increasing at an increasing rate because of spill-over in the villages. These groups will eventually reduce hunger in the areas of Kwimba and finally will reduce poverty.

6.1.2 Recomendation

The researcher recommends, that there should be a very close monitoring and follow up of the this project activities at least for three years for it to be in a full swing dependend.However for Management purposes, existing the groups have been affiliated into “Apex” organization which is called SIGA. This organization is an affiliation of SILC groups in the areas of Kwimba for the purpose of linking group activities. SIGA works to mediate SILC groups who are in demand of excess funds and those with shortage of funds, and make a strong apex organization for collective makerting.This will help farmers enjoy the premium price of their produce as opposed to depending on middlemen who always buy at a throwing price. Farmers of this village will be able to save and utilize the their money plus return on investment for household assets and other social needs. The researcher will visit the project area at least semi annually to ensure the continuity of the project.

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APPENDIX 1: Checklist/Questionnaire

#		Question (English)	Answer Selection	Answer Respondent
QUESTIONNAIRE COVER SHEET				
	Directions			
	***** Please Complete the Answer, or Circle through the Correct Answer.**			
	Example: (If the Respondent to the Survey is Male)			
	Sex of respondent (Circle one)			Male
				Female
1	Region	Enter Region Name		
2	District	Enter District Name		
3	Ward	Enter Ward Name		
4	Village/Street	Enter Village Name/Street Name		
5	Hamlet	Enter Hamlet Name		
6	Name of Interviewer:	Enter Name (Full)		
7	Assessment Date	Enter Date		
8	Time of Assessment (Start)	Enter Time		
9	Time of Assessment (Finish)	Enter Time		
10	Time of Assessment (Total)	Enter Minutes		
11	Categorization of Interviewee (Health) (Select One) **NOTE: To be determined by interviewer; not to be asked of interviewee**			PLWA
				Low income woman
				OVC caregiver
				OVC household head
				At-risk youth (18-24)
A. HOUSEHOLD DEMOGRAPHICS (GENERAL)				
Interviewee Information (General)				
A.1	Sex of respondent (Circle one)			Male
				Female

A.2	Age of respondent	(# years) Age	
General Household Characteristics			
A.3	Household Make up	(#) Household members	
		(#) Females	
		(#) Males	
		(#) Female children aged <18 years	
		(#) Male children aged <18 years	
		(#) Youth aged 18-24 years	
		(#) Adults aged 25-60 years	
		(#) Elders 60< years	
		(#) Adopted / orphaned children <18 years	
A.4	Have there been any recent changes in the size of the household over the past year? (Circle one)		No change in the past year
			Household Size Increased in the Past Year
			Household Size Decreased in the Past Year
		Mention the size of change	
Household Earners vs. Dependents			
A.5	How many of the people in your household earn regular income/produce something that can be traded or sold and contribute to the household expenses?	(#) People earning money for my household	
A.6	Has the number of household members earning income changed over the past year? (Circle one)		# of household earners stayed the same_____
			# of household earners increased______
			# of household earners decreased_

B. HOUSEHOLD FOOD SECURITY		
Food Insecurity		
B.1	Did your household experience a food shortage this year? (Circle **<u>all</u>** that apply)	Yes, between January and March
		Yes, between April and June
		Yes, between July and September
		Yes, between October and January
		Yes, all year
	****go to B.3**	No, my household did not experience a food shortage in the last 12 months
B.2	If yes, what was the main reason for your lack of food? (Circle one)	I lack money / assets
		I could grow some, but not enough food
		I don't have time to grow food (e.g. illness or taking care of a sick household member)
		I don't know how to grow my own food
		I don't have enough land
		I did not have enough water (rainfed, irrigation, etc.) for my household
	Other	
Food Consumption		
B.3 In the last 4 weeks was there ever no food to eat of any kind in your household? (Circle one)		Never
		Rarely
		Sometimes
		Always
B.4	In the last 4 weeks did anyone in your household go to sleep hungry? (Circle one)	Never
		Rarely
		Sometimes
		Always
B.5	In the last 4 weeks did anyone in your household go a whole day and night without eating? (Circle one)	Never
		Rarely
		Always
		Sometimes
		Always

B. 6	Where do you get the food your household consumes? (Circle **all** that apply)	We buy our food	
		We grow our food (agriculture, horticulture)	
		We raise our food (poultry, livestock)	
		We depend on food aid	
B.7	I would like to ask you about liquids or foods you may have had yesterday during the day or at night. I am interested in whether you had the item, even if it was combined with other foods. (Please Read and Circle all that Apply)	Milk tinned, powdered, fresh animal milk, yogurt, cheese	
		Tea or coffee	
		Food made from roots or tubers, for example cocoyams, irish potatoes, white sweet potatoes	
		Foods made from maize meal (ugali), porridges, millet, rice, sorghum, or any other food made from grains	
		Bread, maandazi, chapati, or other foods made from wheat flour	
		Yellow/orange colour fruits or vegetables such as pumpkin, carrots, yellow/orange sweet potato, ripe mangoes or papayas, passion fruit	
		Any dark green, leafy vegetables such as amaranth, cassava, pumpkin or sweet potato leaves, and spinach	
		Meat such as beef, goat, poultry(chicken), fish, shellfish or liver	
		Eggs	
		foods made from beans, peas, lentils, or nuts brown or white sugar, sweets or candies	
Food Assistance			
B.8	Does your household receive regular food support? (Select one)		Yes
		****Go to B.11**	No
B.9	If Yes, who do you receive support from? (Select all that apply)		Government
		Other	NGO/CBO/FBO Family/friends

B.10	Has your food / nutritional situation changed in the last six months? (Select one)		My food situation is much worse now
			My food situation is a little worse now
			My food situation has remained the same
			My food situation is a little better now
			My food situation is much better now
C. HOUSEHOLD ASSETS AND AMENITIES			
House Construction			
C.1	Who owns the house / apartment? (Select one)		Female Head of Household
			Male Head of Household
			Both spouses (joint)
			Relative
			Landlord, we rent the house/apartment
		Other	
C.2	Have you made any improvements to your house in the last year?		Yes
		**** Go to C.4**	No
C.3	What type of improvements have you made?		new / improved roof
			new / improved walls
			new / improved cooking facility
			new / improved sleeping facility
			new / improved floor or flooring
			new / improved windows
			new / improved toilet
			new well / improved drinking water
		Other	