



Mboni ya Vijana
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**THE 2017 MICRO-CREDIT SCHEME FRUITFUL ON COMMUNITY TRANSFORMATION;
THE CASE OF ZEZE VILLAGE IN KASULU TANZANIA**



Written by

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Introduction

Mboni ya Vijana Group (MVG) is the youth run community based organization based at Zeze village lifting rural communities from extremely poverty in Kasulu district Tanzania. The organization is registered with number 0057 in Kasulu District. The developmental functions of the organization for lifting communities from extreme poverty are Entrepreneurship Development, Environmental Management and Peer Education. The general objective against those functions is to create good environments for businesses development, technical skills and innovations, and increase food and nutrition production by creating employments to youth and the communities without causing hostile environments for the future generation.

The organization set-up with long lasting expected outcomes to itself and the community it supports/serves. The outcomes which the organization (MVG) loves to see include; *The organization that is sustainable and replicable to other societies, created employments to youth, women and the community members, the households sustained with income and food security and friendly and conducive environments for lives.*

Since 2014 to 2017, Mboni ya Vijana worked though its functions to achieving its objectives and expected outcomes by voluntarily and committed members supported by organization's development stakeholders and partners. By the end of 2017, Mboni ya Vijana have registered plausible results which indicate the paved way to the achievement of its objectives and outcomes. However, this report presents the fruitful packs those Mboni ya Vijana have made in 2017 under Micro-Credit Scheme as illustrated below;

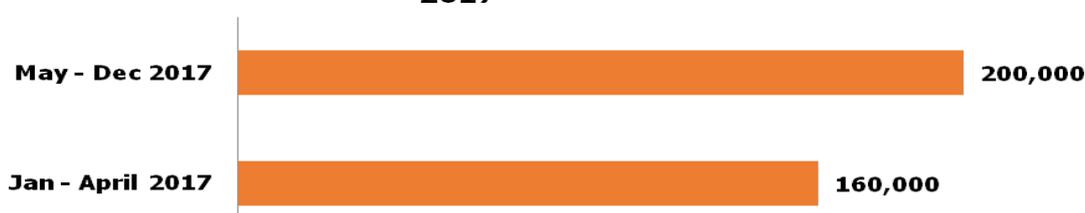
Micro-credit Scheme

Micro-Credit Scheme commenced in 2015 and it received funding from Janet Chapman and then Wabia Network partnered Mboni ya Vijana and funded it. It is the scheme that provides business education and initial loans for women's small business initiating and development. It gives the opportunities for businesses development and income generation among the women and Zeze community and neighbouring villages. In 2017, micro-credit scheme has recorded the following impacts to Zeze community;

Loan Scale per Individual

In the 2017, we have extended the loan scale that has been provided to an individual since the commencement of the scheme. We have been providing the loan of 160,000/= Tanzanian shillings to an individual up to April 2017 whereby in May 2017, the scale increased to 200,000/= TZS which is 20% improvement from the previous scale. The increase of 40,000/=TZS (20%) to a single business loan, is the sign of great progress in the processes of income poverty reduction. Figure 1 below shows the loan scale rank between January – April and May – December 2017 per individual person loan.

Fig. 1: Loan Scale per Individual from January to December 2017



Clients and Loan Trend

From January to December 2017, we have made the loans to 138 clients/women which make the number of small businesses made to be 138. The total amount of 25,600,000/= TZS have released for 12 months. On figure 2 below, presents the data based on month, number of clients, loan scale per individual and total loan given in a month.

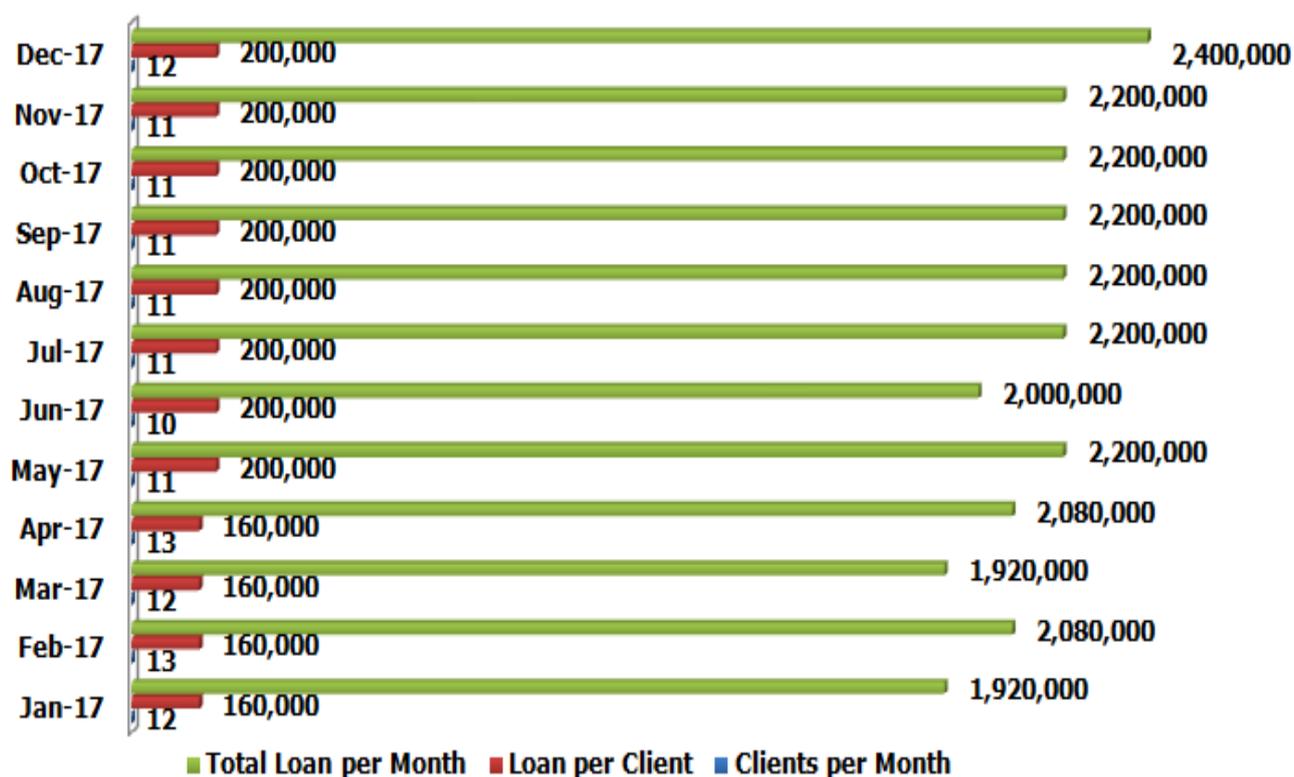


Fig. 2: The clients and loan trend in 2017

Loan Repayments

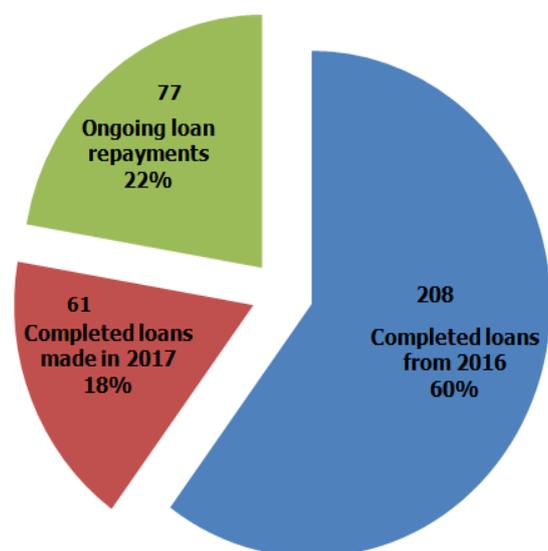


Fig. 3: Trends of loan repayments made by the end of 2017

Out of the 138 loan made throughout the year of 2017, 61 clients have completely repaid their loans while 77 clients are uncompleted. There have been other 208 clients completed loan repayments in 2017 those who had the loan in the second half of 2016. This makes the number of clients who completed their loan repayment in 2017 to count 269.

Note; loans are repaid for the duration of 8 months from the day the loan is made. Therefore the repayment covered 60% are for the loans made in 2016 but completed in 2017 while 18% are the loan made in 2017 and repaid completely, and 22% represents the portion of loan made in 2017 and will be completely repaid in 2018.

Micro-Credit Scheme Impacts to Zeze Community

Impact	Indicators	Number of direct beneficiaries.	Means of Verification
Increased businesses in the village.	Number of loans made for businesses, and; Access to products made available by initiated businesses.	138 new clients in 2017 started businesses. The 138 businesses supplied the demands.	Interviewing beneficiaries, and; Field visit and observation.
Improved household income and lives.	Increased purchasing power in the households, Change of houses building behaviour (iron roofs), Meeting school children and health needs in the households.	Out of 269 households visited, 61 clients substantiated that they are now affording school needs for their children, 13 clients have built better houses, 21 clients are building better houses, and 237 are able to feed their families from businesses earnings.	Interviewing beneficiaries, and; Field visit and observation.
Diversified businesses from profit generated by clients.	Number of women who have shifted their businesses to other areas in the country and farming improvements.	4 women have opened new businesses in urban areas after learning about businesses and get initial capital and profit from the scheme. More than 100 women run improved farming from the profit generated from the businesses.	Visiting and interviewing beneficiaries and other people in the community.
Expanded businesses skills and social solidarity	Diversified economic activities among beneficiaries, Feedback from the community and families stability.	More than 31 groups of women are now in place each member of the group doing businesses. We get daily consultation from women looking for more business advice and reporting their families' stability.	Field visit and interviewing community members.

Table 1: Micro-Credit impacts to the Zeze community by 2017

Reasons for Success

Microcredit Scheme is the most interesting scheme at Zeze village run by Mboni ya Vijana Group. It is the only scheme that provides loan assistance to women at Zeze village where there is no any financial institution. Not only women in the community impressed by the scheme but also local government and men in the community. The scale that we have gone is the outcome of the number of factors, those are;

- Funding for the scheme that came from Wabia Network and donation from Janet Chapman, the funding made it possible for the scheme to grow and run successfully. Good guidance Wabia Network launched through spreadsheet chart been the best track to go through for the success.
- Commitment and trustworthiness supervisor (Benedicto and MVG Team) have played important role to the success of the scheme at Zeze village,
- Community demands, acceptance and trustworthiness for the scheme have made good environment for microcredit scheme flourish at Zeze. If the community would not have needed, accepted and truth to their commitment to repay, the scheme would not have grown and succeeded.
- Support from local government authority has the apparent contribution in the development of the scheme. We have been working closely with local government authority to encourage women and their husbands to be perfect in all what are needed for the scheme. This made people trust Mboni ya Vijana and finally became the best supporter of the scheme.

Challenges to the Scheme

However the scheme has successfully, still it encounters some challenges those make the scheme become more innovative. The challenges which have registered through December 2017 are;

- Repayment out of the time have counted several times especially when women are not selling goods at Zeze, on time and have some personal problems like illness. 13 times we experienced such situations despite they were resolved friendly and socially.
- The scheme excludes men from direct benefit from it which has been raising varied comments those men demanding to be included in the scheme. Some men dare say the scheme consider women because it intends to strengthening women's financial power so that they could not respect their men.
- Amount that the client can loan at once is the other challenging case that many clients are not interested with. Zeze village is in countryside where the market is not big so women with small capital cannot sell their businesses to big markets. They demand the loan that is more than 200,000/= TZS which is the maximum loan as at December 2017.

Solutions Made Against Challenges

Empathetic educating both women and men about the best way of learning, initiating and grow from small scale, how women can change their families respectively to their men, the risk/loss of not repaying on time and encourage men to support their women for the sustainability of their families and businesses.

We have been not paying some bills and payment listed on the excel spreadsheet to ensure the scheme is successfully especially since we extended the loan from 160,000/= to 200,000/= TZS from May 2017 to December 2017.

Encouraging women groups and account registration so that those who fail to repay the group members cover the cost in afterward the loaned repay to the group. Also the women keep their balances into the bank account for their money safety. More than 237 have already registered bank accounts and they are serving for future and expansion.

Way Forward

To continue looking for other sources of funding so that we can expand the scheme financially and coverage in term of business type, scale and gender balance. Improve the means of management of the scheme, repayment methods and further trainings on businesses and investments. We are building the office that will be full working for the community so that our service can be more efficient and reliable.