

**THE OPEN UNIVERSITY OF TANZANIA
&
SOUTHERN NEW - HAMPSHIRE UNIVERSITY**

MASTER OF SCIENCE IN COMMUNITY ECONOMIC DEVELOPMENT (2005)

**PERFORMANCE ASSESSMENT OF GROUP
MEMBERS OF TANDALE SACCOS, KINONDONI
MUNICIPAL, DAR-ES-SALAAM**

NKINDA LUKALI MAYENGA.

STATEMENT OF COPYRIGHT 2005

No part of the work may be reproduced, stored in any retrieval system or transmitted in any form or by any means; electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the author or the Open University of Tanzania or Southern New Hampshire University in that behalf.

SUPERVISOR'S CERTIFICATION

I, the undersigned, certify that I have read and hereby recommend for acceptance by the Southern New Hampshire University at Open University of Tanzania the Project Report entitled "Performance Assessment of Group Members of Tandale SACCOS, Kinondoni Municipal, Dar-es-Salaam" in partial fulfilment of the requirements for the Masters Degree of Science in Community Economic Development of the Southern New Hampshire University.



HAMIDU ABDALLAH SHUNGU

Date: 5th July 2005

DEDICATION

This work is dedicated to my parents, daughters Neema and Happyness, my wife Rhoda and my sons Joshua and Lughano.

AUTHOR'S DECLARATION

I, MAYENGA, LUKALI NKINDA, declare to the Southern New Hampshire University and the Open University of Tanzania that, to my best knowledge, this project paper has not been submitted for a Master Degree award in any other university.



Signature _____ Address: P.O. Box

13071, Dar er Salaam, Tanzania.

Date: July 5th, 2005

ABSTRACT

This study with reference to Community based organizations (CBOs) in Tandale Market Traders SACCOS, has an attempt to assess performance of the organizations.

SACCOS are community-based organizations, which are voluntary associations where by members regularly making contributions which are pooled together and on which they can obtain loans. They originate from the agricultural cooperative movement in rural areas of Tanzania as a source of soft loans for cash cropping. The objective of SACCOS is to promote savings, provide a source of credit, and provide training opportunities to members on efficient management and use of fund. The main strengths of the SACCOS are i) they provide simple and direct forms of financial intermediations; ii) they promote rural economies; and iii) facilitate support among members. They have been identified as one of the best indigenous vehicles capable of promoting expansion and availability of Micro-finance services in rural areas.

For the community based organization lacking management training will lead those groups to fail to achieve sustainability. When CBOs do not have constitutions it means that it will be difficult to do the following: run activities efficiently, understand responsibilities of members, understand the right of members, understand the responsibilities of leaders, ensure transparency, build atmosphere of trust among group members and to have suitable regulations to achieve objectives. Lack of management training of keeping records affects CBOs because there will be no

proper information recorded. Also the issue of poor keeping records results to non-presentation of records to all members.

ACKNOWLEDGEMENT

I am deeply grateful to Développement international Disjardins (DID) for sponsoring me for my Masters of Science in Community Economic Development studies including the writing of this project paper. Much of the information was obtained through interviews, observations and informal discussions with the Tandale SACCOS Manager and Loan Officers. Apart from interviewing officials, Board Members of the SACCOS, the community based organizations (groups) were interviewed and the individuals during the visit. I am grateful to all those who were ready to feed me with the necessary information. Special thanks should go to my supervisor Mr. Shungu, H. for supervising me during the preparation of this project paper and writing up the final paper.

Finally, I wish to express my sincere thanks and appreciation to my wife Rhoda, and our four children namely Joshua, Neema, Lughano and Happyness for the inspiration they gave me throughout the period perusing my Master Degree and during the course of writing this project paper.

Mayenga Nkinda Lukali.

PREFACE

This project paper has been undertaken as a condition required for the completion of Masters Degree of Science in Community Economic Development.

The first chapter gives the historical background of community based organizations in Tanzania. Second chapter gives literature reviewed in the course of conducting this study.

The third chapter discusses the research methodology, research design, Sampling techniques, data collection and data analysis methods and the fourth chapter deals with analysis and discussion of the findings.

The fifth chapter looks into conclusions and recommendations and the sixth chapter is the implementation.

TABLE OF CONTENTS

STATEMENT OF COPYRIGHT 2005.....	ii
SUPERVISOR’S CERTIFICATION.....	iii
DEDICATION	iv
AUTHOR’S DECLARATION	v
ABSTRACT.....	vi
ACKNOWLEDGEMENT	viii
PREFACE.....	ix
ABBREVIATIONS.....	xviii
CHAPTER ONE.....	1
1.0 INTRODUCTION	1
1.1 Background Information;	1
1.2 Historical Background of Tandale Market Traders SACCOS;	3
1.2.1 COMPOSITION OF MEMBERS IN TANDALE SACCOS:.....	3
1.2.2 STRUCTURE OF TANDALE SAVINGS AND CREDIT CO- OPERATIVE.....	4
1.3 Objectives and mission of Tandale Market Traders SACCOS;	5
1.4 Human and material resources;	7
1.5 Actual management, governance and sharing of responsibilities, power;	8
1.6 Operation integrity, control and surveillance;	8
1.7 Statement of the problem;	9
1.8 Specific Objectives;	11
1.9 The Idea	12
1.10 Rational and Significance of the Project;	13
1.11 Scope and Limitation of the Project;	13

CHAPTER TWO.....	14
2.0 LITERATURE REVIEW	14
2.1 Theoretical Review	14
2.1.1 SACCOs and Financial NGOs;.....	14
2.3 Empirical Review	18
2.4 Policy Review	27
2.5 Different Views about SACCOS	29
CHAPTER THREE.....	34
3.0 RESEARCH METHODOLOGY	34
3.1 Project Design	34
3.2 Sampling Techniques	34
3.3 Data Collection	35
3.4 Data Analysis Methods:	36
CHAPTER FOUR.....	37
4.0 ANALYSIS AND DISCUSSION OF THE FINDINGS	37
4.1 The findings:	37
4.1.1 Gender items:	38
4.1.2 The presence of by-laws in the groups	38
4.1.3 Frequency of meetings.....	40
4.1.4 Record keeping.....	41
4.1.5 Skills Training Sessions in Groups.....	42
4.1.6 Savings Mobilization in Groups;.....	43
4.1.7 Loan Activities in Groups.....	43
4.2 CONCLUSION AND RECOMMENDATIONS	45

CHAPTER FIVE	47
5.0 IMPLEMENTATION OF THE PROJECT FINDINGS:	47
5.1.1 Group Constitution Writing:	47
5.1.1.1 The meaning of a constitution;	47
5.1.1.2 Reasons for the group members agreeing to use their constitution:	49
5.1.2 How to choose leaders	50
5.1.2.1 Considerations to take into account before choosing a group leader.	50
5.1.3 Training Facilitation Tool for Effective Management of SACCOS Groups Members	52
BIBLIOGRAPHY	69
Appendix 1: Introduction Letter to the Community based organization:	71
Appendix 2: A letter from Tandale Market Traders SACCOS	72
Appendix 3: Plan of Action.....	74
Appendix 4: Presentation of Plan of Action using Pert Chart.....	76
Appendix 5 – 10: Presentation of Plan of Action Using Tracking Gantt:	78
Appendix 11: Questionnaire.....	84
Appendix 12: MZUMBE WOMEN GROUP BYLAWS	96
Statistical Information: Table 1 - 6.....	90

DEFINITION OF CONCEPTS

In this project paper there are several terms and abbreviations used. We need clear concepts related to community development to enable all actors simply to communicate between each other. The followings are the definitions of the concepts used:

Community:

“Is a specific group of people, often living in a defined geographical area, which share a common culture, values and norms, arranged in a social structure according to relationships which the community has developed over a period of time. Members of a community gain their personal and social identity by sharing common beliefs, values and norms, which have been developed by the community in the past and may be modified in the future. They exhibit some awareness of their identity as a group, and share common needs and a commitment to meeting them.”¹

"Community is a place of belonging. According to Webster's New World dictionary, community can be defined as: 1) All the people living in a particular district, city, etc.; 2) a group of people living together as a smaller social unit within a larger one, and having interests, work, etc. in common; 3) A group of nations loosely or closely associated because of common traditions or for political or economic advantage; 4) society in general, the public; 5) ownership or participation in common; 6) similarity or likeness." (Source...) "Communities can be geographical entities, such as urban neighbourhoods or villages, or groups with common interests, such as water user

¹ Health Promotion Glossary of the World Health Organization (1998), p5

associations, parent-teacher associations, herders, members of a micro credit society, or women's groups. Once formed, these groups typically work in partnership with support organizations and service providers—local governments, the private sector, or NGOs—to develop and implement projects that meet their immediate priorities in education, health, sanitation, transportation, resource management, economic activities, and other livelihood issues."²

"Community-based organization" means a private non-profit organization that is representative of a community or a significant segment of a community and that provide education, vocational education or rehabilitation, job training, or internship services or programs. The term includes a neighbourhood group or organization, community action agency, community Development Corporation, union-related organization, employer-related organization, faith-based organization, tribal government, or organization serving Native Americans"³

"Usually small bureaucratic organizations governed by an elected volunteer board of directors, [and] employing professional or volunteer staff to provide a continuing human service to a clientele in the [target] community (i.e. non-profit organization). (1) Also, a structured group whose members have united to advance an interest or achieve some social purpose in the [target] community (i.e. churches, neighbourhood associations).

² Tools and Practices 9, Community-driven Development, The World Bank

³ National and Community Service Trust Act of 1993, Sec. 309.001

Community based organizations are small neighbourhood non-profit organizations located in the same "zip code" as the people they serve. They have a firsthand knowledge of the problems they live with, and a personal stake in the success of their solutions. Small community-based organizations not only serve low-income communities -- they are indigenous to them. Programs are open to all applicants in the neighbourhood. Help is offered on the basis of the need a person has and his or her desire to change. Their approach is flexible. Effective grassroots programs contain an essential element of reciprocity.

Clear behavioural guidelines and discipline play an important part in their programs. Grassroots organizations provide not only authority and structure, but also the love that is necessary for an individual to undergo healing, growth, and development. An environment of care and mutual support is offered within a community of individuals who are trying to accomplish the same changes in their lives. In most cases, these groups "pre-dated" formal funding opportunities. They are typically available twenty-four hours a day."

What is the difference between community-based organizations, non-governmental organizations (NGOs), and elected local governments? "...We consider a CBO to be a membership organization aimed at furthering the interests of its own members, and an NGO to have a broader scope of activities that might assist CBOs and pursue commitments that do not directly benefit NGO members. CBOs differ from elected local governments in that they are voluntary, and choose their own objectives. In contrast, local governments are mandated to be responsible for revenue collection

and for the delivery of a variety of infrastructure and services. CBOs may interface closely with local government, with other levels of government such as local representatives of central ministries, with the private sector, and with NGOs"⁴

SACCOS

These institutions operate under the Co-operative Societies Act, 1991 in offering savings and credit services to members. They are also covered under the Banking and Financial Institutions Act, 1991 as financial intermediaries but the Bank of Tanzania does not supervise them.

The Government recognizes the following important guidelines for efficient sustainable operation of SACCOS:

- As savings-based institutions, regulation and supervision is necessary once the institutions reach more than a small group of members.
- As savings-based institutions, it is important to ensure that lines of credit for loan able funds do not undermine incentives to promote savings.
- Pricing policies for SACCOS should promote savings and allow sufficient interest rate spread for the profitable operations of the SACCOS.
- Promotion of SACCOS is best separated from their supervision in order to ensure that supervisors apply standards objectively.

⁴ Community-Driven Development, S. Alkire, A. Bebbington, T. Esmail, E. Ostrom, M. Polski, A. Ryan, J. Van Domelen, W. Wakeman, and P. Dongier, The World Bank

To date, the responsibility for the supervision of SACCOS has been placed in the hands of the Ministry of Agriculture and Cooperatives. The Banking and Financial Institutions Act, 1991 provides for the Bank of Tanzania to have overall responsibility for financial sector regulation. The Bank of Tanzania, therefore, has the authority to ensure that SACCOS are supervised in accordance with prudential financial norms. In the process of strengthening SACCOS, it is important that they either become or are linked to professionally manage financial institutions. Thus, it is envisaged that stronger SACCOS will evolve into community banks, join together to form cooperative banks or form alliances with other financial institutions.

ABBREVIATIONS

AFFORD	-	African Foundation For Rural Development
CBO	-	Community based organization
CDD		Community Development Department
CFI	-	Co-operative Financial Institution
FNGO		Financial Non Governmental Organization
KCB		Kilimanjaro Cooperative Bank
K-REP	-	Kenya Rural Enterprise Program
MFI	-	Micro-finance Institution
NGO	-	Non Governmental Organization
OBA	-	Old Budonians Association
PCS		Primary Cooperative Society
PRA	-	Participatory Rural Appraisal
RFI		Rural Financial Institution
ROSCAS	-	Rotating Savings and Credit Association
SACAs		Savings and Credit Cooperative Associations
SACCOS	-	Savings and Credit Co-operative Society
WFC	-	Women for Change

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background Information;

In Tanzania registration of the Kilimanjaro Native Co-operative Union in 1936 marks the formal start of indigenous rural co-operatives in East Africa. It had been operating for as long as 10 years prior to this. Tanzanians are rightly proud of this origin. The colonial administrations of Britain's post-war socialist government encouraged the establishment of replicates of KNCU, in the paternalistic way of the time. By independence, rural co-operatives were firmly established in all three East African countries, with a more-or-less identical institutional framework. There were four tiers: membership, primary societies, secondary unions (usually at an administrative district or regional level) and a national apex institution. Most rural primary societies were formed to market their members' export crops and the development of specialist co-ops offering financial services - the SACCOs - only began to take off after independence, with the advent of new donor funding. The Nordic countries and the US-based World Council of Credit Unions were prominent supporters. Still, we should remember that the first SACCO was registered in 1938.

SACCOS are community-based organizations, which are voluntary associations to where members regularly make contributions which are pooled together and on which they can obtain loans. They originate from the agricultural cooperative movement in rural areas of Tanzania as a source of soft loans for cash cropping. The objective of SACCOS is to promote savings, provide a source of credit, and provide training opportunities to members on efficient management and use of fund. There

are 487 SACCOS throughout Tanzania providing savings and credit facilities to their groups or individual members. Although initially dominated by men, the creations of the SACCOS have, however, opened the door to women's participation in rural cooperatives.

The main strengths of the SACCOS are i) they provide simple and direct forms of financial intermediations; ii) they promote rural economies; and iii) facilitate support among members. They have been identified as one of the best indigenous vehicles capable of promoting expansion and availability of Micro-finance services in rural areas. In spite of their strengths and potential, the performance of SACCOS in Tanzania has not been impressive. A number of factors are inhibiting them from reaching their full potential. In many cases SACCOS do not have the necessary skilled staff to maintain good records in bookkeeping, accounting, cash management, and credit operations. Because of this poor record keeping, many SACCOS cannot provide proper accounting records or show audited accounts. This has resulted in their ability to issue regular statements to their members, who have, consequently, lost confidence and persistently sought reform.

1.2 Historical Background of Tandale Market Traders SACCOS;

Tandale Market Traders Savings and Credit Cooperative Society formed on the 12th July 2001. Its registration number is DSR 703, and it was registered under section 15 (30) of the cooperative Act of 1991. The founder members were 10. The current number of members is 1,204 as at November 30, 2004; out of which 328 are women. To be a member of Tandale Market Traders SACCOS, you should be a resident of Dar-es-Salaam region. This SACCOS is located at Tandale Market in Kinondoni District.

1.2.1 COMPOSITION OF MEMBERS IN TANDALE SACCOS:

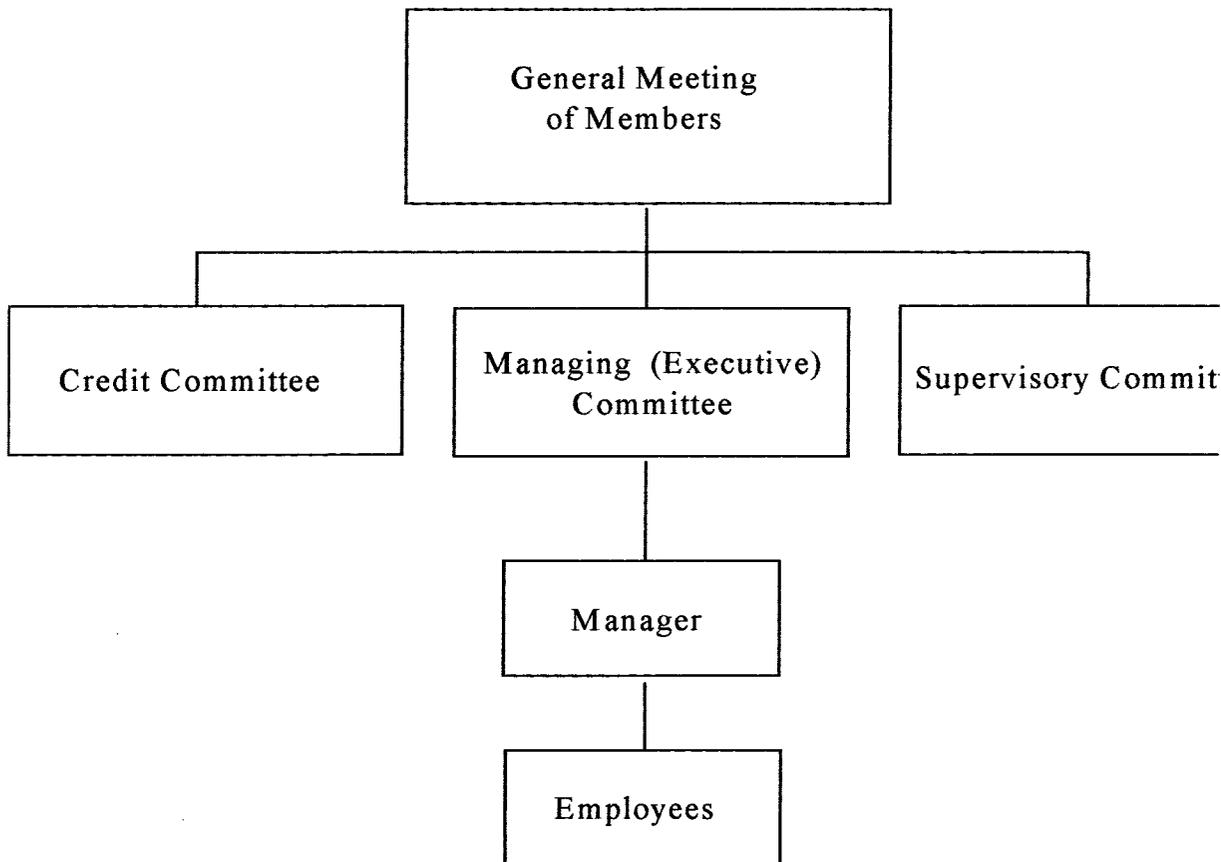


Source: November 30th, 2004; Tandale SACCO's Statistical Data.

The organization structure of the SACCOS is the one adhering to the Cooperative Societies Act 1991 that starts with General Meeting being the owners of the organization and that stressing that the members through General Meeting have the final say on the matters concerning their SACCOS. The general meeting is then followed by Managing Committee, which is appointed by the members through General Meeting to monitor activities ensuring their interest is safeguarded. The

Manager appears after the managing committee being responsible for interpretation of the policies as directed to him by the managing committee and controls number of employees under him undertaking various operations enhancing the achievement of the members' interest as indicated in the following diagram:

1.2.2 STRUCTURE OF TANDALE SAVINGS AND CREDIT CO-OPERATIVE



1.3 Objectives and mission of Tandale Market Traders SACCOS;

The objectives in establishing Tandale Market Traders SACCOS are as follows:

To receive shares and deposits from members and to give loans; to promote and convince people to become members of Tandale SACCO; to educate members on the advantages of being members and the importance of savings and how to use properly their money and to train members the importance of depending themselves rather than depending on loans from other individual people this leads to high costs. The mission of Tandale Market Traders is to give loans to its members to improve their standard of living socially and economically.

The main document governing Tandale Market Traders day-to-day and general activities is the by-laws which is a business oriented instead of social oriented. The by-laws includes financial disposition (Capital, Assets, Management, Earning and Liquidity) as well as guidelines for credit management.

Roles and responsibilities of members, board members, staff and manager are defined and adopted by the members in the general meeting in order to avoid interference of one group by the other. By-laws also consider efficient and effective disposition for control and supervision. Membership is opened and financial situation is strengthening.

As an institution Tandale Market Traders SACCOS is a community based SACCOS. The Tandale market, which is the SACCOS's catchments area, has around 2000 entrepreneurs. Its operations are conducted within the market complex of Tandale.

Before April 2002 SACCOS didn't have an office. Now there is a front office, which gives services to members like a bank. The set up of the office has been assisted by DID-Tanzania.

After collaborating with DID-Tanzania membership increased a lot in Tandale SACCOS. In 1999 actual total active membership (members paid entrance fees, deposit and bought shares) was 10 without women because the SACCOS was started by men who were dealing with gambling business which is not common to women. Since 2001, membership is increasing.

Table 1: Membership evolution 1999 to November 2004.

Gender/Month	1999	2001	2002	2003	Nov. 2004
Women	0	0	59	182	328
Men	10	22	193	408	653
Group of women	0	0	0	26	189
Groups of Men	0	0	3	17	34
Total	10	22	255	633	1204

Source: Tandale SACCOS' November 2004 Statistical Data Report

At present membership in the SACCOS demands a Tshs 2,500/= as entry fee and 500/= for one share.

Tandale market is bordering Manzese market, which is one of the biggest markets in Dar es Salaam region. From Tandale market to Manzese market is about one

kilometre. So they are neighbours. There is one organization (potential competitor) called Lumbesa Group (LG), which deals with Micro-finance services in the market where Tandale Market Traders SACCOS operates. Also there are small cooperative organizations operating in the market and are future potential members of Tandale Market Traders SACCOS (see appendix 4). Therefore Tandale Market Traders SACCOS has opportunity to expand its market. Since Tandale Market is a focus point of economic activity, therefore opening membership could allow Tandale Market Traders SACCOS to increase significantly. Tandale Market Traders SACCOS can play a predominant role in providing Micro-finance services in Tandale market and the issue of competition is negligible since there a few micro finance institutions operating in this area.

The business days are from Monday to Saturday every week and working hours from Monday to Friday is from 8.30 a.m. to 5.00 p.m. On Saturdays working hours are from 8.30 a.m. to 12.30 p.m.

1.4 Human and material resources;

Tandale Market Traders SACCOS has salaried employees who are Manager, two Credit Officers, a Teller and a Watchman.

Before April 2002, Tandale Market Traders SACCOS possessed few fixed assets: one table and two chairs. There was no safe for custody of cash. During collaboration with DID-Tanzania, Tandale SACCOS was given computer, printer, stabilizer, APC back ups, safe, automatic machines for security system, two

ventilators, counter, one more table, two more chairs, computer table and notice board. The cost for all those items including office set up is Tshs.4, 796,096

1.5 Actual management, governance and sharing of responsibilities, power;

There are three committees, namely: Managing committee (5), Supervision committee (3) and Credit committee (3). Eleven persons compose of these committees. Current situation seems to respect the Co-Operative Societies Act of 1991, article 63 (1) stating:

“Every committee of a registered society shall consist of at least four members but not more than fifteen members including the chairman and vice chairman”.

1.6 Operation integrity, control and surveillance;

There was one cash sale document used as cash receipt of entrance fees, and few receipts indicating money used by the SACCOS.

Tandale Market Traders SACCOS was not using the following accounting tools, which were in the society such as Individual ledger cards; Members passbooks; and Cash receipts;

According to by-laws source of funds are from shares, entrance fees, deposits, contributions from members, loans from banks, reserves and compulsory savings.

In order for a cooperative to work for the sustainable development of their members it has to work through policies approved by their members. This is what Tandale Market Traders SACCOS has done because together with the by-laws the society has

policies which were approved by members and those are: Administrative policies and procedures; Financial policies and procedures; Internal control policies and procedures and Credit policies and procedures.

There were no computerized SACCOS accounting system before the collaboration with DID-Tanzania. During that time management team was not aware and/or trained regarding Micro finance best practices, control and supervision and management of Micro finance institution in general.

1.7 Statement of the problem;

The aim of the project assignment is based on improving the effectiveness of community based institutions. This effect is more pronounced in community base organizations where development investment is continuing. The declining strength of collective management of resources where the investment has discontinued is an indicative of developing investment dependence among community based organizations. This implies that the development practices and policies need to be community base oriented so that development does not adversely affect the social capital. The fostering efforts have more pronounced impact on factors such as participation of members, especially women, and on protection responsibilities. Similarly, the experience on the formation of small effective community based organization, governance, carrying election of leaders, organizing meetings and record keeping. The experience has shown that communities based organizations (CBOs) have often disagreed on how amongst them should be responsible for running projects once they are established or fail to reimburse the loans to

Cooperative Financial Institutions (CFIs) i.e. Savings and Credit Cooperative Societies (SACCOS). Perhaps because of the poor set-up of the organization problems noted, most of the individual members businesses fail to reflect the time and resources invested in them by the group. However there is evidence from Kenya, Latin America and Bangladesh that community based organizations, can flourish if they are encouraged and facilitated by training. K-REP, ACCION/International and Grameen Bank, have used group based credit delivery system to finance individual small-scale enterprises. The results have shown that such enterprises can make good use of the credit and repay the loans.

The community group organizations have been able to: increase incomes of clients through accessing loans from Micro finance institutions (MFIs), reach low income people and create enduring financial systems for small scale enterprises; for instance, "The Trust Bank program is an innovative group lending model for the provision of small business loans to the poorest women in developing countries. Ninety-four percent (94%) of the clients are women. Their loans repayment is 100 percent, and they participate in savings programme. Recently they used a portion of their savings to provide medical treatment for a widowed neighbour. They courageously improved neighbourhood services, such as better wells, in a society where women's voices are seldom heard by the government and community officials"⁵ Also the community group organizations have been able to create employment.

⁵ Women's Opportunity Fund

1.8 Specific Objectives;

The project assignment findings are expected to be of a greater use by the group formed for several reasons: often it is to find a way of increasing their income; sometimes it is to help members to save money for emergencies, or to be able to get a loan to start or improve a business. Working together towards one goal is a good way for group members to learn to cooperate and to achieve other goals. Also it will help to learn how to generate income collectively or individually through their enterprises they own; to help members save little money each week; to make possible for members of the group to obtain credit to improve their businesses and to learn technical and managerial skills and to network with other groups in other places.

Also the assignment findings are expected to be of greater use by facilitators who work with groups following the three basic principles which are:

- ↻ That development should be community based in its focus and process;
- ↻ That development should be sustainable or enduring and
- ↻ That development should be transformational in its impact;

The purpose of the survey is to collect information regarding the community based organization in the area, for example, the ownership of the group, gender, skills, etc., and records keeping in community based organizations. The aim of the assignment is to assess the performance of the community based organizations which are members of Tandale SACCOS.

Community based organizations in Tandale Market Traders SACCOS have the specific following objectives:

- Formation of small effective community based organization;
- To collect information on the governance of the group, its management, strengths, weakness, and opportunities;
- To provide information which can guide development of the group in the area; To develop / initiate a process to plan and manage the group in the areas by election of leaders and facilitation of their responsibilities in the Community based organizations for the leaders;
- How to organize meetings in the community based organization.
- To identify the need of keeping records in the Community based organization

1.9 The Idea

The project study has been guided by idea that the failure of SACCOS has been contributed by poor performance of community based organizations (CBOs) being members of SACCOS. It is believed that many of CBOs do not know how to write a constitution, choose effective leaders, run a meeting and keeping records.

The formed community based organisations might not be effective because members do not have the same interests and clear objectives, members do not work hard to achieve their objectives, meetings are not done regularly and members do not participate in discussions, decision making activities, savings, and sharing benefits. It will be difficult for the CBOs to have good governance. When CBOs do not have constitutions it means that it will be difficult to do the following: run activities efficiently, understand responsibilities of members, understand the right of members,

understand the responsibilities of leaders, ensure transparency, build atmosphere of trust among group members and to have suitable regulations to achieve objectives. Lack of management training of keeping records affects CBOs because there will be no proper information recorded and absence of frequent record keeping. Also the issue of poor keeping records results to non-presentation of records to all members.

1.10 Rational and Significance of the Project;

Community groups have played and continue to play a major role in economic community development. They are quick in response, have local knowledge and expertise to their advantage and can also act as important channels for awareness raising and education. Economic community development therefore needs to be coordinated efforts between government, various institutions, non-governmental organizations, community-based organizations and the commercial sector.

1.11 Scope and Limitation of the Project;

The study is centred on the factors contributing to poor performance of community based organizations (CBOs) in achieving sustainable development. The study has been centred on the period between 2003 and 2005.

Due to limited time the study failed to secure some more information, which was expected to concretise the real situation. In some areas information was not available due to lack of proper record keeping and the unavailability of the right persons to give the clear information.

Another limitation encountered were the insufficient funds available for conducting the study.

CHAPTER TWO

2.0 LITERATURE REVIEW

Two types of reviews have been done as follows: Theoretical review where different literatures particularly on problems facing Savings and Credit Co-operative Societies (SACCOs) which are community based organizations have been read. The following are types of review done:

2.1 Theoretical Review

SACCOs are shown to have major weaknesses in financial and general management. Leaders have little co-operative or leadership education and virtually no financial management training. Moreover, because the scale of business does not justify the expense of a salary, most SACCOs are not able to hire staff and it is these leaders who carry out the day-to-day operations. These institutions are nevertheless strongly rooted and visible in their local environments and are thus strong as social institutions as well. The older ones have proved to be resilient over time and through extremely varying policy and operating environments.

2.1.1 SACCOs and Financial NGOs;

The co-operators' point of view claims that SACCO are owned by the members and own everything – assets, liabilities and the institution itself. A financial NGO's clients own only their debts and the institution is alien and unforgiving. Their savings are usually locked up in such a way that they can only access them by dropping out.

This caricatured debate is inconclusive and there are clearly strengths and weaknesses on both sides. It is believed that there should be merit in diversity and that SACCOs are not the only appropriate model for rural and urban communities. But there is a basic conceptual difference between co-operative micro-finance and the approaches applied by most actors in Tanzania's emerging micro-finance industry. In the co-operative model, members' shares and deposits provide the financial resources employed. Those who save and those who borrow belong to the same broad socio-economic group. But the best of them are good at what they do, understand financial markets and have introduced a professionalism that the co-operative sector dismally lacks.

It is well understood that a savings-based co-operative approach to micro-finance has not been given a fair chance in Tanzania. The application of this basic concept has been frustrated over the past decades by a combination of external and internal factors. Political interference, an abundance of cheap external sources of funding from donor agencies looking for 'appropriate channels' for production loans, mismanagement of funds and fraud; all have resulted in weakening the co-operative system. It remains an open question whether the governance structures of SACCOs are really adequate to prevent internal fraud, but note that, by some time in the 1980s, this had already become a national ailment, not yet cured. It is surely true that SACCOs have been infected from outside, not from within.

Overview of Rural SACCOs:

Historically many SACCOs were transformed Rural Savings and Credit Schemes, linked to crop-based Primary Co-operative Marketing Societies. Others were completely new. At present, SACCOs (with a few exceptions) receive little or no technical back-up worth the name.

Philosophy and concepts;

Savings-led

The users are members; they own the institutions serving them and are responsible for their management. And members' transactions are treated individually.

Target group

Predominantly export crop farmers. Food crop and livestock enterprises less well represented. Other forms of micro-enterprise largely absent.

Outreach and type of services

Rural SACCOs by definition operate in rural areas. Average number of active users of SACCOs' financial services is 100 to 200. They are community based. Rural SACCOs' total members in Tanzania are 83,000 and Urban SACCOs is 47,000.

Institutional set-up;

SACCOs are primary level institutions. In size they can be compared with the 'Groups', 'Centres' or 'Associations' of about 50 persons as set up by most FNGOs. There is little exchange among SACCOs. In SACCOs the main executing agent is the 'Secretary' or 'Treasurer'. He or she is employed by the SACCO and works under the direction of the 'Management Committee' (Board). The Committee Chairman is in most cases the SACCO's most powerful person.

SACCOs do have no plans; some may have a provisional budget which is presented to the annual General Assembly. Good performance depends on commitment and quality of the 'Management Committee' (elected board) and technical skills of the SACCOs Secretary (often named 'Treasurer').

Financial management;

Rural SACCOs with a lot of deposits tend to branch out into commercial ventures, which are often risky and end in failure, thus putting members' deposits at risk. SACCOs which issue only loans, survive with difficulty, because of charging too low interest rates. In SACCOs, fraud usually goes unpunished or remains undetected. SACCOs tend to develop their own closed financial system, using Banks for their over liquidity.

A number of community based organizations pointed to problems of personalized leadership often causing conflict and creating the impetus for the formation of breakaway groups. However, it is important to recognize that effecting change in

this context will arguably be a more difficult task than in African-led NGOs that do not necessarily encompass the same network of complex social relations. At very least, members may find themselves confronting and challenging the authority of the most articulate and influential members of the community who are often expected (and expect) to hold the most important positions within organizations.

This can lead to problems with organizations and/or some positions within the hierarchy becoming excessively personalized. In such circumstances it can be difficult to hold such people accountable for their actions and to evolve transparent structures within organizations. The knock-on effect is that ordinary members perhaps unhappy with the way things are going, but feeling unable to question or challenge things, become disillusioned and withdraw their participation and commitment to the organization. However, insofar as these organizations remain functional and retain some legitimacy, such a withdrawal of potentially vocal members can play into the hands of dominant personalities with less than wholesome objectives.

2.3 Empirical Review

Since 1991 around 400 rural SACCOs have registered themselves in Tanzania, with a collective outreach of more than 80,000 people and members' funds of nearly US\$ 3 million. These are approximate figures; the collation and analysis of statistics by MAC staff in the field. There remains a confusing overlap with former multi-purpose primary society savings and credit schemes, which operate as SACCOs, without the formal status. If these are included, the number of SACCOs may exceed

900, including some 250 urban, wage-based institutions. Rural distribution is highly skewed to those regions, particularly Kilimanjaro and in the Southern Highlands, where IFAD has promoted them, in some cases under the different form of SACAS (Savings and Credit Associations) as vehicles for agricultural credit. Kilimanjaro also has a famously strong co-operative tradition and history of support, which must account for the fact that nearly 60 percent of total registered rural SACCOs, membership are concentrated in this one region. Elsewhere, rural SACCOs are much less common, though they exist in practically every region.

In every rural SACCO is the only quasi-formal financial institution accessible to country people. One SACCO in Kilimanjaro claims to reach 80 percent of the local adult population and the survey (*Rural Savings and Credit Co-operative Societies in Tanzania; June 2000*) found others with membership of 20-30 percent, which must be considered good. But, overall market penetration is low of the order of only 3 percent and most of them are small, new institutions of very limited capacity. Women-only SACCOs are beginning to emerge, as group (women & youth) and institutional (churches and schools) membership a feature that will extend outreach significantly.

The standard of accounting is almost universally poor. This makes meaningful dialogue with outside agencies - whether supporting or regulatory very difficult, as in most cases it is not immediately easy to see how a SACCO is performing as a financial institution. Many are still so small that they may be able to function on very simple records, personal recollection even, as traditional savings clubs

(ROSCAs) do. Nor would it be too difficult, given the simplicity of their affairs and time, for a supporting agency to go through their affairs and, in participation, construct meaningful financial statements, and advice them on ways to improve their management.

At the same time an accounting and audit system does exist and is followed properly by a minority of SACCOs. If it were used properly by most of them, it is perfectly adequate for everyone's purposes - management committees, members' general meetings, auditors, support and regulatory agencies. Its main output is the (supposedly monthly) Financial & Statistical Report or trial balance ("TB", as it is often known). This is a good instrument; it contains balance sheet, income and expense statement, loan classification, bank reconciliation, membership and shareholding data – all on one sheet. The problem is getting SACCOs to prepare it and use it – internally as well as in correspondence with supervisors.

This may seem to be a simple question of training but there are more complicated issues. The standard bookkeeping package offered is both over-elaborate and inadequate. The needs are designed but this alone is not enough. Even in Kilimanjaro, where generations of intensive training have gone into ensuring that people know about the TB, the way it is used is unsatisfactory and this has to do with the weakness of the support structure. Better practice will not be achieved by compulsion alone. Any successful intervention will also have to demonstrate the internal benefits of good financial management, including independent audit, in terms of planning profitable operations that suit members' needs. Improved

accounting is only one aspect of general management and product development support.

All rural people need financial services. The present low market penetration suggests unsatisfied demand. Performance where there is a functioning SACCO shows that funds are available at village level. There is evidence of effective demand for non-subsidised loans, in spite of universal expectations that free donor money is still out there to be tapped. This shows in high lending rates of interest in certain SACCOs. There is a great need for more appropriate loan (and savings) products. Other types of MFI methodology have much to teach SACCOs but are unsuited, in themselves, to village-level operations because of their dependence on highly structured, centralised systems. By contrast SACCOs, as largely autonomous operating units, have low overheads and hence, the potential to deliver similar services at lower cost. New knowledge and tools in micro-finance are increasingly available at the national level, though mechanisms for transferring this technology to the SACCOs have yet to be developed.

Nevertheless, we should not be blind to the problems that afflict rural SACCOs in Tanzania. These include:

- Misappropriation and misapplication of funds
- Diversion of resources away from the main objective of Savings and Credit into prestige and unviable projects, such as buses and buildings
- Internal policies and controls such as loan policies and credit procedures are ignored leading to misuse or losses

- Unqualified staff
- Use of honorary officials to carry out technical and professional functions for which they are not qualified
- Competition from political or charity programmes that flout best practices in micro-finance
- Lack of co-operative education among the potential members, the members, staff and officials

Few SACCOs offer savings accounts because their value is not understood. There may be a lack of awareness of the attractiveness of the product - or indeed that a SACCO can offer them - but it has more to do with the technical and practical difficulties of operating savings. A certain amount of cash must be kept somewhere safe to meet unpredictable withdrawals. Additional liquidity to meet further withdrawals, probably subject to notice, must be maintained in a bank account. Not only does this limit the volume of loans that can be made - often members' main concern - but it also has serious demands in members' trust in the honesty of their leaders and the strength of their record-keeping skills. There are also fixed asset implications (a safe, with a decent and secure building to put it in, even if this is rented). At this point in time most SACCOs lack the capacity and confidence to do this.

Rural SACCOs are shown to have major weaknesses in financial and general management. Leaders have little co-operative or leadership education and virtually no financial management training. Moreover, because the scale of business does not justify the expense of a salary, most SACCOs are not able to hire staff and it is these leaders who carry out the day-to-day operations. These institutions are nevertheless strongly rooted and visible in their local environments and are thus strong as social

institutions as well. The older ones have proved to be resilient over time and through extremely varying policy and operating environments.

Information provided by Regional and district cooperative officers in Mbeya, Iringa, Morogoro and Dodoma indicates that there were 224 Registered SACCOs in the four Regions. In addition, Mbeya Region has a new breed of financial associations called Savings and Credit Cooperative Associations (SACAs) which are community based organisations formed as an attempt by local Communities to deal with regulatory short comings of SACCOs. In 2002, 40 SACAs formed in the region, out of which only 4 were registered with the Ministry of Home Affairs. The other one were not registered because they didn't have by-laws.

In order for a cooperative to work for the sustainable development of their members it has to work through policies approved by their members. This is not the case of External SACCO because there was only by-laws and there are no approved policies by members such as Administrative policies and procedures; Financial policies and procedures; Internal control policies and procedures; and Credit policies and procedures. The officers responsible i.e. vice chairman, Secretary and Treasurer authorize payments. The accounts clerk keeps records of operations. Budgetary system is a short term one and they are using cash budget, which depends mostly on collections from members.

The SACCO accounting system is not computerized and staffs are computer illiterate. Current management team is not aware and/or trained regarding micro-finance best practices, control and supervision and management of micro-finance institution in general.

Audit reports are produced in time and according to SACCO's law⁶. There is follow-up on audit report comments. When reviewing the audited reports done by COASCO, among the findings were that in 1998/99 External SACCO delayed to submit books of accounts for auditing.

Loan services provided by External SACCO are short loans of less or equal one year. The loan amount is 1,000,000 Tshs. The loans are priced at 20% per year, flat rate, which correspond to an annual effective rate of 23,9% on declining basis.

Following these observations and findings, DID-Tanzania's opinion is that policies and procedures should be adopted and implemented in order to reinforced control and surveillance. Regular, efficient and effective control and surveillance, external and internal, shall also be adopted and implemented without delay.

DID-Tanzania diagnosis team estimates the ratio: Portfolio at Risk more than 90 days (PAR₉₀) to be 17,4%⁷. Micro-finance best practices recommend that PAR₉₀ shall not exceed 5%. The situation is obviously worst if we consider loan in arrears as defined by Co-Operative Societies Rules, article 106 (3).

Women for Change (WFC) membership are drawn from rural groups at grass root level. Members of the rural groups are actually the recipients of Women for Change services. There are more than 12 810 members drawn from 3 provinces in which Women for Change is working. These three provinces are Central, Southern and Western provinces. In future we hope to spread to other provinces in Zambia.

Area Association Members at an AGM: WFC encourages communities to form 10 groups of 30-40 members per area. Several groups in the same area come together to form the Area Association. The Area Association provides a forum for exchange of ideas and experiences between groups. It comprises two representatives from each group. Its role is to supplement the work of the Field Animator by overseeing the work of the groups. It also provides an opportunity for self-government even after Women for Change pulls out of the area.

Women for Change work with groups for three to five years after which the groups are "WEANED OFF" and remain in the hands of the Area Association. Phasing out is done once the groups are able to carry out their own activities without the field animator's assistance. Through the use of participatory methodologies, the animator assists the group members to evaluate themselves to find out whether they feel mature or ready enough to be weaned off. The exit process is not imposed on them. It is a negotiated process. After the agreement, the groups identify long-term projects and each group is given a weaning off package so that they are able to generate their

own funds to carry out or start more activities. Some profit is shared amongst the members, some is put aside for assisting new groups in the area to start their activities and some is saved for future use.

The field animators visit the weaned off groups two to three times in a year to check on their progress and share with them their experiences, challenges and devise together the way forward. Interaction and experience sharing amongst "weaned off" and new groups is always encouraged.

The organizational structure of Women for Change comprises an Annual General Meeting, a Board of Trustees, a Board of Directors and staff. At grassroots level, membership of Women for Change is drawn from rural communities that form rural groups. Members of the rural groups are the actual recipients of the Women for Change services. Each group comprises women and men living in the same community and sharing a common vision, that of breaking the cycle of poverty. Membership ranges from 35 to 40 persons per group.

Women for Change hold an Annual General Meeting comprising of representatives from area associations, trustees, directors, and staff. Representatives of sister organizations that WFC network with and partners are also invited as observers. At the Annual General Meeting, reports from Area Associations, the Board Chairperson, the Executive Director and all departments are represented. The Annual General Meeting reviews the work of the organization, adopts plans of action and also adopts new members of the Board of Directors.

The Board of Trustees consists of three members. The Chairperson of the Board of Directors is an ex-officio member of the Board of Trustees. The other two are prominent members of the civil society chosen for their high level of honesty and integrity. Their role is that of being the legal custodian of the property and assets of the organization.

Board of Director is the main body, which oversees Women for Change programs. Members of the Board of Directors constitute the Executive Committee. They are selected by virtue of their expertise and experience that is considered relevant to the needs of Women for Change. The executive committee members elect the chairperson for Women for Change amongst themselves. The Executive Director represents Women for Change staff and groups on the Board.

2.4 Policy Review

The importance of Cooperative Societies as people's organizations is reflected in the opportunities they provide in the mobilization of local resources for local development. In the foregoing, the government has briefly stated the support, which will be given to the cooperative movement to enable its members to realize their inherent strength and to contribute positively to the overall national efforts towards development.

Through cooperatives, people will be encouraged to take active participation in the shaping of the economy along their wishes. The cooperative movement in this case is not only a means to economic ends but it is also an instrument through which the co-

operators have a say in various policy formulations and implementation of the same. It is the belief and sincere hope of the government that the people will respond to the call for them to form these important democratic organizations.

The policy also affirms government's recognition of cooperatives, which are service oriented as distinct from other types of private enterprises like companies or partnership, which are essentially profit oriented.

The government will endeavour to formulate workable strategies in order to tackle problems that currently face cooperatives at their different levels, those that are anticipated and those that have not been dealt with in this policy or in any other policy documents of this country.

The Micro finance Policy provided by the Bank of Tanzania (BOT) in May 2002, states that SACCOS as institutions operate under the Co-operative Societies Act, 1991 in offering savings and credit services to members. They are also covered under the Banking and Financial Institutions Act, 1991 as financial intermediaries but the Bank of Tanzania does not supervise them.

The Government recognizes the following important guidelines for efficient sustainable operation of SACCOS:

- As savings-based institutions, regulation and supervision is necessary once the institutions reach more than a small group of members.

- As savings-based institutions, it is important to ensure that lines of credit for loan able funds do not undermine incentives to promote savings.
- Pricing policies for SACCOS should promote savings and allow sufficient interest rate spread for the profitable operations of the SACCOS.
- Promotion of SACCOS is best separated from their supervision in order to ensure that supervisors apply standards objectively.

To date the responsibility for the supervision of SACCOS has been placed in the hands of the Ministry of Agriculture and Cooperatives. The Banking and Financial Institutions Act, 1991 provides for the Bank of Tanzania to have overall responsibility for financial sector regulation. The Bank of Tanzania, therefore, has the authority to ensure that SACCOS are supervised in accordance with prudential financial norms. In the process of strengthening SACCOS, it is important that they either become or are linked to professionally manage financial institutions. Thus, it is envisaged that stronger SACCOS will evolve into community banks, join together to form cooperative banks or form alliances with other financial institutions.

2.5 Different Views about SACCOS

- **Decentralized Financial Services:** As a result of economic liberalization and privatisation in the banking sector, the past 15 years have been a period where financial services offered to the rural sector have contracted over time. Generally there is a growing reluctance by both formal institutions and micro-finance institutions (MFI) to carry the risk of lending to an increasingly

unprofitable agricultural sector⁸. Currently rural credit is almost non-existent unless the farmer is fortunate enough to be a member of a well run SACCOS, or else is in the catchments of a subsidized donor based MF project. Hence developing and strengthening local community owned financial institutions, capable of achieving financial intermediation activities is a key to success. The major challenges in achieving this is going to be overcoming the negative public perception of SACCOS, and the expense associated with providing the technical assistance and capacity building needed to develop these entities in the rural context.

- **Replication:** One of the major challenges facing this project will be to ensure that the initial pilot scheme develops into a program that can be easily replicated in other areas of Tanzania. Although the initial costs of the project will be high the challenge for the project will be in ensuring that the lessons learnt can be developed into a system that is easily and cost efficiently replicated.

The Ministry of Cooperatives supports the recommendation made in a recent donor survey of rural SACCOS⁹ that *‘fresh actors are needed to find fresh directions and products’*. The report noted that the ‘new actor’, working in conjunction with existing structures, would need to exhibit the following characteristics:

⁸ Rural Savings and Credit Co-operative Societies in Tanzania Report of a Survey 2001.

⁹ Rural Savings and Credit Co-operatives Societies in Tanzania – Report of a Survey

- Understand banking and finance, possessing experience in micro-finance (MF) especially in the Tanzanian context;
- Good understanding of SACCOS development and principles, especially in the rural context;
- Be able to assist SACCOS in the development, management and marketing of appropriate financial products to serve its membership;
- Capacity to develop training resources for SACCOS staff and members;
- Be able to assist SACCOS in developing sound bookkeeping and accounting techniques.
- Able to develop new products as determined by the market and be able to establish positive linkages;
- Be in the position to work with SACCOS to develop their marketing capacity.

The Government of Tanzania believes that it has identified one organization i.e. DID that has a proven track record not only in Tanzania but world-wide, which has the capabilities of achieving all the characteristics specified above.

DID is currently implementing a SACCOS demonstration project in Dar es Salaam aimed at restructuring SACCOS. The new model SACCOS brought by DID is currently implemented in coordination with Tanzanian local authorities (re: Ministry of Co-Operative and Marketing, Bank of Tanzania Directorate of Micro-finance, district Co-op officer, Assistant Registrar of coop, etc). To date, DID program in Tanzania has demonstrated that it is totally realistic to restructure in a professional and business oriented manner SACCOS on the Tanzanian market in order to adopt

micro-finance and SACCOS best practices. DID SACCOS demonstration program have develop comprehensive training program for strengthening and developing SACCOS while outreaching to low-income population. This training program is currently being considered by the Co-Operative College of Moshi.

Développement international Desjardins is currently engaged in activities in more than 25 countries in Africa, Latin America, the West Indies, Asia and Central and Eastern Europe. In the regions where it is active, DID strengthen the ability of the less favoured to act by fostering accessibility to financial services. DID's added value, in addition to making available its know-how, its human resources, its toolbox, is characterized by two elements: serving as a lever for its partners and emphasizing results.

DID bring with to the project over 32 years of experience working with SACCOS and Co-operative groups throughout the world and particularly on the African continent. In Africa alone DID in currently involved in over 14 countries. DID is a subsidiary of the "Desjardins Caisse Movement of Québec" (MCD), the largest financial organization in Québec and the sixth largest in Canada. The MCD is a cooperative financial services network with assets of 76.1 billion Canadian dollars¹⁰ as of December 31, 2000. Founded in 1900 and established throughout the territory of Québec and in three other Canadian provinces, the Desjardins Caisse Movement has long been sensitive to the problems of development. Born to foster the development of the local communities, Desjardins today serves more than 5.5 million

¹⁰ One Canadian dollar = 610 Tanzanian Shillings

owner-members belonging to 1,073 financial cooperatives in Canada. The Movement has around 12,000 volunteer leaders and 38,000 employees.

Founded in 1970, DID specializes in the transfer of know-how for the purpose of fostering accessibility to financial services for the poor in developing countries and transition economies. This know-how, initially acquired during its Canadian experience, has become enriched in the course of its activities and multiple partnerships established abroad and, in particular Africa, throughout all the years of its existence. Whether for the emergence, development, strengthening or structuring of networks of financial institutions, DID's expertise is varied: operational management, management information system, savings monitoring, supervision, audit and safety of institutions and network, financial management, legislation, regulation, development of savings and credit products, credit with economic training, micro enterprise strengthening, bank information technology, strengthening of the principles of participatory management, and access to financial services for women.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Project Design

In identifying and formulating the project assignment, the aim is for the community based organization is to increase local actors' sense of ownership in an intervention process, empower local communities, and create an environment more conducive to lasting peace. The project assignment has to make sure that grassroots process design in terms of community mobilization programs intends to minimize dependency and create a sense of ownership at the grassroots level. Such efforts also tap into the local knowledge and resources of a community, with the recognition that these resources can be crucial to a successful intervention. The local actors will be involved at grassroots level which is a vital source of information for assessing the merits of peace building operations and development plans. Indeed, local communities should be involved in planning, designing, and evaluating these operations. Probable solutions have to be formulated to lead the study designed to be done in the field.

3.2 Sampling Techniques

Tandale Market Traders SACCOS is composed of fifty eight (58) group members who are mainly located at Tandale Market and Magomeni areas in Kinondoni District. All members of the group share the same economic and social environment. Basing on the general rule of the representation from 15% to 20% of the interviewed CBOs, in Tandale SACCOS, therefore, not less than 12 CBOs will be visited and

interviewed. More than 12 CBOs will be selected randomly in Tandale SACCOS for interview.

3.3 Data Collection

The Baseline Survey Methodology is based on the principle that it is the community, which has the information about the organization in the area, and also has the biggest stake in the decision to be made on what type of training they require.

The study has been conducted by using the following methods of data collection:

(a) Primary Data:

Interview method:

Under this method, the interview was conducted between the researcher and the members of Community based organizations (CBOs). Also some of the information derived from the personnel of Tandale Market Traders Savings and Credit Co-operative Society (SACCOS)

(b) Secondary Data Method – Documentation;

Under this method the researcher managed to get information through observing various publications existing in the Shapiro Library and searching using websites through the internet, SACCOS files concerning with the records of the CBOs and CBOs' files or any documents found and other Research Papers conducted by other researchers in the same field.

3.4 Data Analysis Methods:

Data analysis can be defined as the condensation of the data of date and execution of compilation in-order to find answers to the project problem / survey. In the first instance analysis is concerned with reducing the information to some key values, e.g. averages. Also the information can be transformed to key values, such as indices compiled out of various indicators. For instance, a new index for the standard of living out of data on income, housing conditions and ownership of particular assets such as bicycle, car and radio can be compiled.

After having collected the data, what is required is to analyse those data by combining the methods of using the non-quantitative data analysis method in which mostly is on the frequency tables, in-order to determine the major and minor causal factors to the problem. Also statistical data on, mathematical tables, codes, and other quantitative methods will be put into use.

Once raw data has been analysed, conclusions will be drawn, the basis of which can help to make generalizations, which in turn can be used to make recommendations. Recommendations serve the purpose of helping the beneficiaries of the project findings to make the necessary modifications and or take remedial measures.

CHAPTER FOUR

4.0 ANALYSIS AND DISCUSSION OF THE FINDINGS

4.1 The findings:

Table 1: Data collection

ID #	Composition of groups			Bylaws present		Meetings done	Keeping Records		Received Training	
	F	M	Mixed	Yes = 1	No = 2	Times	Yes = 1	No = 2	Yes =1	No =2
1	F				2	1		No		2
2		M		1		2	1		1	
3			Mixed	1		3	1		1	
4		M		1		3		2		2
5			Mixed	1		3	1			2
6	F				2	0		2		2
7	F				2	2		2		2
8	F				2	0	1		1	
9	F				2	1		2		2
10	F			1		1	1		1	
11	F				2	0		2		2
12	F				2	0		2		2
13	F			1		2	1	2		2
14	F			1		2	1			2
15	F				2	0		2		2
16	F				2	2		2		2
17	F				2	2		2		2
18	F			1		1		2	1	
	14	2	2	8	10		7	11	5	13

Yearly = 3: Monthly =2: None = 0: weekly = 1:

Source: Data collected during interviews in Tandale SACCOS' groups

4.1.1 Gender items:

All groups interviewed are members of Tandale Market Traders SACCOS. Referring to the table above on composition of groups, it can be seen that many groups are composed of female i.e. fourteen (14) groups out of eighteen (18) groups interviewed. Groups with only male are three (3) and those, which are mixed, are also three (3).

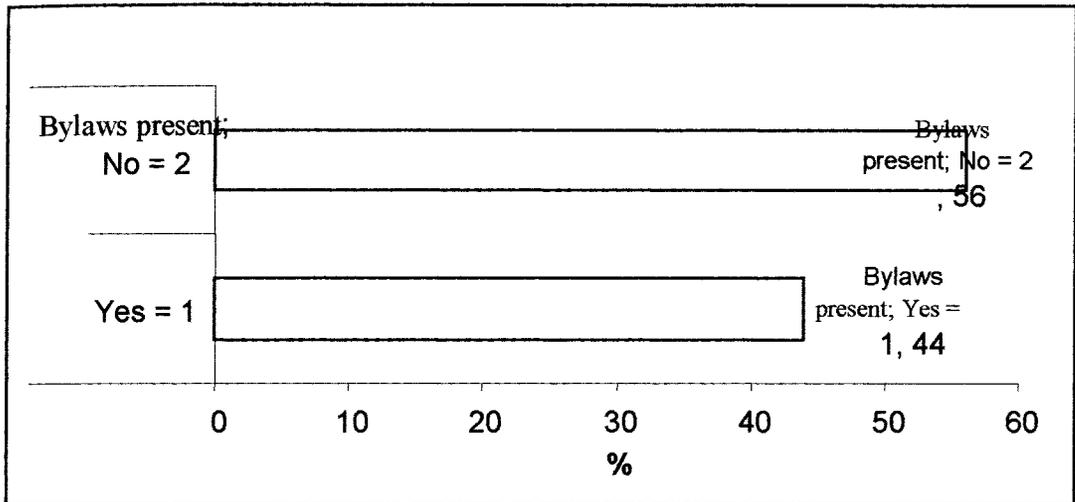
4.1.2 The presence of by-laws in the groups

A by-law is an agreement drawn up by members of the organization or group to direct and guide their activities. The by-law is meant for all members, both leaders and members.

Out of eighteen groups interviewed, only eight have by-laws i.e. 44% and the rest do not have by-laws i.e. 56%. This can be shown properly by bar chart below:

Bar chart showing percentage of groups with and without by-laws

Figure 1: GROUP BY-LAWS

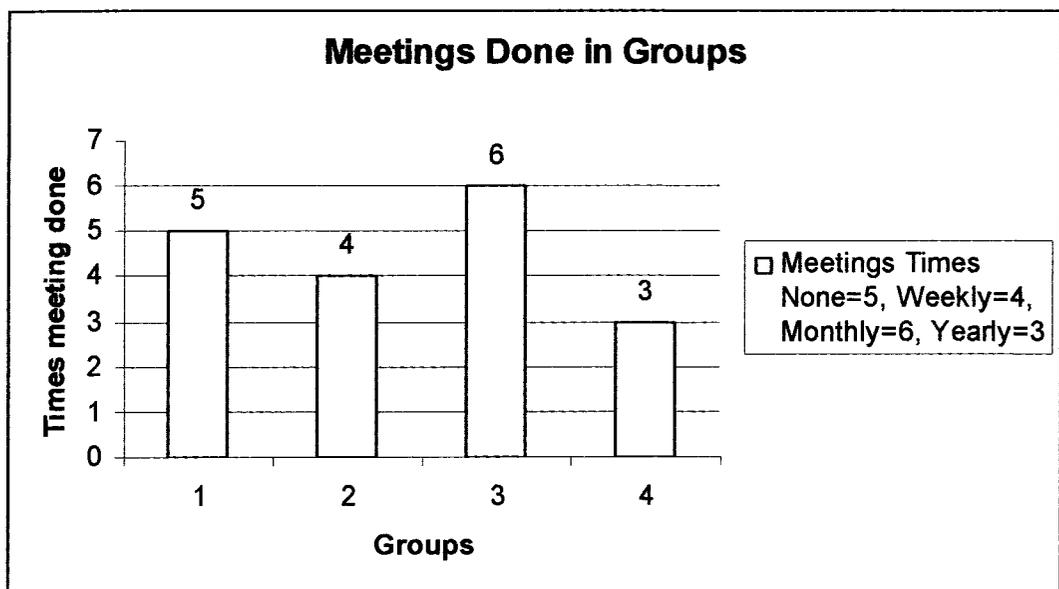


It is important for the groups who are members of SACCOS to have their by-laws because those by-laws help to draw up a suitable regulations to achieve objectives, run activities efficiently, understand the responsibilities of members, understand the responsibilities of leaders, know the rights of members, ensure transparency, build an atmosphere of trust amongst group members, ensure that regulations are not infringed and show steps to be taken if regulations are infringed.

4.1.3 Frequency of meetings

Basing on the interviews done in groups which are members of Tandale Market Traders SACCOS, it is observed that out of eighteen groups, five (5) do not hold meetings at all. Four groups (4) meet weekly, six (6) groups meet monthly and three (3) groups meet yearly as shown in the graph below:

Figure 2: Meetings Done in Groups



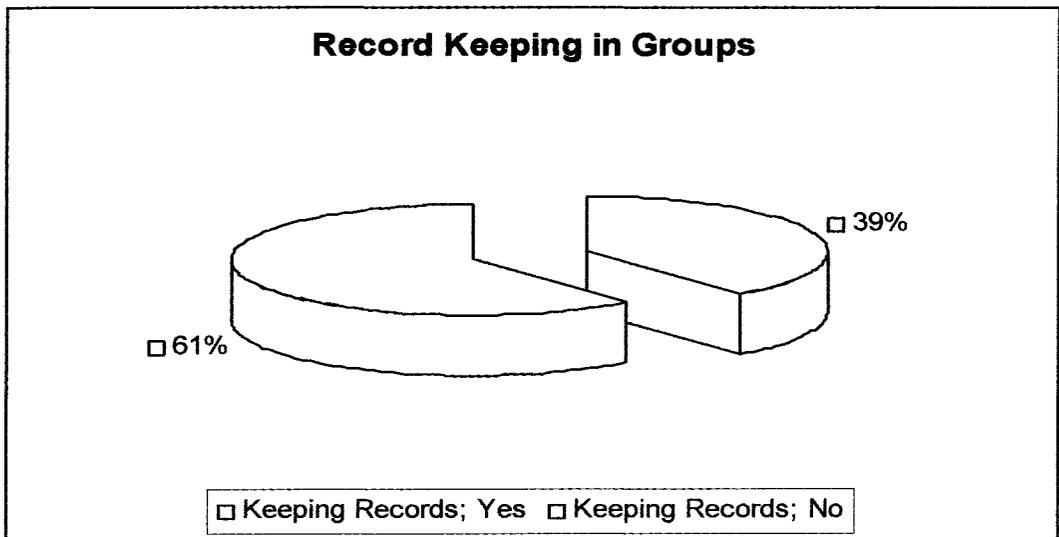
Meetings are effective way of circulating information and discussing issues which are important to the community. During meetings the activity reports are presented, discussed, problems solved and plans are made. Also there is opportunity to exchange ideas, to plan strategies, to solve problems and to discuss the best way to involve methods to carry out the activities. It is the best way to involve those who can't read and write in group activities and to give them the chance to ask questions, to contribute and to give their views. Therefore for those groups, which do not meet,

the issue of becoming sustainable is a dream to them and can put the Tandale SACCOS into risks.

4.1.4 Record keeping

In Tandale SACCOS out of eighteen groups interviewed, seven (7) groups i.e. 39% keep records and eleven (11) groups i.e. 61% do not keep records as shown in the pie chart diagram bellow:

Figure 3: Record Keeping in Groups



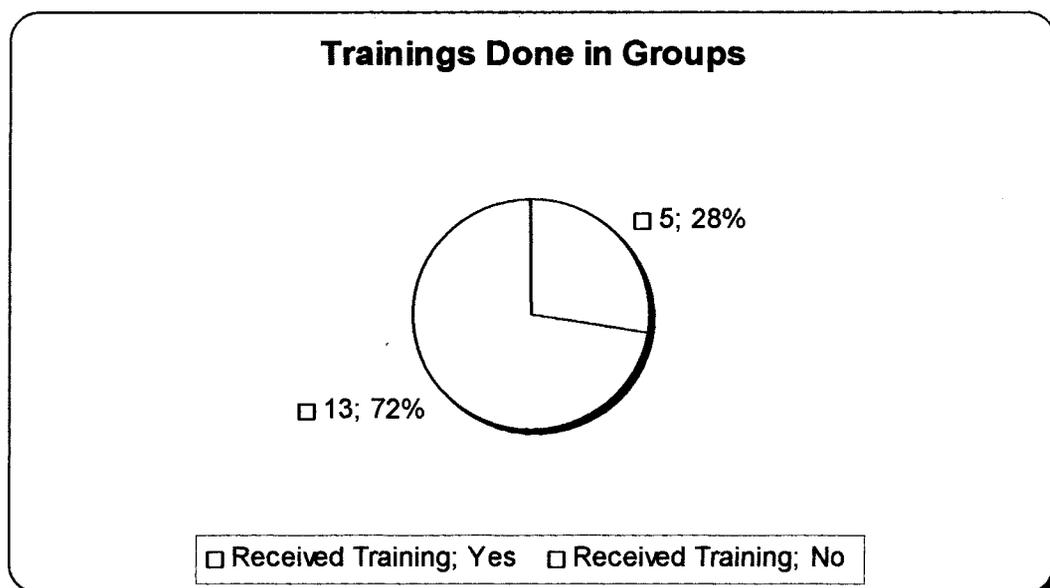
From the pie chart diagram it can be learnt that most of the groups, which are members of Tandale SACCOS, do not keep records and this can lead to misunderstandings and conflicts within the group. Record keeping is important because it provides group members with information and data for future action and evaluations.

Many types of information can be recorded such as income received or expenditures made. Minutes too are important part of record keeping. It is useful to keep records of the way the group is organized, group activities run, group meetings conducted, group decisions, things bought in quantity, items sold in quantities, debts, loans, repayments, income, expenditure and etc.

4.1.5 Skills Training Sessions in Groups

Groups interviewed in Tandale SACCOS, thirteen (13) groups i.e. 72% out of eighteen (18) have never received any training in order to get new skills. Only five (5) groups i.e. 28% managed to get training on how to write group by-laws, how to choose a leader, how to lead discussions during the meetings, how to keep records and how to strengthen solidarity in a group.

Figure 4: Trainings Done in Groups



Due to lack of skills training it can be observed that this has been the results for groups not having by-laws, no record keeping, and no group meetings done. Definitely such a situation will make groups to perform poorly and ultimately affect Tandale SACCOS.

4.1.6 Savings Mobilization in Groups;

Savings mobilization is the key product in Tandale SACCO because if the women group wants to assess credit, the conditions are as follows:

- a) 1st loan granted: compulsory savings amount is 40 % of the loan granted
- b) 2nd loan granted: compulsory savings amount is 35 % of the loan granted
- c) 3rd loan granted and subsequent: compulsory savings are 30 % of the loan granted

The compulsory savings bear interest at the regular rate of the Tandale SACCO's certificate of deposit policy, according to the specific amount and term.

Out of eighteen (18) groups interviewed in Tandale SACCO, sixteen (16) groups had savings in their group account (refer Table 5). From those sixteen groups, fourteen (14) groups are women groups.

4.1.7 Loan Activities in Groups

Tandale SACCO has the credit policy which considers the basic principles of micro-finance and SACCOS best practices. The credit policy is applied and used in accordance with these principles. Among the principle is progressive lending policy which trust is the basis for any commercial relation, it is essential to build on this relationship while minimizing risk. The members of Tandale SACCOS benefit from

micro-finance credit services in a gradual way in terms of loans amounts and conditions.

Out of eighteen (18) groups interviewed, 13 groups got first loan and 7 groups had the second loan and none of them had the third loan (refer Table 6). There is no group which has problems of loan repayment because of the best methodology of loan disbursement of progressive lending which motivate them to get bigger loans.

4.2 CONCLUSION AND RECOMMENDATIONS

- Groups are supposed to have their by-laws because those by-laws help them to draw up a suitable regulations to achieve objectives, run activities efficiently, understand the responsibilities of members, understand the responsibilities of leaders, know the rights of members, ensure transparency, build an atmosphere of trust amongst group members, ensure that regulations are not infringed and show steps to be taken if regulations are infringed.
- There are different kinds of meetings: regular monthly meetings, meetings planned in advance for one special purpose, an agent meeting (sometimes called an “extraordinary” meeting) to discuss a problem or suggestion that has just come up. The by-laws can give a guide on steps that must be taken on the different occasions.
- Keeping records means keeping information about everything, which the group is involved in for future reference. This helps us to remember what has happened in the past, what decisions have been and their results. It is very important for us to be able to monitor the progress of the groups, and if things are not recorded then it is likely to forget or confuse them later. Records should be kept in simple language so that members can understand them. If everyone can understand the records, then all members will be able to take part in decision making in a more informed way. Group leaders do the record keeping, and all group members need to read and discuss regularly at meetings to examine any problems, which have come up and assess progress towards the group objectives.

- Training which aims to introduce new skills to people is more successful if it is done on a practical session, with activities, which participants can try for themselves. Trainer can be invited from outside to teach a new skill, or a group member, or group leaders may do it if they have a particular skill. If a trainer is to be invited from outside, it should be clear to him/her that group members must participate actively in the training and try out the skills themselves, rather than just listen. Any skills training will have successful results if the training is wanted and demanded by the group members themselves.

There is a need to provide training opportunities for people engaged in the informal sector to levels of competence in respect of technical, managerial and business skills. Training of entrepreneurs prior to financing is essential to improve on business practice such as record keeping on business transactions.

CHAPTER FIVE

5.0 IMPLEMENTATION OF THE PROJECT FINDINGS:

As it was observed during the findings groups interviewed in Tandale SACCOS, 72% never received any training in order to get new skills. Only 28% managed to get training on how to write group by-laws, how to choose a leader and how to lead discussions during the meetings, how to keep records and how to strengthen solidarity in a group. The facilitation done to Mzumbe Women group and developed a model group by-law developed (Appendix 20) which used to elect their group leaders

5.1.1 Group Constitution Writing:

When I was working with the group (Mzumbe Group) which is a member of Tandale SACCOS, I facilitated them on how to write a group constitution as follows:

5.1.1.1 The meaning of a constitution;

The explanation was given to group members that a constitution is an agreement drawn by members of an organization or group to direct and guide their activities. The constitution is meant for all members, both leaders and members. The reasons for having a constitution are:

- To draw up suitable regulations to help them to achieve their objectives
- To run activities very efficiently
- To understand the responsibilities of members
- To understand the responsibilities of leaders
- To know the right of members

- To help to ensure the transparency and to build an atmosphere of the trust amongst group members
- To ensure the regulations are not infringed and to show what steps to take if regulations are infringed.

After revisiting together with the group members on the meaning and the need of the group constitution, step by step explanations was given on how to draft a constitution as follows:

- i. First, members were given more explanation on the group constitution in order to understand the importance of having the constitution and that it is for benefit of the group, and that it commits each group member to responsibilities, to cooperate together in the group activities, and to participate in solving problems and conflicts. The constitution can defuse conflicts and improve the efficiency of the group.
- ii. In collaboration of the group members, set down quiet clearly the purpose and aim of the group.
- iii. Then members decided on the group should be organized and run. Members with my facilitation discussed what should be done to achieve objectives. They discussed the problems which can cause the failure of the group to achieve the aims such as group members' behaviour, competition within the group, mistrust between members, miscommunication etc. . The aims of the group are: to get loans to improve their economic conditions, business counselling, to contribute savings and to help each other on social problems.

After deciding the aims of the group, the activities and responsibilities needed and the possible problems, members wrote down the points of their constitution. The constitution made clear the following:

- The purpose and objectives of the group
- The organization and structure of the group
- The leadership structure, the responsibilities of leaders and their period in the office.
- The responsibilities and rights of the group members; bylaws regarding penalties for infringing the constitution
- How many members should be present at the meeting (the quorum) to make decisions taken at the meeting binding
- The group financial arrangements e.g. membership fees or contributions

5.1.1.2 Reasons for the group members agreeing to use their constitution:

- To ensure that they stick to their goals
- To educate members
- For election of new leaders
- To set membership fees and to ensure they are paid on time
- As a guide to make regular savings or giving loans
- To ensure that loans are paid on time
- To begin new activities
- When communicating with donors
- To replace leaders who are not doing their jobs properly

- To ensure that regulations are not infringed
- To keep a check on the accountant (treasurer)

5.1.2 How to choose leaders

After the formulation of the group constitution, then leaders were chosen. It was very important for the group to choose leaders because it needs a committee to manage its day to day affairs. The committee comprises of a chairperson, a secretary, a treasurer and a discipline leader who all have different responsibilities and tasks. Leadership involves supervising and monitoring the group's activities which helps to run smoothly, to grow strong and to achieve its goal.

5.1.2.1 Considerations to take into account before choosing a group leader.

Before choosing leaders, the group was facilitated many things to consider as follows:

- i. Every member of the group who has the right skills can become a leader
- ii. The group discussed the qualities of the leader and concluded that a person who has leadership qualities should be:
 - Active, energetic and good at motivating others
 - Respectful but not shy
 - Honest and patient
 - Able to work with others
 - Able to communicate with other people
 - Not a gossip or drunkard
 - Able to keep group secrets

- iii. The group discussed the duties of a leader with group members so that they could decide who would carry them out well. The duties included:
- To monitor group progress and achievements
 - To ensure that the group's constitution is followed
 - To encourage participation by all members in discussion, decision making and work
 - To introduce new ideas into the group and encourage members to do the same
 - To represent the group into special occasions
- iv. The group made the decision on the term of leadership. They discussed that changing leaders frequently can be unsettling and makes long term planning difficult. However, they agreed that rotating leadership regularly within the group gives all members the chance to develop leadership skills.
- v. The group concluded that leaders are chosen from among group members who are nominated by other members, or those members who volunteer to stand as leaders. The volunteers and those who have accepted the nomination explained as to why they feel that they would be good in the position of leadership. Group members vote for each position. Lastly the group facilitated by discussing duties of leaders as explained in the group constitution (Appendix 20).

5.1.3 Training Facilitation Tool for Effective Management of SACCOS

Groups Members

During the implementation of the project assignment findings, subjects on constitution writing and choosing leaders were facilitated in Mzumbe Women Group as explained above. Nevertheless in due course, group formation, record keeping and conducting a group meeting subjects will be facilitated in Tandale SACCO's groups in future as provided on the Training Tool for Effective Management of SACCO Group Members (Appendix 21). The Training Tool will help Tandale SACCO to facilitate on the formation of the sustainable groups, writing group constitutions, electing group leaders, keeping good records and procedures of conducting effective group meetings.

Training Tool.

Contents:

SUBJECT	PAGE
Group Formation	96-99
Constitution Writing	100-102
Record Keeping	103-104
Choosing Leaders	105-106
How To Conduct A Group Meeting	107-109

Group Formation:

How to form a small group;

By doing things as a group rather than individually, there is the opportunity for group members to join together to make the best use of their skills and resources. Group members can exchange ideas and solve problems together. Working together makes work easier and lighter.

People organize themselves together in a group for many different purposes: Often it is a way of increasing their income, sometimes it helps members to save money for emergencies, or to be able to get loan to start or improve business. It is emphasized that from the beginning it is important to have clear aims or objectives. Working together towards one goal is a good way for group members to learn to cooperate and to achieve other goals.

How to start a small group;

The following are stapes to follow when starting a small group:

- i. A group can start from the initiative of one person, and should only include others who really understand the usefulness of joining together to organize the group;
- ii. It is better if the group has only few people, not more than five or six people, because it is easier for every one to know and trust each other and to work together. If there are more than nine people, it is better to split the group into two.

- iii. Set clear objectives for the group: e.g. to have savings, or to set up joint or individual income generating activities.
- iv. Chose a name for the group. This helps to give the group members a sense of identity.
- v. Choose the group leaders – there should be the chairperson, a secretary and a treasurer. Every member in the group should be involved in electing them, and everyone should be well aware of the qualities leaders must have. Above all, leaders must be trustworthy, be able to communicate well, and understand what their responsibilities will be (We will learn late how to choose leaders).
- vi. Draw up the constitution based on the objectives of the group activities (We will learn more on how to write the constitution).
- vii. Every member should understand clearly the conditions of being in the group and there are several things which must be done as follows:
 - Take part in drawing up the constitution and follow it;
 - Elect leaders;
 - Attend all group meetings;
 - Pay any entrance fees stipulated by the constitution;
 - Make regular contributions to the group savings scheme;
 - Make time repayment on loan;
 - Assist your fellow group member whenever it can be done;
 - Take part in all group activities;

- viii. The timetable for group meeting has to be drawn. A day and time for meetings has to be planned which suits everyone and the importance of everyone attending all meeting should be stressed - without meeting the group cannot continue to function.

Important points to respect before forming the group:

- All members should have the same reasons before joining the group e.g. economic aims, or social aims. If everyone has different aims this can lead to disagreements or conflict.
- Members should be similar type of people: they should be need to work hard, and should be of similar age and economic status – this reduces conflict and increases the likelihood of a good understanding between them all.
- Members should be permanent village residents.
- Members should think carefully about including family relations in the group – relations often get on well with each other, but sometime the presence of members from the same family in one group can cause problems for the other members.
- Members should have realistic expectations about group membership – joining a group will not mean that all problems will instantly be solved. Being in a group involves responsibilities as well as benefits. It involves working hard to build up strong activities which will later start to show good results. Quick results are rare. All members should understand this from the start, and should try to set themselves realistic goals for their activities.

The group will be successful when:

- Members have the same interests and clear objectives.
- Members are honest and work hard to achieve their objectives.
- Members write a constitution for their group and agree to follow it.
- Members hold regular meetings.
- Members participate in discussions, decision making activities, savings, record keeping and sharing benefits.

Group Constitution Writing:

The meaning of a constitution;

Constitution is an agreement drawn by members of an organization or group to direct and guide their activities. The constitution is meant for all members, both leaders and members.

Reasons or importance for having a constitution are:

- To draw up suitable regulations to help them to achieve their objectives
- To run activities very efficiently
- To understand the responsibilities of members
- To understand the responsibilities of leaders
- To know the right of members
- To help to ensure the transparency and to build an atmosphere of the trust amongst group members
- To ensure the regulations are not infringed and to show what steps to take if regulations are infringed.

Steps followed to draft a constitution as follows:

- i. First, members should understand that the importance of having the constitution is for benefit of the group, and that it commits each group member to responsibilities, to cooperate together in the group activities, and to participate in

solving problems and conflicts. The constitution can defuse conflicts and improve the efficiency of the group.

- ii. Members should set down quite clearly the purpose and aim of the group and its objectives.
- iii. Then members should decide on how the group should be organized and run. Discuss what members should do without fail to achieve aims.
- iv. Group members should first discuss the problems which could cause a group to fail, particularly problems to do with the organisation of group, e.g. group members' behaviour, competition within the group, mistrust between members, miscommunication etc. Try to think ways to avoid these problems coming up in the first place.

After deciding the aims of the group, the activities and responsibilities needed and the possible problems and their solutions, members themselves should write down the points of their constitution.

The constitution should make clear the following:

- The purpose and objectives of the group;
- The organization and structure of the group;
- The leadership structure, the responsibilities of leaders and their period in the office;
- The responsibilities and rights of the group members; bylaws regarding penalties for infringing the constitution;
- How many members should be present at the meeting (the quorum) to make decisions taken at the meeting binding;

- The group financial arrangements e.g. membership fees or contributions;

Reasons for the group members agreeing to use their constitution:

- To ensure that they stick to their goals
- To educate members
- For election of new leaders
- To set membership fees and to ensure they are paid on time
- As a guide to make regular savings or giving loans
- To ensure that loans are paid on time
- To begin new activities
- When communicating with donors
- To replace leaders who are not doing their jobs properly
- To ensure that regulations are not infringed
- To keep a check on the accountant (treasurer)

Record Keeping:

The meaning and importance of record keeping was not implemented. Nevertheless in due course Record keeping will be facilitated in Tandale SACCO's groups in future on the type of records to be kept and how to keep good records as follows:

Types of information can be recorded;

Tandale SACCO's groups can keep different types of information. Most important of all, of course, is keeping records of any money transactions made by the group, any income received or expenditures made. Minutes too are an important part of record keeping. It is useful to keep records of: the way the group is organized, all group run activities, group meetings, group decisions, everything bought and the quantity, everything sold and the quantity, debts, loans, repayments, incomes and expenditures.

Keeping records properly;

In future Tandale SACCO's groups have to be facilitated on how to keep good records as follows:

- Group members should discuss together what records are important to keep;
- Groups may decide to start with some basic information so that they get used to record keeping, e.g. the names of group members and their contributions;
- Design a format for each type of record keeping. It will be helpful if one of the members has attended some sort of training on record keeping;

- Brainstorming everything which needs to be recorded and then arranging all points on paper, e.g. in table form, so that they can fill in all the information as it comes;
- Decide how often each type of information needs to be recorded, e.g. a group shop which opens everyday needs to have daily records, group meetings which held once a month will be recorded monthly;
- Decide who will keep the records of each type of information. There may be one person who will always do it, or it may be rotated so that each member gains some experience and insight into that topic;
- The records should be accessible to all members and should be reviewed regularly.

Choosing Leaders in Community Based Organisation:

How to choose leaders;

After the formulation of the group constitution, then leaders were chosen. It was very important for the group to choose leaders because it needs a committee to manage its day to day affairs. The committee comprises of a chairperson, a secretary, a treasurer and a discipline leader who all have different responsibilities and tasks. Leadership involves supervising and monitoring the group's activities which helps to run smoothly, to grow strong and to achieve its goal.

Considerations to take into account before choosing a group leader.

Before choosing leaders, the group was facilitated many things to consider as follows:

- vi. Every member of the group who has the right skills can become a leader
- vii. The group discussed the qualities of the leader and concluded that a person who has leadership qualities should be:
 - Active, energetic and good at motivating others
 - Respectful but not shy
 - Honest and patient
 - Able to work with others
 - Able to communicate with other people
 - Not a gossip or drunkard
 - Able to keep group secrets

- viii. The group discussed the duties of a leader with group members so that they could decide who would carry them out well. The duties included:
- To monitor group progress and achievements
 - To ensure that the group's constitution is followed
 - To encourage participation by all members in discussion, decision making and work
 - To introduce new ideas into the group and encourage members to do the same
 - To represent the group into special occasions
- ix. The group made the decision on the term of leadership. They discussed that changing leaders frequently can be unsettling and makes long term planning difficult. However, they agreed that rotating leadership regularly within the group gives all members the chance to develop leadership skills.
- x. The group concluded that leaders are chosen from among group members who are nominated by other members, or those members who volunteer to stand as leaders. The volunteers and those who have accepted the nomination explained as to why they feel that they would be good in the position of leadership. Group members vote for each position. Lastly the group facilitated by discussing duties of leaders as explained in the group constitution (Appendix 20).

How to Conduct Group Meeting:

Meetings are effective way of circulating information and discussing issues which are important for the community. During meetings, we listen to reports of activities, discuss them, discuss them, discuss and solve problems and make plans. We have the opportunity to exchange ideas, to plan strategies, to solve problems and to discuss the best methods to carry out our activities. It is the best way to involve those who can't read and write in group activities, and to give them the chance to ask questions, to contribute and to give their views.

There are different kinds of meetings: regular monthly meetings planned in advance for one special purpose, an urgent meeting (sometimes called an "extraordinary" meeting) to discuss a problem or suggestion that has just come up. The constitution will give a guide on steps that must be taken on these different occasions. Here, we are describing regular meeting.

How to organise the meeting:

1. The group chairperson and the secretary call the meeting;
2. The chairperson and the secretary prepare the agenda of the meeting in advance.

They plan the items on agenda on the basis of the work plan, current issues or problems, and by asking group members if they have anything to raise in the meeting (see below for an example of the agenda).

Example of an agenda for a meeting

AGENDA

1. Open the meeting;
2. Read minutes of the previous meeting;
3. Any follow-up of the minutes;
4. Look at the previous month's work plan;
 - What was implemented
 - What was not implemented – why not?
5. Members' report;
6. New activities – progress and any problems encountered
7. Report of the training workshop;
8. Make the following month's work plan;
9. AOB (Any Other Business);
10. Fix date of next meeting;
11. Close the meeting;

3. The secretary informs members of the purpose of the meeting, the date, the time and the place.
4. The seating in the meeting place should be arranged so that members can see and hear each other easily during the discussions.
5. The secretary sees whether there are enough members at the meeting to reach a quorum. (If not, the meeting will have to be postponed). He/ She the invites the chairperson to open the meeting, and the group goes through the agenda planned for that day.

6. The chairperson asks if there is “Any Other Business” – if any member wants to discuss something not on the agenda. If there are additional points, they are added to agenda.
7. The meeting is led by the chairperson who guides the discussions and tries to involve all the members so that they can hear everyone’s views.
8. The first item on the agenda is always the reading of the minutes of the previous meeting. This reminds members of what they decided before and helps them to check that every thing has been done as planned.
9. Once all the items on the agenda have been discussed and all decisions made, the secretary invites the chairperson to thank the members for their participations in the discussion, and close the meeting.
10. The secretary writes down the points that have been discussed and the decisions that have been taken in the minutes of the meeting. He/She should also include date, time and place of the meeting, and who attended.

BIBLIOGRAPHY

AFRICAN FOUNDATION FOR DEVELOPMENT (1998-2003); Registered

Charity No. : 1058570 Email: info@afford-uk.org;

Christy Stickney; Women's Opportunity Fund; Trust Bank Manual; Opportunity International; 1997;

DID-Tanzania; External SACCO; Financial and Institutional Diagnosis Report (December 20th, 2001);

DID-Tanzania and MEDA (Sunday, June 26, 2005); Rural Poverty Alleviation through strengthening of SACCOS; Concept Paper.

International Co-operative of Alliance (June 2000); Rural Savings and Credit Co-operative Societies in Tanzania;

MWAKAUMU; Guidelines for Group Action;

Ms. (Dr) Kimberly Jane Reid (KIM), Vancouver, Canada: Youth Charitable Organization (YCO's): Financial Relationships between Communities based organizations and Formal Banking Sector;

NATIONAL MICROFINANCE POLICY (May, 2000); MINISTRY OF FINANCE;

THE UNITED REPUBLIC OF TANZANIA

PANAFCON Development Consultants, Research Findings and Analysis of Mwanza Informal Sector Survey; March 1994.

Rural Tanzania. African Review of Money, Finance and Banking. Supplement of Savings and Development Journal , Issue 1 /2 1994, 141-166

Specific documents, individual entrepreneurs, Government leaders and other assistance will be required during the baseline survey.

Tanzania : Proposal for an ADF Loan for Small Entrepreneurs Loan Facility

Project,(October 6,1998): AFRCAN DEVELOPMENT FUND

Temu, A.E. (1994) A study of the Rural Financial Market in Tanzania. A PhD Thesis submitted to The University of London, Wye College, UK.

Temu , A.E. and G.P.Hill (1994) Some Lessons from Informal Financial Practices

Verhagen, K. (1988); the Methodology of Self-Help Promotion in Developing Countries, Yearbook of Co-operative Enterprises, 79:96.