

**PAMOJA NGUVU**  
**2020**  
(samen sterk)

*This adapted business plan for 2020 and further is adapted with learnings from the first year of operation and information obtained from (commercial) microloan banks in Tanzania.*

**Mission**

Stimulating and actively helping underprivileged women, as well as young adults graduating from Happy Watoto (after finishing successfully secondary and/or vocational training), to become sustainable economically successful and independent.

**Vision**

To improve the economic and social living conditions of our target groups by

- \*) granting micro loans to start small businesses
- \*) giving basic education about economic principles, entrepreneurship and family planning.

**Organization**

PN exists of a Dutch and Tanzanian team. The board is based in Holland and exists of:  
Jacqueline de Bruijn, secretary,  
Monique Emondts, member,  
Fred Arp, treasurer,  
Matti Emondts, chairman.

The board has the final say in all matters but will delegate specific tasks and responsibilities to the Tanzanian entity.

The Tanzanian entity exists of two people; our Manager Fahtma Mwidanyi who joined PN as a manager in June 2019 and Irene Peter as Project Coordinator who worked for PN ever since the start.

Marjolein de Rooij will work as an advisor for the board and as a sounding board, advisor and mentor for the Tanzanian team.

If we conclude mid 2020 that PN is ready to grow (after evaluating the first year and adaptations made in Q1 and Q2) we believe another Project Coordinator will be recruited.

Happy Watoto organization, with an official NGO status in Tanzania has agreed to manage our back office at a management fee.

Staff working for PN will have a job description based on PN activities, there will be no hierarchical relations with HW management.

## Way of working

### Selection

#### Target group under privileged women

Through our Tanzanian team, contacts are established in a geographical and economical entity in the greater Tengeru region.

The village executive officer will be informed about the goals and way of working of our organization. Through contacts in the village PN will check which women, under privileged and with a strong drive and ambition, could be selected for receiving a micro loan. These women should not be the poorest, since for them daily survival is the main goal. When selecting these women, they have to meet amongst others the following criteria:

- having already a small business and earning some money
- poor according to the PPI-score: score between 29-50
- is willing to work in a group
- is able to explain and discuss her business idea with PN
- is not having an addiction herself or in the direct family
- is being approved by the village executive officer
- is not having other loans
- is not related to PN- and HW- employees
- is having a fixed place for living
- is not having a criminal record

We are looking for powerful women who have a dream and drive about their future. They need to be able to explain how they see their future business and to make a plan how to realize that and convince our PC's about the realizability.

Basically, our team should find a woman who has a plan or can make a plan helped by our team to start an income generating business. When several women are found, during training, PN will help, by setting criteria, who can become a chairwoman of a group of average 5 women in total. The chairwomen need to be good in record keeping and show leadership skills and have to be able to read and write

Thus, a loan group is formed, in which the members receive individual loans and work individually but have a common responsibility for the total loan amount of the group.

(The common responsibility is only for incidental repayments)

The members in a group can have completely different economic projects, so they are not competing amongst themselves.

There will be a great solidarity in this group (they all know each other). It will have its effect when taking care of each other's children or helping when in financial need (during illness) or making savings for something to the benefit of all group members.

Social control will be strict and motivating.

This idea is being based on one of the pillars of the success of the start of micro loans in Bangladesh (source: banker of the poor. M. Yunus)

Of course, the board can always decide to make an exception to grant an individual loan if somebody has a good plan but is unable to form a loan group.

### Target group Happy Watoto Graduates

Through social work HW the graduates (successfully having finished secondary O level and/or vocational training) are informed, preferably a year on forehand, about the possibilities our project might offer them. When there are young adults in this group who have specific plans to start their own business, our PC's will be brought into contact with them, to check on the plans and possibilities.

When the plan has been found positive by the PC's and liaisons, the project will be put forward to the Dutch board. If they also decide positive an individual agreement can be offered. This applies to boys as well as girls.

So, different from the approach with the under privileged women, no loan groups are formed here, but individual contracts. If possible, forming groups would be great here but this is so far unknown territory. HW graduates are not coming from the same secondary schools and will miss these social contacts to form groups. Future will learn.

Furthermore, we agreed HW candidates need meet the following minimum requirements: to be at least 18 years old and have 2 years of practical training on the job or a fulltime job, to be able to get a loan. We realize the first HW graduate loans will not be given before 2021 and live in the designated (greater Tengeru) region

Way ahead of leaving HW, social work HW should organize a meeting with our PC to inform future graduates about our project, so in their final school year they realize that they need two more years of practical training/working before starting their own business.

### Project screening

First the projects will be screened by our team, when in doubt Marjolein or the Dutch board can be consulted.

### Loans

The loans given to the target group under privileged women will be around the 100 us\$ (Tsh230.000) with a maximum of 150us\$ (Tsh350.000), per individual project, depending on their business.

All the women are obliged to have an MPESA account and open a bank account at the same local bank as the HW/PN- account. Loans and repayments will only be done by MPESA and only by exception through this account.

Savings will be made on the bank account.

Depending the type of business, the loan amount will be given in parts. After the first, small amount, is repaid successfully and recordkeeping is proven a second or later third part of the loan can be given. When repayment is not done properly, the woman gets a warning from the PN-team. If there are no improvements in repaying, the loan will be stopped. The PN-team has an agreement with the VEO to take legal steps when a woman is stubborn in not repaying.

The loan amounts given to the HW graduates could be higher, since the startup of a business might be more complex than with the other target group, who will perform more often, simpler and unskilled labor.

It is the board's discretion to change the maximum amount in specific situations. When the maximum is increased the organization will ask for a security / collateral

In case of the HW leavers receiving a loan, we will always ask for a security / collateral.

Collateral can be that ownership of certain goods are with Pamoja Nguvu, until repayment, or we can ask family members to guarantee for the loan receiver.

Loans will be granted at a zero-interest rate. (Here we take a different approach than other organizations) reason for doing so is to enhance the chance of success because the loan is "cheaper". We realize we will miss income from interest but accept this for the above-mentioned reason.

Repayment of the loans has to be completed within 6 months after receiving the loan, paying a weekly amount of 1/26th part of the loan, the first small amounts of the loans to be repaid in 6 weeks.

Our local PC's will visit the projects regularly, monitor the progress and check the repayments. PC's will help the participants to start MPESA repayments and/or and (niet or) open local bank accounts.

Especially the chairwomen play an important role in making sure weekly repayments are done. Prime contact will be between PC's and chairwomen. Chairwomen to have regular meetings with women in their group.

During these talks all members of the loan groups have to be present. If an individual member of a loan group cannot repay the loan, the repayment has to be done by loan group members.

Through the change in policy (not giving the total amount at the start but beginning with a small part we expect the amount of people not repaying to reduce. However, if a person is in default for several repayment terms, the PN staff will discuss this with the person(s) in default in order to find a solution. The board will be informed ASAP. Early warning and reporting are key to prevent these situations, or, in worst case, understand how these problems could happen.

If repayment remains impossible it is up to the PC's and liaison how the outstanding debt can be repaid to the maximum.

If it is a case of real "bad luck" (according to our organization) a new loan might be discussed if that enables the chance of full repayment.

If, after a successful first loan (business success, 100% repayment and record keeping) a second loan is desired, a new business plan has to be presented, and at least 25% of needed capital has to be funded by the woman who requires the loan. The loan cycle is the same as the first loan cycle

A third loan will never be granted.

## Education

Every project will start with a basic education. Without successful participation, no loan will be given. The training will be based in entrepreneurship, woman health/family planning and basic economics. The number of women participating at the training will be a minimum of 10.

There will be 4 half day trainings (3 by Gudilla about business and economics and 1 by Joyce about family planning and women health)

After the training an extra hour training will be given to chairwomen about their specific role

For women who are getting a second loan (after proven success) an extra training day will be organized.

## Funding

The funding for organizational costs will be guaranteed and supplied by the founders.

Several sponsors have showed interest in helping financially. Money received from sponsors will be earmarked a 100% for loans and education.

New sponsors need to be found in 2020. Not only big sponsors but also sponsors who can supply e.g. a single loan to a woman.

## Planning for 2020

In July 2020, during a board visit to Tanzania, our adapted strategy will be evaluated. If the learnings and as a result the adaptations have proven successful, we will further grow the project and strive for 200 woman receiving loans at the end of 2020, at a repayment ratio of at least 85%.

Also, an extra PC will be recruited then.

These assumptions are already included in the budget 2020, as made and agreed in October 2019.

## Measuring results

Our success will be defined, among other things by

-the repayment/default ratio at least 85%

-the quality, sustainability and economics of the projects.

-an improvement in life measured by the PPI (poverty probability index), observation by PN - team and "happiness scale", compared to the intake score.

- an increase in income per day (we feel income per day needs to go to a minimum of 2.5 \$ a day)