ANNUAL REPORT PAMOJA NGUVU 2019

After the kickstart of our micro loan project Pamoja Nguvu in November 2018, big steps have been taken in 2019.

In the beginning of 2019, *Irene Peter*, our project coordinator has been busy selecting the first groups of ladies, interested in getting a loan. She was assisted by *Joyce Sagalla*, who also is working as a NGO board member of Happy Watoto.

Together with the Village Executive Officers (VEO) and after consulting Marjolein de Rooij, who was our advisor and sounding board in Tanzania, the first loan groups were started.

As of mid 2019 we have hired *Fahtma Mwidanyi* as manager of our project. She has had her education in Kenia and has worked for international companies and is also experienced in the field of micro loans. She is the end responsible manager in Tanzania.

Ever since her start with Pamoja Nguvu we clearly see a lot of quality improvements in the way of working, processes and procedures.

In 2019 we have organised multiple day trainings for 86 women and have given loans to all of them (they all passed the post training test). There have not been graduates of Happy Watoto who we have given a loan. Because of the age build up of the Happy Watoto graduates we only expect this target group to apply for loans as of 2021.

The average amount of the outstanding loans was approx. 105 euro (120 us$) per person.

With these loans, small companies are started or existing businesses are expanded.

Those businesses are f.e. tailoring, mini restaurants, agriculture, selling goods at the market, having chicken/egg business etc.

Although we have been fully operational only for roughly 8 months at the end of 2019, we have been able to see a considerable rise in the daily income of the women supported by Pamoja Nguvu!

Fahtma is reporting to the Dutch board on a weekly basis. Also Jacqueline and Monique from Pamoja Nguvu have regular WhatsApp conferences with Fahtma. The financial reporting, which is done by the financial department of Happy Watoto is on a monthly basis. Once a year the budget is made, based upon a proposal from the Tanzanian team and with guidelines from Holland. The budget-meeting takes place in Tanzania

The Dutch board has been meeting 4 times in 2019, of which one meeting took place in October 2019 in Tanzania. During this meeting the board visited many women who have our loans, but also small banks and other organisations who work with micro loans.

Since we have been in operation only a short time we have based our budget 2020 on an intermediate evaluation of the 2019 activities.

Thanks to this evaluation, well prepared by our team, the gathered experiences from other organisations and with a great support of Marjolein, we have been able to conduct a lot of improvements and adaptions right away.

A selection of these we are happy to share with you:

\*) Loans will not be paid out for the full amount at the start of a loan agreement. We start with a smaller amount that has to be paid back within several weeks. Only after successful completion of that repayment a new part of the loan will be paid out. Of course an exception can be made if the reason for a loan is f.e. the purchase of a sewing machine.

\*) Loans have to be repaid within 6 months instead of a year.

\*) Repayments are not done anymore through local banks (sometimes women have to stand in line for hours to repay 2 dollars). All repayments will be done electronically through the Mpesa mobile phone payment system (widely used in Tanzania).

\*) We will emphasise more and more on the subjects of bookkeeping and business during our training sessions.

\*) A possible second loan will only be granted if the first loan has been repaid in full and in time, the new business plan is approved by our local team, an extra training has been followed with a positive result and if at least 25% of the loan amount is financed by the woman herself. (Thus we stimulate to keep savings)

\*) We will give more empowerment to the loan group structure. The chairwoman’s role is becoming more important and she gets a bigger responsibility. We will honour that by granting her a phone allowance.

In the course of 2020 we will evaluate the adaptions, and if these turn out to be successful we want to expand to 200 outstanding loans by the end of 2020.

As for the repayments, it is too early to specify a definite percentage, most loans are still within the official repayment scheme. But it is obvious we have not been selective enough with the first group selection. The eagerness to start, led to quantity above quality. Now with the new team in place, it is back to what is should be, quality above quantity!

Of course this has its effect on the amount of default in the first groups.

We have asked Wim Smit (who has been in Tanzania multiple times to train the management teams of Happy Watoto ) to help our team as well. Wim wholeheartedly agreed and will start the training in 2020. Because of the maternity leave of Fahtma it was not possible to plan the training in 2019)

The cooperation with Happy Watoto is excellent. Administration and bookkeeping have been outsourced to Happy Watoto and the teams really work well together. Especially Mathew Karau (MD of Happy Watoto) and Irene Elipokea play an important role in these activities.

We are very grateful to Happy Watoto, since through this cooperation, we are able to keep our operational costs at a low level and have more money available for loans!

We truly feel privileged, that quite some sponsors decided to help us in this early stage! That is a fantastic feeling, it is a true stimulus for us to fulfil our mission! The big advantage is, that the amounts we give as a loan can be re-used for new loans once they are repaid. That is a very effective way of helping and has a long term effect!

Many thanks for that, on behalf of all the women of Pamoja Nguvu

On behalf of the board

Matti Emondts (chairman)

After writing the annual report, Covid 19 influenced everything in the world. See our news updates in our newsletters on the site.