

# Five Talents

Fighting Poverty, Creating Jobs, Transforming Lives

## Trip Report to Mama Bahati Foundation, Tanzania: 8-13 May 2008

### Team Members:

Tom Sanderson – leader  
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### Day 1:

Arrival in Dar es Salam at 10am. Very hot and sweaty!

At 11am we met Adrian Stone, Growth Policy Adviser at DFID. He gave an excellent overview of the banking sector in Tanzania and microfinance in particular. There are 21 regulated banks in Tanzania including three commercial banks with a nationwide network of branches. Financial access is summarized as follows:

9% adult population have access to formal financial institutions.

2% have access to semi-formal institutions (Microfinance institutions and savings and credit cooperatives).

35% have access to informal organizations (e.g. savings groups), unregulated, no staff

54% no access to financial services (mainly women).

Commercial banks offer consumer loans at around 20% AER, compared to Mama Bahati microloans at 2.5% per month. This is within the normal range for MFIs in Tanzania (2-3% pm).

Lunch with Japhet Makau, Personal Banking Manager at National Microfinance Bank and board member of Mama Bahati Foundation (MBF). Japhet has spent 10 years in banking, including 3 years in Iringa. He is a Microfinance expert and shared his enthusiasm and vision for MBF.

Flight to Iringa – one and a half hours. Met Immaculate Mwangulu (Project Coordinator) and Edward Parker (volunteer). Dinner with Edd and MBF staff. Overnight in Wilolesi Hotel, Iringa.

### Day 2:

Met Anglican Archbishop of Tanzania, Donald Mtetemela – patron of MBF. The Archbishop told us about the Anglican church in Tanzania, one of the largest denominations, its structure and leadership. He explained the history and vision of MBF – centred on the bible verse “He raises the poor from the dust .... and makes them companions of princes” (Ps 113:7) – specifically aiming to uplift poor women. It was a memorable meeting and we left inspired by his passion for the poor through the MBF.



We visited the MBF office where Immaculate explained the process of group formation, training, saving, loans and repayments. The office was well organized, 3 staff members and efficient files and records. They are now loaning to 537 active clients in 105 groups, average loan of £38 per person repaid over 16 weekly repayments (c.4 months). Five Talents is the main partner.



## Client visits

1. Salome Kisege: Runs a general shop. She is married with 4 children. Her husband is a carpenter who has helped to construct the shop. She is on her 4<sup>th</sup> loan cycle now, the maximum level of c.£200 which she has used to expand the stock in her shop, expand her plot and diversify into tailoring.



2. Mary Nyachiko: runs a restaurant selling hot food to students at the nearby university. She is a widow with 7 grown children (youngest is 18 yrs). She gets 20-30 customers per day, each buying a hot meal for around 40 pence. We interviewed one of her customers who said “she makes delicious food with a good portion of greens”. Her competitors (next door) charge around 50p per meal, but they have electric light, a smarter dining area and a TV to entertain customers. Mary is on her third loan, this time £100, with which she has bought new plastic seats and new plastic plates and cups. The increased income has helped her last-born child to complete his university studies.



3. Fatuma Mataso: makes snacks at home and sells them in the town (walking trade). She is a muslim, divorced with 10 children, two of whom have died. The youngest is 13 yrs still at school. She has paid back 2 loans successfully and is now on her third cycle of £50. She is beginning to trade in sunflower oil: buying the sunflower seeds in bulk, refining them and selling the oil.



4. Magreth Nyagawa: keeps two dairy cows. She is a grandmother with 6 grown children. She lives at home with her husband one grand-daughter. Her third loans was for £125 with which she bought a dairy cow for milking. “I can manage to solve any problems now, even the vet expenses for my cows! I am thinking of getting some chickens next after the harvest when the price of feed drops.”



5. Zawadi Mpwepwe: runs a fruit and vegetable stall. She is married to Kenneth and they have 3 children aged 13, 11 and 3. Her stall is in a good location, with no other competitors on her road. She had three customers in 5 minutes while we visited. She is on her second loan, which helped her overcome some family difficulties: her husband was sick, now recovered. Her home was broken into, and stock was stolen. Recently Kenneth’s cart was found containing stolen goods and he was put in jail for two days. Zawadi managed to clear him. She is now being asked to pay rent for her stall location. The MBF staff have encouraged and advised her through these difficulties.



6. Magreth Simama: Sells Kangas and has recently become a coca cola agent, for which she receives a fridge. Her latest expansion is trading in nitrogen fertiliser – which she buys at £45 per sack and sells at £50 (11% mark-up). She buys the kangas at £1.30 and sells at £1.75 (35% mark-up). She has a good location in the central market. She has to pay £17.50 rent per month. Her shop sign is “Mummy’s Shop”, employing one other person and helping to care for her 4 children.



7. Agnes: makes fresh cakes which she sells on foot around the town. Her parents died when she was young. She completed primary education and was sent from the village by her grandparents to be a house-servant for a lady called Catherine and her husband in the town. Over 5 years Catherine has taught Agnes how to bake and now she works for herself and pays her own rent and cares for her grandparents who live 23 km away. Agnes mixed a cake while we visited and told how she is proud of her own skill and business. She is on her third loan cycle.



8. Peragia: sells onions and ginger in the central market and now makes baskets as well. The baskets are made while at the stall using leftover parcel straps. Each basket sells for £2 on which she makes a profit of £1. She is on her third loan, which she used to buy the strapping in bulk from Dar es Salaam. The business supports her family of 4 children.



9. Grace: is a seamstress making luxury items like smocked cushions, embroidered tablecloths, napkins as well as dresses and cushion covers. She has taken her second loan to buy stock. The business has helped to pay for her husband's medical care and transport – he is currently sick in the national referral hospital in Dar. There are school graduates watching Grace work, hoping to learn her skill and gain employment.



Dinner with MBF staff and overnight in Wilolesi Hotel, Iringa.

### **Day 3:**

Visit rural church in Ihimba parish – asked to preach and sing! Visit pastor's house. Very humbling experience. Farewells to Archbishop and MBF staff.

Afternoon drive to Ruaha National Park – 2 hour journey. See lions etc. Overnight in Ruaha River Lodge – wonderful!



### **Day 4:**

Early morning game drive: seem many animals, but no more lions.

Afternoon internal flight back to Dar: 2½ hours.

Dinner at Sea Cliffe Hotel. Overnight at Peacock hotel. Early morning flight to UK.



Report compiled by:  
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