

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

**MASTER OF SCIENCE IN COMMUNITY ECONOMIC DEVELOPMENT (2007)**

**ESTABLISHMENT OF SAVINGS AND CREDIT COOPERATIVE SOCIETY FOR  
PARAKUYO IMARA  
“A CASE OF PARAKUYO IMARA LIVESTOCK PRIMARY COOPERATIVE SOCIETY  
LIMITED IN MIKONGORO SUB VILLAGE, MSATA WARD, BAGAMOYO DISTRICT”**

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**SOUTHERN NEW HAMPSHIRE UNIVERSITY**

**AT THE OPEN UNIVERSITY OF TANZANIA**

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**“A CASE OF PARAKUYO IMARA LIVESTOCK PRIMARY COOPERATIVE SOCIETY  
LIMITED IN MIKONGORO SUB VILLAGE, MSATA WARD, BAGAMOYO DISTRICT”**

**A PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE REQUIREMENTS**

**FOR THE DEGREE OF MASTER OF SCIENCE IN COMMUNITY ECONOMIC**

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**UNIVERSITY OF TANZANIA**

**BY MUSSA, MOHAMED MSAKAMALI**

**OCTOBER 2007**

**SUPERVISOR'S CERTIFICATION**

I **Joseph Kiangi Mwerinde** certify that I have read this project paper entitled **“Establishment of Parakuyo Imara Savings Credit and Cooperative Society Limited**. A case study of Parakuyo Imara Livestock Primary Cooperative Society Limited in Mikongoro Village, Msata Ward in Bagamoyo District” Submitted for the award of Master of Science in Community Economic Development and I hereby recommend for acceptance.

  
.....

**Signature of the Supervisor**  
**Date** 11-10-07.....


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**DECLARATION BY THE CANDIDATE**

I, **Mussa Mohamed Msakamali** declare that the project paper entitled **“Establishment of Parakuyo Imara Savings and Credit Cooperative Society Limited**. A case study of Parakuyo Imara Livestock Primary Cooperative Society Limited in Mikongoro Village, Msata Ward in Bagamoyo District”, is my own original work and it has not been submitted for the award of a similar degree in any other University.

..........

Mussa Mohamed Msakamali.

Date 11<sup>th</sup> October 2007.

## **DEDICATION**

This work is dedicated to my beloved wife Fortunata, my daughter Bahati and my sons Hamoud and Baraka, my father Mohamed Msakamali and my mother Mwajabu Tekero whose love and moral support, inspiration and devotion made my life worth living throughout the period of my course.

This work is also dedicated to the family of the late Nathaniel Ambilikisye Katinila the immediate former Programme Coordinator of AMSDP. Let it be part of my special condolence to all of them following the sudden death of this great man caused by a plane, which crashed on 16<sup>th</sup> December 2006 at Mbeya airport. May almighty God rest his soul in eternal peace.

## ABSTRACT

The Parakuyo Imara Livestock Primary Cooperative Society (Parakuyo Imara) is a community-based organization (CBO) based in Mikongoro sub-village in Msata ward, Bagamoyo district. Most of Parakuyo Imara members are pastoralist MAASAI by tribe. Parakuyo Imara had 22 founder members, comprising of 6 women and 16 men, residents of Mikongoro in the year 2000. The community members face a problem of low level of income, which induces poor quality of livestock and crop production due to poor methods of crop and animal husbandry.

The CBO objective was to improve the livelihoods of its members and those of the community as a whole through improved crop production and livestock husbandry practices. The CBO was registered as livestock primary cooperative society under the **Cooperatives Act, 1991**.

The study therefore aims to find out feasible and viable ways of establishing Savings and Credit Cooperative Society (SACCOS) at Msata ward. The study considered SACCOS as the best and simple means of generating capital for investment among poor. The research involved a sample size of 38 respondents 14 were female, and 24 were male. A research finding shows the necessity of establishment of a SACCOS in the community. The community expected the newly established SACCOS to solve the identified problem of low capital investment to boost up income level of the members. The project seeks Members and leaders to mobilize local savings and operate a small-scale credit facility through SACCOS.

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I appreciate Mr. Walter Swai and Mr. Abdul Pagali and other AMSDP members of staff who made a tireless effort on pressurizing and giving me moral advice to



continue with the course. Their efforts were very fruitful, as I have succeeded to reach to the programme completion level.

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Mr. Kangungu Mohamed and Aksam Mohamed did a lot in data collection, they visited survey respondents, members of Parakuyo Imara in Mikongoro village one house to another regardless of poor roads and rain, I appreciate their valuable work.

Finally, I would like to convey my gratitude to leaders of Msata Ward and Bagamoyo District Council on their support to the project. The District Agricultural and Livestock Development Officer, Dr. Materu who provided me with valuable information on agriculture and livestock activities in the district. The District

Cooperative Officer Mr Tajiri Ali Makunja has played a big role on member's sensitization, mobilization, registration and training the SACCOS members. Mr Hemed Suleiman of MM Micro Business Consultants has offered good service of facilitating training to the SACCOS members, I appreciate his contribution.

## **EXECUTIVE SUMMARY**

Sustainable livelihoods approach to poverty alleviation strategies among the rural and urban poor is a challenging issue especially during this digital era and globalisation mythology.

The means in which the rural and urban poor get their survival may escalate further the incidence of abject poverty and lead to high vulnerability to both material and non-material deprivation.

Sound policies and theoretical frameworks should be established to make the rural and urban poor men and women sustain their livelihoods in a more decent way.

Rural poor are more vulnerable to poverty than the urban poor. The rural poor always depend upon the fruits of nature for their survival.

Social and economic facts show that more than 85 percent of the Tanzanians population lives in rural areas and more than 60 percent of them live below 1 USD per day and hence fall below the income poverty line. This implies that these people cannot afford a minimum basket of goods and services including foodstuffs, shelter, clothing, transport, medical care and education.

As the rural poor are poverty stricken they need a more sustainable means of livelihoods to improve their physical quality of living index. There is a great need for

them to establish economic ventures skin to Community Economic Development (CED) programmes. These are but, Savings and Credit cooperative socialites (SACCOS), which will act as their liberator from the trap of poverty. People should join hands in order to increase their economic, political, social and cultural voices. The saying that the weapon of the poor to fight against poverty is through collective efforts of their own hands holds much water, in this case.

Establishment of cooperative economic ventures such as SACCOS with the core principles of democracy, voluntary association and sharing of material benefits will excel the development of these CBO through a sense of togetherness, cooperation and permanency which will make them sustainable. It is therefore necessary that community members need to be well informed about SACCOS and be instilled with confidence and competence among members as they become knowledgeable and skilful in running these ventures in a sustainable basis.

In this study the Parakuyo Imara Livestock Primary Cooperative Society a community-based organization based in Mikongoro sub-village in Msata Ward, Bagamoyo district had decided to use SACCOS as means of generating capital to fight poverty.

The CBO with the purpose of improving the livelihoods of its members and those of the community as a whole through improved crop production and livestock husbandry practices had successfully established the SACCOS at the end of November 2006.

The established SACCOS intend to solve the identified problem of low capital investment to boost up income level of the members.

The objectives of the SACCOS are:

- To increase income levels of Parakuyo Imara members through improved livestock keeping investments that would get loans, from the credit union for their capital investment at the end of 2007.
- To increase income levels of Parakuyo Imara members through income generating enterprises that would get loans, from the credit union for their capital investment at the end of 2007.

Project Sustainability are based on Members knowledge obtained through training made during the process of establishment and the continuous training scheduled to be conducted in future. Leadership ensured organization sustainability through their own constitution and prevailing government rules and policies on cooperatives (SACCOS) and MFIs. The Trainings and Government commitment to promote SACCOS in the country would make these communities project to be sustainable.

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**ABBREVIATIONS**

BDC	Bagamoyo District Council
CBO	Community Based Organisation
CED	Community Economic Development Programme
CNA	Community Needs Assessments
CP-DEV	Center for Practical Development Training
DADP	District Agricultural Development Plan
DED	District Executive Director
HPI	Heifer Project International
JICA	Japanese International cooperation Agency
MTEF	Medium Term Expenditure Frame Work
MWADA	Msata Ward Development Association
NGO	Non Governmental Organisation
PIDP	Participatory Irrigation Development Programme
PMO	Prime Ministers Office
PRA	Participatory Rural Appraisal
SACCOS	Savings and Credit Cooperative Society
UNICEF	United Nations Children and Education Fund
URT	United Republic of Tanzania
USD	United State Dollar

## CHAPTER I

### COMMUNITY NEEDS ASSESSMENT (CNA)

#### 1.0: Introduction.

- **Bagamoyo**

Bagamoyo is among six districts of Coast region, with the coverage of of 9,842 km<sup>2</sup> and comprises of 82 villages, 16 wards, and 6 divisions. It is located in the Northern part of the Coast region, and lies between 6° – 7° Latitudes South of Equator, and between 38° – 39° The district borders, at the North, Handeni and Pangani, South, Kinondoni and Kibaha west, Morogoro region, and East it boards with Indian Ocean.

- **Population**

Population is 228,967 people. 113,99.1 Men, and 114,976 Women (BDC – DADP 2006-9).

#### **Animal Population**

The population of Livestock is 62,760 Cattle, 10,028 Goats, 3,022 Sheep, 4,180 Dogs, 3,689 Cats, 87,505 Indigenous chicken, 5,118 Ducks, 193 guinea Fowls, 69 reared pigs and 63 reared Rabbits (BDC –DADP 2006-9).

- **Basic Land Use and Infrastructure:**

A small portion of the land is owned under customary law while a large part of the land is under communal ownership. This land entails peasants who predominantly practice shifting cultivation and as such characterised by poor economic growth and acute food shortage. Pastoralists and agro pastoralists dominate the land under communal ownership. The main characteristics of these groups are low productivity and profit at the period when water and pasture becomes scarce. Movement of animals from one place to another in search for water and greener pasture is highly marked and continuous at the onset of the dry season.

The area available for grazing is estimated to be 8,987 km<sup>2</sup> whilst 2,795 km<sup>2</sup> is currently under utilization. High prevalence of tsetse flies challenge has made 6,192 km<sup>2</sup> unfit for livestock grazing. The district has six Veterinary Centers which have been out of function for long time because of lack of maintenance, lack of facilities and equipments.

The District has a total of 34 cattle dips; 18 of which are not working due to lack of ownership, lack of maintenance, lack of funds for rehabilitation.

The primary Livestock markets at Matuli, Lugoba, Fukayosi, Chamakweza, and Vigwaza ceased to operate because of dilapidation, lack of ownership and lack of funds for rehabilitation.

There are six privately owned slaughter slabs in Chalinze, Lugoba, Mdaula and Ubena. However Bagamoyo town being an expanding and historical one,

has been doing without an abattoir for ten years now. The National Ranching Company at Ruvu has one abattoir which is exclusively used by the ranch.

There are 5 small dams (charcos) and 4 big ones, all catering for livestock and human are in Fukayosi, Mkenge, Ubena, Masuguru, Talawanda, Mindutulieni. Chamakweza, Kihangaiko and Lukenge Villages. The capacities of the existing charco dams are so inadequate that they can not meet annual water requirement for both livestock and human beings in the villages in question. Crushes are very important infrastructures both as diagnostic aids and smooth vaccination operations. The District has four permanent crushes. There is a deficit of 20 crushes.

The indigenous sectors which are predominantly pastoralist has made a significant contribution in the production of milk for both home consumption and domestic market. There are 7 milk collection and cooling centers. The cooling facilities have made it possible for milk so collected to be preserved and transported to Dar es Salaam for sale to small/large processors. There is a need to extend the milk collection centers to other villages which lack the service and advocate appropriate technology for processing and parking of milk in packets to catch up with health status of pupils and advance market outlet channels.

The potential arable land has contributed to favourable conditions to agricultural development with conjunction of conducive climatic conditions,

which are contributed by soil, fertility. The District has total arable land of 836,570 hectares, which is 85% of the total district land. Area under cultivation per annum for food and cash crops is 75,360 hectares which is 10% of the total arable land.

The presence of Ruvu and Wami River basins has given the chances of practicing irrigated agriculture. The potential area for irrigation contributed by those two rivers is 15,000 hectares while only 48 hectares are utilized at Ruvu Basin (PIDP) near lower Ruvu pumping station.

The district has storage facilities with total capacity of 180,000 tons, which were contributed by 18 godowns situated at different villages. At present the capacity has been reduced due to wearing of the buildings and failure of renovations, which lead to two godowns to crumble completely, while the remaining 16 godowns need renovation to keep them operational. This is important in increasing market facilities within producing areas, contributing to easier marketing. The renovation work need funds, which are not within village reach, hence need to be improved to make the situation conducive.

- **Physical Features**

Bagamoyo District has a total land area of 9,842 square kilometers which is 29.5% of the Coast regions' land mass. It is characterized by tropical climate with an average temperature of 28o Celcius..



- **Rainfall:**

There are two main rain seasons with an average of 800 – 1,000 mm per year. The main rain season lasts for four months, March – June, and many agricultural activities are carried out at this season. The short rain season lasts for two months between October and December, short term crops are grown during this season.

- **Soils:**

There are three types of predominant soils:

- a) Coastal strip – sandy and sandy loams
- b) Hinterland (450 meters above sea level) – sodic soils, clay, clay loams, and Sandy Clay
- c) The soil along Ruvu and Wami rivers are rich alluvial.

### 1.1: Vegetation:

Vegetation biodiversity in the district is distributed as follows:

**Table 1: Vegetation Biodiversity Distribution**

Biodiversity	Hectares	Percentage of Coverage	Cumulative Frequency
Forest	7,425	1.23	1.23
Natural Forests	793	0.13	1.36
Mangroves	4,143	0.69	2.05
Wood land	362,905	60.40	62.45
Grass land	66,384	11.05	73.50
Cultivated land	156,878	26.12	99.62
Open land	2,279	.38	100.00
Total	600,807	100.00	

Source: BDC-District Agricultural Development Plan MTEF (2006/07 – 2008/09)

The largest part of the vegetation biodiversity is composed by woodland which occupies about 42.2 percent and least is open land which is 0.3 percent only.

#### ○ Hydrology:

Indian Ocean and two rivers, namely Ruvu and Wami are the main water sources in the district for domestic consumption, gardening,

washing and cleaning and water resources such as fish, clusters and crabs.

## 1.2: Institutional Structure

### 1.2.1: Co-operative Services and Facilities

All Co-operative Societies in the district are public oriented, having their members at village level and are managed following the Co-operative Act. No. 15 of 1991 and its amendments of 1997. There were only 53 primary co-operative societies as at 31<sup>st</sup> December 2005, situated mainly in rural areas except a few situated at Bagamoyo town.

**Table 2: Distribution of Cooperative in Bagamoyo as at 31.12.2005**

Type of cooperative	Number of Cooperative	Percentage Distribution	Cumulative Frequency	Location
Agriculture Marketing Cooperative Societies	25	47.16	47.16	Town /Rural
Cashew nut Processing Co-operative Societies	9	16.98	64.14	Town /Rural
Livestock Co-op Societies	9	16.98	81.12	-Do-
SACCOS.	6	11.33	92.45	Town /Rural
Agricultural Farming Co-op Societies	4	7.55	100.0	Town /Rural
Total	53	100.00	100.0	

**Source: BDC, District Agricultural Development Plan, 2006.**

It can be observed from the table that Agricultural Marketing Cooperative Societies are the dominant form of cooperative societies in the district. Savings and Credit Cooperative Societies form the least segment of the cooperative societies and need special attention to make it feasible and viable.

The Government has also noticed a low capital among Tanzania as the major problem on investment.

The Government decided to convince Tanzanians to establish SACCOS to be the source of capital among them. Bagamoyo district has registered a total of 55 SACCOS as at 30<sup>th</sup> November, 2006. Parakuyo Imara SACCOS being among them. This changed the Cooperative structure in Bagamoyo district as shown in the below table:

**Table 3: Distribution of Cooperative in Bagamoyo as at 30.11. 2006**

Type of cooperative	Number Cooperative	Percentage Distribution	Cumulative Frequency	Location
Agriculture Marketing Cooperative Societies	25	24.50	24.50	Town /Rural
Cashew nut Processing Co-operative Societies	9	8.80	33.30	Town /Rural
Livestock Co-op Societies	9	8.80	42.10	-Do-
Savings and Credit Co-op Societies.	55	54.0	96.10	Town /Rural
Agricultural farming Co-op Societies	4	3.90	100.00	Town /Rural
<b>TOTAL</b>	<b>102</b>	<b>100</b>	<b>100.00</b>	

**Source: Project Research Findings 2006**

### **1.2.2: Problems Facing Cooperative Facilities and Services:**

- Few active members per society due to lack of awareness on the importance of cooperatives to the community.
- Shortage of capital to run the societies due to low income to members.

- Lack of co-operative knowledge and awareness to the members, mainly villages. The district council and other NGO did not have funds to assist training to members of the cooperative. The cooperatives itself did not have the ability to meet training cost too.
- Lack of reliable markets for agro products especially cashew nuts and cotton. Failure of the cotton market, and cashew nut causing the farmer to abandon their farms and try to engage in petty business.
- Lack of farm inputs weakening crop production. Low ability to purchase inputs. Lack of awareness and knowledge to use the inputs.
- Few co-operative technical staff (only 3) at district level. District council has low ability to employ. Most NGOs did not engage themselves in cooperative issues to boost capital for the farmers.

### **1.2.3: Strategies to Counteract the Problems**

- **The main strategies considered to help solving some of these problems are:**
  - To conduct seminars and Workshops to members and none members to create awareness and motivate more members to join Co-operative societies, raising their capital through share and entrance fees.
  - To carry out market research before marketing season so that farmers are ensured of the market and better prices.

- To establish regular and reliable farm input supply system to promote production.

- **Education Facilities and Services**

By December 2001 there were 96 primary schools. All of them were owned by the District Council.

Main problems facing them were:

- Inadequate teaching facilities
- Inadequate class rooms/teachers houses
- Under qualified teachers
- High students-teachers ratio.

- **Health Services and Facilities:**

Bagamoyo has one district hospital, four health centers, and forty two dispensaries. The main problem of health sector is lack of essential facilities and services including shortage of medication and clinical consultancy.

- **Water Supply**

Main sources of water supply in the District are the rivers, ponds, boreholes, shallow wells, small dams, dams and deep wells. Most of people in the District draw water traditionally as there are no modern devices of drawing water for domestic use and for livestock. Lower

Ruvu and Wami water project assisted to solve water distribution process.

- **Communication:**

The District is served by road network that totals to 2,560 km. out of these 87 km are trunk roads, 426 km are Regional roads, 298 km are District roads and 1,749 are feeder roads served by community.

**Table 4: Transportation Network**

No.	Type of Road	Status	Length (km)	Percentage Distribution	Cumulative Percentage
1.	Trunk Road	Tarmac	87	3.40	3.40
2.	Regional Roads	Gravel Earthen /Mud	118 308	4.61 12.03	8.01 20.04
3.	District Roads	Earthen/Mud	298	11.64	31.68
4.	Feeder Roads	Earth/Mud	1,749	68.32	100.00
	<b>TOTAL</b>		2,560	100.00	100.00

**Source: DED, BDC, District Agricultural Development Plan, 2006.**

It can be observed from the above table that 91.99 percent of the total road network in the district is earth. This makes most of them impassable or semi-passable during rainy season.



**1.2.4: Economic Activities:**

- **Agriculture:**

The District has a long experience in growing both cash and food crops. Cash crops in the context include Cotton, Cashew, Sesame, Pineapples, coconuts, while food crops include Maize, Cassava, Sorghum, Paddy, and Pulses. Cotton and Cashew being the priority cash crops in hinterland and coastal Divisions respectively. Both had never been exploited to their maximum profitable levels due to different reasons including irregular supply of important input and lack of capital Investment on Agricultural production.

The production trend over the past 5 years is as follows:-

**Table 5: Distribution of Cash and Food Crop From 2001 – 2005**

Crop	Y	E	A	R		Variance 2001/2005
	2001	2002	2003	2004	2005	
Maize	10,623	12,592	16,133	16,214	15,897	5,274
Paddy	6,648	5,182	8,569	8,722	8,815	2,167
Sorghum	7,811	2,615	1,286	2,504	2,661	5,150
Cassava	18,933	11,933	10,496	11,021	10,703	8,230
S/Potato	130	83	551	600	572	442
Peas	72	1,480	845	819	871	699
Cotton	5	33	437	203	256	251
Cashew nuts	1,598	729	1,668	1,757	2,016	418
Sesame	2,367	3,869	854	942	816	1,551
Coconuts	1,360	1,626	2,857	2,915	1,213	147
Fruits	742	722	720	794	616	126

**Source: BDC, District Agricultural Development Plan, 2006.**

It can be observed from the table that maize and cassava are the main staple food in the district and are cultivated in large area of land. Cotton is the least cash crop grown in the district.

The highest variance is 5274 with maize production showing the greatest increase from 10,623 (2001) tones to 15,897 tones (2005). Cassava has the highest decrease with variance of 8,230 tones from 181,933 (2001) to 10,703 tones (2005).

**Table 6: The Trend of Crop Harvest (in tons)**

Crop	Y	E	A		R
	2001	2002	2003	2004	2005
Maize	25,194	32,266	13,502	14,606	13,077
Paddy	9,245	10,280	3,904	4,830	1,566
Sorghum	1,899	2,958	1,819	1,615	1,847
Cassava	26,981	24,141	13,700	2,934	2,888
S/Potato	830	1,653	815	72	260
Peas	2,220	1,267	714	53	2,980
Cotton	8	75	130	200	252
Cashew nuts	193	1,800	160	220	306
Sesame	3,094	597	310	180	624
Coconuts	5,710	7,710	7,015	6,800	8,938
Fruits	21,660	21,600	22,300	22,460	6,530

**Source: BDC, District Agricultural Development Plan, 2006**

It can be observed from the table that cassava is a leading crop (2001) produced in the district followed maize (2001). Cotton was the least produced 8 tons (2001). However, cassava dropped drastically in 2005 due to cassava mealy bug disease.

- **Livestock**

Indigenous cattle, goats, are widely distributed. Indigenous chicken are with the highest density in Msoga and Msata Divisions. Dairy cattle are mostly concentrated in urban centres of Bagamoyo and Chalinze. Broiler and layers are also kept in urban centres.

### Stakeholders Analysis Matrix for District Agricultural Development Plans

**Table 7: Agricultural Development Stakeholder Analysis:**

Stakeholder	Expectations	Impact	Priority
Community	1. Interpretation of District policies, Guidance and dissemination	1. Poor implementation of policy issues.	H
	2. Supportive supervision, guidance, evaluation of implementation of activities	2. Inadequate implementation of project activities.	H
NGOs	1. Provision of technical and professional guidelines on various sector related issues.	1. Uneconomical execution of community activities.	M
	2. Networking	2. Poor communication.	M
Private Sector	1. Provision of guidance, technical advise and materials.	1. Poor implementation of activities	M
	2. Policy and guidelines interpretation	2. Poor implementation of projects.	M
Parent Ministries	Timely preparation and dissemination of Quarterly, semi-annual, annual and special reports.	Poor planning, coordination and fostering of events.	H
Regional Secretariat	1. Policy Guidance 2. Supervision and Monitoring	Poor Planning and Implementation	H
International Partners	Professional guidance and coordination among various sectors	Un economical implementation of activities.	H
- DED			
- JICA			
- ABS			
- HPI			
- MS			
- UNICEF			

Source: BDC, District Agricultural Development Plan, (2006 – 2009)

- **Community Scanning**

Bagamoyo District Council considered SWOT analysis as the principle methodology in assessing the community needs. SWOT is an acronym of Strengths, Weaknesses, Opportunities and Threats. Regarding District Agriculture Development plans the District considered the following as strengths:

- Trained, competent and trainable manpower available
- Existing Coordination between sectors in planning and implementation.
- There is good leadership
- There is good participation of the communities in planning and implementation.

- **The District also observed some weaknesses on their planning:**

- Low productivity in Agriculture/Livestock sector
- Weak Primary Co-operative societies
- Pre and Post harvest losses in crops production
- Inadequate food quality and hygiene
- Prevalence of pests and diseases both in agriculture and livestock
- Non-compliance with the provisions of regulations and rules.

- Inadequate and irregular funding from different financial sources.
- Non involvement of Private sector
- **Various opportunities were available for future changes of peoples' lives if properly used:**
  - Availability of adequate and productive land for Livestock and agriculture
  - Availability of external and internal markets for both livestock and agricultural products.
  - Availability of strong Co-operative infrastructures.
  - Availability of interested development partners e.g. Donors, and NGOs
  - Availability of positive attitude of the communities to developments plans and implementation.
  - Existence of satisfactory communication network.
  - Availability of enough and very potential land for irrigation.

Threats are a common thing specifically to the country with poor infrastructure like Tanzania. In the case of Bagamoyo District the under mentioned were among of the threats although in one way or another can be prevented or reduced.

- Natural Calamities

- Draught
- Outbreaks of pests and diseases
- Outbreaks of bush fires and burning for range lands.
- Conflict among the stakeholders.
- Destruction of natural resources and environment
  - Deforestation
  - Soil degradation
  - Poaching
  - Dynamite/Poison fishing
  - Overgrazing.

### **1.3: Challenging Issues**

- **Low Crop Production and Productivity:**

Agriculture supports about 98 percent of the livelihood of the rural population in the district. However, production of both cash and food crops is on subsistence level despite the availability of productive land and manpower.

- **Low Livestock Production and Survival Rate:**

There were both indigenous and exotic livestock breeds in the district. Performance of livestock industry has not been good



because of various constrains. Removal of these constraints will enable the industry to perform to its best i.e. increased production and productivity.

- **Weak Co-operative Societies:**

Dormant agriculture, marketing cooperative societies, and ill functioning of Primary Cooperative societies. Efforts were underway to strengthen the existing primary co-operative societies and form new ones.



#### **1.4 Community Needs Assessment**

Community Needs Assessments (CNA) was done in Msata ward – Bagamoyo District Specifically in Mikongoro sub village. The survey was carried out in order to establish a Community Savings and Credit Cooperative Society. Moreover, Community Needs Assessments was conducted to determine the strategies towards capital generation in order to elevate poverty. The CNA assisted members in making decision on finding gaps that needs to be addressed, at the same time helping them in different ways of generating capital. The Targeted audience of the survey included the working group of youth, community elders, community leaders, parents, primary beneficiaries and other stakeholders

##### **1.4.1: Project Profile**

Parakuyo Imara Livestock Cooperative Society Ltd is a Community Based Organisation (CBO) registered under Cooperative Act 1991. Parakuyo Imara was established 15<sup>th</sup> September 1999 and got registration on 13<sup>th</sup> October 2000 under the same Act.

Parakuyo Imara is located in Mikongoro sub-village in Msata ward, Bagamoyo district. The sub-village is situated 145 kilometers from Dar es Salaam, about two kilometers off the Chalinze–Segera tarmac road, at Kihangaiko village. Parakuyo Imara has 21 members both male and female.

The members of Parakuyo are both farmers and herdsmen producing for subsistence. They co-exist in the same social and ecological environments. They all have common problems, including that of too low income to make ends meet.

Parakuyo Imara has an office at Msata village. The Leadership is under Management Committee consists of chairperson, Secretary, Treasurer and other three members of the cooperative. The mentioned leaders don't have good Professional or education back ground, among them only one person has attained Ordinary Level Secondary Education.

Parakuyo Imara Livestock Cooperative Society is not affiliated to any CBO. However, it has some collaborative relationship with The Msata Ward Development Association (MWADA).

The overall goal of the Parakuyo Imara Livestock Primary Cooperative Society is to improve the livelihoods of 22 members of Parakuyo Imara through increased income levels and enhanced food security. Besides serving the group members, moreover parakuyo imara serves whole sub village of Mikongoro and nearby villages.

#### **1.4.2 Objectives of the Community Needs Assessments**

The objectives of the project were in three-fold:

- To increase income levels of Parakuyo Imara members through improved livestock keeping investments that would get loans, from the credit union for their capital investment at the end of 2007.

- To increase income levels of Parakuyo Imara members through income generating enterprises that would get loans, from the credit union for their capital investment at the end of 2007; and
- To enhance food security of Parakuyo Imara members through undertaking food-producing activities that would receive loans from the credit union for their investment at the end of 2007.

#### **1.4.3: Aim of the Project**

By the end of 2006, the project aims to have established a savings and credit cooperative Society, which will be operational.

#### **Pre-requisites for Achieving the Above Aim:**

Community mobilizing, organizing for establishing the credit Society, developing and adopting a constitution, applying and getting registration certificate and electing leaders of the credit Society.

#### **Resources Required for Fulfilling the Pre-requisites:**

Resources are required from Parakuyo Imara to accomplish the pre-requisites. Hiring of skilled people for community mobilization; campaign organizing; constitution development; and conducting elections all require human, material, and financial resources. Funds were also required for paying the

registrations fee and annual subscription. These resources would be solicited locally, through members' entry fees.

#### **Project Location:**

The project was located in Mikongoro sub-village in Msata ward, Bagamoyo district. The sub-village is situated 140 kilometers from Dar es Salaam, about two kilometers off the Chalinze–Segera tarmac road, at Kihangaiko village. The residents of the sub-village are both farmers and herdsmen producing for subsistence. They co-exist in the same social and ecological environments. They all have common problems, including that of too low income to make ends meet.

#### **1.4.4: Brief Project Description**

The project sought to mobilize local savings and operate a small-scale saving and credit facility for capital investment in crop and livestock production. Members of Parakuyo Imara Cooperative Society Ltd were sensitized on the important and value of pooled efforts and resources and mobilizing them to participate in the establishment and management of the scheme through contributions and elections.

#### **1.4.5: Project Target Group and Population Dynamics**

The project worked with a community of farmers and herdsmen of Mikongoro. To start with, the project worked with members of Parakuyo

Imara before embarking to the whole sub-village, of 1,050 people in 160 households.

The demographic characteristics of Parakuyo Imara can briefly described as follows:

*Population:* There were 22 members and leaders of Parakuyo Imara Cooperative Society Ltd. All were involved in one way or another in establishment of the project. Later on, other members of the community were mobilized to join the scheme those involved were:-

- Members: 6 women and 16 men.
- Income levels: Generally speaking, the local people live on too low income, as most of them are subsistence farmers/ livestock keepers.

It has shown an interest of fighting against poverty. Hence they decided to find means of eradicating poverty through increase capital for investment

#### **1.4.6: Mission Statement of Parakuyo Imara:**

With the aspiration needs and demands of Parakuyo Imara members, the project aimed at mobilising people to participate and contribute towards the establishment of the credit union. The facility when operated would create an avenue of locally available source of capital funds through loans.

#### **1.4.7: Sources of Project Funding**

Initially the project was funded through members' entry fees, share contributions and savings made by members to SACCOS project. However, Center for Practical Development Training agreed to top up mobilization,

sensitization and training cost during establishment and early implementation stage such as soon after registration. It encompassed other external sources like grants, gifts, and loan that will be solicited from donors/financiers (especially organization dealing with financing on micro business).

### **Future Funding Plans**

The project prepared a strategic plan to chart out future operational plans, both physical and financial. The strategic plan, lasting for three to five years, would articulate the kind of activities to be implemented and funded, at what intervals, their indicative budgets, as well as possible sources. Possible sources of funds included member's contribution, Savings, return on investments, micro-finance institutions, banks, donor agencies, and government subvention if any.

#### **1.4.8: Project Status and Duration:**

##### **Project Status**

The project establishment process started in early 2006. Membership and contribution mobilization, constitution development and registration application were carried out and by November 2006 the SACCOS got full registration. The SACCOS have opened operational bank account with the National Micro finance Bank Chalinze Branch soon after getting registration. The Project was still striving to achieve strategic plan for viability and sustainability.



## **Project Duration**

Project implementation lasted for one year. However, project operations will have no fixed-time of conclusion. The project management will require both administrative and technical backstopping services before exit six months after operation commencement.

### **1.4.9: Social Factors.**

- **Norms and Values:**

There were social and cultural values that hindered accelerated socio – economic development. Among these, gender dorminance, non – use of cow dung to improve soil fertility for false belief that scooping the dung from kraals would cause sudden deaths to animals. Large number of cattle herds causes overgrazing on marginal rangeland thus, degrading the environment.

- **Family and Social Structures Relevant to the Situation:**

Family sizes range from five to nine members. People prefer large family to alleviate problems of inadequate labor required for crop and livestock production. Large families have repercussion as they also reduce per capita income per household, given the small incomes generated within the community and hence accelerate poverty at the household level.

- **Local ways used in addressing community problems**

The clan elders within the family, age group leaders and customary leaders always tried to sit in various meeting to discuss various problems as a local way of addressing Community problems. The project will organize and conduct awareness-raising campaigns on the importance of gender equity to local development process. People are also sensitized on the need to dis-stock their large herds of cattle to manageable size so that does not degrade the land and bring in cash income. The income generated would help members of the community start the credit Society.

- **People's interpersonal relationships:**

By joining the established Savings and Credit Cooperative Society, people would have a common bond, solidarity, unity, cooperation, and economic assistance to one another and Community sustainability.

- **Social and Economic Power structure:**

In Mikongoro, all able-bodied people share the production work equally. But when it comes to marketing of the crop and livestock products, men override the scene as they control and appropriate the benefits.

- **Information gathering, sharing and transmission:**

In the sub-village, local opinion leaders gather information through public meetings and informal data collection. Transmission of information is facilitated through public meetings and logo clarion

known as “*mbiu*” meaning a Community whistle; to call upon community members together.

- **People with special skills:**

Government extension staffs located at ward level have expertise in crop and livestock production. Some Association and institution operating within the ward have personnel with skills in community mobilization, sensitization and for organized production and marketing operations. Traditional birth attendants and healers were available on request.

- **Other kinds of human capacity that can be tapped:**

Few people have formal, learned skills that could be tapped into the Project. Poor educational background was the major reason for this limitation. Traditional Skills, retired teachers and other government officials, volunteer organization such as Ms Danish could be tapped for better experience.

- **Physical resources available:**

The sub-village has abundant land resource, suitable for crop production and livestock husbandry, heads of cattle, goats, and human resources. However, over-exploitation of the resource makes its sustainability doubtful. Housing facilities were poor and social amenities like market buildings, schools, shops, access roads, warehouses, dispensaries, primary court buildings, cattle dips and crashes were non-existent or could not be obtained at a short distance.

- **Institutional capacities available:**

The sub-village lacks institutional capacities even to basic facilities and services like access roads and commuter bus services. The community is in remote and isolated area without basic social and economic services i.e. water supply, health center, Primary school, market center etc.

#### 1.4.10: Potential Collaborators or Competitors.

- **Other projects working on similar issues in the vicinity:**

The MS-Danish helped the grouping installation of cold storage facility for milk collection before selling. Only the project for installing the cold storage facility of milk collection can be listed. This project worked with smallholder's milk producers up on its completion.

- *Organizations associated with the group:* The project received technical, material, and financial support from the Danish Government.
- *Similarities and differences from this project:* The project supported by the Danish Government was a provisioning one, while the proposed project sought to build local capacity.

- **Direct and indirect beneficiaries:**

Parakuyo Imara members were benefiting directly from the services provided by the project. Indirect beneficiaries included members of

families of Parakuyo Imara members and the general community membership participating in the Savings and Credit Cooperative Society.

## **1.5: Research Methodology**

### **1.5.1: Organization Identification**

Identification of the organization was made through the Center for Practical Development Training. The training institution with the objectives of improving lives of the poor people in the ward by improving technology using available resources. The Parakuyo Imara was among earmarked CBO in the ward which submitted their request for technical expertise to the center. The selection was based on a visit to Mikongoro and consultation with elders of pastoralist who were the major part (90%) of Parakuyo Imara group. The group objectives were suitable for the intended research.

This report presents the design aspects of a survey on a project that facilitates the establishment of a savings and credit union for a group of livestock keepers in Mikongoro sub-village in Bagamoyo district. The objective of the facilitation work was to build the capacity of the target group to establish and manage a savings and credit union for Parakuyo Imara Livestock Primary Cooperative Society Limited in Mikongoro.

Also this report explores the features of the survey, type of research design, the proposed data and information collection instruments and tools, the sampling procedures and reporting of the results.

The proposed survey was meant for a small group of respondents, which was administered easily through meetings and other formal forums within the cooperative society's constitution.

### **1.5.2: Features of the Survey**

The objective of the survey was to document most significant change, which occurred as a result of the facilitation work done to Parakuyo Imara Cooperative Society Limited.

The proposed research design for the cooperative society was cross-sectional survey. This research design was proposed because this kind of a survey comprises the observation of the target cooperative society at a single point in time through interviews. It also provides the necessary information about changes that occurred, as well as show the impact of the observed change.

Interviewing people at specific period of time provides information on the process of which change has occurred. It helps the surveyor and users of the survey report to understand the change in the way they did following the establishment of the savings and credit union.

### **Sample Choice and Procedures**

**Random Sampling:** This was used to select respondents from Parakuyo Imara Economic group of Mikongoro sub village in Msata Ward. The aim was to avoid sampling bias resulting from intention. Through random sampling 38 members were selected. The sampling unit was the individual member from Parakuyo Imara group and Community member of Mikongoro sub village. The sampling frame was the individual member in economic group and the community each considered as a separate respondent.

This assignment looked at the design aspects of a survey for a mini-project that provides training to a group of producers. The main objective of the training and provision of technical assistance was to improve entrepreneurial skills as well as micro-credit management. The design of the survey being presented explores the features of the survey, the type of the appropriate research design, recommended data and information collection instruments and tools, sampling procedures, and reporting the results. It is worth noting that the survey is meant for a small group of respondents that can easily be administered through meetings and other formal forums within the cooperative society's constitution.

### **1.5.3: Research Design:**

#### **Cross-sectional Survey.**

*Why cross-sectional survey?* A cross-sectional is a survey that is done once at one time. Conducting a survey at a specific period of time through interview not only provides the necessary information about change that has occurred after the facilitation work, but also shows the impact of the resultant change.

Why is it necessary to interview people? Interviewing people provides valuable information on the process by which the change occurred. It helps to understand the change in their way of doing things.

#### **Sample Choice:**

The cooperative society to be involved in the provision of training and technical assistance has a total of 36 members. Out of these 20 were chosen to participate in the training and disseminate knowledge to the rest of members. It was therefore necessary to involve those who participated (direct beneficiaries) and those who did not participate (indirect beneficiaries).

### **1.5.4: Survey Techniques:**

- **Methods of Data Collection**

Various methods were used in the survey exercise to meet its objectives as hereunder:-



**a) Focus Group Discussions**

Discussions were held with Parakuyo Imara leaders and members, Mikongoro sub village leaders as well as Msata ward leaders. During discussions, community problems were identified and possible solutions suggested. Using the focus group discussion method, the researcher facilitated the identification of the problems, the core problem, and prioritization of the problems using pair wise ranking tool. Parakuyo Imara members and leaders participated in articulating the problems and setting of the priorities.

**b) Interviews:**

Interviews were conducted with selected CBO members to get personal opinions.

**c) Documentary:**

- Perusal of the CBO's constitution was carried out to authenticate the modes of leadership and operations.
- Work plan and budget of the Parakuyo Imara, the host organization.

**d) Observations:**

Actual field visit to the community in which members of Parakuyo Imara members lived. The purpose was to assess the real situation of the community members and their surrounding environment.

**e) Key Informants Interview:**

This was used for the group leaders of the economic groups to get their opinions and views on how best could SACCOS be established in Msata Ward

• **Direct and indirect beneficiaries:**

Parakuyo Imara members will benefit directly from the services provided by the project. Indirect beneficiaries include members of families of Parakuyo Imara, and the general community membership participating in the Savings and Credit Cooperative Society.

**a) Analysis of the Results:**

Analysis was carried using simple spreadsheet (excel) and SPSS. Selection of the package is based on the amount of data to be handled as well as the illustrative adequacy for the intended purpose.

**b) Reporting Results**

Results of the survey were presented in the form of tables, graphs and charts (line, bar, pie, etc.). Explanatory notes on the observed patterns supported the illustrations. The presentation was conducted before group review meetings/workshop where other stakeholders were invited to attend and contribute to improve the presentation.

### **1.5.5: Questions that Structure the Survey Design.**

- **What is the aim of the survey?**

Specifically, the survey was aimed at identifying a way of changing lives of members by increasing their capital. The survey focused on answering questions in relation to indicators, which were participatory accumulation of capital among members of the group and community. What is the performance and possibility of using SACCOS in generating capital for IGA? How the member of the community generate capital with low cost.

- **Eligibility:**

All members of the primary cooperative society and other identified stakeholders (community leaders) were eligible participants in the survey.

### **1.5.6: Characteristics, Benefits and Concerns of The Survey Design.**

- **Characteristics:**

Cross-sectional survey design was adopted comprising of observation of a specifically defined population at a single point in time. The instruments to be used included questionnaires, semi-structured interviews and a mixture of both, open and closed end questions

- **Benefits:**

The survey design described things as they were so that people could plan. If they were unhappy with the picture cross-sectional survey

revealed that they would change it. The survey was easily carried out. Hence, it saved time and was less expensive.

- **Concerns:**

The cross-sectional survey may lead to respondents having pre-conceived preferences; a random sample of project participants, one time activity, and its results will describe preferences of target groups. Hence, it could lead to biasness.

#### **1.6: External and Internal Validity of the Survey.**

- **External Validity:**

The survey was done in accordance with the cooperative society's agreed upon indicators of success in the project logical framework and action plan. The external validity, therefore, lies in the fact that the results were used to address their felt-needs and of the Parakuyo Imara Livestock Cooperative Society Limited.

- **Internal Validity:**

This was carried by reducing the standard sampling error as the sample selected will be representative of the total population.

##### **1.6.1 Survey Sampling**

###### **(a) Sample Identification and Selection:**

The sample was selected amongst members of the cooperative society. These included those who participated in the training and technical assistance programme and those who did not (direct and indirect

beneficiaries respectively). Community leaders were involved in the survey as part of the sample.

**(b) Random Sampling (Stratified Random Sampling):**

The selection follows a stratified random sampling. This ensured that both members of the two distinct categories of beneficiaries: direct and indirect are chosen.

**(c) Response Rate:**

The requirements of the response were assumed to be at least fifty percent of the cooperative society's members to ensure fair results interpretation. The survey was carried out in form of participatory through meetings and other forums. These forums ensure full participation through effective interaction and involvement of each respondent, thereby raising the response rate to attain the desired, 100 per cent.

**1.7: Presentation and Discussion of the Results**

**1.7.1: Sample Size and Population:**

The total population of Mikongoro is 1050 with 160 households and average family size of 6-6 which approximately a number of 7 people per household.

The sample distribution was as follows: -

**Table 8: Distribution of Respondent by Category**

S/N	Category	No. of Respondents	Percentage Distribution	Cumulative Percent
1.	Group members (Parakuyo Imara)	20	52.63	52.63
2.	Other community members	10	26.32	78.95
3.	Extension Staff	02	05.26	84.21
4.	Village and Ward leaders	06	15.79	100.00
	TOTAL	38	100.00	

**Source: Research findings, Msata ward, Bagamoyo district, 2006**

### **1.7.2: Methods of Data Presentation and Analysis**

#### **Data Presentation Tools**

The survey findings have been both presented by text and statistical methods.

The qualitative data were presented by text whereas quantitative and data presented by statistical tools such as frequency distribution tables, pie chart, bar charts and histograms.

### Data Analysis Tools

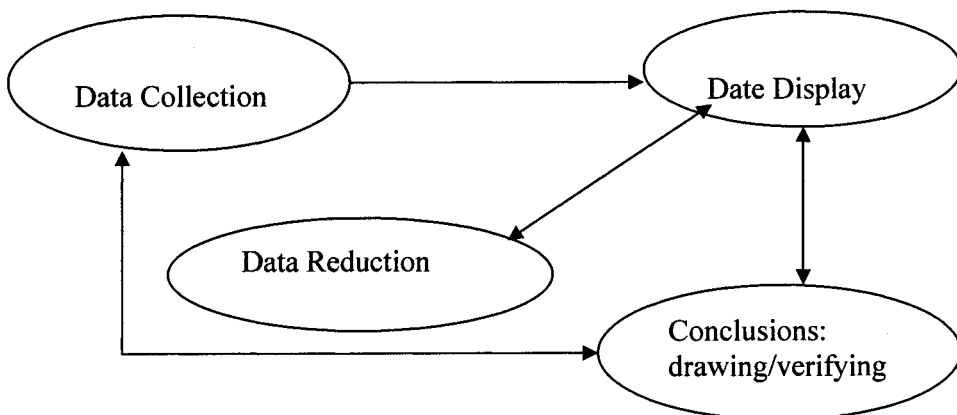
The qualitative data have been analysed by using the Miles and Huberman model (1994:12)

This model analyses data by tracing out lawful and stable relationship among social variables based on the regularities and sequences that link these phenomena. This approach is known as trans credential realism and their analysis has three main components:

- ⇒ Data reduction
- ⇒ Data display
- ⇒ Drawing and varying conclusions

**Figure 2: Components of Qualitative Data Analysis**

#### Interactive Model.



**Source: Research Findings Msata Ward Bagamoyo District 2006**

**The quantitative data were analysed by using statistical tools:**

Using used the Ms Excel spreadsheet package to analyse quantitative data wherever necessary:

- Measures of Central Tendency (mean, median, mode)
- Measures of variability (Range, Standard deviation, coefficient of variation)
- Measures of correlation (Karl Pearson Coefficient)
- Measures of association ( $\chi^2$  – method)

**1.7.3: Research Findings and Discussions**

Research findings cover summarization of data collected and information gathered from respondents on this survey. It was observed by the study that Community members of Parakuyo Imara are highly committed in joining with SACCOS. However, they lack adequate capital investment to establish feasible and viable CBOs' local resource mobilization is essential for community members to raise their household incomes and hence improve their physical quality of living index and hence have sustainable means of livelihoods. Parakuyo Imara Community members need to be sensitized and mobilized so that they are able to join with SACCOS as a means of liberating them from abject poverty, which is their nightmare.



#### 1.7.4: Profile of Respondents

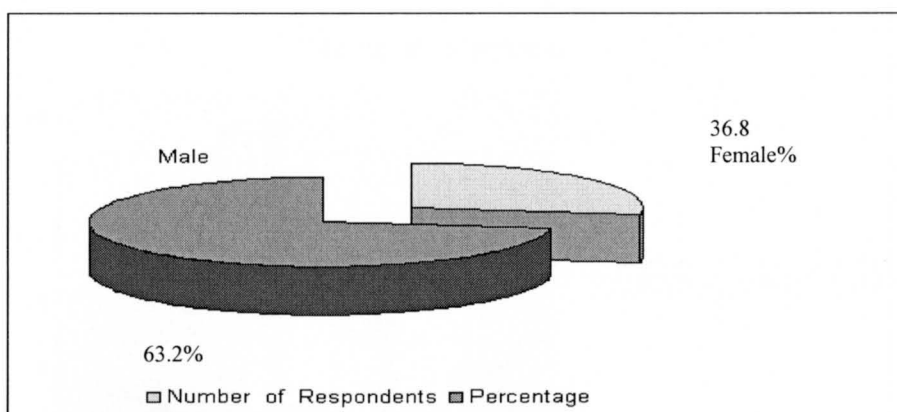
- **Distribution of Respondent by Sex**

The survey sample population was 38 individuals. (This is 100% of the group members) which comprised of 24 male and 14 female. Both males and females were given equal opportunity to be selected and participate in the survey.

**Table 9: Percentage Distribution by Sex**

Sex	Number of respondent	Percentage	Cumulative frequency
Male	24	63.2	63.2
Female	14	36.8	100.0
Total	38	100.0	100.0

**Source: Research Findings Msata Ward Bagamoyo District 2006**  
**Figure 3: Distribution of Respondents by Sex**



**Source: Research Findings Msata Ward Bagamoyo District 2006**

The surveyed sample population has a ratio structure of 2:1 male to female. Hence, there is a need to sensitize and mobilize females to join the SACCOS to reduce the current gap to a desirable ratio of 1:1.

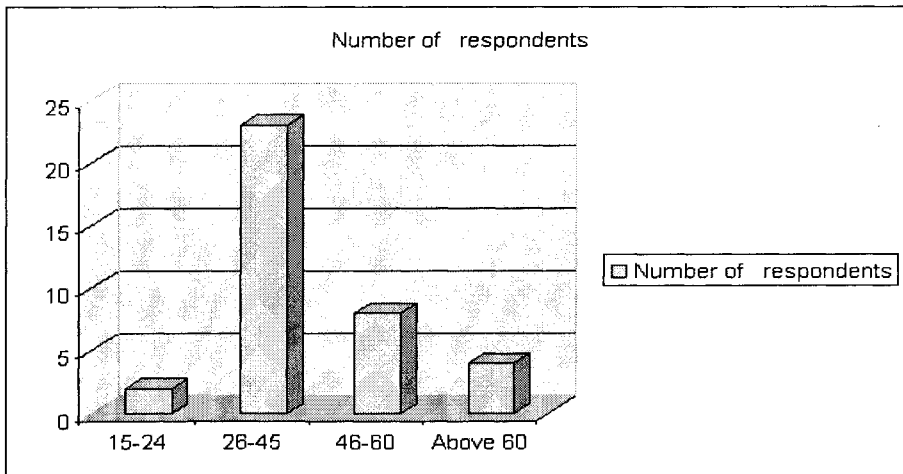
- **Distribution of respondent by age group**

**Table 10: Percentage Distributions of Respondents by Category**

Age	Number of respondent	Percentage	Cumulative frequency
15-25	3	5.41	5.41
25-45	23	62.16	67.57
46-60	8	21.62	89.19
Above-60	4	10.81	100.00
Total	38	100.00	100.00

**Source: Research Findings Msata Ward Bagamoyo District 2006**

**Figure 4: Distribution of Respondents by Age**



**Source: Research Findings Msata Ward Bagamoyo District 2006**

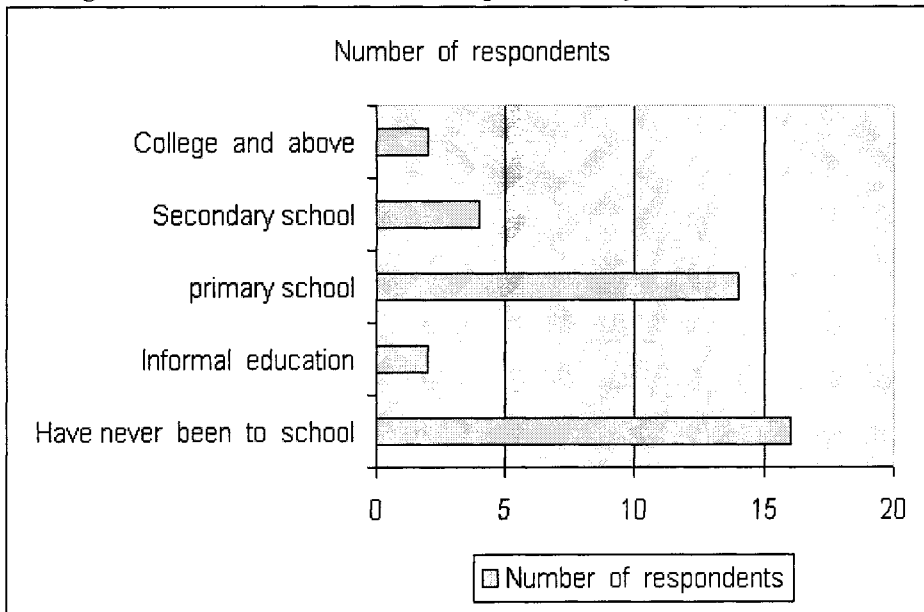
The majority of the surveyed sample population comprises of youth aged 25-45 years old. This age group constitutes 62.16 percent of the total population.

**Table 11: Level of Education**

Level of Education	Number of respondent	Percentage	Cumulative frequency
Have never been to school	16	42.1	42.1
Informal education	2	5.3	47.4
Primary education	14	36.8	84.2
Secondary education (form I-IV)	4	10.5	94.7
College and Above	2	5.3	100.0
<b>TOTAL</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>

Source: Research Findings Msata Ward Bagamoyo District 2006

**Figure 5: Distribution of Respondents by Level of Education**



Source: Research Findings Msata Ward Bagamoyo District 2006

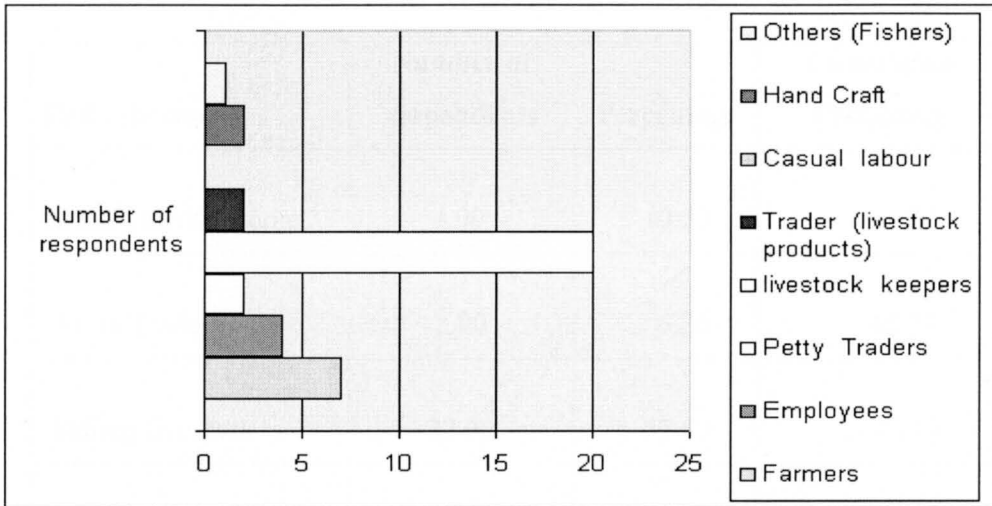
Most of respondents are pastoralist have been using old system of cattle rearing. They were moving from one place to another until 1990 where the district council allocated them with area to settle permanently. The old system of moving from places to another with their cattle results them not to attend classes. Hence, 42.1 percent of the surveyed sample population comprises of people who have never been to school.

**Table 12: Distribution of Respondent by Occupation**

<b>Detail of Occupation</b>	<b>Number of respondent</b>	<b>Percentage</b>	<b>Cumulative frequency</b>
Peasants	7	18.4	18.4
Employed	4	10.5	28.9
Petty trade	2	5.3	34.2
Livestock keeper	20	52.6	86.8
Trade (livestock Product)	2	5.3	92.1
Casual Labor	0	0	92.1
Hand Craft	2	5.3	97.4
Other (Fishing)	1	2.6	100.0
Total	38	100.0	100.0

**Source: Research Findings Msata Ward Bagamoyo District 2006**

**Figure 6: Distribution of Respondent by Occupation**



**Source: Research Findings Msata Ward Bagamoyo Distr. 2006**

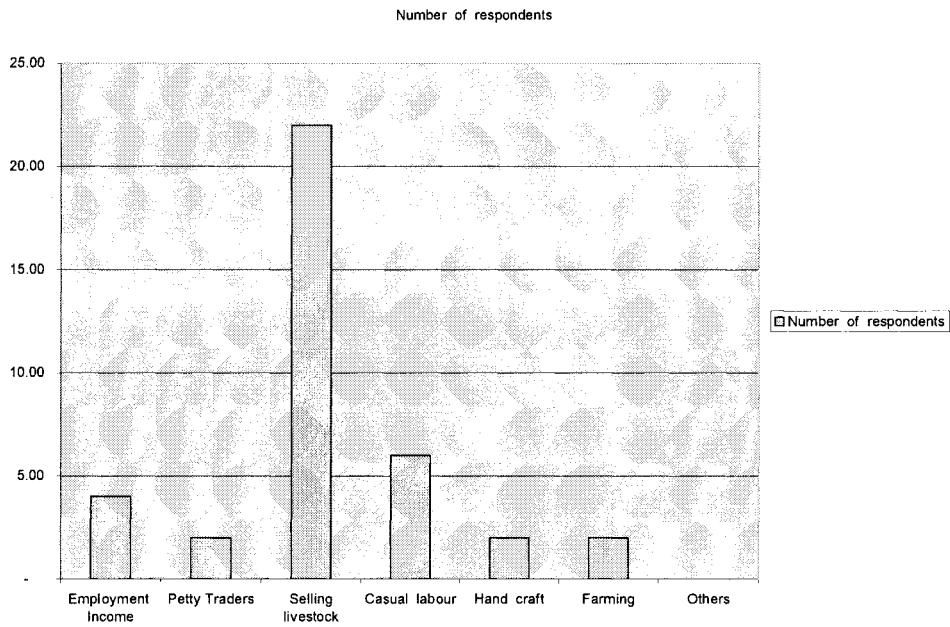
Most of the respondents in the surveyed sample population are pastoralists, keeping cattle, goats and sheep. These livestock keep comprises of 52.6 per cent of the total population.

**Table 13: Distribution of Respondent by Source Income**

<b>Daily income</b>	<b>Number of respondents</b>	<b>Percentage</b>	<b>Cumulative Frequency</b>
Employment Income	4.00	10.53	10.53
Petty Traders	2.00	5.26	15.79
Selling livestock	22.00	57.89	73.68
Casual labor	6.00	15.79	89.47
Hand craft	2.00	5.26	94.74
Farming	2.00	5.26	100.00
Others	-	-	100.00
<b>Total</b>	<b>38.00</b>	<b>100.00</b>	<b>200.00</b>

**Source: Research Findings Msata Ward Bagamoyo District 2006**

**Figure 7: Distribution of Respondent by Source Income**



**Source: Research Findings Msata Ward Bagamoyo District 2006**

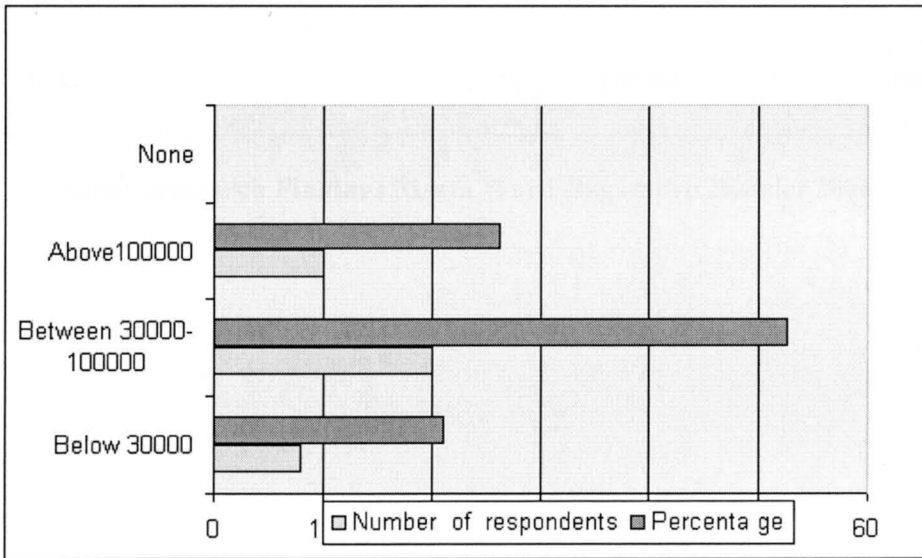
All the respondents in the surveyed sample population accrued their incomes from six sources. However, selling of livestock constituted the major sources of income, with its percentage share of 57.89 of the total income.

**Table 14: Distribution of Respondent by Average Income**

Average Income per Month	Number of respondents	Percentage	Cumulative Frequency
Below 30,000	8	21.05	21.05
Between 30,000.00 - 100,000.00	20	52.63	73.68
Above 100,000.00	10	26.32	100.00
None	0	0.00	100.00
<b>Total</b>	<b>38</b>	<b>100.00</b>	<b>100.00</b>

Source: Research Findings Msata Ward Bagamoyo District 2006

**Figure 8: Distribution of Respondent by Average Income**



Source: Research Findings Msata Ward Bagamoyo District 2006

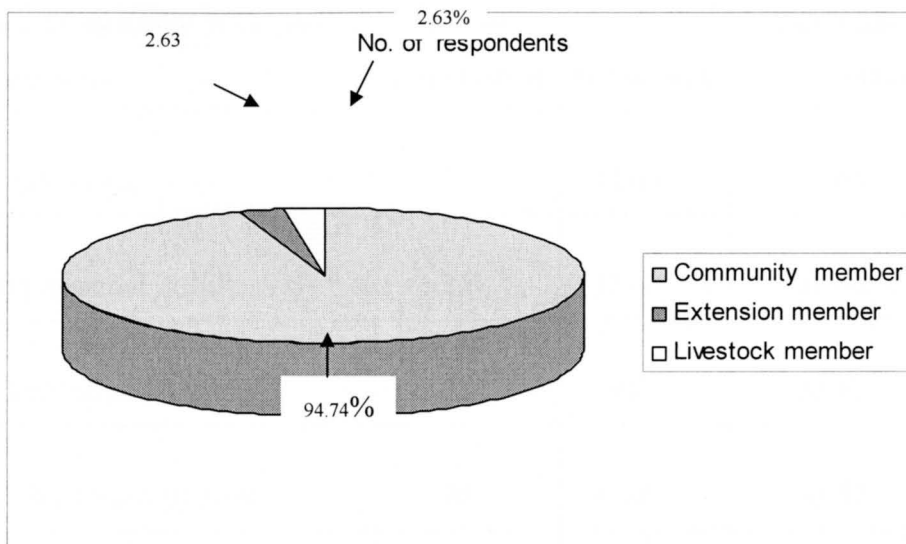


Majority of the respondents in the surveyed sample population had an average monthly income of between 30,000.00 and 100,000.00 constitute 52.63 percent of the sample population

**Table 15: Distribution of Respondents by Category**

<b>Category of respondents</b>	<b>No. of respondents</b>	<b>Percentage</b>	<b>Cumulative Frequency</b>
Community member	36	94.74	94.74
Extension member	1	2.63	97.37
Livestock member	1	2.63	100.00
Total	38	100.00	100.00

**Source: Research Findings Msata Ward Bagamoyo District 2006**

**Figure 9: Distribution of Respondents by Category**

**Source: Research Findings Msata Ward Bagamoyo District 2006**

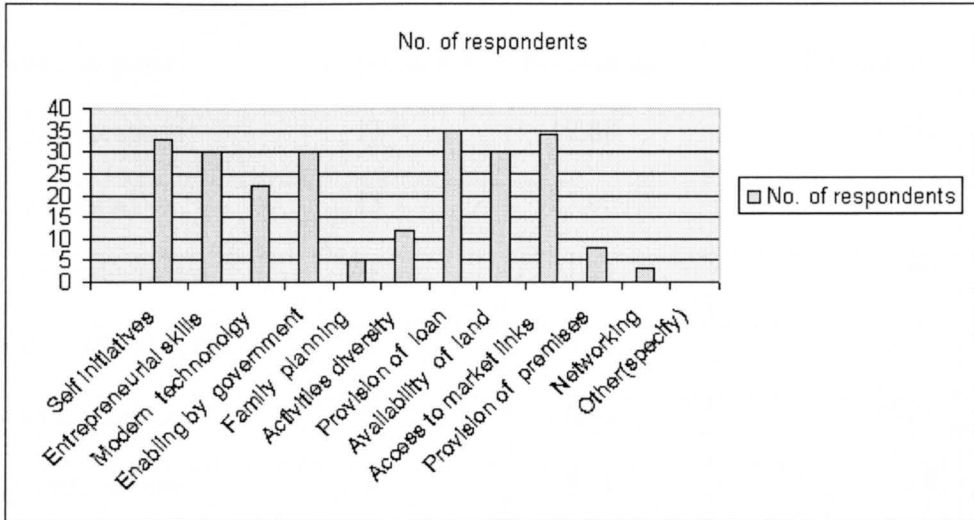
Distribution of respondents by stratum indicates that the community members' category is the overwhelmingly majority by taking 94.74-percentage share of the sample population.

**Table 16: Distribution by Way of Improving IGA, Raising Income**

<b>Ways to improve IGA and to raise income</b>	<b>No. of respondents</b>	<b>Percentage</b>	<b>Cumulative frequency</b>
Self initiatives	33	13.64	13.64
Entrepreneurial skills	30	12.40	26.03
Modern technology	22	9.09	35.12
Enabling by government	30	12.40	47.52
Family planning	5	2.07	49.59
Activities diversity	12	4.96	54.55
Provision of loan	35	14.46	69.01
Availability of land	30	12.40	81.40
Access to market links	34	14.05	95.45
Provision of premises	8	3.31	98.76
Networking	3	1.24	100.00
Other (specify)	0	-	100.00
<b>Total</b>	<b>242</b>	<b>100.00</b>	<b>100.00</b>

**Source: Research Findings Msata Ward Bagamoyo District 2006**

**Figure 10: Distribution of Respondent by Way of Improving IGA**



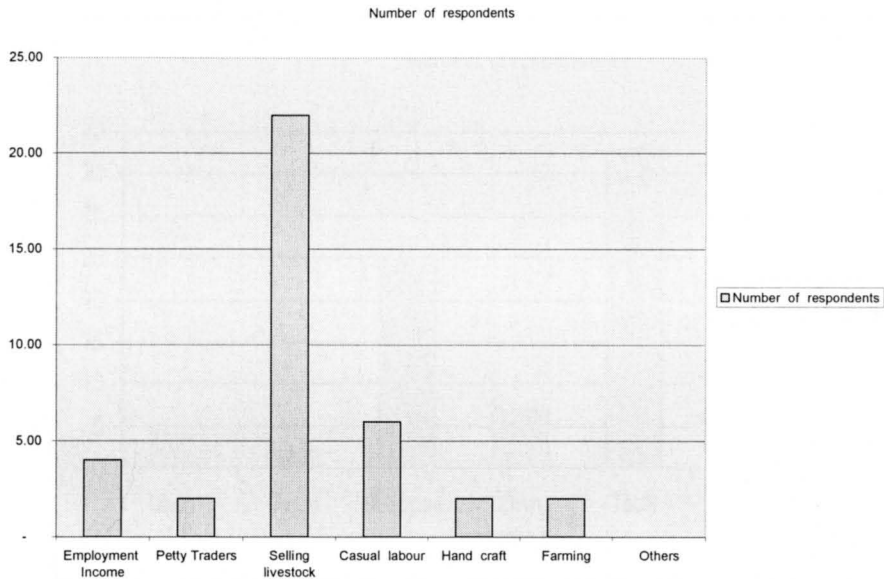
**Source: Research Findings Msata Ward Bagamoyo District 2006**

The respondent in the surveyed sample population articulated many ways on how to improve income-generating activities and raise income levels. However, 14.46 percent of the respondents concurred with the idea that provision of loan was a way to improve IGA and raise income as an outstanding one.

**Table 17: Distributions of Respondents by Reasons for Being Poor**

<b>Reasons for poor</b>	<b>No. of respondents</b>	<b>Percentage</b>	<b>Cumulative Frequency</b>
Lack of education	17	12.88	12.88
Lack of capital	33	25.00	37.88
Lack of credit access	28	21.21	59.09
Lack of business skills	8	6.06	65.15
Lack of Confidence	8	6.06	71.21
Traditional believes	3	2.27	73.48
Lack of working premises	4	3.03	76.52
Lack of access to market	16	12.12	88.64
Lack of working tools	15	11.36	100.00
Total	132	100.00	100.00

**Source: Research Findings Msata Ward Bagamoyo District 2006**

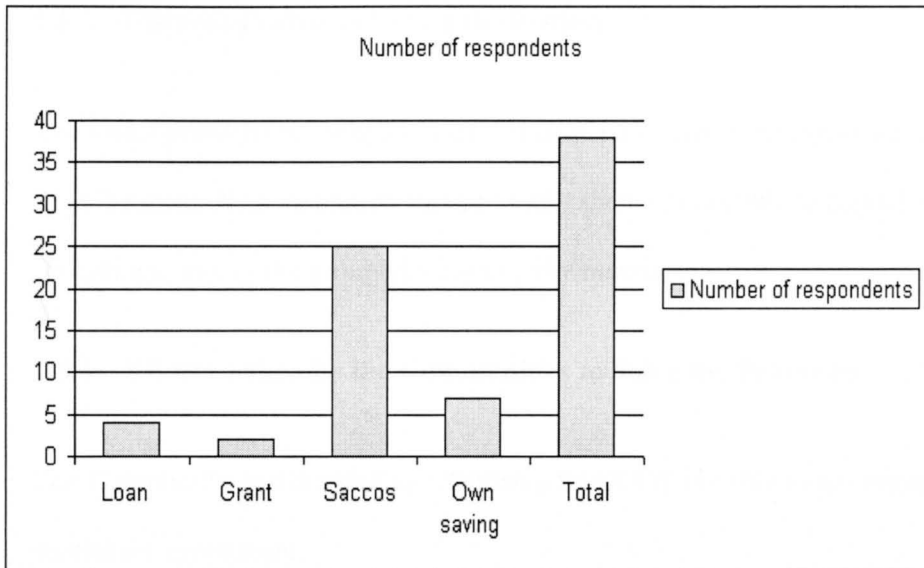
**Figure 11: Distributions of Respondents by Reasons for Being Poor**

**Source: Research Findings Msata Ward Bagamoyo District 2006**

**Table 18: Distribution of Respondent by Best Means of Generating Capital**

Type of financing	Number of respondent	Percentage	Cumulative frequency
Loan	4	10.53	10.53
Grant	2	5.26	15.79
SACCOS	25	65.79	81.58
Own Savings	7	18.42	100.00
Total	38	100.00	100.00

**Source: Research Findings, Msata Ward, Bagamoyo District 2006**

**Figure 12: Distribution of Respondent by Means of Generating Capital**

**Source: Research Findings Msata Ward Bagamoyo District 2006**

- All of the respondents were not members of any SACCOS before establishment of the Parakuyo Imara SACCOS.
- Main source of operational capital to all respondent were personal saving.
- All respondents could not succeed to get neither loan nor grant from any institution.

## **1.8: Main Observations**

### **1.8.1: Current Status of the Problem**

The community, Specifically the Prakuyo Imara member and those participated in this survey responded as capital accumulation for investment purpose is the major problem they are facing.

### **1.8.2 Current Problems Facing the Project**

The major problem existing was lack of adequate resource pentagon for the establishment of an institution that can make them to accumulate capital for investment among the group and community member,

### **1.8.3: Efforts Taken by the Communities to Solve the Problems**

The Community had decided to establish a SACCOS in order to accumulate capital for investment.

### **Prospects of the Problem**

To reduce poverty line by increasing capital for investment on income generating activities.

### **1.8.4: Conclusion on Data Analysis**

Based on the findings on the surveyed sample population in Mikongoro sub village, most of the respondents articulated the formation of SACCOS as the best means of generating capital. It was logical therefore for the Parakuyo Imara Livestock Primary Cooperative Society in Mikongoro to establish a Savings and Credit Cooperative Society (SACCOS), as a reliable source of capital for their social and economic undertakings.



## CHAPTER II

### PROBLEM IDENTIFICATION

#### 2.0 Introduction

This problem statement was affirmed after discussing with the leadership and members of Parakuyo Imara Livestock Primary Cooperative Society (Parakuyo Imara), a Community-Based Organization (CBO) based in Msata ward, Bagamoyo district. Parakuyo Imara was established by 22 founder members, comprising of 6 women and 16 men residents of Msata ward with a ratio of 1:3. The purpose of the CBO was to improve the livelihoods of its members and those of the community members as a whole through improved crop production and livestock husbandry practices. The CBO was registered as Livestock Primary Cooperative Society under the *Cooperatives Act, 1991*. on 13<sup>th</sup> October 2000 by the registrar of Cooperatives.

#### 2.1: Problem Statement

The problem statement was a result of thorough discussion with leadership and community members on various development issues in their community. These included production technology, labour participation, composite education induce, wealth index, utilization of locally available resources. Both, leaders and members of the CBO articulated a number of opportunities and obstacles to their development initiatives.

Several problems were identified, including:

- Too low income for investment in social and economic undertakings;
- Lack of appropriate skills and knowledge on improved crop and livestock husbandry techniques;
- Poor educational background amongst CBO members and their children;
- Lack of clean and safe drinking water for members of the community and their livestock;
- Poor health due to prevalence and incidences of water-borne and communicable diseases among community members;
- Poor shelter: absence of conducive housing and clothing among community members.

Following our discussions, leaders and members of Parakuyo Imara reached a consensus that; the core problem was low income / capital for investment among community members which led to all other problems. The problem was agreed to be fundamental and therefore all efforts and resources should be directed towards tackling it. Alleviating this problem could lead to the reduction other rigidities in the community and thereby improve the living standards of the community members.

### **2.1.1: Manifestation of the Problem.**

Too low income for investment in social and economic undertakings had the following effects on the community:

- Failure to tap clean and safe drinking water, for domestic and livestock use, from the main source: Wami-Chalinze Piped Water Supply Scheme, located three kilometers from the center of the community;
- Inability to pay for health services when they fall sick;
- Inability to construct and maintain decent/modern houses for their families;
- Inability to purchase and own, maintain quality clothes for members of their families; and
- Inability to pay for their children's education, life skills, and vocational training for the community's young people.

#### **2.1.2: Main Causes of the Problem.**

##### **The underlying causes of the problem were:**

- Lack of strategies for saving their meager income and hence capital formation, although in a small way;
- Inadequate knowledge and skills on how to turn the available land, human and livestock resources into profitable income generating enterprises;
- Unorganized crop and livestock production and marketing operations;
- Too low level of technological application (in terms of yield boosting inputs, gear and implements, energy use, knowledge and skills) in the crop and livestock production;

### **2.1.3: The Magnitude of the Problem.**

Ninety percent (90%) of the local population in the community failed to generate adequate income necessary to create savings and allocate part of the savings for capital formation. The capital so formed could be invested in economic activities to improve productivity and increase production in crop and livestock enterprises. The two key enterprises could become profitable income generating activities, which would bring in more wealth, thus, improving the living condition of the community members.

### **2.1.4: Target Community**

The project would work with a community of farmers and herdsmen of Mikongoro in the division and ward of Msata. To start with, the project would work with members of Parakuyo Imara before embracing the whole sub-village and their neighbour, of 1,050 peoples in 160 households.

## **2.2: Project Stakeholders:**

The following were stakeholders to be involved in the project:

- Parakuyo Imara members;
- Msata ward residents;
- Bagamoyo district, Msata ward and village leaders and officials;
- Msata Ward Development Association (MWADA - a local community-based NGO);
- Center for Practical Development Training (CP-DEV); and

- MS-Tanzania, a Danish international non-governmental organization (NGO) operating in Tanzania.

### **Stakeholders' Participation in the Project.**

Stakeholders participated on the establishment, daily operations, and construction of dam and cold room. Also they participated in training for building capacity to members on;

- The importance of generating capital through micro finance specifically SACCOS;
- Training on how to establish and effective running of a group SACCOS;
- Training of improving livestock keeping in modern technology and market linkage

### **Stakeholders Expectations:**

Expectation includes the physical quality of standard of living index would be improved among the peasant farmers and hence their livelihood sources would be sustained.

### **2.3: Project Goal**

The intermediate goal of the project were in two folds;

- To increase income levels and to enhance the food security of target group members.

- By the end of 2006, the project aimed to have established a saving and credit savings and credit cooperative society (SACCOS), which will be operational and accrue benefits to the targeted group.

### **2.3.1: Project Objectives**

The objectives of the project were of two-folds:

- To assess the possibility of the SACCOS to generate capital for IGAs to household income and poverty alleviation.
- To find out how an authentic participation of SACCOS members in economic activities can improve their quality of living index.

### **2.3.3: Specific Objectives**

- To increase income levels of Parukuyo Imara members through improved livestock keeping investment that will get loans, from the SACCOS for their capital investment at the end of 2007.
- To enhance food security of Parakuyo Imara members through undertaking food producing activities that initiate after receiving loans from the SACCOS for investment at the end of 2007.

## **2.4 Research Questions**

The survey was guided by the following research Questions:

- How can local people generate capital?
- What is the performance of SACCOS in generating capital?

- What are the main problems facing communities in establishing SACCOS?
- To what extent do SACCOS achieve their objectives?
- Are the lending policies in favor of low-income earning members' socio-economic development?

## **2.5 Host Organisation**

- Parakuyo Imara Livestock Primary Cooperative Society Limited is a host organization and shall be responsible for the establishment and managing the project operations.
- Parakuyo Imara is not affiliate to any CBO however it has some collaborative relationship with The Msata Ward Development Association (MWADA). MWADA is a ward's civil arm of the local development process that seeks to promote rural entrepreneurship among local groups and individuals.

## **CHAPTER III**

### **LITERATURE REVIEW**

#### **3.0: Introduction**

In this study three type of literature review were taken into consideration. The theoretical review, Empirical review and policy review were analyzed to give proper direction of this study as detailed here under.

#### **3.1 Theoretical Review**

##### **The Stigma of Poverty and Poor Capital Investment**

Tanzania is among the poorest countries in the world. Most of Tanzanians have less than USD 300 per capita income, which is less than one dollar a day. The Government of the United Republic of Tanzania, Non Government Organisations and various institutions has expressed POVERTY as one of major problems facing Tanzanians.

Poverty has been defined in different way by different authors. "Poverty has various manifestations including lack of income and productive resources sufficient to ensure sustainable livelihoods, hunger and malnutrition, ill-health, limited or lack of access to education and other basic services, increased morbidity and mortality from illness, homelessness and inadequate housing, unsafe environments, and social discrimination and exclusion. It is



also characterized by lack of participation in decision-making and in civil, social and cultural life...” (Marburg Consult: 1996).

Poverty is considered as the inability to attain a mainstream standard of living, and as a material condition as well as a power relationship referring to Bagachwa’s perspective (Bagachwa M 1994). Tanzanians have **absolute poverty**, which refers to the section of the population whose income or expenditure is not sufficient to ensure the acquisition of basic needs of life, and **relative poverty** as that section of the population with the lowest income in relation to the national income (Lugalla, 1993).

Co-operative society is described as an institutional form of organized means of a collective action that is formed by a group of individuals who on the basis of equity contribute to build capital to form an organization that is ran democratically and the members share its costs and benefits, on the basis of equality. (ICA, 2004).

The collective action and processes of a co-operative organization must be destined to add value to the business that is collectively performed so that members attain higher levels of standard of living and improved quality of life. It is an organization, which creates the most profitable connections between supply and demand, for the benefit of its members who are shareholders. As such, cooperatives are guided by internationally accepted principles, which can be used as a yardstick to measure management and

leadership competence, the conduct of collective business and the rules of good governance

As a means of collective action against poverty, we must distinguish two concepts of the cooperative idea: **the cooperative process and cooperative organization**. The cooperative process is the natural need for interpersonal cooperation. Human beings have historically needed the act of cooperation throughout their lives. The act of cooperation and the need for it will never die. The cooperative organization or society is the concretization of the cooperative process into an objectively determined collective structure of organization, formalized legally as a legal entity. The organizational formation may die and rise again, depending on the ambition of members and the obtaining socio-economic and legal environment (Chambo, 2004).

Based on the needs of its members, the cooperative organization may be formed in all spheres of possible economic action. It may be formed in consumer, financial, agricultural and livestock marketing activities. The other areas of possible economic action include agricultural production, joint agro-input supply, fishing and fish-farming, industrial production and technical and professional services.

The government of Tanzania on her way to try to solve the problem of POVERTY came up with a solution of trying to generate local capital through

SACCOS. The government emphasizes on joining forces through SACCOS to accumulate capital and decided to be involved fully in the promotion of SACCOS.

Cooperative movement in Tanzania started way back to in 1932 when the first Cooperative Ordinance was enacted by the colonial government to supervise registration development and management of cooperatives in the country. Early cooperatives were associated with cash crops especially coffee, tobacco and cotton as a response to the unfair business practices by Indian and European traders. By the time of independence (1961) cooperatives had spread to non- cash crops agricultural operations and into the provision of financial services in various part of the country.

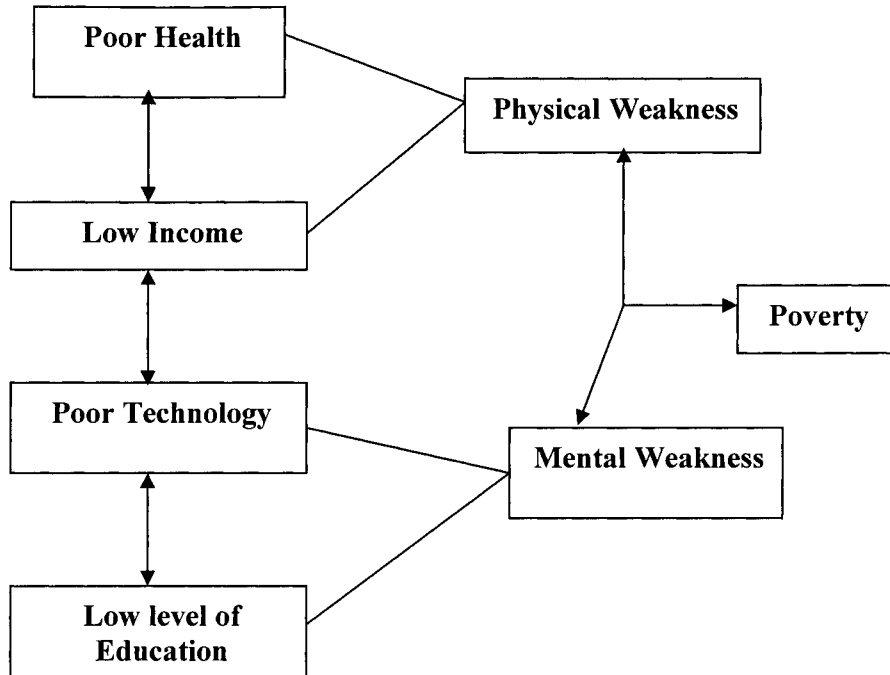
Tanzania mainland SACCOS history started way back in 1938. Asian businessmen in urban area were mostly engaged in the societies. SACCOS were established in urban centers like Dar es Salaam, Moshi and Iringa. (URT, 1999). There were only five SACCOS in 1947, mostly in Moshi, Iringa and Dar es Salaam. During post independence period SACCOS became popular phenomenon, the numbers grew to 44 between the years 1961–1965 (URT 1999). By 1967 (The Arusha Declaration) the SACCOS had reached a total of 143 societies. Undoubtedly this growth was partly to be accounted for by deliberate government policy to popularize cooperatives in their diversity as a means of realizing national development objectives to include transforming of agricultural sector, serve as a means of availing and

supplying credits and farm inputs and facilitating marketing of agricultural produce. Up to May 2004 there were 1236 SACCOS in total of which 778 were in urban and 458 rural. (Komba, 2004).

Poverty can also be expressed through Income. Low incomes means poverty at households and individual level, most households are not able to meet their basic needs. Low ability of owning consumer and capital goods can be translated as poverty. On assessing it critically, the question of poverty is very complex. No simple definition of the term poverty. Different intellectuals define poverty differently.

Stan Burkey (2002:4) defined poverty as lack of basic needs. Basic needs are those things that individual must have in order to survive as a human being. However, the group of development workers in Uganda (Stan Burkey 1 bid), defined “*absolute poverty*” as the inability of an individual, a community or a national to satisfactorily meet its basic need. They defined “*relative poverty*” as the condition in which basic needs are met, but where there is an inability to meet perceived needs and desires.

**Figure 13: Theoretical Framework of the Causes of Poverty**



**Source: Adopted and Modified From Stycos (1998:6)**

“Poverty is hunger, is lack of shelter, and is being sick and not being able to see doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom”  
<http://www.exampleessays.com>

Majid Rahmen (1992) says that, since enhance capabilities in leading a life would tend, typically, to expand a person’s ability to be more productive and

earn a higher income, we would also expect a connection going from capability improvement to greater earning power and not only the other way round.

Economists views poverty as income lowness but in broader sense poverty is identifies in terms of deprivation of capabilities. Deprivation of capabilities means non-availability of or exclusion from educational possibilities, health care knowledge, political freedom etc. (Amartya Sen, 1999).

Recently, the definition of poverty has been further broadened. New definitions incorporate problems of self-esteem, vulnerability to internal and external risks, and exclusion from the development process and lack of social capital (URT – VPO 2003:4). The new additions to the definition of poverty capture the qualitative aspect of social - economic well-being. A combination of the quantitative and qualitative definition of poverty are utilized to identify who the poor are, extend of their poverty, where they live and what they do for a living.

Generally poverty is a result of many and often mutually reinforcing factors including lack of productive resources to generate material wealth, illiteracy, prevalence of diseases, natural calamities such as floods, drought and man made calamities such as wars.

Poor utilization of resource pentagon such as physical, material, human, financial and social assets can subject one into object poverty.

## **Poverty Dimensions & Measurements**

- **Dimension of poverty**

There are two causes of poverty dimensions. These are inequality poverty and income poverty. A community can experience inequality poverty and people are poor because there is injustice in economic and social interaction. For example biasness in education, which allows education for boys, property ownership is in hands of men. The result of this situation is that more women in third world are illiterate, undernourished, have high mortality rate and morbidity.

Income poverty is due to lack of capital that could help the people to utilize opportunities for better life. Lack of capital contributes into inability to pay for education. Some people are poor because their bodies are weak due to the fact that there are inadequate health facilities and therefore cannot work effectively on their land and sometimes members of the family have to stay at home to attend some one who is sick. This is very apparent now in families, which have a sick person from HIV/AIDS pandemic.

- **Measurements of poverty**

A poverty measurement uses concepts of both primary and secondary income (Mtafikolo et al, 1994). Primary incomes accrue in the form of

primary sources of income claims on resources, which arise directly out of the productive process of work and accumulation material wealth. These include results of the labor process (employment – self or hired), returns on rental property and form investment or productive assets. Secondary incomes are results of the transfer and social actions or interventions, which empower the recipients to actively, engage in production work (e.g. investments in education, health, food security, sanitation facilities and environmental protection).

According to Stan Burkey (1 Bid), the wealth of the nations is often measured in terms of *Gross National Product* (GNP – the total value of a nation's annual output of goods and services). GNP measurements are usually presented in terms of per capital figures.

Another way is by Physical Quality of Life Index (PQLI). This measurement based on the selection and measurement of physical factors, which indicate the state of people's health and welfare. The third ways of identifying and measuring poverty is by using Basic Need Approach. In this method the presence or absence of minimal basic human requirements for life as well as essential services indicate the degree of poverty. However in order to **have a clear picture, all measurement tools should use at the same time.**



“Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So poverty is a call to action- for the poor and the wealthy alike –a call to change.”  
<http://www.exampleessays.com>

Poverty is characterized by low per capita income, which makes the capacity to meet basic needs (Chambers, 1985). Other characteristics of poverty include prevalence of sickness due to ill health, indebtedness and inadequate supply of foods. Chamber also further characterizes poverty using indicators such as lack of wealth or assets and lack of flow of food and cash. In addition he also adds physical weakness, vulnerability, deprivation and powerlessness in his definition of poverty all of which are common among rural poor Tanzanian especially pastoralist.

The conceptual view of cooperative is given by Virji and Meghji (1987) who defines cooperatives as the programme that extend money to people for income generating profits so as to make them successful and create self-spirit.

OXFARM (2002:1) narrates on credits and savings societies as: Widespread board for other forms of individuals and communal capacity building means to much greater end as may increase levels of

self external and self worthy for individuals whilst the process of coming together is voluntary

Saad, S.A. et al (2006:7) defines cooperative as an association of persons who have voluntarily joined together for the purpose of achieving a common need through the formation of a democratically controlled organization and who make equitable contributions to capital required for the formation of such an organization.

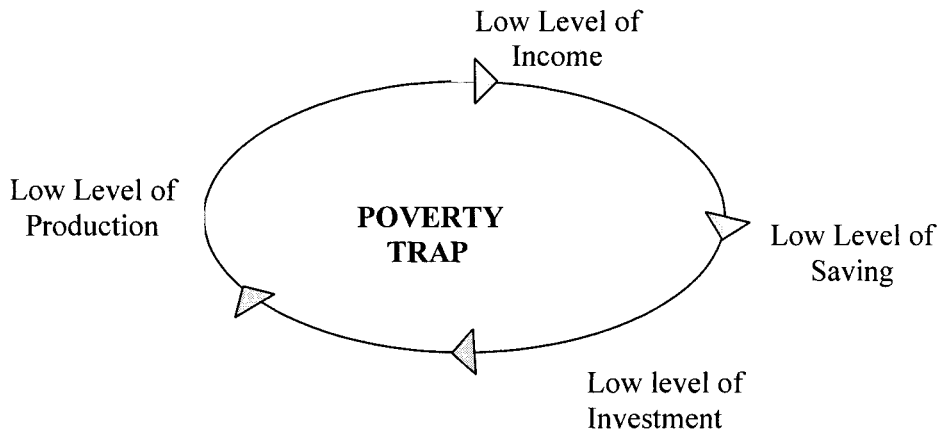
## **3.2 Empirical Review**

### **3.2.1 Poverty at Global Perspective**

There are more hungry people in the world today than ever before in human history and their number are growing. The number of people living in slums and shantytowns are rising, not falling. A growing number lack access to clear water and sanitation and hence are prey to the disease that arises from this lack. There is some progress, impressive in place. But on balance, poverty persists and its victims multiply.

### **3.2.2 The Empirical Evidence of Poverty Trap in Developing Countries**

Mtafikolo (1994), World Summit of Social Development (WSSD), (1995), UNDP – HDR (1995), Missana (1995), Kakombe (1999)

**Figure 14: Empirical Evidence of Poverty Trap**

**Source: Summary of Findings by the above, authorities.**

Poverty has been a pervasive and growing threat to humanity. As we approach the 21<sup>st</sup> century already more than one billion people in the world, most of whom go hungry, live in abject poverty. (Mtafikolo, 1994). In Africa, in particular, a large proportion of people have very limited access to income, resources, education, health care and nutrition. In 1995 (March 6-12), the first World Summit on Social Development (WSSD) was organized in Copenhagen, Denmark, "to recognize the significance of social development and human well being for all and to give these goals the highest priority both now and into the twenty-first century".

A Regional (Africa) Conference had been held in January 1994 in Addis Ababa and an "Action Agenda for Human and Social Development" was developed for Africa. Viewing poverty as a global issue is reflected in these initiatives.

Africa's poverty is said to be mass poverty (of the absolute kind mainly, and less so of the relative kind) requiring more encompassing operational definitions and monitoring instruments with the aim of designing intervention initiatives. In sub-Saharan Africa (SSA), 35 of the 46 countries were classified in 1995 as *least developed*, with a high prevalence of poverty. The UNDP Human Development Report (1995) listed 44% of SSA population as having no access to health services, 57% as being without safe water, and 64% without access to sanitary facilities. The Human Development Index was high for only 2, and medium for 9. 35 countries had a low HDI, ranked from 129 to 174 in the global ranking scale, which ranked each country from 1 to 174.

Poverty is also defined as lack of education, skills or tools to acquire income and assets as well as lack of access to power to modify the situation (Makombe I, et al, 1999). Poverty should be seen as the process leading to deprivation and vulnerability (Misana, 1995) it will be observed that the different aspect of the definition of poverty mentioned above typically characterizes the situation of majority of Tanzanian pastoralist.

### **3.2.3 Poverty in Tanzania**

When Tanzania gained independence in 1961 it committed itself to a people-centered development process led by the then ruling party (TANU) and the state. Considerable progress was made in 1970s up until the early 1980s in meeting basic needs. The country's ranking in global social and human development indices was high in education, health and adult literacy rates.

Despite those efforts, poverty remains wide spread and a serious social problem in the country.

- **General Poverty in Tanzania**

According to aggregate economic and social indicators, Tanzania is still ranked amongst the world's poorest countries. Recent studies have shown that while macroeconomic gains are significant income poverty has not changed significantly (RAWG, 2002). Although the proportion of those living in poverty has decreased from 39 percent to 39 per cent (HBS, 2000/01) absolute numbers of poor people have increased, and will continue to do so, given the 2.9 per cent population growth rate (NBS, 2002).

It has also become clear that improvements in the economy at a macro level have been more beneficial to urban areas, particularly Dar es salaam, where poverty have declined from 7.5 per cent to 4.1 per cent, compared to a marginal rural decline from 12.7 percent to 11.5 percent (NBS, 2002).

Inequality in Tanzania has grown from 0.34 to 0.37 in the last ten years (RAWG, 2002) and the rural population has seen the least gains from macroeconomic growth, with 39 per cent of the rural population falling below the poverty line (NBS,2002).

It is estimated that about 18 million Tanzanians out of 35 million live below the poverty line (HBS, 2000/01). They spend less than US\$ 0.65 per day. Of these 36 percent live in abject poverty spending less than US\$ 0.50 on consumption per day. Poverty remains predominantly a

rural phenomenon with 61 percent of the rural inhabitants categorized as poor (NBS, 2002)

In the last ten years, the proportion of female – headed households has increased notably from 17.6 per cent to 22.9 per cent (NBS, 2002). Nearly half (49 per cent) of female-headed households consist of women and children only, 33 per cent contain men (and over 50 per cent of the men are usually the sons of the head) and 18 per cent are women only (TNGP, 2003).

- **Gender Poverty Differential in Tanzania**

This significant increase in the proportion of Female-Headed Households (FHH) during the nineties (HBS, 2000/01) also indicates that the overall poverty rate is slightly lower in FHH than in Male-Headed Households (MHH). However a detailed analysis of the survey data shows that, after adjusting for the size of the households, the percentage of the poor Female-Headed Households is higher than the percentage of Male-Headed Households for all households except the smallest (two or less) (TGNP, 2003)

Households headed by women are more vulnerable to poverty, in many cases, Women, youth, the disabled; the elderly and large rural households are most affected by poverty due to the following factors:

- Increasing rates of under-employment and unemployment for women and youth both in urban and rural areas

- Limited access to financial services needed for development of on-farm as well as off-farm income generating activities,
- Traditional land tenure systems that prevent women and youth from engaging in income generating activities
- High illiteracy rate for women- about 76 percent making it difficult for women to get skilled job
- Increasing proportion of female- headed households mainly due to higher HIV prevalence for women
- Lack of awareness on land, property and inheritance rights for women (1999 Land Act, etc)
- High drop rates for girls in schools (TNGP, 2003)

Since 2002, Tanzania has embarked on following a Poverty Reduction Strategy (PRS) under the enhanced HIPC (Highly Indebted Poor Countries) initiative initially driven by the World Bank and other multi lateral financial institutions. This is a medium term strategy for poverty reduction. The terms focus on reducing income poverty, improving human capabilities, survival and social well being, and containing extreme vulnerability.

The PRS is expected to contribute to the longer-term aspirations of Vision 2025, and the Millennium Development Goals (MDGs). Priority areas of the current PRS were identified through a national consultative process, and include agriculture, health, primary education, rural roads, water, and the legal and judicial system. Cross cutting issues include rural development,

environment, HIV/AIDS, gender, employment, governance and local government reforms.

In the three years of implementing since 2000 the PRS studies have shown that households that are smaller in size and with formal sector incomes tend to be the least poor, whilst those engaged in agriculture tend to be the most (70 per cent of household heads are engaged in agriculture (Ibid, 2004). Households whose heads are not economically active tend to be even more poor (Ibid, 2004). Households whose heads have a degree of education also tend to be less poor, although they also have a higher number of dependants and fewer employed members (RAWG, 2002).

#### **3.2.4 Contribution of Cooperatives to Economic Development**

In the World Perspectives, it is estimated that there are over 760 million individuals who have chosen the Cooperative Advantage in the world. Values, principles, ethics and business competence constitute the Cooperative Advantage, both for members and for the communities in which they operate. Since cooperatives are member-owned and member-controlled under democratic principles, they certainly put people first. Increasingly, they are embracing cooperative entrepreneurship in order to make them competitive enterprises (ICA, 2001). UNDP has listed six priority areas that cooperatives can do, these are: -



### **3.2.5 Empowerment of Men and Women**

This strategy entails various issues including, Political commitment to securing and protecting the political, economic, social and civil rights of poor people, Policy reforms and actions to enable poor people to gain access to assets so as to make them less vulnerable, Education and health care for all, including safe water and sanitation; Social safety nets to prevent people from falling into destitution or to rescue them from disaster.

Both directly and indirectly, cooperatives help both members and employees to escape from poverty or to protect those of them who may be facing the risk of poverty. In the 22 Caribbean state members of the CCCU, credit union membership (90% of all cooperatives in the sub-region) represents an effective penetration of 25% of population and 45% of the labour force. National credit union leagues have influenced cooperative legislation to favour more self-regulation and government-private sector cooperation (ICA, 2001)

In many countries, cooperatives are in the forefront in the production and marketing of foodstuffs, electricity and consumer goods as well as financial, insurance and social services (see box). For example, cooperatives control 100% of market share in potato production in the Netherlands, 40% of agricultural marketing in South Korea, 33% of the Finnish banking sector and 13% of electricity supply in the United States. The COK credit Union Limited

is a major player in the Jamaican economy in terms of assets mobilization, competitive financial services and employment creation. (ICA, 2001)

**Table 19: Contribution of Cooperatives in Economic Empowerment**

<b>Sector/Activity</b>	<b>Country Example</b>	<b>Market Share</b>
Agriculture		
(a) Potato Production	Netherlands	100%
(b) Fisheries	Malta	90%
(c) Cotton Production	Burkina Faso	77%
Agricultural Marketing	Korea	40%
Exports	Uruguay	40%
Consumer	India	37%
Health	Colombia	24%
Banking	Finland	33%
Insurance	Honduras	27%
Credit	Cyprus	35%
Electricity	U.S.A.	13%
Information Technology Operations	Brazil	4.7%

**Source: ICA, the Co-operative Advantage, June 2001**

### **3.2.6 Gender Equality**

In the Caribbean, women account for 58% of credit union members and 42% of elected leaders. One of the biggest, and perhaps the most innovative, of the credit unions have a woman as its chief executive. The cooperative movement actively promotes this healthy development. Nevertheless, women (and the youth) lag behind in share of assets and access to credit. (ICA, 2001)

A disturbing trend in the Caribbean is that girls are becoming more educated than boys. Since education is a major means for poverty alleviation, a situation is developing where poorer boys feel inferior to better off girls. Already, domestic violence, single parenting and common law marriages are on the upswing. The CCCU can lead the national leagues to do something in this area as a community service to promote gender equality in due course.

### **3.2.7 Pro-poor Growth**

Rapid economic growth is desirable, but wealth distribution is equally important. UNDP data show that in 29 of 68 developing countries, the ratio of the incomes of the richest 20% to those of the poorest 20% exceeds 10 to 1. In Latin America and the Caribbean, the richest 20% have average incomes of US\$17,000 whereas the poorest 20% earn US\$930, a ratio of 18 to 1. Such inequalities breed social discontent and violence, as was recently experienced in a major Caribbean country (UNDP, 1997)

By promoting student and youth programmes and cooperative entrepreneurship, Caribbean cooperatives can play a major role in bridging the gap. They can also influence political processes and legislation in favour of the socially deprived. In Trinidad & Tobago, for example, a bill is being proposed that will reserve a percentage of government contracts for small enterprises. The credit union membership in that country is 20% of the population. That is also a sizeable proportion of the electorate. So, the League is in a good position to influence the passage of such a pro-poor legislation (ICA, 2001)

### **3.2.8 Global Benefits Versus Global Competition**

With the removal of protective trade agreements, such as the EU-ACP *Lome Conventions*, Caribbean countries are as vulnerable to globalization as they are to the hurricanes. Even in the areas where they have comparative advantage (such as tourism, they face keen competition from American and European cruise operators. Therefore, governments facing dwindling revenues cannot guarantee employment or security of lives and property. The key lies in export promotion through productivity improvement and competitive enterprise management.

A major obstacle to productivity improvement in the sub-region is a laid-back attitude of the people, a cultural tendency to take things easy or to cross the bridge only when it has started caving in. With its solid spiritual foundation and emphasis on ethics and principles, the cooperative movement can flag off a paradigm shift in work ethics. The downstream

activities in tourism, such as agricultural products (eggs, vegetables), transportation and basic supplies (towels, bed sheets, etc.) can competitively be done by cooperatives. Also, by promoting sub-regional harmonization of cooperative legislation and prudential guidelines, cooperative performance can be enhanced. (Chris, 2003)

A poor organization cannot help poor people! Now that Caribbean cooperatives can see themselves as part of a prestigious global family, they may begin to think bigger things for themselves and their communities (Chris, 2003)

### **Special International Support**

A major contributor to worsening poverty in developing countries is corruption of leaders and officials in the public and private sectors, due largely to the weak institutional infrastructure for promoting accountability. Consequently, budgets for poverty alleviation could be diverted into wrong hands. A related development is that the greater part of foreign aid or investment may go back to the donors by way of expatriate technical assistance personnel and equipment.

Through the ICA, the UN and other international agencies, cooperatives can join the international movement for promoting transparency and enforcing international standards. For example, the ICA and the UN Department for Policy Co-ordination and Sustainable Development have co-hosted a World Summit for Social Development. In its Declaration, the Summit “commits

itself to utilize fully the potential and contribution of cooperatives for the eradication of poverty.”

### **3.2.9 An Enabling Environment for Pro-poor Policies and Markets**

The Annual General Meetings (or any major event) of the credit union league in most Caribbean countries tend to be addressed by top political/government leaders. That suggests that cooperatives are in a very good position to join community groups, professional associations, trade unions, private companies, the media, political parties and government institutions to form broad-based partnership for poverty alleviation.

### **3.2.10: Poverty Alleviation in Tanzania**

“The war on poverty is not a struggle simply to support people, to make them dependent on the generosity of others”. President Johnson state of the union address on Jan 8 1964 (Johnson). The war of poverty was to break the cycle of poverty that affected nearly 35million Americans (Greanbaum)

Poverty alleviation refers to lifting the poor out of poverty. Poverty is a menace in Tanzania and the proportion of the poor compared to total population has been growing in spite of the measures being undertaken to alleviate it.

The World Bank has defined poverty and extreme poverty as denoting those living on less than a real purchasing power parity measurement of USD 1 per day (or about TShs 15,000 per month at 1993/94 prices in Tanzania), and USD 0.75 per day (or Tshs. 11,250 per month), respectively for Tanzania

(UNDP, 1995). Using this definition it is noted that in Tanzania poverty is largely a rural phenomenon. The poor represented, in the early to mid-1990s, about 59% of all rural households and 39% of urban households excluding Dar es Salaam, where the poor represented about 9% of all households. Rural villages accounted for 90% of those living in extreme poverty.

Tanzania is one of the least development countries where people live under extremely poor condition. This is the reason why Tanzania was among 3 African countries to benefit from the program relief of debt that is known as High Indebted Poor Countries (HIPC). Tanzania was included in the program in 2000. The Human Development Index (HDI) for Tanzania has been low and ranking 'poor' in recent years (UNDP World Development Report, Annual, 2005). The Table below is indicative of recent trends in Tanzania.

**Table 20: Tanzania Human Development Measurement**

<b>Variable</b>	<b>2003</b>
Tanzania's HDI Value 2003	0.418
Tanzania's Ranking HDI rank 2003 (177 countries)	164
Tanzania's GDP per capita value (PPP US\$) 2003	621
GDP per capita (PPP US\$) rank minus HDI rank (higher means better on HDI)	11
Tanzania's GDP per capita Rank 2003 (177 countries)	175

**Source: Human Development Report 2005.**

The poor are more likely to experience poorer health than the non-poor. Life expectancy in Tanzania has dropped from 50 years in 1990 to only 48 in 1999, below the sub-Saharan Africa average of 52 years, due to among others, HIV/AIDS epidemic, which is now the leading cause of death in many cities (MCDWC). Like in other developing countries, poverty is one of the factors that make the battle against HIV/AIDS difficult. As a result of poverty, there is a high increase of Prostitution, rural-urban migration, and homelessness that lead to greater risk of spreading the infection. The poor are also more likely to be underfed than the non-poor.

### **3.3 Policy Review**

Several policy initiatives will have direct and indirect effects on the implementation of National Poverty Alleviation (NPA). These initiatives provide the context within which NPA is operating. National Poverty Eradication Strategy (NPES) for Tanzania has defined poverty as a multidimensional concept to include both income and human development. Thus, poverty extends beyond income and consumption, to include spread of malnutrition, disease and ignorance, high mortality, isolation, vulnerability, powerlessness and hopelessness. International and National initiatives to be considered will include:



### **3.3.1: Tanzania's Past Visions**

Currently Tanzania has gone through two major national visions:

#### **The Vision for Independence.**

Most of Tanzanians understood and accepted that goal, which was a basic human right. However, having attained independence, it was realized that not everybody understood his or her consequent obligation; namely, that enjoying the fruits of independence implied hard work. Hence the post-independence catchword "Uhuru na Kazi". That catchword was intended to explain the importance of hard work in realizing the development, which was championed in the struggle for independence.

#### **The Arusha Declaration.**

This articulated a philosophy of socio-economic liberation based on socialism and self-reliance as the long-term national goal of Tanzanians. The Declaration was accepted by the majority of Tanzanians and galvanized them behind its realization. Thus, since February 1967, the development vision of Tanzania as well as the principles and programs have guided the policies for social and economic transformation enshrined in the Arusha Declaration.

### **3.3.2 Tanzania Development Vision 2025**

This is a national vision with social and economic objective to be attained by the year 2025. The vision has three principal objectives: - achieving high quality livelihood for its people, attain good governance through the rule of

law and develop a strong and competitive economy. A high quality livelihood for all Tanzanians is expectation to be attained through strategies, which ensure the realisation of the following goals:

- Food self-sufficiency and food security,
- Universal primary education,
- Gender equality and the empowerment of women in all socio-economic and political relations and cultures.
- Access to quality primary health care for all.
- Access to quality reproductive health services for all individuals of appropriate ages.
- Reduction in infant and maternal mortality rates by three-quarters of current levels.
- Universal access to safe water.
- Life expectancy comparable to the level attained by typical middle income countries and
- Absence of abject poverty.

### **3.3.3: Poverty Reduction Strategy**

Given the fact that poverty affects all the social indicators negatively and thus its effect on national development, the Government of Tanzania decided to put poverty reduction at the center of its development efforts. The Government published a *Poverty Reduction Strategy Paper* (PRSP), which aims to facilitate the mainstreaming of poverty and welfare monitoring system into the budget instruments, such as Medium Terms Expenditure

Framework (MTEF). The PRSP gives priority to provision of basic social services including education, health, water and income generation. These efforts intended to set aside more resources for fighting poverty.

### **3.3.4: Millennium Development Goals**

In September 2000, world leaders agreed upon the Millennium Declaration, which distills the key goals and targets agreed to at international conferences and world summits during the 1990s.

**The Millennium Development Goals 1** - are the world's time bound and quantified targets for addressing extreme poverty in its many dimensions- hunger, income poverty, disease, lack of adequate shelter, and exclusion while promoting gender equality, education and environmental sustainability. By 2015, more than 500 million people will be lifted out of extreme poverty. More than 300 million will no longer suffer from hunger. There will also be dramatic progress in child health. Rather than die before reaching fifth birthdays, 30 million children will be saved. So will the lives of 2 million mothers.

**The Millennium Development Goal 3** - reaffirms international commitments to gender equality, the targets and indicators. The goal challenges discrimination against women, and seeks to ensure that girls as well as boys have the chances to go to school. Indicators linked to this goal aim to measure progress towards ensuring that more women become literate,

have more voice and representation in public policy and decision making, and have improved job prospects. But the issue of gender equality is not limited to a single goal – it applied to all of them. Without progress towards gender equality and the employment of women, none of the MGDs will be achieved.

### **3.3.5: Cooperative Development in Tanzania**

The cooperative movement has been reforming slightly following the enactment of the cooperative societies act no 15 of 1991. This legislation provides departure from previous legislation by providing for an autonomy status for cooperatives, which had hitherto been government supported and controlled institutions. As a concrete demonstration of its intentions to delink itself from controlling cooperatives, government promulgated the new cooperative policy of 2002 for the purpose of enabling cooperatives to get back onto the development path and at the same time become more responsive to the needs of their members.

General goal of the Tanzania's cooperative movement as defined in the 2002 Cooperative Development Policy document is to have "improved and sustainable cooperative that are capable of fulfilling members' economic and social needs".(URT, 2002) Along with this policy statement, government further passed the new legislation in 2003 to allow even greater freedom, autonomy, accountability, good governance amongst cooperative societies with a view of revitalizing and strengthening its role in serving the social and economic interest of its members under a free market environment.(URT, 2003)

The current cooperative reform program has adopted a cooperative policy, new legislation and other initiatives to put them into workable strategies that will bring about existing effort in practical with the view of how the overall desired vision and goals can be achieved, the desirable forms which the present cooperative movement can take, the role of stakeholders or players in cooperative development, and establishes a clear linkage with other ongoing initiatives aimed at reducing poverty among Tanzanian communities, with anticipation of having strong savings and credit cooperative societies which will provide better services to their members and be a source of capital for other types of cooperatives, cooperatives with efficient and cost effective structure which can easily respond to the need of the members and economically strong cooperatives societies which are capable of facing competitive challenges. (CRP, 2004)

The programme also focused on the member based cooperatives and the member empowerment as the central aspect in an effort to revolutionize the cooperative movement. by member based cooperatives, the current reform programme stress the need for restructuring existing cooperatives in order to accommodate the key elements of more open and voluntary member based formations, member based management and democratic control, economic viability and non-state and non-political interference.

This has posted as the way to bring about the setting up of the cooperative movement institutional framework. While the main objective for the empowerment by this programme is to raise members' awareness on their

rights and obligation so that they actively and practically perform their rightful role of being owners, users and controllers of cooperative institutions, the cooperative can not serve the members to the full and members cannot realize the full potential of their institution if they are not organized, and if such organization do not empower the members.

### **3.3.6: Cooperatives in Tanzania's Economic Context**

Cooperatives in the Tanzania context have been an indispensable facto particularly in terms of the country's economic and social development process. As provided in both Tanzania's development vision, 2025 and the National Poverty Reduction Strategy (PRS), cooperatives as people's organizations are one of the major tools for realizing the objectives embedded in the vision 2025 and PRS, viz sustainable human development emanating from economic and social development. Indeed cooperatives are considered as important tool for empowerment of the rural poor, weak and vulnerable members in society (PRSP, 2000).

Within the liberalized economy, cooperative system provides the small-scale Tanzanian producers with an institutional form for collective organization at the grass root level. Through this collectivity, the effects of their weak and disadvantaged individual positions compared to the other competitors in the liberalized economic environment can be mitigated.

The cooperative development policy, 2002 observed the weak structural and financial position of cooperatives as one of the major limitation to their development. With these weaknesses, the cooperative system has been unable to effectively harness the benefits of collective action to compete with the other private enterprises in the liberalized economic environment.

### **3.3.7; Cooperatives Potentials in Poverty Reduction**

The colonial governments promoted the formation of Agricultural Marketing Cooperatives Societies (AMCOs) particularly for cash crops (mainly coffee, cotton and tobacco). The nationalist post colonial government saw cooperatives as an important vehicle which could be harnessed to spread the benefits of development to a wider section of the Tanzanian population. This was to be done by combining the energies of the farming community and the workers to feed, clothe house and educate themselves and their children and generally better their economic and social lives. In order to achieve economic independence cooperatives were expected to play a more dominant role in business as a means of reducing foreign domination (Kimario, 1992).

From authoritative circles, public and private there has been much discourse on the potential of the cooperative to service the needs of the poor and eradicate poverty in their communities. Following the unsuccessful attempts through costly programme in the 1960s and 1970s by UN agencies to eradicate poverty in the third world, Grant (1977), Dams (1997) and Laid law (1977) commented that, there were god reasons for the cooperative system to

be an important part of a new development strategy. This is because it involves the poor and weaker members, who have always been on the sidelines of the rural mainstream community in the participation of economic and society interactions in an integrated rural development approach.

On the other hand, there has been a long assertion over world, that the majority of the rural poor have been left out of the cooperative system, that cooperatives embrace mainly the rural elite, and that a few members of the community who play prominent roles in those communities are, predictably, the most likely to succeed in the business of cooperatives. Enriquez adds that the rural poor, who constitute the uneducated and illiterate majority, will find it hard to identify cooperatives with the type of organizations that would help them emerge from poverty. On this exclusion of the poor, the UNRISD report (1975) come out with a major conclusion that, “ Cooperatives in developing areas today bring little benefit to the masses of the poor inhabitants of those areas and cannot be generally regarded as agents of change and development for such groups”. Upon this conclusion, UNRISD, UNDP and WCARRD posit a new approach advocating new rural development strategies that imply cooperatives groups “Peoples Participation” through cooperative group projects, to help bring about the eradication of poverty in rural and urban areas. However, Newiger (1984) in support of UNDP and WCARRD’s new approach, advises that a national strategy to fight rural and urban poverty requires (i) the promotion of rural institutions (including cooperatives) and peoples participation whereby gainful employment of the poor masses can be



achieved, and (ii) the government in that respect, is required to strengthen the organization and administration of its fields services in order to facilitate and promote people's participation.

In affecting people's participation in the actual setting, UNDP report proposes the "cooperative group projects" as the new approach to attract the informal type of cooperative groupings at the grassroots level. Instead of launching a cooperative in the traditional Rochdale model to attain a specific objective, the new approach is to launch projects to be carried out by cooperative group action. That is, the cooperative nature of the project is emphasized but the adherence to the commonly accepted Rochdale principles is not imposed. Banturaki, (2000) on his study, asserts that, the cooperatives will become true socially responsible resource converters. The cooperatives will become competent campaigners for mobilizing, coordinating and pooling together the rural poor resources and so become competent and socially responsible workers for the development of the poor majority. There is marvelous potential in the cooperative movement for the large-scale eradication of rural and urban poverty.

### **3.3.8: Literature Review Criticism**

Authors have provided a good framework for establishing of a SACCOS as Community Economic Ventures by stipulating the general overview of the socio economic status of the people in third world countries including Tanzania.

They also outline the necessary policies, which are imperative in building capacity among communities in their process to create viable economic ventures. Authors also provide empirical evidence for facts found in other areas including in Tanzania

However the authors failed to explore that some social facts are area and period specific (location rather than generalization). This survey intends to reveal the obstacles facing Msata ward pastoralist in establishing a SACCOS in the mean time

## **CHAPTER IV**

### **IMPLEMENTATION**

#### **4.0: Methodology:**

Project implementation was a participatory in nature involving target group and stakeholders as well as CED student, the implementation of the project begun in November 2005.

Soon after the completion of the early project planning stages which involved CNA where by the situational analysis of SACCOS establishment in Mikongoro sub village was conducted to obtain information which was needed to give the best means of capital generation to the Parakuyo Imara and community members. Moreover to identifying capacity building gaps within the community and the SACCOS, hence an implementation plan was prepared in order to address some of the gaps which were identified.

#### **4.1 Products and Output**

During the preparation of the implementation plan a list of input indicators which describes of what goes into the project and output indicators describing project activities and impact indicators were also developed ( Table 13).Such list of indicators was important in the process of measuring the desired change.

The project was able to accomplish the following items by the end of the second year:

#### **4.2 Project Products:**

- Community members mobilized on SACCOS
- Meetings for SACCOS organization
- SACCOS members adopting constitution
- SACCOS groups with legal registration
- SACCOS members mobilized on monthly contribution
- SACCOS group with Bank A/Cs
- Training on Good Governance and record keeping for SACCOS members.

#### **4.3 Project Output**

- 21 Members have been mobilized to join with SACCOS
- Three training meetings on awareness have been organized for SACCOS members
- Two SACCOS meetings have been conducted to developed and adopted their constitutions
- The SACCOS have got legal registration
- The SACCOS have opened one Bank account
- All SACCOS members have contributed monthly or periodically contribution as agreed in the constitution.
- Six SACCOS leaders have been trained on Good Governance and Record keeping

Implementation was participatory, members of Parakuyo Imara cooperative participated in sensitization and mobilization. Members through the elected temporary leaders were involved fully on application or registration. Members also paid their entrance fees, share, deposits and saving contributions.

**Table 21: Plan of Implementation of the Project**

<b>Time Frame</b>	<b>Activity</b>	<b>Expected Output</b>	<b>Required Inputs</b>	<b>People Responsible</b>
January, 2006	Sensitizing community on importance of the credit union	People's awareness for effective participation	CED Student Cooperative Leaders Village leaders	CEDs student, Extension Staff and Village leader
February – March, 2006	Mobilizing community participation	People are pro-active towards credit union	Mobilization Tool Box	CED Student, Extension Staff and Village Leaders
April – June, 2006	Applying for registration	Registration certificate giving the group legal status received	Application letter Meeting Report minutes	Cooperative Extension Officer CED Student
July, 2006	Electing leadership	Democratically elected leadership installed	Constitution Policy Guideline	SACCOS members
August, 2006	Developing strategic plan	3-5 year strategic plan put in place	Cooperative Policy Guideline	- Consultant CED Student - SACCOS Members

**Source: Survey Findings, Msata Bagamoyo District 2006**

**Table 21: Plan of Implementation of the Project (contn.)**

<b>Time Frame</b>	<b>Activity</b>	<b>Expected Output</b>	<b>Required Inputs</b>	<b>People Responsible</b>
September, 2006	Mobilizing saudades and membership and operating the credit union	<ul style="list-style-type: none"> <li>- Membership</li> <li>- Inventory</li> <li>- Savings mobilized</li> <li>- Credit delivered</li> <li>- Loans recovered</li> </ul>	Initial stage of operating the micro credit <ul style="list-style-type: none"> <li>- Credit officers</li> <li>- Extension workers</li> <li>- Constitution</li> </ul>	CED Student Credit Officers Extension Workers
October, 2006	Training for financial control, record keeping and good governance	SACCOS Members with adequate knowledge & Skills on Financial control, Record keeping and good governance	<ul style="list-style-type: none"> <li>- Facilitator</li> <li>- Training material</li> <li>- Venue</li> <li>- Finance</li> </ul>	<ul style="list-style-type: none"> <li>- Cooperative officer</li> <li>- CED Student</li> <li>- Center for Practical Development Training</li> </ul>

**Source: Survey Findings, Msata Bagamoyo District 2006**

**Table 22: Work Plan Implementation – October 2005 to December, 2006**

OBJECTIVE	KEY ACTIVITIES	Time Frame Years – October 1 <sup>st</sup> . 2005 to December, 2006															OUTPUT INDICATOR	RESPONSIBLE PERSON
		1 <sup>st</sup> , Quarter			2 <sup>nd</sup> , Quarter			3 <sup>rd</sup> , Quarter			4 <sup>th</sup> , Quarter			5 <sup>th</sup> , Quarter				
		O	N	D	J	F	Mr	A	My	J	Jy	A	S	O	N	D		
To plan for the expected project activities	Prepare a working plan		X														Project activities implemented as scheduled	CED Student Parakuyo Imara Leader
To learn more about the experience of Parakuyo Imara Cooperative Society	Meeting with management team Parakuyo Imara Cooperative Society Leaders		X														Good communication between Parakuyo Imara Cooperative Society and Mokongoro village members	CED Student and Parakuyo Imara Leader
Identifications of Parakuyo Imara problems	Preparation of questionnaires for Mikongoro sub village members			X													Increased knowledge on communication between Parakuyo Imara Cooperative Society Members and the community	CED Student and Parakuyo Imara Leaders
Community mobilization on credit union formation	Conducting sensitization meeting to 36 Mikongoro sub village leaders on SACCOS establishment				X												Increased knowledge on communication between Parakuyo Imara Cooperative Society Members and the community	CED Student and Parakuyo Imara Leaders



Table 22: Work Plan Implementation– October 2005 to December, 2006 (contn.)

OBJECTIVE	KEY ACTIVITIES	Time Frame Years – October 1 <sup>st</sup> . 2005 to December, 2006															OUTPUT INDICATOR	RESPONSIBLE PERSON	
		1 <sup>ST</sup> , Quarter			2 <sup>nd</sup> , Quarter			3 <sup>rd</sup> , Quarter			4 <sup>th</sup> , Quarter			5 <sup>th</sup> , Quarter					
		O	N	D	J	F	Mr	A	My	J	Jy	A	S	O	N	D			
Initiation of SACCOS project	i. Applying for registration							X	X	X	X	X	X	X	X			Registration Certificate on hand for legal status for SACCOS use.	CED Student and Parakuyo Imara Leaders
Initiation of SACCOS project	ii. Electing leaders										X							Constitution and Policy guidelines on hand	CED Student and SACCOS members
Initiation of SACCOS project	Developing strategic plan												X					Initial stage of operating the microfinance credit	CED Student and Parakuyo Imara Leaders
Mobilization of sausages membership	Operation of the credit union															X	X	- Membership - Inventory - Saving mobilization - Credit delivery - Loans recovered	CED Student and Parakuyo Imara Leaders
Financial control for SACCOS project	Training of financial control, and good governance																X	SACCOS members with adequate knowledge and skills on financial control and record keeping.	CED Student, District Cooperation Officer & CP Dev Consultant
Documentation of the report	Writing a final project report														X	X		Useful to SACCOS members and the entire community	CED Student

Source: Survey Findings, Msata Bagamoyo District 2006.

**Figure 15: Mobilization and Sensitization Meeting**



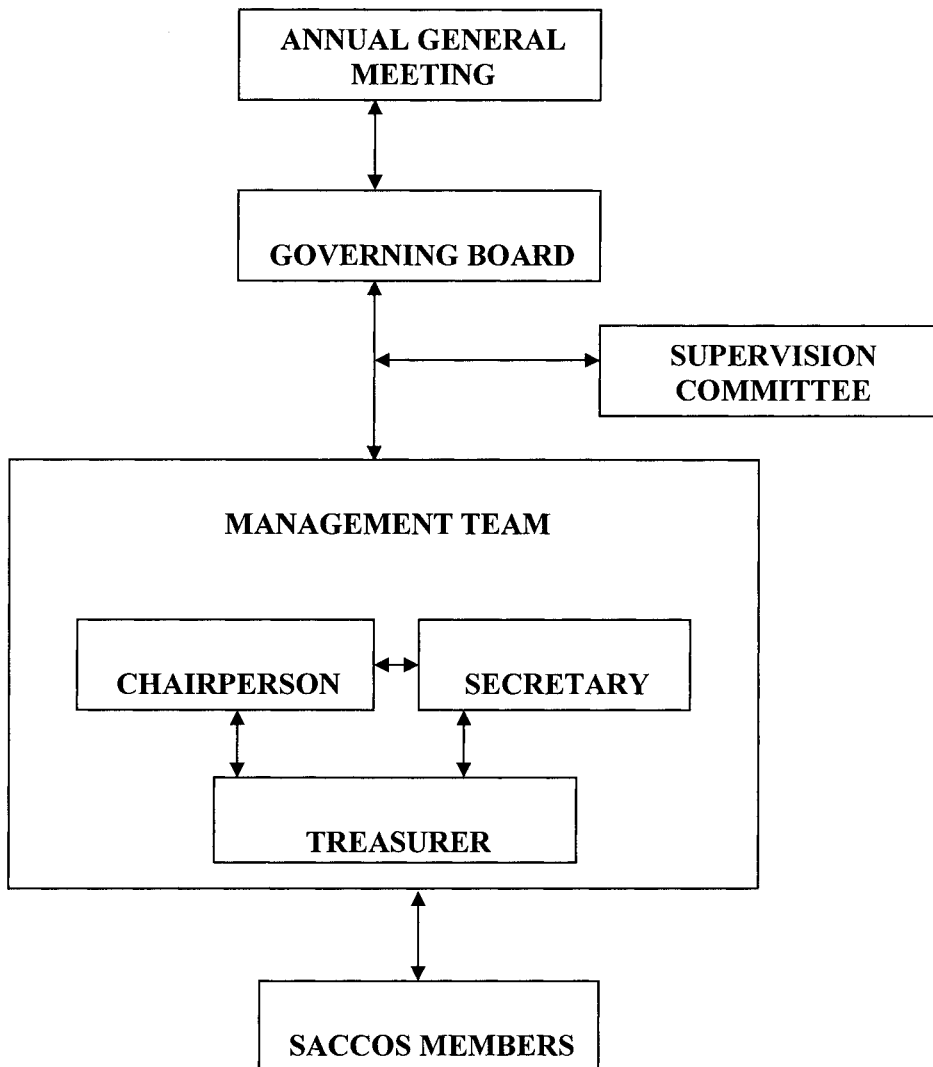
**Source: Survey Findings, Msata Bagamoyo District. 2006**

*“One of the mobilization and sensitization meeting held at the CP DEV seminar room at Msata village in Bagamoyo district”.*

#### **4.4 Staffing Pattern of the Project.**

The SACCOS has Board of five members and supervisory Committee of three staff obtained through election. The Board has Chairperson, Vice Chairperson, Treasurer and other two members. The Board members elect the Secretary. The use of the Board was to implement daily activities, while the supervisor of committee has a duty of monitoring the SACCOS activities.

**Figure 16: Parakuyo Imara Organization Structure**



**Source: Parakuyo Imara Constitution (2006)**

#### **4.5 Budget for the Project**

- **Budget for SACCOS Establishment:**

Budget for the establishment of Parakuyo Imara SACCOS was prepared with the anticipation of being funded in cash or in kind by

the Center for Practical Development Training and members themselves. The contribution on the budget was analysed and funded as here below:

For the SACCOS to be registered the 1<sup>st</sup> year budget should be drawn to see if the SACCOS can perform predictable. Constitution stipulated among other thing the following key issues for a person to be a member.

- Should agree with Constitution
- Should pay fully entry fee of 5,000/=
- Should contribute saving at least 5,000/= per month
- Loan interest rate 12%

After sensitization and mobilization, the SACCOS have been established with initial twenty one (21) members. The SACCOS has an initial income budget of Tshs. 7,200,000 and expenditure of hereunder:

**Table 23: Parakuyo Imara's 2007 Budget**

<b>INCOME</b>	<b>TZS</b>
Interest on Loan	3,600,000
Grant CP Dev	3,000,000
Other Income	1,200,000
<b>Total Income</b>	<b>7,800,000</b>
<b>EXPENDITURE</b>	
Salaries	960,000
Office Rent	120,000
Wages	200,000
Transport & Traveling	200,000
Meetings	100,000
Training	2,500,000
Committee Allowances	100,000
Audit Fees	250,000
Stationeries	100,000
Consultancy cost	500,000
<b>Sub-Total</b>	<b>5,030,000</b>
<b>Profit for the Year</b>	<b>2,770,000</b>

**Source: Parakuyo Imara Annual Budget (2006)**

During the first year the SACCOS expects to generate an interest of 3,600,000 from loan of 30,000,000 to members. Loans expected to be issues against deposits or savings of 15,000,000/= members contribution. The interest was charged at 12% straight-line method on the loan per annum.

## **CHAPTER V**

### **MONITORING, EVALUATION AND SUSTAINABILITY**

#### **5.0: Monitoring**

Monitoring can be defined as the process of routinely gathering information on all aspect of the project. Or a regular observation and recording of activities taking place in a project or programme.

Monitoring also involves giving feedback about the progress of the project to the financiers, implementers and beneficiaries of the project. To monitor is to check on how project activities are progressing (UNPD M&E handbook 2005). It is very important in project planning and implementation

Monitoring provides information that will be useful in:

- Analyzing the situation in the community and its project;
- Determining whether the inputs in the project are well utilized;
- Identifying problems facing the community or project and finding solutions;
- Ensuring all activities are carried out properly by the right people and in time;

#### **5.1: Project Monitoring**

In this case, monitoring of project activities was done to ascertain its appropriateness, sustainability, acceptability and relevance. This involved in

assessing the project activities were conducted as planned and moreover to determine the availability of human resources and other non-human resources were used efficiently during project implementation. Monitoring provides the management with information needed to analyze current situation, identify problems and find solutions, discover trends and patterns, keep project activities on schedule, measure progress towards objectives and formulate/revise future goals and objectives and finally make decisions about human, financial, and material resources.

Monitoring is a continuous process and the first level of monitoring was done by parakuyo Imara committee. Committee members and the staff are responsible for monitoring tasks under them, and the project advisor is responsible for monitoring all aspects of the project through field visits, routine progress reports and performance measurement. (CEDPA, pp 57-59).

Information which was planned to be collected includes; the use of time, people, money, and other material resources, results, staff supervision, budget/expenditure , commodities and service delivery and training needs.

In order to ensure timely delivery of services there was a need to establish a management information system which was designed to collect information on project activities, to plan, monitor, and evaluate the operations and performance of the project

Monitoring was carried monthly where the committee members would meet and discuss on the progress of the project activities.



**5.1.1: Monitoring Questions**

- Are the planned meetings conducted as planned and at the right time?  
e.g. – Awareness creation seminars etc
- Are the set of resources (Staff, resource persons, funds, project beneficiaries, contributions) brought together to accomplish project activities
- Are the SACCOS Committee receiving the SACCOS material information's
- Are the SACCOS Committee and Members receiving Business, Savings and Credit skills training at the centre?

**Table 24: Information for Monitoring SACCOS Operations**

<b>Category of information</b>	<b>What to monitor</b>	<b>What records to be kept</b>	<b>Who collects data</b>	<b>Who uses data</b>	<b>How to use information</b>	<b>What decision can be made</b>
1. Work plan activities	Timing of activities Availability of personnel and resources	-Monthly/ quarterly work plans -work schedules	Treasurer SACCOS Board members, Advisor (CED Student)	Treasurer, Chairman. SACCOS Board Members, Members, advisor & Auditor	Ensure SACCOS Members and other resources are available	Reschedule activities to suit situation and deployment of resources as needed
2. Cost and expenditure	Approved Budgeted amounts against actual Expenditure	Ledger of expenditure Receipts Bank transaction Reports to Members	Treasurer SACCOS Board members, Advisor (CED Student)	Treasurer, Chairman. SACCOS Board Members, Members, advisor & Auditor	To Compare actual cost, revenue, against its respective budget.	Authorized expenditure determined Through SACCOS Budget.
3. Staff and supervision	Knowledge & skills of staff, educational level and job performance	Performance review Job description Feedback from training attended	Advisor (CED Student), SACCOS Board Members and Trainer	Advisor, SACCOS Members, Board Members.	To advice staff on career and how to improve their knowledge at work.	-Placement -Training Needs -promotion -Description actions

**Table 24: Information for Monitoring SACCOS Operations (contn.)**

<b>Category of information</b>	<b>What to monitor</b>	<b>What records to be kept</b>	<b>Who collects data</b>	<b>Who uses data</b>	<b>How to use information</b>	<b>What decision can be made</b>
4. Commodities	Savings, contributions, credits, Books, ledgers and forms	Cash books, Receipt books, & Payments Books	Treasurer, Chairman and other Board members	SACCOS Member, Board members and other Beneficiaries	SACCOS Member, Board members and other Beneficiaries.	Quantity to be required.
5. Results	No of members to be registered. -Amount of Savings, loan to members	Members Ledger. Cards, Register and Quarterly reports	Treasurer and SACCOS Governing Board.	SACCOS Member, Board members and other Beneficiaries	Ensure objectives are realistic Assess quality and appropriateness of services provided	-Revise objectives Retrain staff & Members -Revise project strategy and approach

Source: Research Project Design, 2006.

### **5.1.2: Monitoring Methodology**

During the monitoring process, different methods were used to conduct monitoring exercise. These methods included focus group discussion, observation, and review of participant's record books, attendance register and quarterly reports.

#### **(i) Focus Group Discussion**

Focus group discussion was done using the checklist prepared by the researcher before the interview. The discussion was conducted with members and leaders of the organization in order to understanding the progress of the activities aimed at achieving the goal of establishing a community Saving and Credit Cooperative Society for Parakuyo Imara Livestock Primary Cooperative Society.

#### **(ii) Observation**

Observation was done in a participatory process by attending group activities. This was aimed at seeing as to how the community members actively participated in the activities. This was also to observe as to how the members participated in the decision making process, for example participation of group members in training and practice. Observation method was used for the purpose of getting direct information about behavior of individual and groups in establishment of the SACCOS.

**(iii) Review of Records**

Record review was useful for determining the understanding of trainees, content and usefulness of the material offered during training and trainee's ability to understand the contents SACCOS. Attendance register helped monitoring team to monitor number of participant's attending each training session. Also review records for those who joined and contributed their entry fees and saving to the SACCOS. Quarterly reports assist Board Members, SACCOS Members, advisor and donors to understand what decision to be made in order to achieve the desired goal.

**5.1.3: Monitoring Results**

Monitoring of project activities was done on monthly basis using qualitative method. Data was manually analyzed and the results showed that over 95 % of all the planned activities were timely done.

**5.2: Project Monitoring Plan of Action:****Monitoring Plan Assumption:**

Plan was developed after problem identification, analysis and prioritization. The project implementation plan assumed to be fully implemented during the year 2006. Plan financing assumed to be in time by the Center for Practical Development training. Members and leaders of Parakuyo Imara Livestock Primary Cooperative Society Ltd and other responsible personnel assumed to participate accordingly.

**Table 25: Monitoring Plan**

No.	Activity	Monitoring Status	Percentage of Completion	Comments
1.	Problem Identification	Effective	100%	Complete
2.	Community Needs Assessment	Effective	100%	Complete
3.	Research Proposal Writing	Effective	100%	Complete
4.	Community Sensitization & Mobilization	Effective	100%	Complete/ continuous for new members
5.	SACCOS Training -SACCOS Awareness -Record keeping and -Good Governance - <i>HIV/AIDS</i> <i>awareness</i> -Other Training	- Effective - Effective - Effective - Effective -On Needs/ On Going	100% 100% 100% 80% NA	- Complete - Complete - Complete - Complete & Continuous -Continuous Process for efficiency & Effective Operation
6.	SACCOS Establishment	Effective	100%	Complete
9.	Project Report Writing	Effective	100%	Complete

**Source: Research Project Design, 2006.**

### **5.3: Evaluation**

Evaluation can be defined as a selective exercise that attempts to systematically and objectively assess progress toward the achievement of an outcome. Evaluation is not a one-time event but an exercise involving assessment of different scope and depth carried out at several points in time in response to evolving needs for evaluative knowledge & learning during the effort to achieve an outcome. All evaluations assess relevance, performance and other criteria need to be linked to outcomes as opposed to only implementation and immediate output. (UNPD M&E handbook 2005).

In this study evaluation was done to assess the achievement of immediate objectives, output and activities. A team comprising of a CED Student as advisor, Parakuyo Imara leaders and members of the cooperative Society, and a member from CP Dev were involved in the mid-term and end-term evaluation of the project. The evaluation process was done through interviews, review of progress report, existing group records and SACCOS financial Management Accounts. The advisor formulated an evaluation plan which consisted of both formative and summative evaluation. The purpose of the evaluation was to evaluate the successful accomplishment of project objectives.

In this study both the two types of evaluation were used. These are the formative and summative evaluation.

Formative evaluation is used to assess the current, ongoing program activities, it provides an internal process that compares the planned program with the actual program, and measures the progress made toward meeting the program goals. This evaluation type helps identify problems threatening the program's viability, enabling the program manager and planning group to make mid-course corrections.

### **5.3.1: Formative Evaluation**

Formative evaluation is a valuable tool that informs project coordinators the status of the project and provides the basis for a future summative evaluation of the project.

This was conducted four month after the start of the project to assess the ongoing project activities and provide information that could be used to improve the project performance.

During the formative evaluation the important aspects which were assessed were

- How the project was being implemented, was it operating according to how it was intended?
- How the progress was made toward reaching the project goal.
- Evaluation questions were as follows:



- (1) To what extent has Parakuyo Imara Livestock Primary cooperative Society has managed to support the establishment of its SACCOS?
- (2) To what extent has Parakuyo Imara been able carryout its activities aimed at addressing the needs of the establishment of the SACCOS.
- (3) To what extent were the Parakuyo Imara Members and Community participated in the project establishment and running the SACCOS.
- (4) To what extent was the Local CBO's /NGO's and community as a whole supported by the Government authorities and other development partners in effectively establishing this SACCOS?.

### **5.3.2: Instruments and Data Sources**

Evaluation plan was prepared prior the implementation of the project activities so as to determine as for example what kinds of questions to be asked, how data will be collected, etc.

Timeline for the evaluation was developed before the startup of the project to ensure timely data collection and smooth running of the project.

In selecting the method for collecting data for formative evaluation we considered the strengths and weaknesses of each method. During the process

a multiple sources of data collection method was used in order to answer each evaluation question.

The formative evaluation focused on implementation rather than outcomes, evaluators focused on the trained member of the SACCOS. The method used to collect information, were interviews, observations of the training sessions and review of training manuals.

**Table 26: Formative Analysis Plan**

<b>Evaluation question</b>	<b>Indicators</b>	<b>Data sources</b>	<b>Who collect data</b>	<b>Sampling approach</b>	<b>Analysis</b>
1. To what extent does the project implementation plan being followed as documented in the work plan?	<ul style="list-style-type: none"> <li>Number of activities conducted and accomplished.</li> <li>-Number of resources available</li> <li>-Number of trainings and trainees available.</li> <li>-Number of members Joined the SACCOS</li> </ul>	<ul style="list-style-type: none"> <li>-Trainees and SACCOS leaders surveys</li> <li>Document review</li> <li>-Training session observations</li> <li>-Attendance register</li> </ul>	<ul style="list-style-type: none"> <li>CED Student (Advisor)</li> <li>-SACCOS</li> <li>- Treasurer SACCOS governing Board</li> </ul>	Random and Purposive sampling	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Training observation</li> <li>Members Registrations</li> <li>Members' Savings &amp; credits</li> </ul>
2. To what extent the Parakuyo Imara received material support	<ul style="list-style-type: none"> <li>Number of training sessions</li> <li>-Availability of training material</li> <li>-Change in knowledge and practice</li> <li>-Number of members Joined the SACCOS</li> </ul>	<ul style="list-style-type: none"> <li>CED Student (Advisor)</li> <li>-SACCOS Treasurer</li> <li>-SACCOS governing Board</li> <li>SACCOS Members</li> </ul>	<ul style="list-style-type: none"> <li>CED Student (Advisor)</li> <li>SACCOS Treasurer</li> <li>SACCOS governing Board</li> </ul>	Random and purposive sampling	<ul style="list-style-type: none"> <li>Descriptive statistics</li> <li>Observation on training session</li> <li>Members' Savings &amp; credits</li> </ul>

**Source: Research Project Design, 2006.**

**Table 26 Cont: Formative Analysis Plan (contn.)**

<b>Evaluation question</b>	<b>Indicators</b>	<b>Data sources</b>	<b>Who collect data</b>	<b>Sampling approach</b>	<b>Analysis</b>
3. To what extent did the Parakuyo Imara received training in life skill to join SACCOS	Number of members Joined the SACCOS coming up with IGA.	Trainees , SACCOS Members and leaders -Document review Observations	-CED Student (Advisor)  -SACCOS Treasurer, -SACCOS governing Board	Random and Purposive sampling	Descriptive statistics  Training session,  Members' Savings & credits
4. Are the resources being appropriately directed to fulfill the goals of the project?	Number of members Joined the SACCOS	Trainees , SACCOS Member and leaders  Document /ledger review Observations	CED Student (Advisor)  SACCOS Treasurer  SACCOS governing Board	Random and Purposive sampling	Descriptive statistics  Training session observation Members' Savings & credits

**Source: Research Project Design, 2006.**

### **5.3.3: Timeline for Implementation**

The Main Project objective is the establishment of Parakuyo Imara SACCOS. On establishment process we conducted various training session. The project was carried from January 2006 to October 2006. Observation was done on monthly basis in order to observe changes over the course of the establishment period. A review of document was also done during the process.

### **5.3.4: Findings**

Findings of the formative evaluation were discussed during the meeting.

Planning meetings were conducted after every three months. A formal report was prepared for SACCOS Governing Board and other members, which combined survey analysis using frequencies and percentages, qualitative data from research's observations, and information gathered from the document review at the year end.

- (1) To what extent the Parakuyo Imara Livestock Primary Cooperative Society Members has intention of the establishment of its SACCOS?

Results show that about eighty two percent (82%) of the respondents indicated that Parakuyo Imara needs to establish its SACCOS as a means of generating capital for investment.

- (2) To what extent was the parakuyo Imara members participated in the establishment of the SACCOS.

All members the parakuyo Imara participated in the implementation the project activities (establishment of the SACCOS)

- (4) To what extent was the Local CBO's /NGO's and community as a whole supported by the Government authorities and other development partners in effectively addressing this problem?.

MWADA the only NGO existing in MSATA ward and village, ward and District official supported in totality the establishment of the SACCOS Only forty percent of the respondents were satisfied with what the government was doing to support the communities and the CBO.

#### **5.3.5: Discussion of the Formative Evaluation**

The above results show that the project was being implemented well within track, the activities are timely done. There is a high level of community participation and that guarantees ownership to SACCOS Members.

#### **5.3.6 Summative Evaluation**

Summative evaluation measures the success of the completed project. The result of summative evaluation can be used to recruit new host sites, funding sources, and participants, and to publicize the project .it is very often for the summative evaluation often turns up unanticipated outcomes, identifying aspects of the project that would be otherwise overlooked. The evaluation issues considered in this project were: Relevance, Project Design and Delivery, Project Success and Project Cost-effectiveness.

**5.3.7: Instruments and Data Sources**

Baseline data was collected in the beginning of the project in order to have a reference point from which to judge a project's impact. Data collection was a continuous process throughout the project period. Both qualitative and quantitative methods were used in gathering information.

**Table 27: Summative Evaluations Questions**

<b>Summative evaluation issues</b>	<b>Evaluation Questions</b>
Rationale/ relevance	<ul style="list-style-type: none"> <li>• How does the Project reflect current priorities and objectives of the Parakuyo Imara members needs?</li> <li>• Does the Project continue to produce results that reflect the Parakuyo Imara needs priorities?</li> <li>• Is the Project operating within its mandate? Is the Project the most appropriate response to these needs?</li> <li>• Should the Project's objectives and/or the expected results be either expanded or restricted?</li> </ul>
Design, delivery and management	<ul style="list-style-type: none"> <li>• Are activities logically related to required outputs? Do all activities and outputs contribute to meeting the Projects objectives?</li> <li>• Are the SACCOS members satisfied with the services and support offered by the project?</li> </ul>
Success/ impact	<ul style="list-style-type: none"> <li>• To what extent is the project achieving its expected results?</li> </ul>
Cost- effectiveness/ alternatives	<ul style="list-style-type: none"> <li>• Is the current project design the most effective and efficient way to achieve outcomes?</li> <li>• Are the resources that have been allocated being used in the most efficient and effective way to deliver appropriate results?</li> <li>• How does the government contribute to assisting the project?</li> </ul>

**Source: Survey Findings Msata, Bagamoyo District 2006**



### **5.3.8: Study Design and Analysis for Summative Evaluation**

The study used observational descriptive design so as to get as much information for the evaluation purposes. The summative evaluation focused on concrete measurable of the outcomes that derive directly from the project. However, it should be noted that the process of data collection was not a single day act but it was a continuous process throughout the project period. Also the SACCOS will continue with evaluation on the period of its life time. The collected data were compared with the baseline data collected before the startup of the project. An analysis plan for the summative evaluation was developed in order to guide the evaluation process.

**Table 28: Summative Evaluation Analysis Plan**

<b>Evaluation issues</b>	<b>Indicators</b>	<b>Data sources</b>	<b>Who collect data</b>	<b>Sampling approach</b>	<b>Analysis</b>
1. Rationale/ Relevance	The extent to which project activities address the needs of establishing the Parakuyo Imara SACCOS.	Parakuyo Imara Members & leaders, key informants  Document review  Training session observations	SACCOS Governing Board  CED student (Advisor)	Random and Purposive sampling	Descriptive statistics
Design, delivery and management	- Number of SACCOS members joined. - Number of SACCOS Members attended training	Parakuyo Imara Members & leaders, key informants  Document review  Training session observations	SACCOS Governing Board  CED student (Advisor)	Random and purposive sampling	Descriptive statistics
Success/ Impact	- Number of members joined SACCOS -Awareness on SACCOS issue to members.	Trainees , interview, key informants	SACCOS Governing Board CED student (Advisor)	Random and Purposive sampling	Descriptive statistics

**Source: Survey Findings Msata, Bagamoyo District.**

#### **5.4: Methodology for Evaluation**

Evaluation was done as planned whereby the data collection process was done as a continuous process. The process involved a number of activities which included; Review of documents, face to face discussion with key informants like the SACCOS members and leaders. Methodology used includes performance report/ records, performance checklist, progress report and adoption of the project. The SACCOS was fully registered in November 2006 and members were participated in contributing entry fees, savings and shares. Midterm Evaluation was carried out as the project is still going on. Also evaluation was carried after registration of the SACCOS and election of permanent leaders.

**Table 29: Summative Evaluation Outcomes**

Indicators	Summative Evaluation Results, January 2007		
	Type of Outcome	Expected outcome	Actual outcome
<b>Project Goal:</b> To establish a Parakuyo Imara Cooperative and Credit Society	SACCOS Established	1	1
<b>Outcome:</b> All members of Parakuyo Imara SACCOS to join the established SACCOS	Members Joined SACCOS	22	21
<b>Objective 1:</b> To increase income of parakuyo Imara members by improved livestock investment.	Members Joined SACCOS	22	21
<b>Impact:</b> Improved livestock keeping			
<b>Outcome:</b> Parakuyo Imara Leaders and members increased knowledge and skills in modern livestock keeping, Record keeping and Good Governance.	Leaders & members Trained	22	21
<b>Output:</b> Improved Livestock, Efficiency records & Effective Leadership	Records kept & Report Issued	6	6
<b>Objective 2</b> To increase income of parakuyo Imara members through investing in Income Generating Activities	Credit issued and Invested	1	1
<b>Impact:</b> New Income Generating Activities established	Project Established	1	1
<b>Outcome:</b> - Efficient Income Generating Activities	Project Established	1	1
<b>Output:</b> - Improved physical quality of living index of members	Members benefited	22	21

Source: Survey Finding, Bagamoyo District - 2006

### 5.4.1: Findings

This section of the report presents the findings from the evaluation survey.

1. Is the Project operating within its mandate? Is the Project the most appropriate response to this need?

Following findings from observation, document review and structured discussion with key people and selected SACCOS Members revealed that the project is operating within its mandate.

2. Should the Project's objectives and/or the expected results be either expanded or restricted?

According to the results from interviewed respondents the project can be extended to other Wards but Government support and other stake holder especially micro financing institutions should be increased.

3. Does activities made during the period of SACCOS establishment are logically related to required outputs? Do all activities and outputs contribute to meet the Projects objectives?

From observation and results of the document review it showed the establishment of SACCOS contributed to the achievement of the project objectives.

4. Are the Parakuyo Imara members satisfied with the services and support offered by the project?

Survey results from focus discussion with key informants and review of documents revealed that the SACCOS members are satisfied with the services provided

#### **5.4.2: Sustainability**

Sustainability is the continuity of the project or programme after the first intervention phase which most of the time sponsored by a donor or advisor elapse. Is the ability generated by the project owner to continue with the activities independently? Sustainability should first be built in mind of the project owner, in this case the SACCOS members

Sustainability of any project is an essential and crucial aspect in the development process. The social, political and financial factors are the important elements to be considered when looking into the projects sustainability.

In this case , socially this project is ensured of sustainability through the capacity building given to the Parakuyo Imara members and the community as a whole in the identification of the social problems faced by the community and coming up with the solutions using participatory approach. This therefore has created a good social environment which makes the project to be well accepted among the community and Parakuyo Imara members.

The capacity enhancement was also given through training in SACCOS issues awareness, project planning and management using participatory approach whereby all stakeholders (primary and secondary) were involved.

According to the research results, Parakuyo Imara is well accepted in the community and it has been working hand in hand with other community members who are not Parakuyo Imara members. Hence this brought the sense of ownership of the activities implemented and guarantees sustainability.

### **Financial Sustainability**

The Parakuyo Imara is receiving support from both members and other donors. Members of the SACCOS and other stakeholders are also ready to offer their material and financial support to make sure that planned activities are implemented. During the implementation period Parakuyo Imara SACCOS had received funds from CP Dev organization to facilitate Training on awareness, record keeping and Good Governance.

Parakuyo imara is well supported by the local Government leaders and the community members as a whole. This is evidenced by the support obtained during the process of its registration.

- Sources of project funding were members entrance fees, shares, contribution and savings made. Also Financial Institutions interest in working with Micro Financing Institutions.
- Current Government commitment to promote SACCOS countrywide.

### **Benefit Sustainability**

Members were knowledgeable through training made and continuous training, which will be conducted

### **Organization Sustainability.**

Members based on leadership ensured organization sustainability through their own constitution and prevailing government rules and policies on cooperatives (SACCOS) and MFIs

### **Community Sustainability.**

Trainings and government commitment to promote SACCOS in the country would make these communities sustainable.

## **CHAPTER VI**

### **CONCLUSION AND RECOMMENDATIONS**

#### **6.0: Introduction**

Conclusion and recommendation made in this report is basically relay on the progress of establishment of the SACCOS to the level of training and capacity building of leaders and members on initial stage of operation after registration.

It is my hope and members anticipation that, the SACCOS will be a going concern due to effort shown by members themselves on establishment and contribution of their savings. Sustainability concepts among members of the SACCOS have been observed.

#### **6.1: Conclusion**

POVERTY is a common word among Tanzanian. Tanzania is among the poorest countries in the world. Most of Tanzanians have less than USD 300 per capita income, which is less than one dollar a day. The war against poverty is inevitable to Tanzanian.

SACCOS is among of the best way to generate capital for investment among the poor. The Government of the United Republic of Tanzania, NGO and other



institutions advocating for poverty eradication accept to use SACCOS as tool or weapon to the war. Tanzanian started to join forces on establishment of SACCOS in various part of the country.

The study observed that Parakuyo Imara SACCOS was a major means of escaping the trap of poverty. Group members agreed to formulate their own SACCOS. They conducted Community Needs Assessment, made their own research and identified problem for the group and the community of Mikongoro. The major problem of poor capital for investment in economic undertakings has been identified. The Parakuyo Imara succeeded to establish the SACCOS with twenty-one members on November 2007. They also succeed to open a bank account and deposited various members' contribution such as, entry fees, savings and shares. Members were optimistic in generating capital through SACCOS loans. Parakuyo Imara targeted the Government SACCOS Fund as second means of capital generation from the members' contribution.

Increase in capital for Income Generating Activities among Group member will increase individual income and SACCOS as a whole. This will solve food problem as well as social problems. Members will have ability to purchase farm inputs, pay for health, shelter and school for their self and children. The situation of **Absolute and Relative Poverty** will automatically be reduced.

## **6.2: Recommendations**

Basing on the findings of the study, the following was recommended:

- Government should consider poverty as a social evil and hence strive to help the poorest among the poor through provisions of soft loan and safety nets.
- The government should continue with her effort of sensitizing the poor on mobilize themselves to join with SACCOS for their own benefits and the benefit of their family. The joined capital through SACCOS will eventually result into formulation of big MFIs entity.
- Financial institutions should extend their resources to the rural majority. Financial institutions should hold a more human face and help the poor regardless of their status. MFIs together with the government should find easiest way offering loan without taught conditions.
- Financial and Training Institutions should provide training to the poor on the different ways of creating capital. Awareness creation on various way of creating capital should consider available resources to the poor.
- The Government, MFIs and NGOs should create conducive environment to enable the poor establish viable income generating activities. Conducive environment should also assist on proper use of the little capital or resources available.
- Policies and strategies Poverty Reduction should aim strongly on building human resource capacity for the poor to deal with their own problems.

- Extension workers should no longer continue to be rural tourists but real change agents who should assist the rural poor to access the financial Institutions. Also learned person on community development, micro finance and cooperative officers should work hard to change the lives of the rural by involved themselves directly to the village.
- Parakuyo Imara members should encourage new members to increase SACCOS capital and ability to offer loans.
- Effective and efficient leadership should be made available for SACCOS members for their own sustainability. Leaders and members should engage themselves on training, sensitization, mobilization of new members, contribution of savings and deposits and take loan from their SACCOS for IGA.
- Monitoring and Evaluation should be done frequently in order to ensure viability of the SACCOS.

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