

Progress Report

Water-Right Funds Program

as at 30th June 2012

1. Background

In October and November 2011; SHIPO did a detailed survey of Njombe region communities and SACCOSs' operations. Out of this research SHIPO selected two wards of Uwemba and Utalingolo from Njombe region, Southern Tanzania. Two SACCOS banks from the same wards were selected to work with and contracted: Twitangange SACCOS in Utalingolo Ward and Uwemba SACCOS for Uwemba Ward. Contracted were also the two installation companies UVINJO Group and Kisangani.

2. Activities and results

Administration:

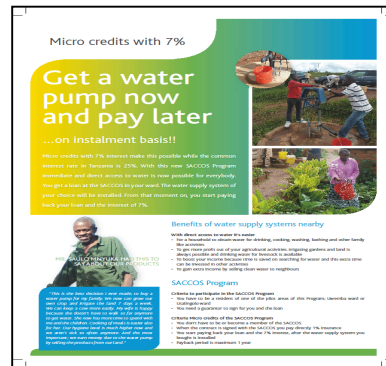
SHIPO oversees every activity involved in this project on behalf of Water-Right. Loan funds to SACCOS are channelled through SHIPO and SHIPO oversees the operations of the product installers and SACCOS to ensure that they abide to the contract terms. The setup of the program started in the last quarter of 2011 while the actual implementation of the project started in January 2012. SACCOS loan committees received and reviewed first loan applications in April 2012. Then applications were brought to SHIPO for assessment before loans were released. SACCOS banks are responsible for loan repayment, but also SHIPO oversees the repayment. Whereas at Uwemba SACCOS the repayments have already started, at Twitangange SACCOS repayments have not yet started. Customers at Twitangange have chosen to repay back bi-annually, so their first instalments are set for November 2012. Also SHIPO oversees installers to ensure that there is timely provision of services and that installers live up to the quality promised at the initialising of the program.



**Uwemba Village
Chairperson Addressing
one of the audience during
a Road show**

Marketing:

Marketing activities were conducted in two areas ensuring that the products are well known to the potential customers. This is one of the requests placed on by SACCOS. Marketing activities were done through; printed materials, road shows, radio adverts, village meetings, free publicity and after sale services. The first move of marketing has been so successful because many requests have been received and installation process has already started.



**One of the marketing tools:
A Leaflet in local language: used.**

Training:

It was originally suggested that seven groups of installers and drillers should be trained during the first two years, so as to maintain standards through quality and timely drilling and installation of water pumps and adding competition between these groups.

The groups which are used now were previous trained to be used in other projects. This can be a risk for the project because these groups are business oriented and will tend to go for better offers if any. The outcome is that technical capacity may be too small to reach the targeted number of pumps in this program.

Still no trainings have been conducted through this program. SHIPO suggests that there should be an immediate response to trainings so that the technical part of the project runs smoothly. In the upcoming proposed changes to the project a new system and number of training will be suggested.

Monitoring visits:

Monitoring visits have been conducted by SHIPO to make sure that all associated stakeholders participate and perform fully in this program. Biweekly monitoring visits have been conducted, and have proved to be very useful tools in rectifying the things that were not going on properly.

Monitoring visits have been made to the two technical groups (installers) involved in the program, also field monitoring visits have been conducted to check pump quality, and monitoring visits to the two SACCOS banks to ensure that proper administration and recordkeeping practices were used.

Monitoring visits is done by a staff from SHIPO Community Development Department, Finance Department and/or Technical Department. This aims at ensuring that the work is done up to the standard set by SHIPO.

In June, Paul Govaart of CI visited Njombe to monitor progress. Some bottlenecks in the project progress were identified and improvements introduced. With the Saccos the computation of interest was examined and adjustments implemented.



A routine monitor of Saccos Operations at Uwemba Village



Paul Govaart checking a Pump during monitoring visit at at Utalingolo Village

Loan portfolio status

Loan takers from the two areas are requesting their respective SACCOS bank for a loan, and if approved the loan taker receives a voucher for which they can have the chosen product installed. SACCOS bank will then pay installers, and start to reclaim loan from loan taker on a monthly or biannual repayment scheme.

Funds to Saccos:

So far Tshs. 35 million have been transferred to the two SACCOS banks.

Uwemba Saccos has received Tshs. 25 million and more than 12.3 million have been already lent to customers.

Twitangage Saccos has received Tshs. 10 million out of which 3.2 million has been lent.

Loan Repayments:

The first loans were released late April 2012; customers/loan takers were given a one month grace period: Repayments model depends on how the customer has opted to repay a particular loan. Some opt to repay on monthly basis while others opt for bi-annually repayment depending on the nature of income sources. because most of them depend on agricultural activities They normally harvest in November and April. So the first repayments for Twitangage Saccos are to be made in November 2012.

Cash flow per SACCOS as at 30th June 2012:

All figures are in Tanzania Shillings (Ex. Rate. Euro=1.900)

	Funds available	Lent Amount	Running Balance	Repaid #	Repaid Amount
Uwemba SACCOS	25M	12.3M	12.7M	7	233,100
Utalingolo SACCOS	10M	3.2M	6.8M	-	-

Current trend of the project as at 30th June 2012:

	Total loan applications	Approved applications	under construction	Pending applications	products in use	credit amount
Uwemba	85	67	2	16	21	12.3M
Utalingolo	40	27	5	8	9	3.2M
Total	125	94	7	24	30	15.5M

Approved Applications per Product Type as at 30th June 2012:

	Borehole plus water pump	New well plus Water Pump	Water pump on Existing Well	Total
Uwemba	3	33	32	67
Utalingolo	-	1	26	27

Plans for the future / way forward

Based on experiences from how the program has been fairing since its start; new plans have been set for future as stipulated below.

- To train at least two additional groups of installers and slab latrine makers to add the capacity of the technical party in the program.
- To add filters in the program as a compulsory item in the package of the micro credit.
- To increase the number of pumps to be installed within the target area to 220.
- To conduct a survey on the community need of latrines/slabs and based on this possibly to add slab latrines in the program as an optional item in the package of micro credit.
- Tracing at least two new areas (wards) with existing and active SACCOS banks for similar operations after October 2013.
- Intensification of monitoring visits.