

## EmpowerHER Initiative – Progress Report

**Location: Bagamoyo District Council (11 wards)**

**Timeframe: March 2024 – February 2025**



EmpowerHER training with CMGs groups in Kerege - Bagamoyo



EmpowerHER training with CMGs groups in Mapinga - Bagamoyo



Email: [ed@tashed.or.tz](mailto:ed@tashed.or.tz)

Website: [www.tashed.or.tz](http://www.tashed.or.tz)

## 1. About EmpowerHER Initiative

The EmpowerHER Initiative represents a collaborative endeavor between Tanzania Socio-Economic, Health and Environmental Development (TASHED) and the Bagamoyo district council, spanning one year from March 2024 to February 2025. This initiative is dedicated to empowering Community Microfinance Groups (CMGs)<sup>1</sup> with the essential financial management knowledge and skills necessary for their long-term sustainability and success. Driven by the recognition of the challenges faced by CMGs in loan repayment and financial management, particularly resulting in the cessation of government-backed initiatives, EmpowerHER seeks to address the root causes behind this issue. Through strategic collaboration with the Bagamoyo district council, the initiative endeavors to fill the gap in financial education and support for CMGs, thereby enabling them to effectively manage their finances and fulfill their non-interest loan obligations. It should be noted that effective loan repaying enables many more deserving marginalized groups to access same loans. Inability to repay back, makes it impossible.

The EmpowerHER Initiative was established in response to the significant challenges faced the CMGs in Bagamoyo, particularly in the areas of loan repayment. Historically, the CMGs benefited from non-interest loans from the government of Tanzania under Local Government Authorities (LGAs) in initial phases<sup>2</sup>, have been struggling with loan repayment due to many challenges/issues including lack of sustainable markets, lack of financial literacy, inadequate leadership skills, and business management skills just to name a few. This is where the EmpowerHER Initiative comes in. EmpowerHER seeks to address the root causes behind these issues while implementing different activities strategically aiming at combating these challenges.

The primary objectives of the EmpowerHER Initiative include:

- I. Providing comprehensive financial management training and capacity-building support to CMGs, empowering members with the knowledge and skills necessary to effectively manage their finances, budget effectively, and make informed financial decisions.
- II. Facilitating loan repayment processes by empowering CMGs to generate sustainable income streams, develop viable business plans, and implement sound financial practices that ensure timely repayment of loans.
- III. Fostering collaboration between TASHED, the Bagamoyo district council, and other stakeholders to create a supportive ecosystem for CMGs.

## 2. Implementation Progress and Feedback

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<sup>1</sup> Community Microfinance Groups (CMGs) is a new name to most of the Microfinance group practitioners and this was brought through Microfinance Policy 2017 and Microfinance Act 2018. The Community Microfinance Groups are including Village Community Banks (VICOBAs), Village Savings and Loans Associations (VSLAs), Saving for Internal and Lending Community (SILC), Wealth groups and other Community groups which are involved in collecting savings and issues loans to its members. These groups comprise of Women, Youth and people with disabilities.

<sup>2</sup> In 2018, the government of Tanzania enacted a Microfinance Act allowing Local Government Authorities (LGAs) to allocate 10% of their collections back to CMG groups of marginalized Women, Youths, and People with Disabilities (PWDs) as non-interest loans. Unfortunately, this initiative was later stopped due to various reasons, including serious debt arising from repayment challenges landscape.



The EmpowerHER initiative has made considerable progress in its implementation, notably within the Mapinga and Kerege wards.

It has become increasingly evident that these groups lack essential financial management training, highlighting the critical need for interventions such as EmpowerHER. On March

**Common Challenges**

- ❖ Inability to meet loan repayment deadlines. Not paying at all
- ❖ No financial management trainings
- ❖ Lack of effective business plans, diversification strategies and business knowledge
- ❖ Emerging conflicts and double standards claim.
- ❖ Lack of markets. Poor market strategies
- ❖ Lack of leadership skills. Leadership positions not well organized

13, 2024, TASHED in collaboration with Community Development Officers (CDO) in Mapinga ward – Bagamoyo district in Tanzania organized and conducted an entrepreneurship training with Community Microfinance Groups (CMG) of women in Mapinga ward. The training was facilitated by Hellen M (CDO), Diva M (CDO) and, Grace Z – Senior Operations Manager at TASHED with 25 CMG group participants from Upendo, Faith, Vision, Mshikamano and Wamgiki groups. Several challenges faced by these CMGs women groups came to light. These challenges included difficulties in loan repayment, lack of diversification in business plans, and limited access to market opportunities. The training aimed to tackle these issues by providing valuable insights and tools to empower the participants to overcome these obstacles and achieve financial stability.

Similarly, on April 16, 2024, a successful training session was conducted in Kerege ward, Bagamoyo district with a total of 29 participants from different groups. This initiative, aimed at nurturing the Community Microfinance Groups (CMGs), continues to gain momentum as it equips these groups with the necessary skills and knowledge to achieve financial independence and combat poverty. During the session, led by Ms. Grace Zamboni from TASHED, the objectives of the EmpowerHER Initiative were highlighted. Participants were commended for their innovative business endeavors despite facing challenges in loan repayment. Additionally, concerns were raised regarding previous discrepancies in loan disbursement amounts, leading to investments that deviated from the groups' original plans. These discussions underscored the significance of empowering CMGs with comprehensive financial literacy and planning strategies.

**3.0 Next Steps**

Having successfully implemented the EmpowerHER Initiative in the Mapinga and Kerege wards, the next critical step is to expand this transformative program to the remaining 9 wards in the Bagamoyo district. This expansion will ensure that more Community Microfinance Groups (CMGs) receive the vital financial management training and support needed to overcome challenges related to loan repayment and sustainable business practices. We aim to empower a greater number of women with the knowledge and skills required for financial independence, ultimately contributing to poverty alleviation and economic growth in the region. This strategic rollout is essential to creating a robust and supportive ecosystem for all CMGs in Bagamoyo, ensuring that the benefits of financial literacy and empowerment are felt district wide.

Furthermore, we envisage TASHED not just for Bagamoyo district. Our aim is to implement the initiative nationwide. In response to the promising developments highlighted in the recent Controller and Auditor General (CAG) report released on April 16, 2024, TASHED is actively advocating for increased funding to support the expansion of its EmpowerHER Initiative nationwide. With the reintroduction of non-interest

loans for Community Microfinance Groups (CMGs), totaling 227.96 billion Tanzanian Shillings for the 2024/25 financial year, TASHED recognizes a crucial opportunity to bolster its efforts in empowering marginalized communities through the EmpowerHER Initiative. Notably, 63.67 billion Shillings have been repaid by initial loan recipients, with an additional 63.24 billion Shillings earmarked for approved loans. The government's commitment to supporting CMGs is further evidenced by the allocation of 101.05 billion Shillings from local government authorities' collections.

Taking advantage of this, TASHED initiated a comprehensive advocacy campaign aimed at securing funding for the EmpowerHER Initiative. Through a detailed concept note, budget, and advocacy messages, TASHED made a case to financial institutions such as NMB Bank Plc, CRDB Bank Plc, and Tanzania Postal Bank for strategic collaboration and financial support. By highlighting the impactful outcomes and potential of EmpowerHER, TASHED aims to gather the necessary resources to scale up its initiatives and extend its reach beyond Bagamoyo district. In addition to formal proposals and advocacy campaign, TASHED is actively engaging with stakeholders within these financial institutions through open-ended emails and direct outreach efforts. We foster dialogue and collaboration, thus building sustainable partnerships that will facilitate the nationwide implementation of EmpowerHER, thereby empowering CMGs and fostering financial resilience among underserved communities across Tanzania. While all these efforts are yet to bring good news, we remain hopeful that these financial institutions and other stakeholders will support our initiatives hence helping CMGs across Tanzania to reach their financial goals thus meeting their non-interest loan obligations.

#### 4.0 Conclusion

We appreciate the government's strategic measures to streamline loan disbursement processes in conjunction with the funding revival in the next phase. The introduction of the "Wezesha Portal" will facilitate efficient fund allocation whereas the newly employed Community Development Officers (CDOs) at regional and ward levels will ensure robust oversight and support for CMGs. While these amendments are appreciated, The EmpowerHER Initiative remains dedicated to empowering CMGs, fostering financial resilience, and fostering a culture of responsible loan repayment by bringing on board qualified trainers with many years of experience on community empowerment especially on the areas of financial management and business sustainability. As the program continues to evolve, it stands as a testament to the collective efforts to uplift marginalized communities and drive sustainable socio-economic development in Tanzania.

We call upon all relevant stakeholders, including government entities, financial institutions, and international donors, to support the expansion of EmpowerHER. With the right support, this initiative has the potential to transform lives, foster economic growth, and create a more equitable and prosperous community.