

GRANTEE

Zanzibar Women Entrepreneurship Trust (WEDTF) was started in 1995 as a continuation of a Zanzibar Women Credit Project supported by a consortium of donors including DANIDA, UNIFEM, UNDP, ILO and National Income Generation Program (NIGP). WEDTF is registered as a legal entity by the registrar of societies in the Ministry of Justice and Constitutional Affairs with Registration No. 01. WEDTF's micro-finance program operates on the basis of the Grameen lending model of group and center guarantee for individual loans. The mission of WEDTF is to develop the entrepreneurial and technical skills for women on Unguja and Pemba Islands of Zanzibar and to facilitate access to productive resources that will enable them to undertake sustainable income generation activities.

PROJECT GOAL AND OBJECTIVES

Goal: The goal of the project is to increase the standard of living for the inhabitants of Unguja and Pemba Islands of Zanzibar.

Purpose: The purpose of the project is to increase access to financial services for micro-entrepreneurs on Unguja and Pemba Islands.

Outputs: The main output of the project will be the increased capacity of WEDTF to provide financial services to its clients.

The project has the following specific performance objectives:

- Establish and maintain a minimum capital loan fund of TSh 188 million (US\$197,000) from the current TSh 88 million (US\$92,631);
- Increase WEDTF's number of active clients funded from the present 1,217 persons to up to 3,417 by the end of year four of the grant, while maintaining a repayment rate of at least 96%;
- By year four make loans to up to 2,200 micro and small business workers;
- Establish and maintain in year two at least 24 additional loan collection centers from the current 20 (totaling 44) and establish a client/credit officer ratio of at least 170:1;
- Put into place effective management, accounting and bookkeeping systems to handle the increased loan portfolio; and
- Establish a financially sustainable micro-finance program that generates annual net profits of TSh 61 million by the year 2007.

ADF _____

Grantee _____

PROJECT DESCRIPTION

Currently, over 600 clients are on waiting list for new and repeat loans. This proposed four-year, TSh 149.99 million project will help the Zanzibar Women Entrepreneurship Trust (WEDTF) expand its microfinance and training program in the Pemba and Unguja Districts of Zanzibar. The project will enable WEDTF to increase the revolving fund to TSh 188 million, resulting in approximately 4,400 loans to 2,200 micro-entrepreneurs. Up to an additional 2,200 workers (non-owners of businesses) will also be involved on a daily basis by assisting the business owners.

WEDTF will also establish and build the capacity of 24 additional loan centers making a total of up to 44 centers located on Zanzibar and Pemba Islands. Because the geographic area is so vast with loan centers up to 50 km apart, WEDTF will eventually have to employ up to 5 credit officers to cover the 44 loan centers. In collaboration with credit officers, the centers themselves will carry out a range of activities, including client mobilization, loan screening, training, disbursement and collection of loans.

Over four years, WEDTF is projected to earn a cumulated net income of up to TSh 154 million. Beginning with project year two, part of the income will be used to employ and remunerate on a full-time basis the currently seconded staff or newly hired staff. The remaining funds will be used to recapitalize the loan fund to at least maintain its present real value and maintain a growth rate to keep up with inflation. The project is designed to meet all its operational costs beginning in year two of the grant.

ADF FUNDED ACTIVITIES

The following activities will be funded by ADF:

Capital Loan Fund

With its present capital loan fund WEDTF has not been able to fulfill the demand for new and repeat loans. ADF will provide TSh 100 million to be added to WEDTF's current revolving loan fund. This amount will enable the organization to increase its active client base to up to 3,417 and to have an active loan portfolio of about 550 loans at any one time ranging in value from TSh 200,000 to TSh 800,000. The added funds will significantly increase the income for the WEDTF, allowing it to staff fully and pay salaries using funds generated entirely by WEDTF-owned assets.

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Grantee _____

Office Equipment and Loan Monitoring

The following items will be provided under the grant for effective and efficient management of loans, mobilization of groups and monitoring of the 44 centers' operations:

- office furniture (for the centers);
- calculators and computer software appropriate for loan tracking; and
- three motorcycles (for credit officer use).

ADF will provide funding in the amount of TSh 12.9 million for the above office equipment and loan software.

Training and Technical Assistance

ADF will provide TSh 18.4 million for training of WEDTF's clients, staff and board members. In addition to short courses and workshops, informal training in the form of study tours and staff exchanges (between WEDTF and other successful MFIs such as PTF and YOSEFO) will be organized. ADF required training will also be interwoven into both the training and operational activities of WEDTF. For example, all clients applying for loans will receive HIV/AIDS awareness training.

Office Operations

TSh 8.67 million will be provided by ADF to cover the costs of four staff for one-year—a project coordinator, a finance officer, and two credit officers. These funds also include funds to cover twelve months rent for the organization, as well as fuel and maintenance costs of the motorcycles and any vehicles it may use. Income from the project will be used to pay for additional salaries and operational costs incurred in year one and all such costs beginning in year two.

Monitoring and Evaluation (M&E)

TSh 5.6 million will be provided by ADF to cover the costs of participatory monitoring and evaluation of the project, which will assist WEDTF to strengthen progress toward reaching objectives, identify and resolve implementation or other issues, and ensure accurate and timely submission of financial and activity reports and financial statements. The group will be guided by ADF requirements for monitoring and evaluation with the help of the CSDI Evaluation Officer. Additionally, an assessment of project performance will be undertaken by the WEDTF evaluation committee in collaboration with their research and documentation staff to assess the impact loans have had on the borrower. This will be done in collaboration with the University of Dar Es Salaam students as part of their practical work. A special evaluation will be conducted to assess the pilot program for loans to men.

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Banking, Communication and Local Travel

ADF will provide TSh 1.92 million to cover costs related to maintaining a separate project bank account for the ADF grant; for phone and other communication costs in dealing with the CSDI office, and for local travel related to these two activities.

Audit

TSh 2.5 million will be provided by ADF to cover a one-time official audit of the project to be determined in collaboration with CSDI and ADF.

ADF _____

Grantee _____