

# Saving and credit scheme mobilization as a strategy for project sustainability



## Table of Contents

---

Table of Contents .....	2
Table of Charts .....	2
List of Abbreviations .....	2
1. General Information .....	3
2. Context of the Experience .....	3
3. Main Characteristics of the Experience .....	4
4. Stakeholders and Partners – Roles and Responsibilities ..	4
5. Resources.....	5
6. Impact of the Experience/ Practice .....	5
7. Lessons Learned and Recommendations .....	5
8. Challenges .....	5
9. Sustainability.....	<b>Fehler! Textmarke nicht definiert.</b>
10. Experience Sharing/ Up-scaling .....	6
11. Bibliography .....	<b>Fehler! Textmarke nicht definiert.</b>

## Table of Charts

---

Figure 1: Location of the experience.....	3
---	---

## List of Abbreviations

---

ADP-Mbozi	Actions for Development Programmes – Mbozi
NGO	Non-Government-Organisation
DKA	Dreikönigsaktion
FFS	Farmers Field Schools
ToT	Training of Trainers

## Imprint

*Experience in Detail*

*“Saving and credit scheme mobilization as a strategy for project sustainability”*

### Released in

Vienna, November 2018

### by

HORIZONT3000

[www.horizont3000.at](http://www.horizont3000.at)

### Edited by

ADP-Mbozi

and

HORIZONT3000

### With the support of

the Austrian Development Cooperation (ADC) and the Member Organizations of HORIZONT3000

### Graphics by

HORIZONT3000

[www.flaticon.com](http://www.flaticon.com)

### Contact

ADO-Mbozi

[adpmbozi@yahoo.com](mailto:adpmbozi@yahoo.com)

[info@adpmbozi.or.tz](mailto:info@adpmbozi.or.tz)



## 1. General Information

*Actions for Development Programmes* – Mbozi (ADP-Mbozi) is a registered national Non-Government-Organisation (NGO) based in Vwawa, Songwe Region, Tanzania. Since 2005 the organisation is working in the Southern Highlands of Tanzania targeting smallholder farmers, orphans and vulnerable children, youths, widows and widowers. Their mission is to facilitate socio-economic empowerment of marginalized rural and urban communities in the Southern Highlands through the promotion of improved agriculture production and food utilization, entrepreneurship and market development, addressing challenges of environment and climate change and engaging in community empowerment on children issues, gender, HIV/AIDS and good governance.

This document presents the experience called “*Saving and credit scheme mobilization as a strategy for project sustainability*” that took place in the Momba district in the Songwe Region, Tanzania from 2013 to 2015 under the “Momba Food Security Project”, funded by Dreikönigsaktion (DKA) and Welthaus.



Figure 1: Location of the experience

This experience can be relevant for organisations working with any kind of beneficiaries because it shows that the sustainability of project activities is not guaranteed after the end of the project. Thus,

the sustainability of good results of the project and initiatives developed by the project will also not be guaranteed after the end of the project. This good practice shows multiple advantages to deal with these challenges like the importance of group cohesion and the continuation of project activities even after the project ended, resulting in positive impacts on financial and institutional sustainability.



## 2. Context of the Experience

Momba is among the four administrative districts in Songwe Region in the Southern Highlands, Tanzania. Although the region is considered as the bread basket of Tanzania, there are spots within the region which experience frequent food shortage mainly because of draughts, erratic rainfalls and poor agronomic practices.

In order to address these challenges, ADP-Mbozi designed the “Momba Food Security Project” whereby drought tolerant maize varieties were introduced to farmers and promoted through Farmers Field Schools (FFS). Although the variety was developed in the country several years back, farmers in Momba were not growing it. For the project, farmers were randomly selected and organised in groups of 60 households per village among 17 villages in the district. These groups were trained and closely monitored throughout the project life from 2013 – 2015. However, it was realized that these farmers would not remain in their groups and would not continue with the implemented activities after the project phased out. Like this, even the knowledge generated from the project would not be sustainable if there was no proper incentive that could attract beneficiaries to continue meeting.

Therefore, the component of saving and credit was introduced within the project and the farmers were empowered with technical knowledge to institutionalize this component as part of the project exit strategy. Since groups are more concerned about their funds, ADP-Mbozi believed that this would make them stay together in a group to share agricultural knowledge and practices. Today, out of 17 groups, there are still 10 strong groups continuing with saving and credit schemes as

well as sharing information about project activities.

In addition to this, gender and HIV/AIDS issues were of importance during the implementation of the project and the initial challenge of food security. Gender is a major issue in all dimensions of development and community well being, because it affects the household productivity and income. These issues of inclusive decision making among men and women at household and community level were addressed during the implementation of the project. On the other hand, HIV/AIDS continues to be a major threat to most of the target groups, especially women who are major players of the household welfare. HIV/AIDS reduces workforce and leads to household food and income insecurity.



### 3. Main Characteristics of the Experience

---

The main objective of this good practice was to make sure that farmers will continue to implement lessons learned from the project and other experiences even after the end of the project and to create financial sustainability through their own savings. This, in one way or another, will ensure financial discipline and confidence since farmers were able to purchase farm inputs and could finance their farming activities and they were able to meet other family requirements such as medical cost and school fees from their savings.

The idea for the “Momba Food Security Project” was developed through project staff reflection meetings and sharing experience with other staff on the challenges of project sustainability. In the past, whenever topics about project sustainability were discussed, the solution was to hand over activities to the local government. But this could not guarantee the continuity of activities.

The solution was to establish saving and credit schemes among the farmers that would exist even in the absence of the project, which was considered as a viable strategy to sustain project interventions.

In order to get wider views, farmers were also consulted through brainstorming during normal sessions and reflection meetings on how they would continue to sustain project activities and

goals after the project closure. This was followed by focus group discussions based on gender because most women are not free to share their views while men are there. Several ideas were proposed, but according to the community dynamics, saving and credit schemes were the best option.

ADP-Mbozi, together with the farmers, started integrating these schemes into the project and each group nominated a leader to get an intensive training on savings and credit mobilization. The same training was rolled out later to the entire group. Having risen awareness of these schemes among the groups, the farmers were able now to make their group constitution, by-laws and regulations on how to operationalize saving and credit schemes with close monitoring by ADP-Mbozi staff. Because these groups usually meet once every week for savings and credit activities and because their mainstay is farming, they were encouraged to use those occasions to sustain project activities.

The initial funds were from membership/ registration fees whereby the amount was proposed and agreed during group meetings. After this, the farmers began with the compulsory and non-compulsory savings, whereby the amount of savings for each category was agreed in their group meeting. Each group was free to make own decision without any external influence.



### 4. Stakeholders and Partners – Roles and Responsibilities

---

As the objective of ADP-Mbozi is to promote and empower communities, especially those left under poverty, and to improve the livelihood of farmers, the **main beneficiaries** of this good practice are small holder farmers, which can now seek free technical support from ADP-Mbozi whenever they need it.



## 5. Resources

To implement such an experience the following **resources** are needed:

### Human Resources:

- Two facilitators for “Training of Trainers” (ToT)
- Four project staff members who can rollout the training of the entire groups

### Methodology:

- Several reflection meetings and follow-ups are necessary at the beginning
- After the implementation, they can run the activities with minimal support of the project staff

### Time:

- At least three months



## 6. Impact of the Experience/ Practice

There are a number of benefits visible at an **individual level**:

- Most of the farmers now have access to a secure food supply and can finance their farming enterprises and other family welfares from their own savings
- Famers in saving groups are sharing agriculture good practices and knowledge

At an **organizational level**:

- The major benefits have been the assurance that the efforts by the organisation will continue to benefit the farmers even after the project’s closure

The experience has contributed to innovations on the livelihoods of the farmers because they obtained loans which they used for different purposes, like the establishment of small businesses apart from farming such as crop produces vending and small shops. In difference to the years before where work was mostly seasonal, the farmers can now work throughout the year.



## 7. Lessons Learned and Recommendations

The **lessons learned** from this experience were:

- The farmers are able to do other income generating activates without the supervision of the organisation
- Group size should be modified and for an efficiency and an effective control, the number of group members should be between 20 and 30
- At the initial stage of group formation, the members should elect credible leaders who can lead them to the desired level of success
- The component of savings and credit mobilization is very important for the sustainability of the project activities because farmers are very curious about their saving and credit schemes and therefore a sustainable handling of farming and other income generating activities will be ensured



## 8. Challenges

The **challenge** during the implementation was that cooperatives and small saving and credit groups have had negative experience in the past in Tanzania. This resulted in the lack of faith in leadership positions and the loss of hope in these schemes. Consequently, training group leaders on group leadership and management was difficult.

To address these challenges, the department of community development from the local government was involved, so that the groups were recognized by them. Also, the group leaders were trained on group leadership and management.



## 9. Sustainability

The inclusion of the local government is very important to make groups more formal.



## 10. Experience Sharing/ Upscaling

---

To **replicate** such a good practice it is important that the saving and credit mobilization is done as a tertiary activity which is embedded in other community development projects. The experience shows that small holder farmers are very suspicious if one begins mobilizing on saving and credit unless there are

preceding activities which join them as beneficiaries or stakeholders. From there on, the issue of saving and credit can easily be incorporated.

This experience can be relevant for all organisations working in the field of rural development projects because these practices greatly contribute to the sustainability of the project output.