



HAND IN HAND
Eastern Africa

Final Report

Baseline Study for Hand in Hand Eastern Africa Program in Northern Tanzania

August 2017

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List of Abbreviations

HiH EA	Hand in Hand Eastern Africa
HiH	Hand in Hand
HiH EA (TZ)	Hand in Hand Eastern Africa Tanzania
EIF	Enterprise Incubation Fund
SHGs	Self-Help Groups
IDIs	In-depth Interviews
FGDs	Focus Group Discussions
WEO	Ward Executive Officer
VEO	Village Executive Officer
NGOs	Non-governmental Organizations
CBOs	Community Based Organizations
SACCOS	Savings and Credit Cooperative Societies
MFI	Micro-Finance Institutions
PHC	Population and Housing Census
NER	Net Enrolment Ratio
HH	Household
HHH	Head of Household

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Executive Summary

The objective of the baseline study conducted in Arusha and Kilimanjaro regions of Northern Tanzania was to provide a detailed picture of the socio-economic conditions of the population in the targeted rural areas of these regions, to enable HiH EA (TZ) to measure rigorously the outputs, outcomes and impacts of its program over the period to year 2021. The study was implemented in two phases using a mix of primary and secondary research methods. The first phase was a scoping study, done in February 2017, and which comprised both desk research and in-depth interviews with local government leaders, self-help group officials, staff of non-governmental organizations and community based organizations in Arusha and Kilimanjaro regions. Specifically, the objective of the scoping study was to map and analyze the geographical, socio-economic/livelihood, and demographic information of the two regions. The scoping study also sought to establish the existence of stakeholders with which HiH EA (TZ) could build partnerships in program implementation, as well as the existence of microfinance institutions and self-help groups in the two regions. Another objective of the scoping study was to identify the population of potential HiH EA (TZ) target group and recommend the precise location of the second phase of the baseline. The second phase of the study which was conducted in the month of April 2017 involved a household survey and focus group discussions in selected sites within the two regions. Specifically, the objective of the household survey was to collect household level data on the areas where HiH EA (TZ) is expecting to support the population to achieve outputs including the existing state of livelihoods/economic activities, micro-enterprises, additional employees, household income, savings and access to credit, empowerment of women. The household survey also sought to establish the proportion of the population living at each socio-economic level, allowing the size of total potential target group to be established. Another objective of the household survey was to establish aspects of deprivation that may require HiH EA to redesign its program such as extreme poverty, complete illiteracy, and migration. This report presents the findings of these studies.

The scoping study identified Arusha Rural and Meru districts in Arusha region as well as Moshi Rural, Hai and Rombo districts in Kilimanjaro region as the potential target areas for the HiH EA (TZ) program. The districts were selected based on their average population density which, according to the 2012 population and housing census results, was above 150 persons per km². The average population density of the other districts was below 100 persons per km² and therefore assumed to be sparsely populated and not favorable for group formation as it would be difficult to bring the people together into groups. The estimated rural adult population living in poverty in the five districts was 293,110. The estimates were made based on the UNDP 2014 poverty data for the regions as well as the 2011/12 Household Budget Survey data for poor population in rural areas of Tanzania. The five districts were recommended for the household survey. The population density within the five identified districts considerably varies by agro-ecological zones. Therefore, sampling for household survey targeted rural areas with large population sizes as it was assumed that areas with small population sizes could be sparsely populated and not viable for group formation. The sample of 1000 was distributed evenly across the five districts. Assuming 10 interviews per sampling point, number of sampling points per district was determined by dividing the total sample per district by 10 which resulted in 20 sampling points per district. Selection of sampling points was determined by the 2012 population census figures. In each district, ten sampling points with highest population figures were selected.

Climatically, the main seasons in Arusha and Kilimanjaro regions are the long rains, the short rains and a dry season. The seasons occur around the same time in both regions: Long rains in March to May/June, short rains in October to December/January, and the dry season in July/August to September/October.

The baseline study indicates that more households in Kilimanjaro region were relatively wealthier compared to households in Arusha region. In Arusha, Arusha Rural District had the highest number of poorest households (43%). In Kilimanjaro region, Rombo District had the highest number of poor households compared to the other two districts in the region. The UNDP 2014 Human Development Report also shows higher poverty levels in Arusha region compared to Kilimanjaro region. More than half (55%) of the population in Arusha and about a third (34%) of the population Kilimanjaro were living in poverty. Population with extreme poverty was 23% in Arusha and 5% in Kilimanjaro (UNDP 2014).

Although the 2012 PHC results show high literacy levels in both regions, literacy levels were higher in Kilimanjaro region compared to Arusha region.

Only 3% of households migrated in both Arusha and Kilimanjaro within a year (past 12 months preceding the study). Most of the households migrated within the same district, 28% within the same village.

Agriculture is the major economic activity in the two regions, and is predominantly cattle keeping in the pastoralist areas and crop farming in the other areas. During the long rains, majority of households engage in crop farming as opposed to the dry season where crop farming is only practiced in a few areas using irrigation. During the short rains, the number of households that engage in crop farming is smaller compared to the long rainy season. However, the number of households that engage in both crop and livestock farming goes up. There is less involvement in business activities during the long and short rains compared to the dry season.

Most (59%) households in these areas, particularly in Meru and Rombo Districts earn their income from crop farming. Another key source of income for households in Rombo District is sale of livestock/poultry which was a source of income to half of the households in this District. Income from business was mostly reported in Kilimanjaro region, particularly in Moshi Rural and Hai Districts. Although half of the households had more than one source of income, crop farming was the main source for households across all the districts. However, the percentage was relatively lower in Moshi Rural where the number of households with business as the main source of income was higher compared to the other districts.

About a quarter (24%) of households got income from business, either as one of the sources or the only source of income. Majority (63%) of the businesses were owned by females within the household. Hai District had the highest number (36%) of jointly owned businesses compared to the other districts. Only 8% of the businesses had employees, most of which were owned by females.

Livelihood and economic activities in both regions were affected by various challenges which included:

- Low prices for farm produce and livestock: This was attributed to lack of market, shortage of customers and high competition especially for the vegetable market;
- Lack of capital: This affected people's ability to purchase farm inputs, start or expand businesses;
- Climatic conditions such as floods and unreliable rainfall patterns particularly affected agricultural activities, which constitute the main source of income for the communities;
- During the rainy season, floods also destroyed infrastructure and hampered accessibility to markets and other basic services;
- Low yields: This was attributed to factors such as poor farming practices, poor quality seeds, poor quality breeds of livestock, pests, diseases, and shortage of water for irrigation;

- Transportation challenges such as poor infrastructure, high transport costs, lack of proper and safe transit methods for produce;
- Non-payment of loans which affect capacity of groups to provide loans to other members, and loss of business stock and assets if seized to repay loans;
- Bad debts suffered by businesses when customers fail to pay for commodities taken on credit;
- Difficulty in getting farm inputs in terms of distance to places where inputs are purchased, as well as high cost of inputs;
- Lack of entrepreneur skills;
- Lack of electricity;
- Lack of proper storage methods and facilities;
- Shortage of casual jobs and meagre wages; and
- Lack of grazing land, among others.

More than half (57%) of the respondents were putting some money aside as savings. Hai District had the highest (70%) while Moshi Rural had the lowest (44%) number of people saving. For those not saving, the main reason was lack of money to save. Almost half (46%) of those who saved kept their money at home in a place they perceived to be safe.

Arusha Rural had the highest number (55%) of people saving at home compared to the other districts. Usage of financial institutions such as SACCOS, banks, and MFIs was lower compared to savings groups (30%) and mobile money accounts (15%).

About a third (32%) of the respondents had taken a loan before. The main source of loan for both males and females was savings/other groups. More males compared to females got loans from financial institutions. For those who had never taken a loan before, the main reasons were lack of means for repaying a loan and fear of not being able to repay a loan.

The study indicates presence of self-help groups in both Arusha and Kilimanjaro. The groups are formed by people involved in economic activities, either agriculture or businesses. Most are registered while some are still undergoing the registration process. Respondents who belonged to groups were 34%. More Females (35%) compared to males (27%) belonged to groups. Kilimanjaro region had more people in groups (38%) compared to Arusha region (28%).

Majority (85%) of those in groups belonged to one group only. The number of females in more than one group was higher compared to males.

Majority (72%) of those who belonged in groups were in mixed gender groups. Those who were in female only groups were 44% while only 1% belonged to a male only groups. The average number of people in a group was 33.

The main reason for joining groups was to get help in times of trouble (40%). Those who joined groups to save were 27% while those who joined groups with the purpose of getting loans were 20%.

For those who did not belong to any group, the most mentioned reason was lack of money (51%). Other barriers to joining or formation of self-help groups include, required registration process, negative attitude of some of the local government officers, fear of not being able to afford contributions or repay loan, mistrust of groups, lack of education and knowledge about groups, opposition from husband, previous bad experience with groups, age (being elderly), cultural factors, religion, sparse population in rural areas and migration particularly among pastoralists.

The study indicates a presence of organizations already working with groups in some districts and supporting them in areas of food security, access to credit, training on improved farming practices. However, there are gaps in enterprise skills training, value addition and access to markets. Only 5% of those who belonged to groups said that their groups were being supported by organizations. The organizations include NGOs, CBOs, SACCOs, MFIs, banks, and local governments

Conclusion

The selected areas of Arusha and Kilimanjaro have potential entrepreneurs. This is because majority of the adult population in Arusha and Kilimanjaro who are involved in some form of economic activity are self-employed, either in agriculture or business.

Crop farming, which is the main economic/livelihood activity in the two regions faces challenges such as unreliable rainfall, floods, and pests, among others. Consequently, this affects the economic capacity of the communities.

Main economic/livelihood activities within the two regions vary with seasons. Business activities, largely small scale, mainly occur during the dry season and partly involve sale of crops harvested after the rainy seasons. This is an indication that business activities in the target areas are mainly seasonal and are likely to decline during the long rainy season. This may affect income during the rainy season. Moreover, the survey established that money for loan repayment is mainly from business activities. Therefore, loan repayment may be a challenge during the long rains when involvement in business activities is low. Ways of ensuring that the capacity of the people to contribute to shares in groups and repay loans is maintained during this period would be very important for the HiH EA (TZ) program.

Membership in groups is relatively low (34%) in the two regions. Besides other factors, financial capacity is the main barrier to group membership (51%) and savings (97%). Challenges that affect economic activities e.g. lack of markets, lack of capital, climatic conditions, low yields, all affect income and therefore contribute to non-participation in groups.

Most of the reasons for non-participation in groups indicate that there are no rejecters of groups. For example: no money for groups, no need to join groups, no trust in groups or previous bad experience, no time for groups, no group in the area, no group that suits needs were some of the reasons. This indicates that there is potential for groups if the income situation is improved, awareness about benefits of groups is created, and if the negative perception people have about groups is changed. In addition, potential for group formation is indicated by the majority (63%), mostly in Kilimanjaro region, who belonged to one group only but were willing to join another group.

Saving was reported in 57% of households where some money is put aside, mostly for emergencies. Most people save at home (46%), 30% saved in groups, and 15% saved on mobile phones. This presents an opportunity for the HiH EA (TZ) program to train and facilitate access to formal financial institutions, especially because fear and mistrust was a barrier to saving in groups. Mobilization of savings can be achieved if the economic capacity of the target population is enhanced. This is because lack of money is the main barrier to saving (97%).

Poverty levels are higher in Arusha region compared to Kilimanjaro region. According to the study, 35% of household in Arusha and 10% of households in Kilimanjaro were categorized as poorest. However, 24% of the poorest were in groups while 44% were saving. An indication of potential for group membership and savings mobilization even among those categorized as poorest.

Although the survey identified Arusha Rural and Meru Districts in Arusha Region, and Moshi Rural, Rombo and Hai Districts in Kilimanjaro Region as potential target areas for the HiH EA (TZ) program, it is evident that the target population within these districts, as illustrated in the following paragraph, may not be sufficient to achieve the program's target of 100,000 participants, 80% female. Therefore, expansion to other areas may be necessary.

The baseline study estimated potential target population, in terms of adult population living in poverty in rural areas, at **76,370** in Arusha Rural District, **66,877** in Meru District, **75,944** in Moshi Rural District, **39,518** in Rombo District, and **34,401** in Hai District. In total, the estimated potential target population is **293,110**. The 2012 PHC estimated the population of adult males and females in the rural areas of the two districts at 47% and 53% respectively. Assuming the same proportion for the estimated potential target population, males are **137,762** while females are **155,348**. The HiH EA (TZ) program is targeting 20% male and 80% female. Thus, the program will target **27,552** males and **124,279** females out of the estimated potential target population of males and females respectively. While this shows that the estimated potential target population is more than the program's target, achieving 80% females may not be possible, particularly because of the existing barriers to group membership.

Institutionally, government policies present no barrier to formation of organizations and groups if all the requirements are observed

The study shows very low levels (3%) of migration in the potential HiH EA (TZ) target areas. In addition, the proportion of respondents that cited religion and cultural factors as barriers to group membership was very small, less than 1%. Therefore, these three factors are not significant barriers to formation of groups in the potential HiH EA (TZ) target areas and do not require redesigning of the program.

Opportunities for the HiH EA (TZ) program include existing groups, participation of women in economic activities and groups as well as gaps in savings. The community is facing challenges in market access, post-harvest management of produce and entrepreneurship activities. These are well aligned with the intended program activities. There is a large proportion of the community who are not in groups but are not rejecters of groups. This presents an opportunity to target them by addressing their current barriers which are mainly economic and empowering group leadership and management. The regulatory environment in these two regions was found to support of group formation and have established policies to guide group formation and management.

Anticipated challenges for the program include low levels of participation in groups, over-reliance on rain-fed agriculture that makes the community susceptible to climatic conditions that affect income and consequently participation in groups; seasonality of business activities which may affect income as well as participation in groups; non-payment of loans; language barrier, particularly among the Maasai community; and expectations outside the program scope. There is also mistrust of groups due to perceived or negative experience.

Recommendations

Seasonality of business activities and over-reliance on crop farming affect the economic capacity of the target population and may not favour participation in groups. Therefore, the HiH EA (TZ) program should prioritize support towards diversification of income generating activities and sustainable businesses throughout the year. This can be achieved through entrepreneurship training.

In group mobilization, the HiH EA (TZ) program should start off with existing groups, but which are currently not being supported by any organization. These groups are easier to target because they do not present the barriers to group membership. However, the numbers

are not enough to reach the HiH EA target of 100,000 members and therefore there will be need to form new groups.

In formation of new groups, initial focus should be on activities aimed at addressing the perception and financial barriers: community sensitization, enhancing financial capacity by addressing challenges such as lack of market. This may require HiH EA to use a pull factor e.g. market linkages to bring the people together. Community sensitization about groups should focus on benefits of groups to change the negative perception about groups. Formation of new groups should consider both economic and social capital benefits

Focus should also be on training about group management to improve the way groups are run. This will help in regaining people's trust in groups.

The HiH EA (TZ) program should also provide trainings around loans: reasons for taking loan, where to invest, loan repayment, and ensuring that the capacity of the people to repay loans is maintained during the period when business activities are low.

Implementation of the program should start with the five identified districts and, based on the numbers achieved, strategies for expansion into other areas can be made. Areas to consider for expansion include the poor population in urban areas of the identified districts, rural areas of other districts within the target regions, or to neighboring regions namely Tanga and Manyara.

HiH EA (TZ) will need to manage expectations by ensuring that not only the community is aware of its scope of activities but also the local government so that in case of any misunderstanding with the community, the local government will be able to intervene.

1. Introduction

Hand in Hand Eastern Africa (HiH EA) is a member of Hand in Hand (HiH), a global network of five Non-Governmental Organizations (NGOs) with a shared vision to alleviate poverty through job creation. Founded in 2011, HiH EA has a mandate to operate across Eastern Africa, and has successfully operated in Kenya and Rwanda. In Kenya, HiH EA has mobilized 161,000 rural poor (80% female) into Self-Help Groups and provided them with support and training to create 187,000 income-generating businesses and 248,000 jobs. HiH EA has expanded to 23 out of 47 counties in Kenya and has also established a microfinance operation in Kenya – the Enterprise Incubation Fund (EIF) – through which US \$5.6 million has been disbursed via 42,000 micro-loans. From Kenya, HiH EA expanded to Rwanda in April 2013, in a three-year partnership with CARE Rwanda, where 115,000 jobs have been created and/or enhanced against a target of 80,000 new jobs. The next step of HiH EA's expansion plan is Tanzania, where it plans to launch a 5-year program that will involve adapting the HiH model to the Tanzanian context and generate evidence for the replicability and sustainability of HiH EA's model across the Eastern Africa region.

During the 5-year period, HiH EA aims to create 200,000 jobs in Tanzania, of which half will come from HiH EA's direct implementation and the other half from strategic partnerships with likeminded NGOs. HiH EA envisions its expansion into Tanzania in three phases: i) build capacity, relationships and pilot/adapt HiH EA's approach to the Tanzanian context; ii) ramp up implementation to reach scale and generate evidence of efficiency, effectiveness and impact; and iii) leverage evidence of impact, best practice and consolidate learning across HiH EA's operations in Tanzania, Kenya and Rwanda to establish a replicable and sustainable model of poverty alleviation in Eastern Africa through jobs.

1.1 Overview of HiH EA Model

HiH EA works with the marginalized, vulnerable poor to help them lift themselves out of poverty through the power of entrepreneurship. This is done in four key stages:

- Group Formation and Savings Mobilization, whereby Self-Help Groups (SHGs), consisting of 15- 20 members, are formed to provide individuals with a platform for exchange of ideas, support and common concerns. Members learn different ways of mobilizing savings, which offers valuable resource base when they start their small-scale enterprise activities.
- Business and Environmental Training to help start an enterprise which can be sustained within their climatic environment. On the business side, this includes training on budgeting, debt management and financial services, which allows members to develop skills and confidence to start an income-generating activity. On the environmental side, this includes strengthening members' environmental awareness on business and household level, with needs-based trainings offered either directly or through partners on adaptation and mitigation mechanisms to the effects of climate change.
- Facilitating access to credit by linking SHG members to financial services. Eligible members, who have completed the training, show a required level of savings and high repayment from internal lending, and have a sound business plan are linked to external credit providers. HiH EA will over time consider the introduction of an EIF in Tanzania.
- Providing Market Access and Value Adding Support to facilitate members' access to new and/or bigger markets, thereby increasing profits and income, and ensuring long-term sustainability. This can include organizing members into cooperatives or associations, to create synergies, generate higher volumes and collective investments in quality,

modernized production techniques, and other relevant means to improve market access and competitiveness.

1.2 HiH EA Expansion Plan for Tanzania

The operations of HiH EA (TZ) will focus geographically on areas around Arusha and Mt Kilimanjaro regions in northern Tanzania. These areas have specifically been selected as they display a strong potential for entrepreneurship, even among those most vulnerable. Further, the border region, whilst currently less commercialized than neighboring areas of Kenya, has high potential for agricultural micro-enterprises. Literacy rates are higher than in other parts of Tanzania. The densely populated and settled agricultural population engaged in mixed crop and livestock farming provides a favorable context for rapid formation of groups. HiH EA envisions its expansion into Tanzania in three phases:

- i) Build capacity, relationships and pilot/adapt HiH EA's approach to the Tanzanian context
- ii) Scale up implementation and generate evidence of efficiency, effectiveness and impact
- iii) Leverage evidence of impact, best practice and consolidate learning across HiH EA's operations in Tanzania, Kenya and Rwanda to establish a replicable and sustainable model of poverty alleviation in Eastern Africa through job creation.

2. The Baseline Study

HiH EA conducted a baseline study to get a detailed picture of the socio-economic conditions of the population living in the targeted rural areas of Arusha and Mt Kilimanjaro regions. The results of the study will enable HiH EA (TZ) to measure rigorously the outputs, outcomes and impacts of the program over the period to year 2021.

The study was implemented in two phases using a mix of primary and secondary research methods. The first phase was a scoping study, conducted in February 2017. The scoping study comprised of both desk research and in-depth interviews (IDIs) with local government leaders, self-help group officials, staff of non-governmental organizations and community based organizations in Arusha and Kilimanjaro regions. The second phase of the study, implemented in the month of April 2017 included a household survey and focus group discussions (FGDs) in selected sites within Arusha and Kilimanjaro regions.

2.1 The Scoping Study

2.1.1 Objectives of the Scoping Study

The objective of the scoping study was to map and analyze the geographical, socio-economic/livelihood, and demographic information of Arusha and Kilimanjaro regions by examining specific question areas detailed in the table below. The HiH EA (TZ) program plans to reach approximately 100,000 people through direct intervention. Thus, another objective of the scoping study was to provisionally identify the population of approximately 100,000 adults (80% women) who can be targeted for the program, and among which the sample for the household survey would be selected. This involved developing a clear understanding of the HiH EA (TZ) target group profile, which was done in consultation with HiH EA and summarized as follows: Adults (aged 18+ years), who are potential entrepreneurs as well as potential SHG members, and who lack the capacity to scale-up their economic activities. Barriers to scaling up economic activities would include: lack of capital i.e. savings, lack of access to credit i.e. they are excluded from formal financial services, lack of enterprise skills, and lack of access to markets. Presented in the table below were the specific objectives of the scoping study.

Table 1: Objectives of scoping study

Objective	Question areas
Geographic analysis/mapping	<ul style="list-style-type: none">• The main seasons, their characteristics, seasonal activities and their effects on the community, particularly women and youth (both male and female)• Local climate/weather conditions, including climate change and challenges (e.g. droughts or flooding); characteristics of rural areas' location in the two regions in terms of access to markets and basic social services etc.
Socio-economic and livelihood analysis/mapping	<ul style="list-style-type: none">• An overview of the typical and potential source of income generating activities in the area.• The social economic and cultural factors that negatively affect women and young people (both boys and girls) and limit their full participation in and benefit from education, social entrepreneurship opportunities and community development• Aspects of community empowerment, especially for women and youth, in terms of voice in community decision making participation in household decision making, including financial

	<ul style="list-style-type: none"> • The social enterprise/economic activities that contribute to environmental degradation and mitigation measures in place, if any • Stakeholders and the services that they provide in enterprise development, focusing on SHG mobilization, enterprise creation, business training (including savings mobilization, access to credit, value addition, market linkage), clearly identifying the pattern of existing relevant activities and the potential value add from HiH EA (TZ) collaboration with each of them • The existence of stakeholders that HiH EA (TZ) will build partnerships and synergies in the program implementation, including the presence of microfinance institutions. • The economic, social, political and cultural factors that may affect efforts to organize SHGs
Demographic analysis/mapping	<ul style="list-style-type: none"> • Average population size in Arusha and Kilimanjaro regions • Poverty level in Arusha and Kilimanjaro regions • The prevalence of illiteracy in the population and its related social, economic and political Implications • The general wellbeing of children, including but not limited to, incidence of preventable diseases, malnutrition, morbidity, mortality and contributory factors • Specific aspects of deprivation affecting certain groups in Arusha and Kilimanjaro regions that require attention in program design • Population of the potential target group for HiH EA program i.e. potential SHG members and potential entrepreneurs in the targeted areas of Arusha and Kilimanjaro regions

2.1.2 Methodology of the Scoping Study

Methodology of the scoping study was a combination of desk research and in-depth interviews. The desk research involved a review and analysis of relevant information from the following sources: 2014 Basic Demographic and Socio-Economic Profile Report, 2011/12 Household Budget Survey Tanzania Mainland, 2015-16 Demographic and Health Survey and Malaria Indicator Survey, 2012 Population and Housing Census Report, 2013 FinScope Tanzania Survey Data, Tanzania Association of Micro-Finance Institutions (TAMFI) Website, Kilimanjaro Hope Organization (KIHO) Website, HiH EA Strategic document for Tanzania and Log frame, UNDP Tanzania Human Development Report 2014, and Arusha and Kilimanjaro District Profile Reports.

The IDIs were conducted with Ward Executive Officers (WEOs), Village Executive Officers (VEOs), and SHG officials in Karatu and Arusha districts of Arusha region, and in Rombo and Same districts of Kilimanjaro region. IDIs were also done with program staff of two local NGOs and two community based organizations (CBOs) operating in the targeted areas. Sampling for IDIs was purposive and considered population size, perceived likelihood to have sufficient numbers of the population that HiH EA is targeting, and convenience in terms of data collection. The table below shows the distribution of the IDIs.

Table 2: Distribution of IDIs

Region	District	Category of respondent			
		VEO	WEO	Group Official	NGO/CBOs
Arusha	Karatu	1	1	1	2 NGOs
Arusha	Arusha rural	1	1	1	
Kilimanjaro	Rombo	1	1	1	2 CBOs
Kilimanjaro	Same	1	1	1	

2.2 Potential HiH EA (TZ) Target Population

The scoping study identified Arusha Rural and Meru districts in Arusha region as well as Moshi Rural, Hai and Rombo districts in Kilimanjaro region as the potential target areas for the HiH EA program. Selection of these districts was based on their average population density which, as per the 2012 population and housing census results, was above 150 persons per km². The average population density of the other districts was below 100 persons per km² and therefore assumed to be sparsely populated and not favorable for group formation as it would be difficult to bring the people together into groups. The rural adult population living in poverty in the five districts was estimated at 293,110. The estimates were made based on the UNDP 2014 poverty data for the regions as well as the 2011/12 Household Budget Survey data for poor population in rural areas of Tanzania.

HiH EA targets the poor rural and peri-urban smallholder farmers (80% women) to help them lift themselves out of poverty through the power of entrepreneurship. Therefore, the potential target population is the rural adult population living in poverty but with some capacity for income generation. HiH EA works with self-help groups and therefore the target population should also have potential for group mobilization (population density, propensity to be in groups, economic activity). To determine the potential target population for the HiH program, the following aspects were considered, including the **limitations and assumptions**:

- i. **Population density:** Available data on population density is for the districts and is not broken down into rural and urban figures. Therefore, the assumption was that the population density of the district applies for both rural and urban areas within the district. Another assumption was that districts with population density lower than 100 persons per km² were sparsely populated and may not be favorable for group formation as it would be difficult to bring the people together into groups. Thus, out of the six districts with a rural population in Arusha, only two i.e. **Arusha Rural** and **Meru** had population density above 100 persons per km². In Kilimanjaro, the districts with rural population and had population density above 100 persons per km² were three namely: **Moshi rural, Hai and Rombo**.
- ii. **Adult population:** The target population of the program is adults, hence only the population of persons aged 18 years and above as per the 2012 PHC results were considered.
- iii. **Rural population:** In addition, the potential target population is in rural areas and therefore only the rural adult population was considered, thus excluding districts that are exclusively urban such as Arusha City (in Arusha region) and Moshi Urban (in Kilimanjaro region).
- iv. **Poverty level:** The potential target population is the rural poor. However, the limitation is that the available data on poverty is at the regional level. Using the UNDP (Tanzania Human Development Report 2014) estimates of 55% poor population in Arusha and 34% poor population in Kilimanjaro. We assumed the same proportions across all the districts within the corresponding regions. The figures were used to estimate the adult population living in poverty in the districts. In addition, the available data on percentage of poor population in rural areas is at the country level (84% as per 2011/12 HBS). We assumed the same proportion for the rural population across the different districts. The figure was then used to estimate the adult population living in poverty in rural areas across the districts.

Estimated potential target population in terms of adult population living in poverty in rural areas within Arusha District and Meru district was 143,247. The 2012 PHC estimated the population of adult males and females in the rural areas of the two districts at 47% and 53% respectively.

Table 3: Target population in rural Arusha

District	Density (Persons per Km ²)	Adult population	Adults in poverty (55% of adult population)	Rural adults in poverty (84% of the adult poor)
Arusha district	261	165,304	90,917	76,370
Meru	212	144,755	79,615	66,877
Karatu	72	116,739	64,206	53,933
Monduli	23	73,140	40,227	33,791
Longido	16	54,745	30,110	25,292
Ngorongoro	11	74,793	41,136	34,554

Similarly, estimated potential target population in terms of adult population living in poverty in rural areas within Moshi Rural, Hai and Rombo districts of Kilimanjaro was 149,863. In the rural areas of these three districts, the adult males were 47% and females were 53% as per the 2012 PHC results.

Table 4: Target population in rural Kilimanjaro

District	Density (Persons per Km ²)	Adult population	Adults in poverty (34% of adult population)	Rural adults in poverty (84% of the adult poor)
Moshi Rural	359	265,912	90,410	75,944
Hai	233	120,453	40,954	34,401
Rombo	177	138,368	47,045	39,518
Siha	96	60,199	20,468	17,193
Mwanga	72	69,533	23,641	19,859
Same	43	137,137	46,627	39,166

The FinScope Tanzania 2013 Survey estimated persons in savings groups in Arusha and Kilimanjaro rural at 18%. If the same proportion is applied to the total potential target population in the two regions (293,110), then the estimation is that about 52,760 are in savings groups. According to the same survey, majority (87%) of the rural households in Arusha and Kilimanjaro were involved in farming activities. Majority of these farming households mainly produced crops for own consumption. Those who mainly produced for sale were 16%. However, even those who mainly produced for consumption (15%) sold produce if in need of money.

2.3 The Household Survey

2.3.1 Objectives of the Household Survey

The objective of the household survey was to collect household level data on the areas where HiH EA (TZ) is expecting to support the population to achieve outputs including the existing state of livelihoods/economic activities, micro-enterprises, additional employees, household income, savings and access to credit, empowerment of women. The household survey also sought to establish the proportion of the population living at each socio-economic level, allowing the size of total potential target group to be established. Another objective of the

household survey was to establish aspects of deprivation that may require HiH EA to redesign its program such as extreme poverty, complete illiteracy, and migration.

2.3.2 Sampling for Household Survey

The five districts identified as the potential target areas for the HiH EA program were recommended for the household survey. The population density within the five identified districts considerably varies by agro-ecological zones. Therefore, sampling for household survey targeted rural areas with large population sizes as it was assumed that areas with small population sizes could be sparsely populated and not favour group formation. The sample of 1000 was distributed evenly across the five districts. Assuming 10 interviews per sampling point, number of sampling points per district was determined by dividing the total sample per district by 10 which resulted in 20 sampling points per district. Selection of sampling points was determined by the 2012 population census figures. In each district, ten sampling points with highest population figures were selected. Extra interviews were done to ensure that the target sample was maintained even if some cases were to be discarded for one reason or the other. Hence a total of 851 females and 210 males were interviewed in 1061 households. In households where males were interviewed, their spouses were also interviewed on specific sections of the survey, that is sections on groups, savings and credit, and women empowerment.

The table below shows the distribution of the household survey sample. Detailed sample been annexed in this report.

Table 5: Distribution of the household survey sample

Region	Districts	Wards	Villages	Sampling points	Number of interviews
Arusha	Arusha Rural	10	16	20	207
	Meru	7	14	20	215
Kilimanjaro	Moshi Rural	8	11	20	214
	Rombo	9	13	20	206
	Hai	6	10	20	219

2.3.3 Demographic Profile of Household Survey Respondents

As presented in the table below, the household survey targeted 80% female and 20% male respondents in selected sites within the five districts. This was done to reflect the gender profile of the HiH EA's program's target group. Majority of those interviewed were aged 36 years or more. More than half were married except in Rombo district (48%). The sample indicates low levels of education in the study sites. Majority (74%) of those interviewed had primary level education, either complete or in-complete. About a quarter (24%) of respondents in Arusha Rural had no formal education, the highest compared to other districts. Occupation referred to the work that respondents mostly do, of which agriculture was the occupation for a majority in Arusha Rural, Meru, Rombo and Hai. Moshi Rural had more people working in unskilled manual jobs compared to other districts.

Table 6: Respondents' demographic profile

		Total	Region		District				
			Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value		1061	422	639	207	215	214	206	219
Gender	Male	20%	19%	20%	20%	19%	21%	20%	19%
	Female	80%	81%	80%	80%	81%	79%	80%	81%
Age	18 to 24 Years	4%	3%	5%	3%	4%	4%	5%	5%
	25 to 30 Years	11%	10%	11%	11%	10%	13%	6%	13%
	31 to 35 Years	12%	15%	9%	13%	18%	8%	9%	11%
	36+ Years	74%	71%	75%	74%	68%	75%	80%	71%
Marital status	Single/ never married	10%	9%	10%	10%	9%	12%	5%	12%
	Married	59%	54%	63%	48%	59%	60%	71%	58%
	Divorced/Separated/ Widowed	25%	27%	24%	32%	22%	26%	20%	26%
	Living together / Cohabiting	5%	9%	3%	9%	9%	1%	3%	4%
	Declines to answer	1%	1%	1%	1%	1%	1%	0%	0%
Education level	No formal education	12%	16%	9%	24%	8%	10%	10%	7%
	Primary complete / in-complete	74%	68%	77%	60%	76%	74%	81%	77%
	Secondary complete / in-complete	13%	14%	12%	14%	14%	14%	8%	13%
	Post -secondary	2%	2%	2%	2%	1%	1%	2%	3%
Occupation	Unemployed	1%	1%	1%	1%	0%	1%	0%	1%
	Agriculture	64%	72%	59%	65%	79%	46%	78%	54%
	Unskilled manual	10%	5%	13%	6%	5%	20%	8%	11%
	Skilled manual	2%	1%	2%	1%	1%	2%	1%	4%
	Sales & services	4%	2%	5%	3%	0%	4%	4%	8%
	Clerical	0%	0%	0%	0%	0%	0%	0%	0%
	Professional technical / managerial	1%	0%	1%	1%	0%	4%	0%	0%
	Declined to answer	0%	0%	0%	0%	0%	0%	0%	1%
Other Specify	18%	18%	17%	23%	14%	22%	8%	20%	

2.4 The Focus Group Discussions

The objective of the focus group discussions (FGDs) was to assess the needs, capacities and aspirations expressed by the potential members of self-help groups (SHGs). Six focus group discussions were conducted with community members at a central location for both Arusha (Olorieni Meybaku) and Kilimanjaro (Mobigini & Mbokomu). The FGD respondents were recruited from different locations: Olorieni- Sumley, Olorieni-Meybaku, Oldonyosambu-Ngiulati in Arusha and Mobigini Ujamaa, Mbokomu Mpirani, Machame Muro in Kilimanjaro. The table below shows the number of FGDs done as well as the category of group participants.

Table 7: Distribution of FGDs

Region	Total number of groups	Group composition	
Arusha	3	Group 1	Females belonging to SHG
		Group 2	Females not belonging to SHG
		Group 3	Males who belong & who do not belong to SHG
Kilimanjaro	3	Group 1	Females belonging to SHG
		Group 2	Females not belonging to SHG
		Group 3	Males who belong & who do not belong to SHG

3. Geographic and Climatic Conditions

Arusha region is bordered to the north by Kajiado and Narok counties in Kenya, to the east by Kilimanjaro region, to the south by Manyara and Singida regions, and to the west by Mara and Simiyu regions. Climatically, Arusha region has three main seasons: long rains in the months of late March to June, dry season in July to September, and short rains which occur in the months of October/November to December.

Kilimanjaro Region is in the north-eastern part of Tanzania and borders Kenya to the north. The region is made up of seven districts namely: Same, Mwanga, Moshi Rural, Moshi Urban, Hai, Siha and Rombo.

The region is largely mountainous, and has two rainy seasons and a dry season. The short rains occur in October to December while the long rains are experienced in March to May/June. The dry season occurs in August to October.

3.1 Climatic Challenges

Climatic challenges include unreliable rainfall, for example the region did not receive short rains in 2016 resulting in an extended dry period. Some areas e.g. Oltoroto experienced poor rainfall throughout the year. This was attributed to changing climatic conditions.

*“Now due to climate change rains don’t come as they are supposed to. For example, normally drought occurs in July to October but in this short rainy season there was no rain and the dry season extended to December which leads to lack of food crops. Also, long rains are not reliable”*WEO, Mwanga district

“Well, the climate is currently changing and so it is no longer constant. We didn’t get heavy rains last year, and am not sure about this year either... It was sunny almost throughout the year last year” WEO, Arusha Rural

Unreliable rainfall affects areas e.g. Bwawani, that is dependent on rainfall for agriculture; the area is relatively flat and relies on flood waters from the mountain sides for farming. Women and youth in this area find it difficult to pay back loans because they rely on agriculture, thus the local leaders encourage the community to carry out irrigational farming.

During unreliable rainfall, in Endabwash area, women walk for long distances to get water. Business activities go down because most people move out of the area in search of pasture.

Within the same region, there are areas that do not rely on rainfall for agriculture, for example Oltoroto. The area has established irrigation schemes and trenches that support farming throughout the year.

*“Irrigation helps agriculture in this area so much, if you visit it you won’t believe the difference from other areas. There was a point in time last year when people from other places in Arusha were complaining about drought, but maize, vegetables, and other crops were plentiful in Oltoroto, and they were mainly for sale.”*WEO, Arusha Rural

Another climatic challenge experienced in some parts of the region is flooding during the long rains. Areas such as Bwawani experiences floods in April to June. This sometimes result in loss of crops. Crops that do not require a lot of water e.g. potatoes are affected.

*“Floods affect our farms and plants because when they occur they find our plants in early stages hence they get destroyed and rivers can’t be crossed hence we can’t even access the markets”*WEO, Arusha Rural

Flooding also affects accessibility to markets and other basic services such as schools and health facilities, particularly where people must cross rivers to access these services. In some areas, houses are swept away, and mostly affected are the workers in the sisal plantations. During the long rains, some villages, particularly those in hilly areas become inaccessible.

Another climatic challenge in Bwawani area is the migration of pastoralists into the area. During harvest time, livestock from other districts such as Simanjiro and Monduli come to feed on what is left-over in the farms. In the process, they destroy other crops along the rivers e.g. cassava and bananas

The climatic challenge in Mahida area of Rombo district, Siha district is unreliable rainfall and drought during the dry season. Besides loss of crops, businesses are affected because the community rely on sale of agricultural produce. During the dry season, school attendance is also affected because some parents make the children stay behind and assist in looking for pasture. For example, in the southern part of Siha district, the Maasai make their children go out and look for grass for cattle instead of going to school. In Kirore village of Same district, forest fires are a challenge during the dry season. In Mahida, Rombo District, the local government focuses on afforestation as a mitigation measure for drought, and has five nurseries with 4000 trees each. The trees are distributed to the community at a subsidized price.

On the other hand, Mwanga district and Lugulu area of Same district use irrigation for agriculture and are therefore not affected by the dry season.

“There is no challenge from drought here because we have sources of water that are operational throughout the year.... the main activity is agriculture, and is largely dependent on irrigation. Furthermore, we are surrounded by the Shengena forest”. WEO, Same district

In the low-lying areas of Same and Siha districts, the biggest climatic challenge occurs during the rainy season when floods destroy the roads making transportation difficult. This occurs during the long rains, and affects transportation of agricultural produce as well as accessibility to basic services e.g. health services. The southern part of Siha district is occupied by the Maasai who are pastoralists, and during the rainy season, the main livestock market in the area gets flooded thus stopping all business activities until it is dry.

“Farmers and buyers face complications in transportation. In terms of health services, we have only one center. Therefore, when the roads collapse, we can’t access health services.... There are children who live on the other side and hence ferry across. When the rains increase, the ferry becomes flooded and the children can’t go to school” WEO, Same district

3.2 Overview of the HiH EA (TZ) Target Districts

Arusha Rural District is neighbored by Meru District to the East, Monduli District to the West, Longido District to the North-West and Simanjiro District of Manyara region to the South. Administratively, the district is sub-divided into 3 divisions, 21 wards, 71 villages, and 268 sub-villages.

The district has two main agro-ecological zones: One is the green belt that lies on the slopes of mount Meru to the South, and produces bananas, coffee and horticultural crops. The other zone is the lowland belt where there is cultivation of maize, beans, cassava, peas, rice, and pigeon peas as well as livestock rearing.

Meru District is located on the slopes of Mount Meru. It is divided into 3 divisions, 16 wards, 68 villages and 272 Sub-villages. The district has two rainy seasons: Short rains which occur in November up to January and long rains from March to June.

The district has three agro-ecological zones: (i) The highland/upper zone which is the mountainous area. The economic activity in this zone is farming of coffee, pyrethrum, banana and Irish potatoes. (ii) The middle zone where the major economic activities are livestock keeping and agriculture. Crops grown in this zone are coffee, banana, maize, beans, wheat, rice, fruits and horticulture crops. (iii) The lower zone where crop farming is the major economic activity. Crops in this zone are rice, maize, beans, rice, fruits and horticulture crops.

Hai District borders Moshi rural district to the East, Arumeru and Siha districts to the West, Simanjiro district to the south, Kilimanjaro National Park and Rombo district to the north. The district is subdivided into three divisions, 14 wards, 60 villages, and 248 sub-villages.

The district has two rainy seasons namely: Long rains from March to June, and short rains from November up to December. The district is divided into four agro-ecological zones: (i) Mount Kilimanjaro Peak which is located on the north-eastern side of the district and covers approximately 27% of the district area. The zone is a forest reserve and a national park, and is not inhabited. (ii) The upper zone (highland area) which lies on the slopes of Mount Kilimanjaro. Economic activity in this zone include livestock keeping and crop farming. Main crops are banana and coffee cultivated on small-scale family farms. Almost every household has at least one cow and some goats/sheep, major sources of household income. Most of the milk sold from the district come from this zone. This zone is densely populated with more than 650 persons per km². (iii) The middle zone which is also well-known for milk production, also produces most of the cash and food crops cultivated in the upper zone. (iv) The lowland zone where the main economic activity is farming of rice, vegetables, beans, maize, and sunflower using irrigation. Livestock rearing include the traditional zebu cattle, sheep, and goats.

The district has 32 Savings and Credit Cooperative Societies (SACCOs) with a total of 9,295 members and 26 Agriculture and Marketing Cooperative Societies (AMCOS) with a total 16,667 members.

Moshi Rural District borders Rombo district on the north, Kenya on the east, Mwanga and Simanjiro districts on the south, and Hai district on the west. The district is sub-divided into 4 divisions, 31 wards, and 145 villages.

The district has three agro-ecological zones: (i) The lower zone which is the lowlands. Compared to the other two zones, this zone is sparsely populated with population density ranging between 15 – 30 persons per km². The main economic activity is paddy production using irrigation, maize production and open cattle grazing. (ii) The middle/central zone where the main economic activity is crop farming and dairy cattle keeping using zero grazing system. The main crops are coffee, maize, beans, and fruits. (iii) The upper zone/highlands which is located on the slope of Mt. Kilimanjaro. This is the most densely populated zone with population density ranging between 400 – 800 persons per km². The population density is even higher than that of the district average. Main economic activity in this zone is agriculture that includes crop farming and rearing of dairy cattle. The main crops are coffee, banana, and fruits.

The district has more than 60 NGO's and CBO's working in different villages within the district, and providing mainly social services support to the communities.

Rombo District is in the Eastern slope of Mount Kilimanjaro, and occupies a large portion of the mountain. The district is bordered to the north and east by Kenya, to the west by Hai district and to the south by Moshi Rural district. Administratively, the district is divided into five divisions, 24 Wards and 65 villages.

Due to the influence of Mount Kilimanjaro which is situated on the Northern side of the District, the climate varies considerably. The rainfall pattern is unreliable, and poorly distributed. The district has two rainy seasons: Long rains from March to June, and short rains from November up to December.

The main economic activity in Rombo district is agriculture which accounts for 90% of all economic activities. Small businesses make up 7% while employment in other sectors is 3%. Food crops includes banana, maize, sorghum, sweet potatoes, cassava and legumes; whereas cash crops include coffee and fruits such as mangoes and avocados.

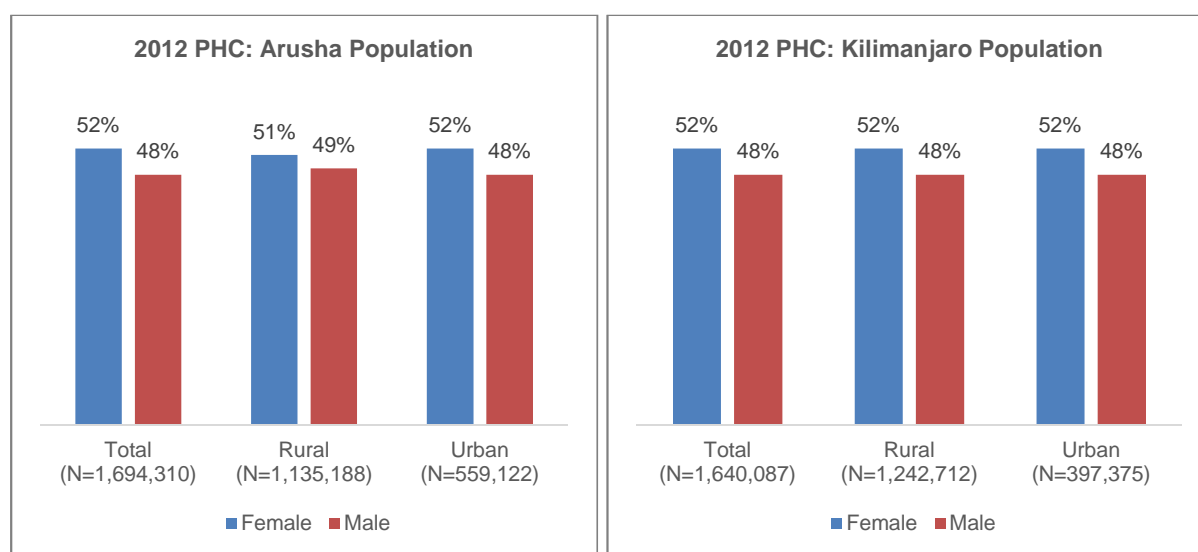
The district has 33 rural cooperatives: 16 savings and credit cooperative societies (SACCOs) with a total of 10,845 members and 16 agriculture and marketing cooperative societies (AMCOS) with a total 26,345 members, and one industrial cooperative with 150 members.

4. Demographic Information of the Regions

4.1 Population

The Tanzania 2012 population and housing census (PHC) estimated the population of Arusha region at 1,694,310 and that of Kilimanjaro region at 1,640,087. Majority of the population, 67% in Arusha and 76% in Kilimanjaro lived in the rural areas. The female population, in both regions, was higher (52%) compared to males (48%).

Figure 1: Population for Arusha and Kilimanjaro regions



Source: 2012 PHC report

The population of the surveyed households was 4676, 1850 in Arusha region and 2826 in Kilimanjaro region. Overall, there were more females (54%) in the households compared to males (46%). Females were 53% in Arusha and 54% in Kilimanjaro whereas males were 47% in Arusha and 46% in Kilimanjaro.

Table 8: Population in households interviewed

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value: Total number of people in HHs</i>	4676	1850	2826	957	893	947	935	944
Number of females in HHs	2505 54%	979 53%	1526 54%	506 53%	473 53%	521 55%	508 54%	497 53%
Number of males in HHs	2171 46%	871 47%	1300 46%	451 47%	420 47%	426 45%	427 46%	447 47%

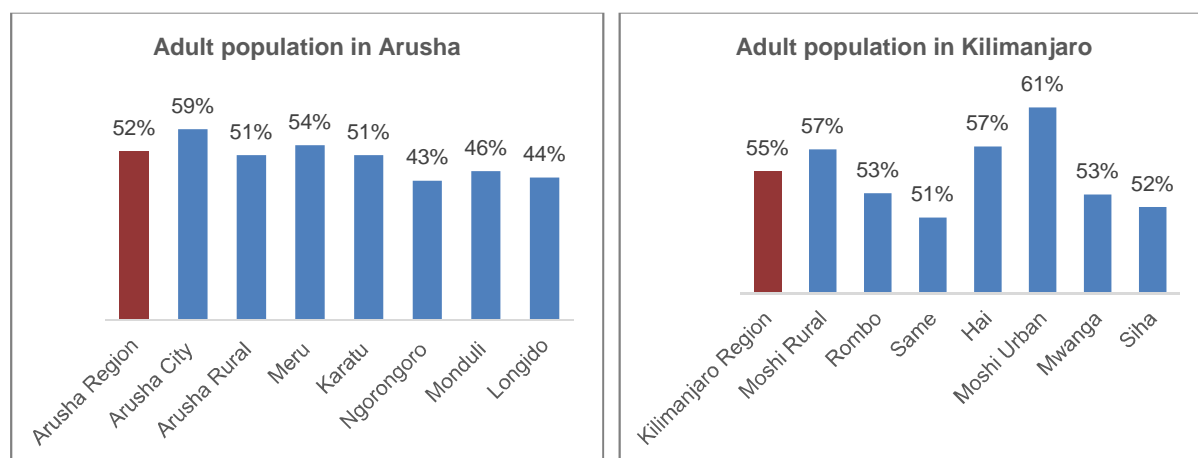
Source: Household Survey

4.1.1 Adult Population

As indicated by the figures below, the population of adults (18+ years) was 52% in Arusha and 55% in Kilimanjaro regions. Arusha City in Arusha region and Moshi Urban in Kilimanjaro

region had the highest while Ngorongoro district in Arusha and Same district in Kilimanjaro had the lowest adult population compared to other districts.

Figure 2: Adult population in Arusha and Kilimanjaro districts



Source: 2012 PHC report

Within the districts, the adult population in rural areas, both males and females, was relatively high compared to that of urban areas. The tables below show the adult population in both rural and urban areas within each district. Arusha City and Moshi Urban are exclusively urban and therefore do not have rural population.

Table 9: Adult population in rural/urban areas of Arusha

District	Total population	Total adults	Rural adults			Urban adults		
			Total	Male	Female	Total	Male	Female
Arusha City	416,442	245,499	-	-	-	245,499	117,532	127,967
Arusha Rural	323,198	165,304	134,375	61,564	72,811	30,929	14,898	16,031
Meru	268,144	144,755	121,836	58,853	62,983	22,919	10,631	12,288
Karatu	230,166	116,739	107,643	55,649	51,994	9,096	4,414	4,682
Ngorongoro	174,278	74,793	69,768	29,565	40,203	5,025	2,661	2,364
Monduli	158,929	73,140	61,051	27,077	33,974	12,089	5,855	6,234
Longido	123,153	54,745	50,310	23,035	27,275	4,435	2,139	2,296

Source: 2012 PHC report

Table 10: Adult population in rural/urban areas of Kilimanjaro

District	Total population	Total adults	Rural adults			Urban adults		
			Total	Male	Female	Total	Male	Female
Moshi Rural	466,737	265,912	256,573	121,324	135,249	9,339	4,279	5,060
Rombo	260,963	138,368	128,537	58,721	69,816	9,831	4,760	5,071
Same	269,807	137,137	90,359	43,515	46,844	46,778	21,369	25,409
Hai	210,533	120,453	97,783	46,747	51,036	22,670	10,463	12,207
Moshi Urban	184,292	111,937	-	-	-	111,937	53,810	58,127
Mwangi	131,442	69,533	50,066	23,049	27,017	19,467	9,103	10,364
Siha	116,313	60,199	52,418	24,943	27,475	7,781	3,664	4,117

Source: 2012 PHC report

According to the household survey, 56% of the people in the households interviewed were adults (aged 18+ years), 54% in Arusha and 57% in Kilimanjaro. Female adults were 57% while male adults were 43%.

Table 11: Adult population in households interviewed

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value: Total number of people in HHS</i>	4676	1850	2826	957	893	947	935	944
Number and percent of adults in HHS	2601	992	1609	481	511	545	508	556
	56%	54%	57%	50%	57%	58%	54%	59%
<i>n value: Total number of adults in HHS</i>	2601	992	1609	481	511	545	508	556
Number and percent of female adults in HHS	1475	562	913	279	283	311	293	309
	57%	57%	57%	58%	55%	57%	58%	56%
Number and percent of male adults in HHS	1126	430	696	202	228	234	215	247
	43%	43%	43%	42%	45%	43%	42%	44%

Source: Household Survey

4.1.2 Population Density

Generally, Arusha region was sparsely populated compared to Kilimanjaro region. The population density of Arusha, as per the 2012 PHC, was 45 persons per km² (Area: 37,576 km²) while that of Kilimanjaro was 124 persons per km² (Area: 13,250 km²). The tables below show the population density for each district in Arusha and Kilimanjaro regions. Evidently, the most thinly populated districts were in Arusha region; that is Ngorongoro, Longido, and Monduli respectively.

Table 12: Population density of Arusha by districts

District	District Area (km ²)	Density (Persons per Km ²)
Arusha City	267	1,560
Arusha Rural	1,239	261
Karatu	3,207	72
Longido	7,885	16
Meru	1,266	212
Monduli	6,993	23
Ngorongoro	15,499	11

Source: City Population. <https://www.citypopulation.de/php/tanzania-admin.php>

Table 13: Population density of Kilimanjaro by districts

District	District Area (km ²)	Density (persons per Km ²)
Hai	902	233
Moshi Urban	63	2,907
Moshi Rural	1,300	359
Mwanga	1,831	72
Rombo	1,471	177
Same	6,221	43
Siha	1,217	96

Source: City Population. <https://www.citypopulation.de/php/tanzania-admin.php>

4.1.3 Number of Households and Size

The 2012 PHC results show that the total number of households in Arusha region was 378,825 while that of Kilimanjaro region was 384,867. Majority of the households, 63% in Arusha and 75% in Kilimanjaro were in the rural areas. The same PHC indicated the average household as 4.5 in Arusha and 4.3 in Kilimanjaro regions. As shown in the table below, the household survey estimated the average household size at 4.4 people per household in both regions.

Table 14: Number and size of households interviewed

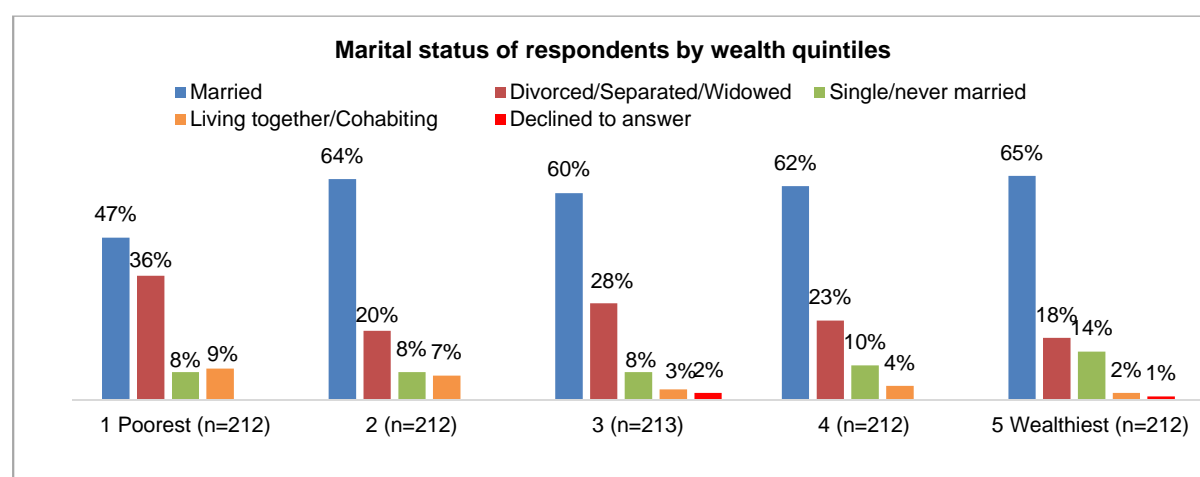
	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
Number of HHHs interviewed	1061	422	639	207	215	214	206	219
Total number of people in HHHs	4676	1850	2826	957	893	947	935	944
Average HH size	4.4	4.4	4.4	4.6	4.2	4.4	4.5	4.3

Source: Household Survey

According to the 2012 PHC, more than a third (37%) of the households in Arusha and Kilimanjaro regions were headed¹ by females. Female headed households were larger (6.2 in Arusha and 5.9 in Kilimanjaro) than male headed households (3.4 in Arusha and 3.2 in Kilimanjaro)

Among the households surveyed (n=1061), 35% reported single head of household (HHH); 32% were headed by single females while 3% were headed by single males. The head of household was either never married, separated/divorced, or widowed. Among the female HHH, 8% had never married, 8% were divorced or separated, and 15% were widowed. Most of these households were in the poorest wealth quintile. As shown in the figure below, more than a third (36%) of the poorest households had single head, either male or female.

Figure 3: Marital status of respondents by wealth quintiles



¹ A household head is a person who is acknowledged as such by other household members

Another way of looking at this is that 29% of the total of widowed/divorced/separated persons are in the poorest quintile, whilst 16% of the total of married persons are in the poorest quintile. On the other hand, 14% of widowed/divorced/separated persons are in the wealthiest quintile whilst 22% of married persons are in the wealthiest quintile. In other words, when taken as a group, a higher proportion of single headed households are in the poorest quintile when compared to married persons as a group.

4.2 Literacy

According to the 2012 PHC, Literacy² levels among the population aged 5 years and above was at 76% in Arusha region and 90% in Kilimanjaro region. Adult literacy (literacy among population aged 15 years and above) was 80% in Arusha and 92% in Kilimanjaro. Adult literacy was higher among males (85% in Arusha and 94% in Kilimanjaro) compared to females (77% in Arusha and 90% in Kilimanjaro) in both regions.

Ninety percent of the people in the surveyed households (n=4676) were aged five years or more. Of these, 27% were aged 5-14 years while 63% were aged 15+ years. Overall, the reported literacy levels among those aged 5 years or more was 85%; 82% in Arusha and 86% in Kilimanjaro. Adult literacy, among those aged 15 years or more, was 89%; 87% in Arusha and 91% in Kilimanjaro.

Table 15: Literacy levels in surveyed households

		Total			Females			Males		
		5+ years	5-14 years	15+ years	5+ years	5-14 years	15+ years	5+ years	5-14 years	15+ years
Total	n value	4216	1268	2948	2286	624	1662	1930	644	1286
	Number literate in HHs	3565	927	2638	1936	466	1470	1629	461	1168
	Percent literate in HHs	85%	73%	89%	85%	75%	88%	84%	72%	91%
Arusha	n value	1675	526	1149	900	258	642	775	268	507
	Number literate in HHs	1373	377	996	743	191	552	630	186	444
	Percent literate in HHs	82%	72%	87%	83%	74%	86%	81%	69%	88%
Kilimanjaro	n value	2541	742	1799	1386	366	1020	1155	376	779
	Number literate in HHs	2192	550	1642	1193	275	918	999	275	724
	Percent literate in HHs	86%	74%	91%	86%	75%	90%	86%	73%	93%

Source: Household Survey

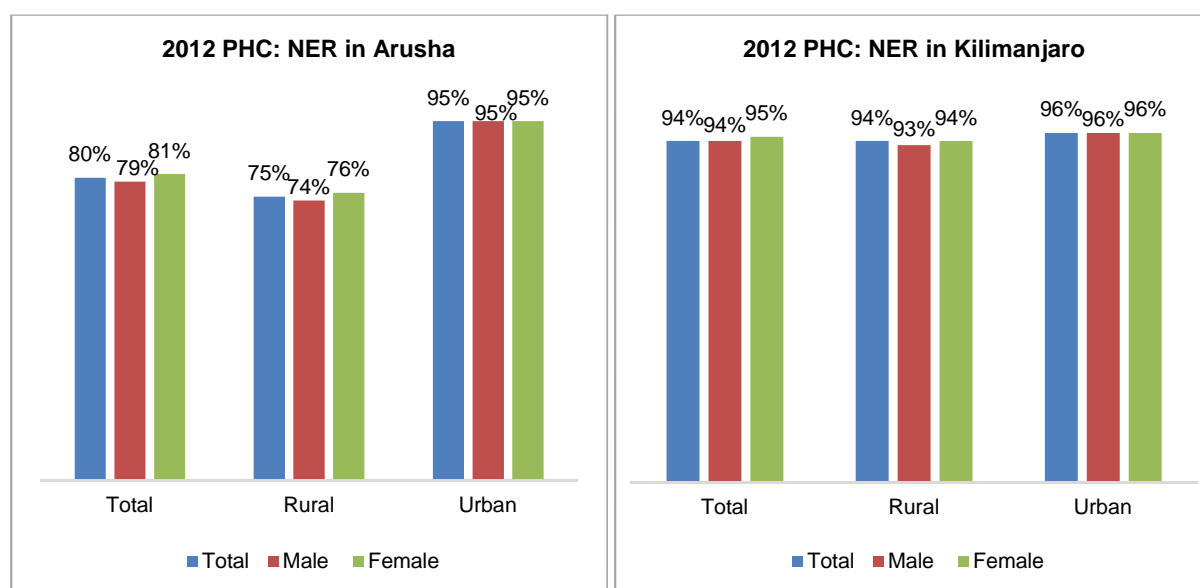
The net enrolment ratio (NER) in primary schools³ was 80% in Arusha region and 94% in Kilimanjaro region. More females (81% in Arusha and 95% in Kilimanjaro) were enrolled compared to males (79% in Arusha and 94% in Kilimanjaro).

² The ability to read and write in any language individuals aged four (4) years and above (The 2012 PHC)

³ Net Enrolment Rate (NER) is defined as the number of children of age 7 - 13 years who are attending school divided by the total number of children in that age group. 7 - 13 years is the official primary school age in Tanzania

NER was higher in urban (95% in Arusha and 96% in Kilimanjaro) compared to rural areas (75% in Arusha and 94% in Kilimanjaro).

Figure 4: NER in Arusha and Kilimanjaro regions



Education and employment complement each other. 78% of women and 95% of men who have completed primary school are currently employed. By education, those with lowest percent currently employed are those who attended secondary or higher schooling, for both women and men. Males aged 15 years or above were more likely to be literate and thus men had more opportunities to be employed than women.

While women age 15-49 were most commonly employed in agriculture (56%) and unskilled manual labour (22%), men were most commonly employed in agriculture (59%) and skilled manual labour (18%). In rural areas, about 8 in 10 people worked in agriculture (76% of women and 79% of men).

In urban areas, unskilled manual labor was the leading occupation among women (38%) and skilled manual labor was the leading occupation among men (34%).

The percentage of people employed in agriculture drops steadily and dramatically with increasing education. Majority of women who had no education worked in agriculture (82%), compared with 21% of those with secondary or higher schooling. Majority of men who had no education also worked in agriculture (81%), compared with 29% of those with secondary or higher schooling.

Most people in the poorest households worked in agriculture (92% of women and 89% of men). Only 8% of women and 12% of men in the highest wealth quintile worked in agriculture.

4.3 Socio-Economic/Poverty Levels

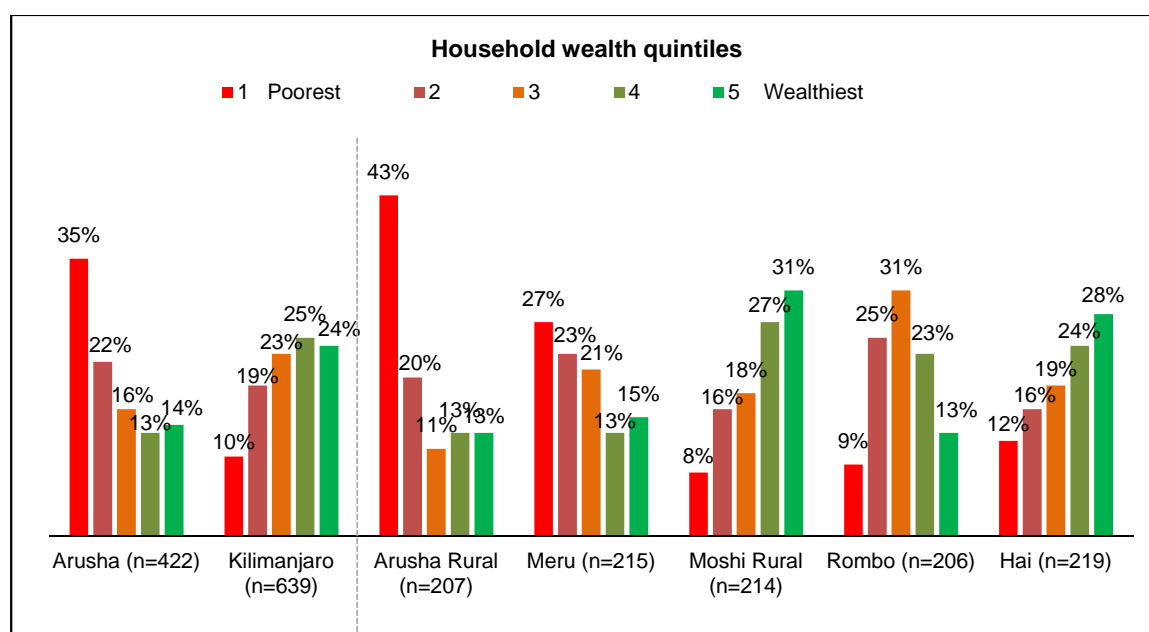
Economic status of the surveyed households was determined using the wealth index which placed households on a continuous scale of 1 to 5 based on relative wealth. As shown in the figure below, the households were categorized into five wealth quintiles where 1 was the poorest and 5 was the wealthiest. The wealth index was calculated using data on household ownership of selected assets, such as televisions and bicycles; dwelling characteristics such

as floor material; source of drinking water; type of toilet facility; and other characteristics that are related to wealth status. Please see Annex 13.1 for profile of the wealth quintiles. The profile shows data on some of the variables used to calculate the wealth index.

Each household asset for which data was collected was assigned a weight or factor score generated through principal components analysis. The resulting asset scores were standardized in relation to a standard normal distribution with a mean of zero and a standard deviation of one. These standardized scores were then used to create the break points that defined wealth quintiles as: Poorest, Poor, Middle, Wealthy, and Wealthiest.

The results indicate that more households in Arusha region, particularly in Arusha Rural were relatively poor compared to households in Kilimanjaro region. Households living in poverty were 57% in Arusha and 29% in Kilimanjaro, of which 35% and 10% were in the lowest quintile categorized as poorest.

Figure 5: Household wealth quintiles

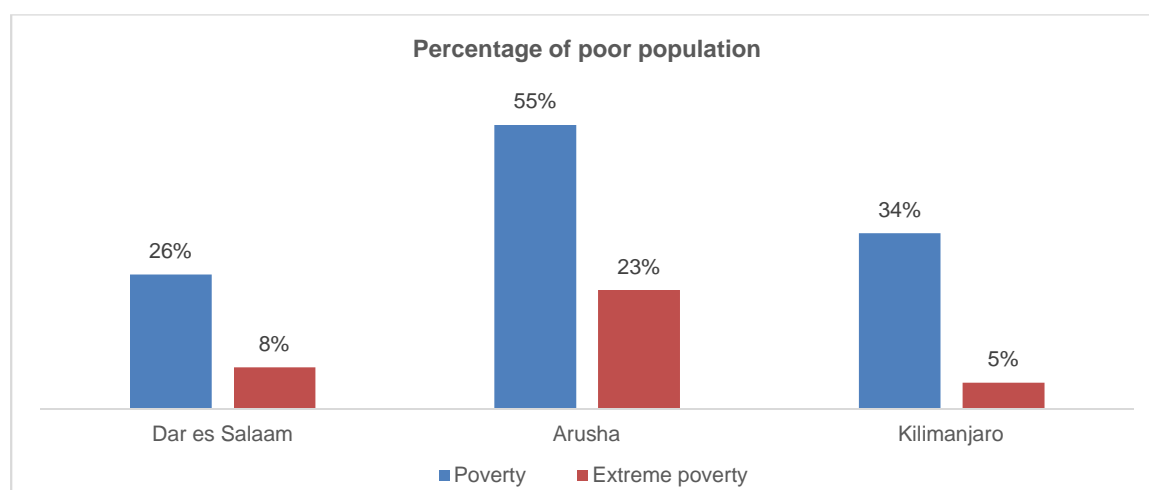


Poverty is the economic and social condition characterized by deprivation of basic needs and freedom required for a healthy, acceptable and empowered life. The most common poverty indicator is the headcount ratio (HCR), defined as the percent of population living below an absolute poverty line. The most commonly used poverty lines are the international \$1.25 and \$2 per-capita/day expressed in Purchasing Power Parity (PPP) at a reference year. The other is the Multidimensional Poverty Index (MPI) which measures a wide range of deprivations faced by individuals and households. MPI is calculated using ten indicators related to health, education, and living standards. The indicators are nutrition and child mortality (health); years of schooling and school attendance (education); and type of cooking fuel, sanitation, access to clean and safe water, access to electricity, type of floor and ownership of assets (living standards). MPI measures the extent to which individuals are deprived in relation to these indicators.

Multidimensional Poverty Index by UNDP (Tanzania Human Development Report 2014) estimated the incidence of poverty in Tanzania mainland at 64%, and that of extreme poverty at 31%. The MPI by UNDP was calculated using Tanzania Demographic and Health Survey data (NBS 2011). The report indicates that poverty levels in Kilimanjaro and Arusha are lower compared to other regions of Tanzania except for Dar es Salaam which has the lowest poverty levels. According to the same report, Arusha and Kilimanjaro were among six regions of Tanzania with high GDP per capita (> Tshs. 1,200,000) in 2012. The other four regions were Dar es Salaam, Iringa, Mbeya and Ruvuma. This is an indication that the regions are doing better economically compared to other regions.

As shown in figure 2 below, the same report indicates that more than half (55%) of the population in Arusha and about a third (34%) of the population Kilimanjaro were living in poverty. Population with extreme poverty was 23% in Arusha and 5% in Kilimanjaro. This report assumes that the poverty figures are inclusive of the extreme poverty figures.

Figure 6: Poverty levels in Arusha and Kilimanjaro



Source: UNDP Tanzania Human Development Report 2014

According to the 2011/12 Household Budget Survey (HBS), rural households are much poorer than those in urban areas. About 2% of the poor population in Tanzania live in Dar es Salaam, 14% live in other urban areas and 84% live in rural areas. The 2011/12 HBS results also show that the incidence of poverty increases with the number of young children in the household and that the poverty rate increases with household size. Majority (62%) of Tanzania's Mainland poor are living in households with seven or more household members. Moreover, about half (48%) of household members are dependents (children under age 15 and elders aged 65 or more years)

4.4 Migration

Households that migrated within the past twelve months were 3%. This was the same for both Arusha and Kilimanjaro. Majority (62%) of the households (n=29) migrated within the same district. Of which 28% migrated within the same village, 17% to a different village but within the same ward, and the other 17% to a different ward but within the same district. Reasons for migration included: relocation after losing a job or for work, search for pasture, and natural

disasters such as floods. Majority (79%) of these households migrated permanently and had no intention of moving back to former place.

5. Livelihood / Economic Activities

The study established that agriculture was the main economic activity in Arusha and Kilimanjaro regions. According to 2012 PHC, 46% of households in Arusha (86% in rural and 14% in urban) and 65% of households in Kilimanjaro (85% in rural and 15% in urban) were engaged in agricultural farming during the 2011/12 agriculture year.

46% of households in Arusha and more than half (55%) of households in Kilimanjaro were keeping at least one type of livestock. Majority of these households, 88% in Arusha and 87% in Kilimanjaro were in rural areas.

Crops grown in Arusha included vegetables, onions, maize, beans, cassava, bananas, Irish potatoes, ground-nuts, sorghum, and paddy. Maize is the dominant annual crop grown in Arusha region and had a planted area of 123,901 hectares followed by beans, which had the second largest planted area of 50,738 hectares. The area planted with maize constitutes 63 percent of the total area planted with annual crops in the region, and that planted with beans constitute 26 percent. Livestock include cattle, goats and sheep and chicken. The highest proportion of cattle keeping households was found in Ngorongoro district where 88% of the households kept cattle. This was followed by Arusha & Longido (87% each), Monduli (80%), Arusha rural (72%), Meru (65%) and Karatu (56%).

The number of households involved in fish farming in Arusha region was insignificant (122 households, representing 0.03% of the total agricultural households in the region. Fish farming in the region was reported in Meru district only and none was reported in the rest of the districts. The common type of fish being stocked in Meru district is Tilapia.

In Kilimanjaro region, crops are mainly grown in the mountains, and include banana, sugarcane, coffee, potatoes and yams. In the lowlands, a big part of the population, including the pastoralist Maasai community, are cattle-keepers. However, a smaller part of the lowlands in the west comprises of marshland along Pangani river where crops such as maize, onions, tomatoes, rice, watermelons and cucumbers are grown using irrigation.

Crop farming in the region was practiced by most agricultural households (41%) as the main source of income in all the districts. This was followed by livestock keeping/herding which was practiced by 1% households across the six districts. Fishing was the third most important occupation in all districts, except Siha district where no household reported to have been practicing fishing. Pastoralism was reported in Siha, Hai and Mwanga. Lastly, fish farming was reported in Moshi Rural and Hai.

In terms of crop production maize was the most dominant annual crop grown in the region with a planted area of 107,931 hectares, followed by beans which had the second largest planted area of 46,298 hectares, and sunflower which had the third largest planted area of 6,521 hectares. Other crops grown include: paddy, cowpeas, finger millet, groundnut, tomatoes, Irish potatoes, ginger, green gram, coco yam, amaranths, onion, and sweet potatoes, in order of their importance. These crops occupied a total planted area of less than 6,000 hectares with sweet potatoes having the least planted area of 483 hectares.

Animal husbandry was mostly reported in Moshi rural district. Cattle was the dominant livestock type in the region followed by goats, sheep and pigs. The total number of cattle in the region was 494,135, representing 2% of the total cattle population on Tanzania Mainland.

Table 16: Distribution of agricultural activities in Arusha by district

District	Crop Farming		Livestock keeping/Herding		Livestock Pastoralists		Fishing		Fish Farming	
	Number	%	Number	%	Number	%	Number	%	Number	%
Monduli	37,078	30	23,004	18.8	3,286	3	143	0.1	0	0
Arusha	5,029	31	1,534	9.4	85	1	0	0	0	0
Karatu	87,068	50	5,704	3.3	0	0	267	0.2	0	0
Ngorongoro	15,063	13	52,933	43.9	497	0	71	0.1	0	0
Longido	7,194	16	16,555	35.8	665	1	58	0.1	0	0
Arusha Rural	77,994	36	10,749	4.9	119	0	0	0	0	0
Meru	92,971	42	2,440	1.1	122	0	366	0.2	0	0
Total	322,397	35	112,919	12.3	4,775	1	905	0.1	0	0

Source: 2012 PHC report

Table 17: Distribution of agricultural activities in Kilimanjaro by district

District	Crop Farming		Livestock keeping/Herding		Livestock Pastoralists		Fishing		Fish Farming	
	Number	%	Number	%	Number	%	Number	%	Number	%
Rombo	83,882	42	2,054	1	0	0	108	0	0	0
Mwanga	34,250	39	1,496	2	52	0	206	0	0	0
Same	72,356	45	4,753	3	0	0	88	0	0	0
Moshi Rural	137,695	37	1,904	1	0	0	635	0	212	0
Hai	62,582	44	1,389	1	87	0	174	0	174	0
Siha	41,393	45	688	1	250	0	0	0	0	0
Total	432,159	41	12,283	1	388	0	1,211	0	385	0

Source: 2012 PHC report

The household survey established the livelihood/economic activities practiced by the communities living in the selected districts during the different climatic seasons. The table below shows the economic activities during the long rains which occur around the months of March to May/June. Predictably the main economic activity during this season is crop farming. Compared to the other districts, Rombo District is likely to have more households practicing livestock farming besides crop farming during the long rains.

Table 18: Livelihood/economic activities during the long rains

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
n value	1061	422	639	207	215	214	206	219
Crop farming	76%	76%	75%	71%	81%	72%	70%	84%
Both crop and livestock farming	19%	18%	19%	22%	14%	15%	28%	14%
Livestock farming	2%	4%	1%	6%	3%	3%	0%	0%
Business	2%	1%	3%	0%	1%	5%	1%	2%
Fishing	1%	0%	1%	0%	0%	3%	0%	0%
Casual labour (farms/firms/ others)	0%	0%	1%	0%	0%	2%	0%	0%

During the short rains, which occur around October to December/January, households are likely to shift to mixed farming. As shown in the table below, the number of households that are likely to engage in both crop and livestock farming is higher compared to the long rainy season. Involvement in business activities is also likely to rise during the short rains.

Table 19: Livelihood/economic activities during the short rains

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
n value	1061	422	639	207	215	214	206	219
Crop farming	52%	58%	48%	50%	66%	52%	46%	46%
Both crop and livestock farming	30%	25%	34%	28%	22%	16%	50%	37%
Livestock farming	8%	12%	6%	16%	7%	13%	1%	4%
Business	6%	3%	7%	3%	3%	12%	3%	6%
Nothing / Resting / harvesting / Preparing land	2%	1%	2%	3%	0%	0%	0%	7%
Casual labour (farms/firms/others)	1%	0%	1%	0%	1%	4%	0%	0%
Brick making	0%	0%	1%	0%	0%	2%	0%	0%
Fishing	0%	0%	0%	0%	0%	1%	0%	0%

As indicated in the table below, livestock farming and business activities are likely to be the main sources of livelihood during the dry season, that is around July/August to September/October. Livestock farming mostly in Rombo, Arusha Rural and Meru districts respectively. Hai District is likely to have more business activity compared to the other districts during this season. Compared to the other districts, Moshi Rural and Hai districts are likely to have crop farming, mainly vegetable farming using irrigation during the dry season.

“Farming is seasonal hence one has to engage in other activities that help in generating income.”
Male FGD, Arusha

Table 20: Livelihood/economic activities during the dry season

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
n value	1061	422	639	207	215	214	206	219
Livestock farming	27%	34%	23%	38%	31%	12%	44%	14%
Business	27%	22%	30%	25%	19%	27%	25%	38%
Crop farming	17%	12%	21%	9%	14%	26%	10%	26%
Crop and livestock farming	12%	20%	7%	20%	20%	3%	8%	10%
Harvesting/Preparing land	12%	11%	12%	9%	14%	17%	11%	8%
Casual labour	3%	1%	5%	0%	1%	10%	2%	3%
Brick making	1%	1%	1%	0%	1%	4%	0%	0%
Stone quarry	0%	0%	1%	0%	0%	1%	0%	1%

According to the baseline study, crops grown in these areas include beans, maize, vegetables, fruits, carrots, bananas, potatoes, rice, and coffee. On the other hand, livestock farming

involves rearing of cows, goats chicken, and pigs. Bee keeping is also one of the economic activities in the area.

Business activities include grocery stores, selling of vegetables, milk and poultry, general shops, hair salons, selling of charcoal and firewood, buying and selling of grains and fruits, brewing and selling of alcohol, transportation using motorcycles. Other livelihood activities include making and selling crafts, shoes, bricks, casual employment in farms, stone quarries, construction sites, as security guards, drivers, cargo loaders, etc.

Potential economic activities in agriculture include production and export of: vegetables and bulb onions in Arumeru and Karatu districts, floriculture in Arumeru, Monduli and Karatu districts; bananas and avocados, and oil seeds production and processing in Arumeru, Monduli, Karatu and Longido. Economic activities could be enhanced by establishing processors for the vegetables produced in the area.

*“I think because most people deal with vegetable farming I think the government should start factories to preserve tomatoes and processing other vegetables so if their factories then there will be a lot of opportunities”*WEO, Arusha Rural

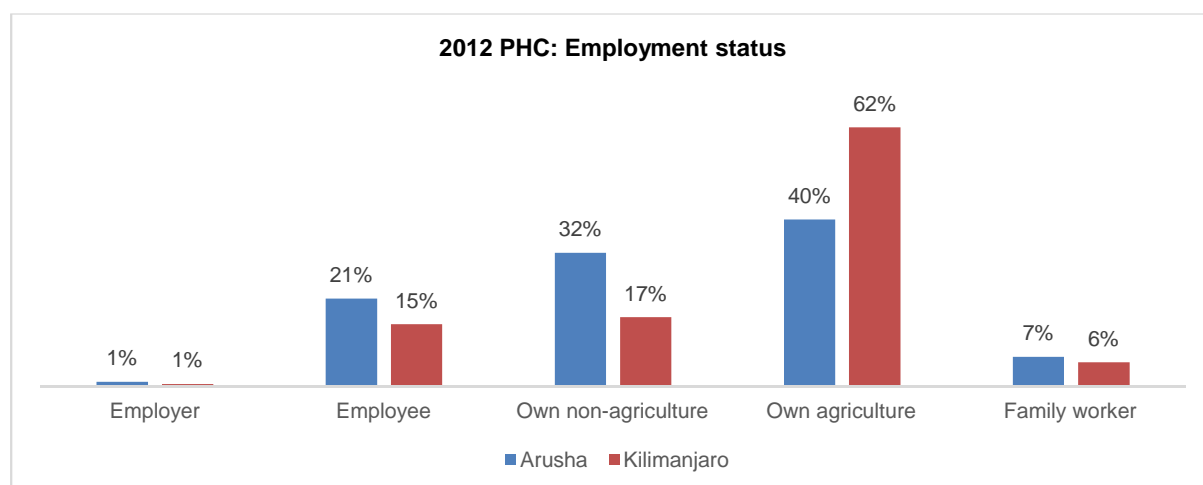
5.1 Employment

According to the 2012 PHC, 57% of the population aged 10 years and above in Arusha region (1,175,236) was employed. This refers to current economic activity at the time of the PHC. Similarly, 61% of the population aged 10+ (1,206,556) in Kilimanjaro was employed.

Among those not employed, 20% in both Arusha and Kilimanjaro were full-time students while 3% in Arusha and 4% in Kilimanjaro were unable to work. This means that 20% in Arusha and 15% in Kilimanjaro were not employed but could work.

As shown in the figure below, most (40%) of those employed in Arusha (664,427) and majority (62%) of those employed in Kilimanjaro (729,528 in) were self-employed in agricultural activities. On the other hand, a considerable proportion (32% in Arusha and 17% in Kilimanjaro) were self-employed in non-agricultural activities. Hence more than 70% of the population in both regions were engaged in an economic activity of their own.

Figure 7: Employment status of employed population aged 10 years



Source: 2012 PHC report

5.2 Household Income

On household income, the study looked at the different sources of income for households in the selected sites. The results indicate that half of the households in these areas are likely to have more than one source of income. Households that had one source of income were 52% in Arusha rural, 51% in Meru, 59% in Moshi Rural, 29% in Rombo, and 57% in Hai.

The 2012 PHC results for Arusha region indicates that most of the agricultural households ranked annual crop farming as an activity that provides most of their cash income followed by livestock keeping/herding and livestock pastoralist (1%). Fishing was insignificant in terms of contribution to source of income. Similarly, fish farming was not largely practiced in Arusha region. Livestock keeping/herding was reported as least important in Karatu, Meru and Arusha Rural.

As presented in the table below, more than half (59%) of the households, particularly in Meru (79%) and Rombo (77%) districts earned income from crop farming. Compared to the other districts, the number of households in Rombo District that received income from livestock/poultry and their products was higher (50%). Again, compared to Arusha region, the number of households with income from business was higher in Kilimanjaro region, mostly Moshi Rural (38%) and Hai (37%) Districts.

Table 21: Sources of household income

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	1061	422	639	207	215	214	206	219
Selling crops from own farm	59%	68%	54%	57%	79%	35%	77%	49%
Selling livestock / poultry from own farm	30%	32%	28%	36%	28%	16%	50%	18%
Own business (Incl. rental of land/houses)	29%	23%	33%	27%	20%	40%	19%	39%
Casual labour	23%	19%	25%	20%	18%	30%	26%	19%
Selling livestock products from own farm (e.g. milk, eggs)	18%	20%	17%	21%	18%	8%	29%	15%
Hand Crafts	8%	5%	10%	6%	5%	15%	5%	8%
Employment (Government / Private sector)	6%	5%	7%	6%	3%	7%	4%	10%

In addition, the study established the main source of income for households that reported more than one source. Crop farming was the main source of income for households across all the districts. However, the percentage was relatively lower in Moshi Rural where the proportion of households with business as the main source of income was higher compared to the other districts. Compared to the other districts, Arusha Rural had the highest number of households whose main source of income was livestock/poultry.

Table 22: Main source of household income

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	1061	422	639	207	215	214	206	219
Selling crops from own farm	48%	55%	44%	45%	64%	29%	60%	43%
Own business	13%	9%	15%	10%	7%	23%	4%	19%
Casual labour	12%	7%	15%	8%	6%	20%	12%	12%
Selling livestock products from own farm (e.g. milk, eggs,)	9%	12%	8%	13%	12%	4%	10%	9%
Selling livestock/poultry from own farm	8%	12%	6%	18%	7%	5%	9%	3%
Hand Crafts	5%	3%	6%	3%	2%	12%	1%	6%
Employment (Government/ Private sector)	4%	3%	5%	3%	3%	6%	2%	7%

5.3 Micro-Enterprises

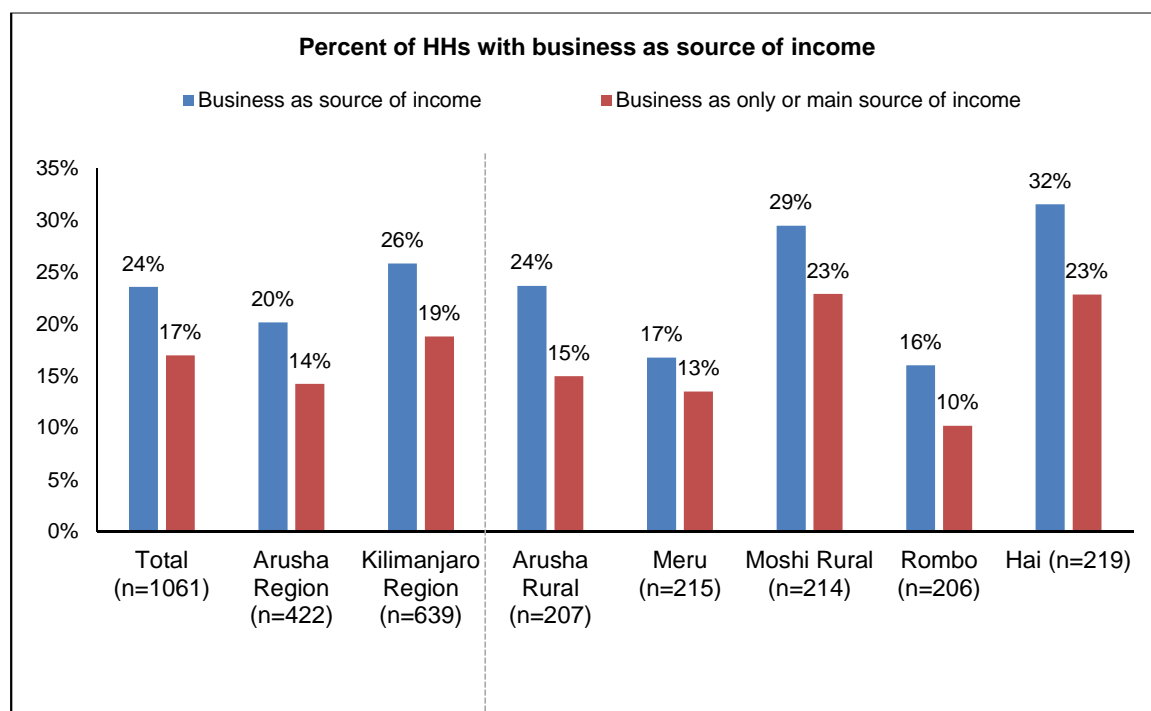
Overall, about a quarter (24%) of households interviewed got income from business, either as one of the sources or the only source of income. Of these households, 20% were in Arusha and 26% in Kilimanjaro. Analysis at district level shows 24% in Arusha Rural, 17% in Meru, 29% in Moshi Rural, 16% in Rombo, and 32% in Hai.

In total, 9% of households interviewed; 6% in Arusha and 10% in Kilimanjaro reported business as the only source of income. Hai District had the highest number at 15%, followed by 13% in Moshi Rural, 7% in Arusha Rural, 4% in Meru, and 3% in Rombo Districts.

Similarly, 8% of all households interviewed (9% in Arusha and 8% in Kilimanjaro had business as the main source of income besides other sources. At district level, households that reported business as main source of income were 8% in Arusha Rural, 9% in Meru, 10% in Mosi Rural, 7% in Rombo, and 8% in Hai.

Reported micro-enterprises comprised of small retail businesses such as selling of vegetables and fruits, new and second-hand clothes and shoes, local brew, grains and cereals such as maize and beans, cooked foodstuffs, hairdressing, motorcycle transport (*bodaboda*), etc.

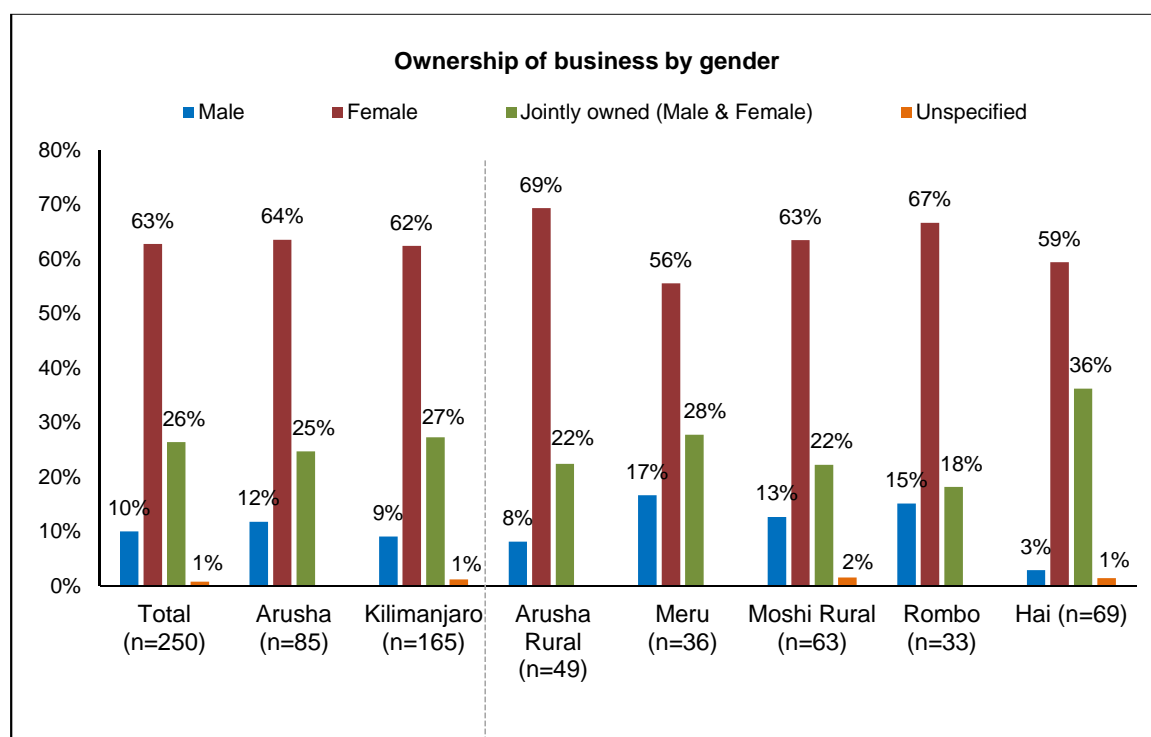
Figure 8: Percent of households with business as source of income



Overall and across the five districts, businesses were mostly owned by females within the household. Hai District had the highest number of jointly owned businesses compared to the other districts.

“The majority are small businesses, for example many of our mothers sell vegetables around town. In majority, mothers are the ones who fight to get income for their families.” Male FGD, Arusha

Figure 9: Ownership of business by gender



Only 8% of the businesses (n=250) had employees. Of these, 8% were in Arusha and 7% in Kilimanjaro. Analysis by district shows that businesses with employees were 10% in Arusha Rural, 6% in Meru, 8% in Moshi Rural, 6% in Rombo, and 7% in Hai. The table below shows the absolute numbers of business with employees by gender of owner across the different districts. Out of the 19 businesses, 13 were owned by females, 3 by males, and 2 were jointly owned. Businesses with employees included hair salons, butcheries, food kiosks, general stores, clothes stores, stationery stores, and grocery stores.

Table 23: Absolute numbers of businesses with employees – by ownership and location

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
n value	19	7	12	5	2	5	2	5
Male	3	1	2	1	0	1	0	1
Female	13	5	8	4	1	4	2	2
Jointly owned	2	1	1	0	1	0	0	1
Unspecified	1	0	1	0	0	0	0	1

5.4 Challenges Affecting Livelihood/Economic Activities

As highlighted below, challenges that affected livelihood/economic activities in Arusha and Kilimanjaro regions affected agricultural and business activities which were the main sources of livelihood in these areas.

Low prices for farm produce and livestock (47%). This was the most mentioned challenge and was attributed to other challenges such as lack of market, shortage of customers and high competition particularly in the vegetable market.

“We lack market and face very heavy competition; we have to cross the border to go and sell in Kenya and they buy at very low prices.” Male, Kilimanjaro

Lack of capital for farming and business activities (35%). This came second in terms of most mentioned. Respondents mentioned lack of capital to purchase inputs such as seeds, medicine for livestock, livestock feeds.

“We do not have enough capital to buy seeds hence the output is little. I also do other business but we do not have capital to do much, loans have very strict requirements.” Male FGD, Arusha

Climatic conditions (31%): Challenges related to climatic conditions included unreliable rainfall, drought, floods, winds, and cold spells that affected both agricultural and business activities.

“The climate is currently not predictable at all even farmers think twice because they plant because the seeds will dry up unless they are having funds for wells and those nearby the rivers can irrigate.”
CBO staff, Meru District.

“Last year we cultivated but did not get any yield, the rains were not reliable; same to this year this year, we cultivated again and even bought a bucket of seeds expensively but we are not sure of the rains.” Female FGD, Arusha

Lack of market for farm produce and livestock (23%): This was the fourth, in terms of most mentioned. It was also widely mentioned in the focus group discussions and seemed to be a

major problem, and which also contributed to the low prices and wastage of produce such as fruits, vegetables, and milk. Also, connected to lack of market was shortage of customers (5%) as a challenge.

"The biggest problem is market; we get enough milk but have no specific place to sell it. For example, I have a capacity of producing twenty-five liters but end up selling fifteen liters so I leave some milk to be drunk at home and some are discarded." Male FGD, Arusha

"The main challenge is, there is no market for my milk; I stay with the milk for quite a long time and at the end the milk goes bad." Female FGD, Arusha

"In most of our villages we have a lot of mangoes which end up decaying due to lack of an industry so if we could get an industry which could help us add value to the mangoes... you visit some places like Kileo where they have big irrigation schemes and cultivate a lot of rice and maize because they have constant supply of water, currently it is not the season to harvest and many farmers are still struggling to get markets for their produce." NGO staff, Mwanga

Another challenge with marketing of produce was lack of fixed or designated points of sale. Hawkers and those who did not have designated places at the market were forced to move from one point to the other to sell their produce.

"The challenge is that sometimes I may go to the market but not get a place to put my products, so I have to roam about with them." Female FGD, Arusha

"I sell shoes as a hawker but sometimes I am chased about, so I have to look for another place." Female FGD, Kilimanjaro

Difficulty in getting farm inputs (18%): Besides distance in access to inputs, this also included high costs of inputs, inputs that were not reliable and damaged crops, as illustrated by the verbatim responses below.

"I do farming and keeping livestock. I also keep the local breed chicken, but I recently stopped because the food for these local breed chicken has become very expensive, and the profit I get from selling the chicken is very low." Female FGD, Arusha

Low yields (15%): Low yields were attributed to poor farming methods, poor quality seeds and livestock breeds, and lack of water for irrigation.

"Many people in this area keep cows for milk, but most of them are not of good quality; so, the most one can get is a liter or half a liter of milk." Female FGD, Arusha

"We harvest little because we have poor understanding of cultivation methods. Also, because of poor seeds, heavy rainfall, too much heat, and lack of capital." Female FGD, Kilimanjaro

"What is hindering our production is water, our land is very productive but we do not have water, we can get a lot of output with water." Male FGD, Arusha

Lack of proper storage methods and facilities (6%): Public storage facilities expose businesses to losses from theft. This challenges is mostly likely to affect people dealing in grains.

"I do business of selling Beans and Maize, I buy and store them. Our storage is in Mbauda and is collectively owned. I face the challenge of theft, for example I store 50 sacks and later find 48 sacks.... You store your sacks in one place and come the next day to find them shifted to another place. During the shifting process; some of the sacks get stolen and it is very hard to trace who stole

the sacks and this results to a loss... "Also, insects eat maize in the store." Female FGD, Arusha

Shortage of water for irrigation: Areas that rely on irrigation for farming, especially the lowlands, are affected because of poor rainfall in the highland areas.

"Another challenge is shortage of water. The area relies on flood waters from the mountains for irrigation, and currently there is little water for irrigation because of poor rainfall in 2016; and this has brought about a lot of challenges in farming especially the plains in the eastern part located in Mwanga district in the Jipendea division, also the western plains which are the areas located in the Nyumba ya mungu dam. We should now concentrate in digging shallow wells because the possibility of getting water from the mountains right now is very minimal." NGO staff, Mwanga

Transportation challenges: This includes issues such as poor infrastructure or roads that are impassable during the rainy seasons, high transport costs, lack of proper and safe transit methods for produce.

"The only setback to business here is infrastructure. If there were tarmac roads, it would have made transportation of our produce and access to the market easier. During the rainy season, the road is bad" Female FGD, Arusha

"I sell bananas in the streets, transporting bananas from the farm to the market is also challenging there is high transport cost." Female FGD, Kilimanjaro

"I am doing a business of fruits; we buy avocado in the streets and we sell them into the market and across the regions. So many times, the fruits are damaged in transit so I make losses and it's a challenge" Female FGD, Kilimanjaro

Pests: Destruction of crops by pests affects yields and sometimes, as illustrated by the verbatim responses below, results in huge losses to farmers.

"There are times when pests destroy whole fields of crops. They may go up to eating 5 acres in a day, causing a major setback to farming." WEO, Rombo District

"Like last year when pests attacked onion farms and about 34 acres of onions were wasted" WEO, Arusha Rural

"I am dealing with poultry. I also cultivate maize, I am facing challenges with pests; there are so many pests destroying my crops, I find difficulties in paying loan and school fees because the yields are so low." Female FGD, Kilimanjaro

Lack of entrepreneurship knowledge: The study indicates presence of business activities in the two regions, particularly by women. However, the setback could be lack of entrepreneurship skills to help them manage and grow their businesses.

"There are many opportunities in the village but we lack the knowledge on entrepreneurship, and people who can teach entrepreneurship well. the challenge is the knowledge." Male FGD, Arusha

Lack of electricity is one of the challenges that affect the setting up and expansion of business that require electricity

"I wish to expand my business but have failed because of lack of electricity. I want to become a hair dresser but I can't because of electricity." Female FGD, Arusha

Non-payment of loans: Non-payment of loans affect economic activities in two major ways: Failure to repay group loans reduces the capacity of groups to give loans to other members who would want to invest in farming or business activities. Also, failure to repay loan may

result in confiscation of business stock or produce or livestock which is a setback to one's economic activity.

“Some members are causing disturbance by not returning the group money on time. Sometimes we are compelled to sell their property to fulfil the debt which is not good. We inform the village executive first and we take the property whose value is equal to the debt, if we sell a property in which its value exceeds the debt the balance we give to the person” Female FGD, Kilimanjaro

Other challenges include: loss of money through bad debts in businesses, shortage of casual jobs, little wages, delayed payment of wages, difficult working conditions such as in stone quarries, livestock diseases, lack of grazing land, invasion of farms by pastoralists, and human diseases that affect productivity.

Table 24: Challenges faced in economic activities

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha rural	Meru	Moshi Rural	Rombo	Hai
n value	1061	422	639	207	215	214	206	219
Low prices for crops/livestock	47%	56%	41%	55%	58%	27%	64%	33%
Lack of capital to start/expand business	35%	38%	33%	36%	40%	29%	33%	36%
Climatic challenges e.g. unreliable rainfall, floods, drought	31%	35%	28%	33%	37%	19%	46%	21%
Lack of market for crops/livestock	23%	35%	15%	33%	37%	15%	17%	12%
Difficulty getting farm inputs/Unreliable farm inputs	18%	13%	21%	15%	11%	12%	38%	13%
Low yields due to poor farming methods	15%	14%	16%	15%	14%	9%	33%	7%
Lack of proper storage methods	6%	11%	2%	10%	13%	2%	2%	2%
Shortage of customers	5%	4%	7%	5%	2%	10%	2%	7%
Little wages	4%	2%	4%	1%	3%	4%	0%	8%
Lack/shortage of casual jobs	3%	1%	3%	2%	0%	6%	1%	3%
Pests destroy crops	1%	0%	2%	0%	0%	3%	0%	2%
Bad debts	1%	0%	1%	0%	0%	2%	0%	1%
Crop diseases	1%	0%	1%	0%	0%	1%	0%	1%
Delayed wages	1%	0%	1%	0%	0%	1%	0%	1%
Rise in commodity prices	1%	1%	0%	1%	0%	0%	0%	0%

5.5 Existing Mitigation Measures to Address the Challenges

Group loans by the local government: The local government provides loans to youth groups that are involved in economic activities.

“I see most of them have joined financial support groups; there are groups for women, youths, and

even the elderly. The local government authority therefore provides them with loans to help them conduct their activities. Most groups have started poultry farming, making fabrics and group farming.”

Irrigation systems: Agriculture in the two regions has benefited from irrigation systems that have made farming possible even in dry seasons.

Introduction of the *Kilimo kwanza* (Agriculture first): This is a national policy to resolve and accelerate agricultural sector. The policy has various strategic interventions towards addressing the various sectoral challenges and taking advantage of the numerous opportunities to modernize and commercialize agriculture in Tanzania.

6. Savings and Credit

6.1 Savings

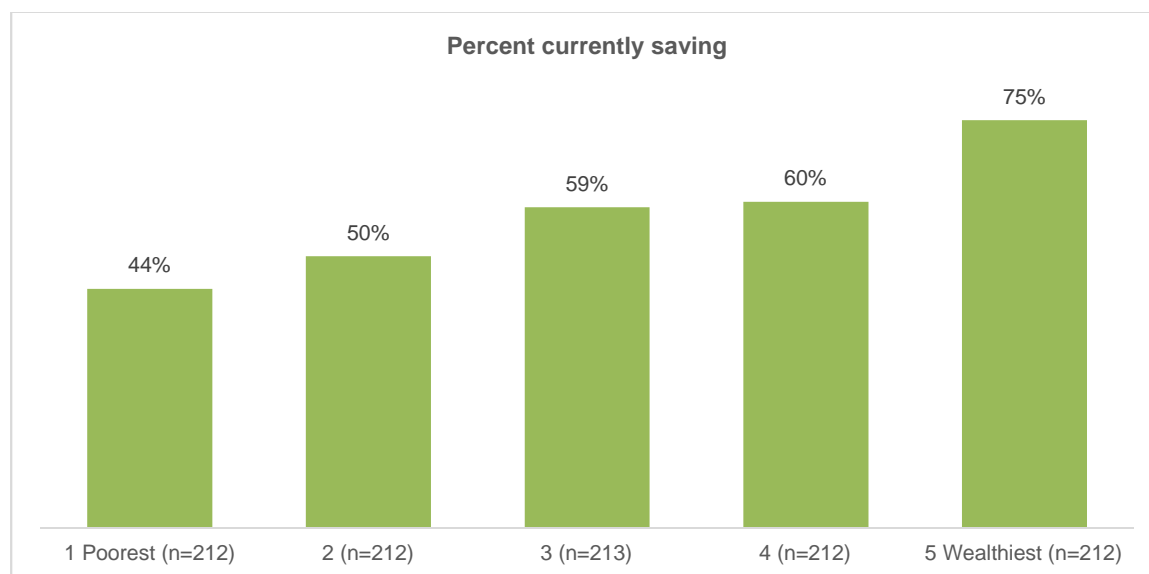
Overall, more than half (57%) of respondents were putting some money aside as savings. Hai District had the highest (70%) while Moshi Rural had the lowest (44%) number of people saving. While more males (60%) than females (55%) were saving in Arusha, the opposite seemed to be the case in Kilimanjaro where 60% of females and 52% of males were saving.

Table 25: Percent putting money aside as savings

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	1271	504	767	248	256	258	248	261
Total	57%	56%	58%	55%	56%	44%	62%	70%
n value	1061	422	639	207	215	214	206	219
Female	58%	55%	60%	55%	55%	46%	64%	70%
n value	210	82	128	41	41	44	42	42
Male	55%	60%	52%	56%	63%	34%	52%	69%

Three quarters (75%) of the wealthiest and 44% of the poorest households were putting aside money as savings.

Figure 10: Percent putting money aside as savings – by wealth quintiles



For those not saving, the main reason as shown in the table below, was lack of money to save. The same reason was widely mentioned among focus group participants.

“We don’t have savings because the income is so small, and the expenditures so high. And that’s because the money isn’t enough even for expenses. How can we have savings?” Female FGD, Arusha

Table 26: Reasons for not saving

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	542	223	319	111	112	145	95	79
Do not have money to save	97%	96%	98%	96%	95%	98%	98%	100%
Do not know where to save	1%	1%	1%	1%	2%	1%	1%	0%
Do not see the need to save	1%	3%	0%	2%	4%	0%	1%	0%
High bank charges	0%	0%	0%	1%	0%	0%	0%	0%
Fear	0%	0%	0%	0%	0%	1%	0%	0%
It caused conflict at home	0%	0%	0%	0%	0%	1%	0%	0%

The table below shows reasons for not saving among females. Besides not having money to save which was the major reason, other reasons were not knowing where to save, no need to save, and conflicts at home.

Table 27: Reasons for not saving among females

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	447	190	257	93	97	116	75	66
Do not have money to save	97%	96%	98%	97%	95%	98%	97%	100%
Do not know where to save	1%	2%	1%	1%	2%	1%	1%	0%
Do not see the need to save	1%	3%	0%	2%	3%	0%	1%	0%
It caused conflict at home	0%	0%	0%	0%	0%	1%	0%	0%

Among the males, the main reason was the same as that of females, that is lack of money. Emerging reasons, not mentioned among females include high bank charges and fear.

Table 28: Reasons for not saving among males

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	95	33	62	18	15	29	20	13
Do not have money to save	97%	94%	98%	94%	93%	97%	100%	100%
Do not see the need to save	1%	3%	0%	0%	7%	0%	0%	0%
High bank charges	1%	3%	0%	6%	0%	0%	0%	0%
Fear	1%	0%	2%	0%	0%	3%	0%	0%

Results from the focus group discussions and household survey reveal ways in which the community living in the target areas save their money. These include: secret place at home, bank accounts (e.g. NMB, CRDB, Akiba bank, Uchumi Bank, Posta bank, Equity bank), savings groups (VIKOBAs), merry-go-round (Kibati), mobile money accounts, savings and credit cooperative societies (SACCOS), in stock/livestock (e.g. charcoal, goats, cows, chicken,

pigs), lending to someone at a small interest, with friend/family member, with employer, NSSF. As indicated by the verbatim below, merry-go-round is in some cases used to accumulate savings which is then transferred to a mobile money account. Contributions to merry-go-rounds are done on a regular basis e.g. daily or weekly.

I keep my saving through 'Kibati' plays in which I contribute 2000/= every week from my business; and transfer the money in my M-pesa account at the end of the month." Female FGD, Kilimanjaro

Interestingly, almost half (46%) of those who saved kept their money at home in a place they perceived to be safe. More than half (55%) in Arusha Rural saved in a safe place at home, the highest compared to the other districts. Some of the places supposed to be safe and which are used for saving at home include a lockable box, piggy bank, a nylon paper, and inside the pillow among other places. From the verbatim responses below, it appears that saving at home provides easy access to the money, particularly in an emergency.

"I keep my savings in savings group and other secret places; I hide it inside my house because I might get an emergency of having a sick child in the middle of the night and need money... I put them in a nylon paper safely in my secret place." Female FGD, Arusha

"I have my own stash...I stash inside the pillow; I use them when I have failed to access money from all expected sources." Female FGD, Kilimanjaro


About a third (30%) of those who saved kept money in savings groups, particularly in Meru and Rombo districts. Arusha Rural (26%) and Meru (22%) districts had the highest number of people saving on mobile phones compared to the other districts. Use of banks, savings and credit cooperative societies (SACCOS), and Micro-finance institutions (MFIs) was mostly reported in Kilimanjaro. Specifically, more people in Moshi Rural and Hai districts used banks and SACCOs respectively. The table below indicates where people saved across the districts, and excludes places with a total score of less than 1%.

Table 29: Savings place

	Total	Region		District				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	729	281	448	137	144	113	153	182
Safe place at home	46%	48%	44%	55%	42%	44%	44%	45%
Savings group	30%	32%	29%	29%	35%	27%	35%	25%
Mobile phone	15%	24%	10%	26%	22%	10%	3%	16%
Bank	11%	9%	11%	9%	9%	18%	8%	10%
SACCOS	6%	1%	8%	1%	1%	3%	9%	12%
MFI	2%	1%	3%	1%	1%	4%	1%	4%
Friend/family	1%	2%	1%	1%	2%	0%	1%	2%

The number of people who saved at home was higher among the poorest (59%) compared to the wealthiest households (42%). Use of savings groups, mobile phones and banks as was higher among the wealthiest compared to the poorest households.

Table 30: Savings place – by wealth quintiles

Wealth quintiles	Poorest  Wealthiest				
	1	2	3	4	5
n value	93	107	126	128	160
Safe place at home	59%	43%	49%	48%	42%
Savings group	29%	36%	31%	29%	33%
Mobile phone	18%	14%	10%	19%	23%
Bank	3%	4%	7%	7%	23%
SACCOS	2%	6%	9%	6%	4%
MFI	1%	2%	3%	4%	2%
Friend/family	4%	1%	2%	0%	1%

Half of the females in Arusha and 44% in Kilimanjaro kept their money at home. About a third of the females saved with savings groups and 15% saved on mobile phones. The number of females saving at home, in groups, and on mobile phones was higher in Arusha compared to Kilimanjaro. On the other hand, the number of females using banks, SACCOS and MFIs seemed to be higher in Kilimanjaro compared to Arusha.

Table 31: Savings place – Females

	Total	Region		District				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	614	232	382	114	118	98	131	153
Safe place at home	46%	50%	44%	57%	42%	47%	43%	44%
Savings group	32%	35%	31%	33%	36%	30%	37%	26%
Mobile phone	15%	23%	10%	23%	23%	10%	3%	15%
Bank	9%	7%	10%	5%	8%	12%	8%	10%
SACCOS	5%	1%	8%	2%	0%	3%	8%	11%
MFI	3%	2%	3%	2%	2%	5%	1%	4%
Friend/family	1%	2%	1%	1%	3%	0%	1%	2%

As shown in the following table, more males saved in banks compared to females. Although the number of males who saved in Moshi Rural was low compared to other districts, more than half of them saved with banks. Meru and Rombo districts respectively had the highest number of males saving with groups. Saving on mobile phone was mostly used by males in Arusha Rural.

Table 32: Savings place – Males

	Total	Region		District				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	115	49	66	23	26	15	22	29
Safe place at home	43%	43%	44%	48%	38%	27%	50%	48%
Bank	20%	20%	20%	30%	12%	53%	14%	7%
Mobile phone	19%	29%	12%	43%	15%	7%	5%	21%
Savings group	18%	18%	18%	9%	27%	13%	23%	17%
SACCOS	7%	2%	11%	0%	4%	0%	14%	14%
In livestock	1%	2%	0%	4%	0%	0%	0%	0%
MFI	1%	0%	2%	0%	0%	0%	0%	3%
NSSF	1%	0%	2%	0%	0%	0%	0%	3%
Friend/family	1%	2%	0%	4%	0%	0%	0%	0%

Challenges faced by those who saved money mostly had to do with saving in groups, for example when some group members fail to return money on time or fail to return the money at all and the others must bear the loss.

“I save in a social savings group and face challenges like we agree to save for six months then distribute the money, but when it reaches that time people who borrowed money are nowhere to be seen.” Female FGD, Arusha

Also, mentioned as a challenge with saving in group is that sometimes the demand for loan is high and people fail to get money when they need it because they must wait in queue.

“The first months of the year the demand of loans in the group is so high. Many members ask for loan and the money is not enough to loan all members, and people must be given in turns. This sometimes affect me in my agriculture due to missing out on a loan.” Female FGD, Kilimanjaro

6.2 Access to credit

As shown in the table below, about a third of respondents, both males and females had ever taken a loan before. Arusha Rural had the highest number of females who had taken a loan before. Among the males, Meru district had the highest number who had taken a loan before.

Table 33: Percent that accessed credit before

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	1271	504	767	248	256	258	248	261
Total	32%	33%	31%	35%	32%	30%	30%	31%
n value	1061	422	639	207	215	214	206	219
Females	32%	32%	31%	36%	29%	32%	31%	32%
n value	210	82	128	41	41	44	42	42
Males	31%	39%	27%	32%	46%	20%	29%	31%

Sources of loan for the communities living in target areas include: Savings groups, SACCOS, banks, Micro-finance institutions such as BRAC, PRIDE, Small Enterprise Development Agency (SEDA), Non-governmental organizations such as Building a Caring Community (BCC), FT Kilimanjaro (FTK), employers, shop keeper, church, and individuals

Table 34: Sources of credit

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	402	168	234	87	81	77	75	82
Savings group/other groups	49%	46%	51%	46%	47%	43%	56%	55%
From a friend/family member/ neighbor	21%	39%	8%	43%	36%	13%	8%	4%
MFI/BRAC/SEDA/PRIDE	13%	3%	20%	1%	5%	21%	20%	18%
SACCOS	9%	6%	12%	6%	6%	6%	11%	18%
Bank	5%	5%	5%	5%	5%	10%	3%	2%
Employer	1%	0%	1%	0%	0%	0%	1%	2%
From a money lender (Shylock)	1%	1%	1%	0%	1%	1%	1%	0%
NGO (Floresta, BCC, FTK)	1%	0%	1%	0%	0%	4%	0%	0%

Among the females, 53% received loans from savings or other groups. A considerable proportion also got loans from friends, family members or neighbors. More females in Kilimanjaro received loans from groups compared to Arusha while on the other hand the number of females who received loans from friends, family members or neighbors was higher in Arusha compared to Kilimanjaro region.

Table 35: Sources of credit – females

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	336	136	200	74	62	68	63	69
Savings group/other groups	53%	50%	55%	50%	50%	46%	57%	61%
From a friend/family member/ neighbor	21%	39%	8%	41%	37%	13%	8%	3%
MFI/BRAC/SEDA/PRIDE	12%	2%	19%	1%	3%	19%	22%	16%
SACCOS	8%	4%	11%	5%	3%	6%	8%	17%
Bank	4%	4%	5%	3%	5%	9%	3%	3%
NGO (Floresta, BCC, FTK)	1%	0%	2%	0%	0%	4%	0%	0%
From a money lender (Shylock)	1%	1%	1%	0%	2%	1%	0%	0%

Presented in the table below are the sources of loans for males. Compared to the females, more males received loans from financial institutions such as SACCOS, banks, and MFIs. However, like the females, the main source of loans remained savings/other groups.

Table 36: Sources of credit – males

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	66	32	34	13	19	9	12	13
Savings group/other groups	32%	31%	32%	23%	37%	22%	50%	23%
From a friend/family member/ neighbor	24%	41%	9%	54%	32%	11%	8%	8%
SACCOS	17%	13%	21%	8%	16%	11%	25%	23%
MFI/BRAC/SEDA/PRIDE	15%	6%	24%	0%	11%	33%	8%	31%
Bank	8%	9%	6%	15%	5%	22%	0%	0%
Employer	3%	0%	6%	0%	0%	0%	0%	15%
From a money lender (Shylock)	2%	0%	3%	0%	0%	0%	8%	0%

Those who had never taken a loan before cited several reasons as indicated in the table below. Economic capacity is a key factor as indicated by the 42% who said they did not have the means to repay the loan. More people in Arusha region (50%) and particularly in Arusha Rural, did not have means for repaying loans compared to Kilimanjaro region (36%). Also, worth noting is the 32% who do not want to take loans because of fear of not being able to repay. Other reasons not include in the table because the total score was less than 1% were: religion, high interest, too many conditions, and not having enough knowledge about loans.

Table 37: Reasons for not taking credit

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	869	336	533	161	175	181	173	179
Has no means of repaying loan	42%	50%	36%	57%	44%	34%	38%	36%
Fear of not being able to repay	32%	27%	36%	24%	30%	35%	41%	32%
Does not need a loan	18%	15%	20%	13%	16%	18%	17%	24%
Applied but did not qualify	2%	3%	2%	4%	3%	3%	2%	0%
Does not know where to get a loan from	2%	2%	2%	1%	3%	3%	0%	2%
Spouse does not allow her to take loans	1%	1%	2%	0%	2%	2%	1%	3%
Our group has not reached the point of loaning out	1%	1%	1%	1%	1%	1%	0%	1%
No source of loan/ I am not in any group	1%	0%	1%	0%	0%	2%	1%	0%

The major reason for not taking loans by females was lack of means, that is they did not have a source of income through which they can repay a loan, particularly in Arusha Rural (60%). Fear of not being able to repay a loan was highest among females in Rombo District compared to the other districts.

Table 38: Reasons for not taking credit – Females

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	725	286	439	133	153	146	143	150
Has no means of repaying loan	43%	52%	37%	60%	46%	34%	39%	37%
Fear of not being able to repay	32%	26%	36%	22%	29%	33%	41%	34%
Does not need a loan	17%	13%	20%	12%	14%	20%	17%	21%
Applied but did not qualify	2%	3%	1%	4%	3%	3%	1%	0%
Does not know where to get a loan from	2%	2%	2%	0%	4%	4%	0%	2%
Spouse does not allow her to take loans	2%	1%	2%	0%	2%	3%	1%	3%
Our group has not reached the point of loaning out	1%	1%	0%	2%	1%	1%	0%	1%

As seen in the case of females, both fear of not being able to repay loan and having no means to repay a loan were also the main reasons that barred males from taking loans. More males, and particularly in Hai District (38%) and Meru Districts (32%) did not see the need to take loan compared to the females.

Table 39: Reasons for not taking credit – Males

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	144	50	94	28	22	35	30	29
Fear of not being able to repay	35%	34%	35%	32%	36%	43%	40%	21%
Has no means of repaying loan	35%	36%	34%	39%	32%	34%	33%	34%
Does not need a loan	22%	24%	21%	18%	32%	11%	17%	38%
Applied but did not qualify	3%	2%	4%	4%	0%	6%	7%	0%
No source of loan/ I am not in any group	1%	0%	2%	0%	0%	3%	3%	0%
As a leader, I give opportunity to members first	1%	0%	1%	0%	0%	0%	0%	3%
CRDB Bank does not loan casuals, only employees	1%	0%	1%	0%	0%	3%	0%	0%
Does not know where to get a loan from	1%	2%	0%	4%	0%	0%	0%	0%
My religion prohibits	1%	2%	0%	4%	0%	0%	0%	0%
Our group has not reached the point of loaning out	1%	0%	1%	0%	0%	0%	0%	3%

About half (48%) of people who took loans in Arusha and Kilimanjaro used income from business to repay the loans while a third (33%) used proceeds from farm products. The number that sold livestock to pay loan was higher in Arusha Rural compared to the other districts. Other sources of money that was used to repay loan and have not been include in the table below because the total score is less than 1% were: savings, lending out at an interest, and pension.

Table 40: Sources of money for loan repayment

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	402	168	234	87	81	77	75	82
Business	48%	50%	46%	49%	50%	48%	41%	50%
Sold farm produce	33%	31%	34%	31%	32%	35%	39%	30%
Sold livestock	15%	19%	12%	21%	15%	13%	15%	9%
Salary/Wages	13%	10%	17%	9%	9%	12%	23%	14%
From friend/family member	6%	11%	2%	15%	7%	2%	5%	0%
Not started paying	2%	3%	1%	4%	2%	1%	0%	3%
Another loan	1%	0%	1%	1%	0%	2%	1%	1%
Sold a piece of land	1%	1%	0%	3%	0%	1%	0%	0%

7. Groups

7.1 Membership in Groups

The scoping study indicated existence of self-help groups in both Arusha and Kilimanjaro regions. As indicated in the table below, the household survey established that membership in groups was relatively low (34%). Kilimanjaro region had more people in groups (38%) compared to Arusha region (28%). Hai District (44%) followed by Rombo District (39%) districts had the highest number of people in groups.

More Females (35%) compared to males (27%) belonged to groups. This confirmed results from the scoping study which indicated that women were more involved in SHGs compared to men.

“Women are more involved in groups and economic activities than the men. The men usually spend most of the time at the bars getting drunk, while the women are depended on to provide for the family”. WEO, Same district

“Honestly women participate more in terms of groups, anything concerning groups they are so dedicated. They encounter problems in earning an income, but if you give them good guidance, they are very devoted.” VEO, Same district

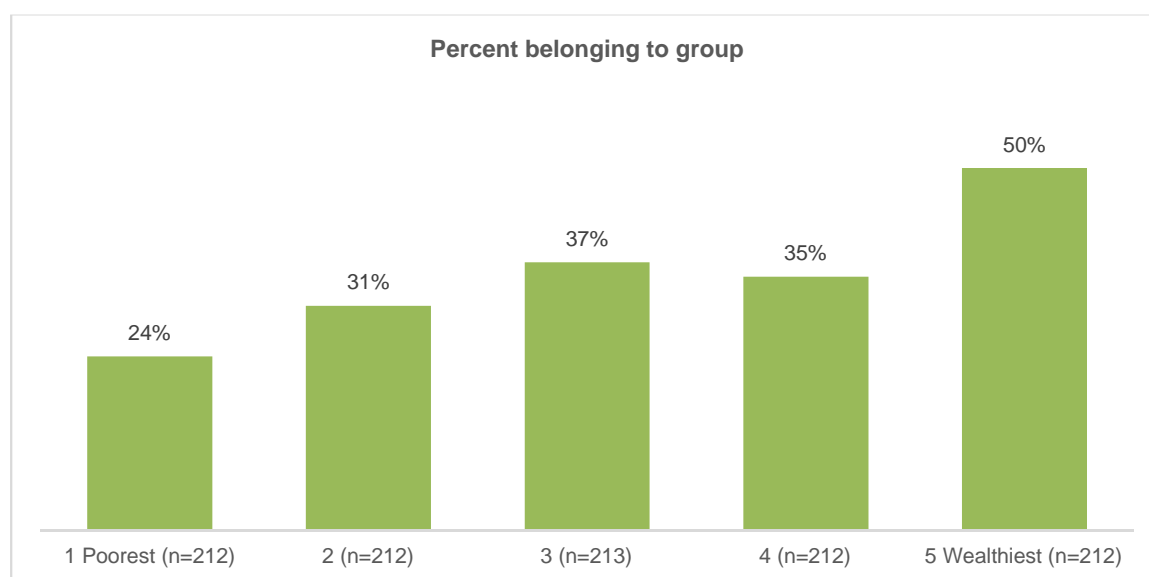
Hai District reported highest proportion of females while Rombo District had the highest proportion of males in groups compared to the other districts.

Table 41: Percent of respondents in groups

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	1271	504	767	248	256	258	248	261
Total	34%	28%	38%	27%	29%	31%	39%	44%
n value	1061	422	639	207	215	214	206	219
Females	35%	29%	40%	29%	28%	33%	39%	47%
n value	210	82	128	41	41	44	42	42
Males	27%	22%	30%	15%	29%	20%	40%	31%

Group membership was observed across all quintiles. About a quarter (24%) of the poorest and a half of the wealthiest households were in groups. An indication that a section of those categorized as poorest have potential for participating in groups.

Figure 11: Percent of respondents in groups – by wealth quintiles



Majority (85%) of those in groups belonged to one group only. Respondents in this survey belonged to 506 groups without accounting for overlaps of reported groups.

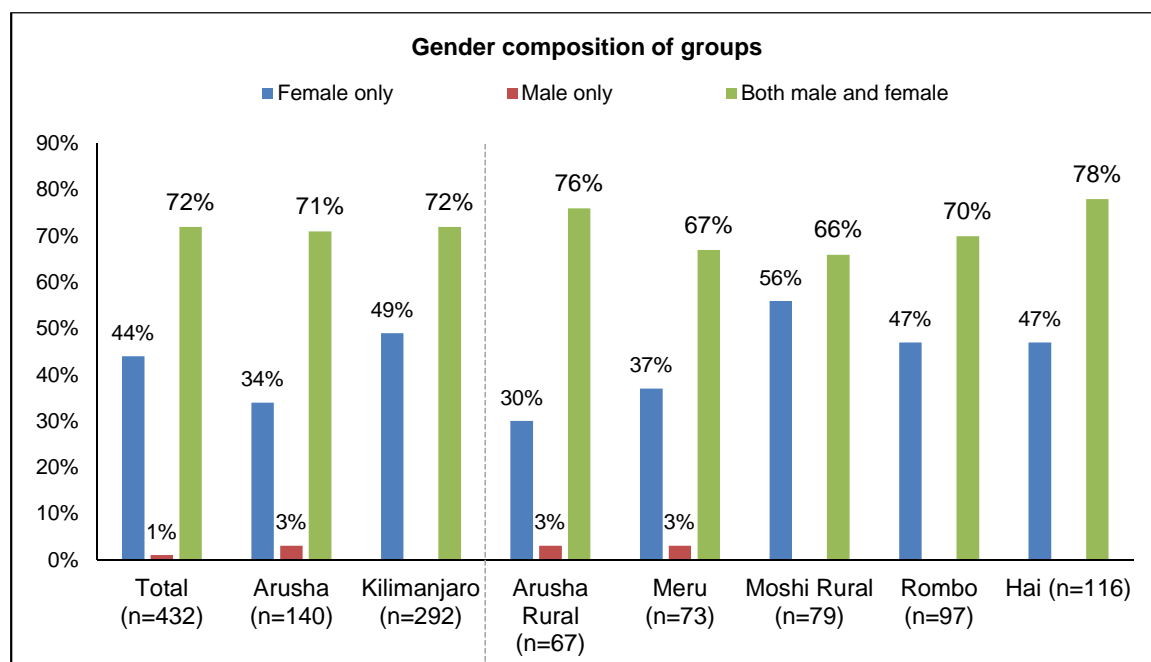
Table 42: Number of groups

		Total	Region		Districts				
			Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
Total	n value	432	140	292	67	73	79	97	116
	1 group	85%	93%	81%	93%	93%	80%	84%	80%
	2 groups	13%	6%	16%	6%	7%	19%	15%	15%
	3 groups	2%	1%	2%	1%	0%	1%	0%	5%
	4 groups	0%	0%	0%	0%	0%	0%	1%	0%
Females	n value	375	122	253	61	61	70	80	103
	1 group	84%	93%	80%	93%	93%	79%	81%	80%
	2 groups	13%	6%	17%	5%	7%	20%	18%	15%
	3 groups	2%	1%	3%	2%	0%	1%	0%	6%
	4 groups	0%	0%	0%	0%	0%	0%	1%	0%
Males	n value	57	18	39	6	12	9	17	13
	1 group	89%	89%	90%	83%	92%	89%	94%	85%
	2 groups	11%	11%	10%	17%	8%	11%	6%	15%

Majority (72%) of those who belonged in groups were in mixed gender groups. Those who were in female only groups were 44% while only 1% belonged to a male only group. According to the scoping study, membership in groups ranged from 15 to 30. For savings groups (VICOBAs), the minimum number by law is 15.

“The groups are established through the law and VICOPA procedures; like VICOPA should have 15 members and above and that these members should have guides from the organizers of the group. So, in short, each VICOPA has at least 15 members” NGO staff, Siha District

Figure 12: Gender composition of groups



7.2 Reasons for Joining Groups

As outlined in the table below there are two major drivers for joining group; social capital and economic (save and or access loan). Those who joined groups to save were 27% while those who joined groups with the purpose of getting loans were 20%. The number of people who joined groups to get help in times of trouble was smaller in Hai District (30%) compared to other districts, especially Meru (50%) and Rombo (49%) Districts. On the other hand, more people in Hai District joined groups to save or get loans compared to the other districts.

Table 43: Reasons for joining groups

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
n value	506	151	355	73	78	96	114	145
To get help in case of a problem e.g. funeral	40%	46%	38%	41%	50%	36%	49%	30%
To save	27%	25%	28%	30%	19%	26%	24%	33%
To get loan	20%	20%	20%	21%	19%	20%	11%	28%
To participate in economic activity	9%	7%	9%	4%	10%	13%	11%	6%
For personal development	1%	1%	1%	3%	0%	2%	1%	1%
To educate my children	1%	1%	1%	1%	1%	2%	2%	1%
To market my coffee	1%	0%	1%	0%	0%	1%	2%	0%
To conserve environment	0%	0%	0%	0%	0%	0%	1%	0%
To help children living in unsafe environment	0%	0%	0%	0%	0%	0%	0%	1%

The survey sought to understand the motivators for joining groups across gender. As outlined in table 44 and 45, both men and women were mainly driven to join groups for social capital.

The main reason for joining groups by females, particularly in Rombo District (50%) was to get help in times of trouble. However, the situation appears to be different in Hai District where more females joined groups to save or get loans.

Table 44: Reasons for joining groups – by females

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	443	131	312	66	65	86	96	130
To get help in case of a problem e.g. funeral	40%	42%	38%	38%	46%	40%	50%	29%
To save	28%	27%	28%	32%	23%	26%	25%	32%
To get loan	21%	21%	21%	21%	20%	20%	9%	30%
To participate in economic activity	9%	7%	9%	5%	9%	10%	13%	6%
To educate my children	2%	2%	2%	2%	2%	2%	2%	1%
For personal development	1%	2%	1%	3%	0%	2%	1%	1%
To help children living in unsafe environment	0%	0%	0%	0%	0%	0%	0%	1%

Table 45: Reasons for joining groups – by males

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	63	20	43	7	13	10	18	15
To get help in case of a problem e.g. funeral	46%	70%	35%	71%	69%	10%	44%	40%
To save	21%	5%	28%	14%	0%	30%	17%	40%
To get loan	16%	15%	16%	14%	15%	20%	17%	13%
To participate in economic activity	10%	10%	9%	0%	15%	30%	6%	0%
To market my coffee	5%	0%	7%	0%	0%	10%	11%	0%
For personal development	2%	0%	2%	0%	0%	0%	0%	7%
To conserve environment	2%	0%	2%	0%	0%	0%	6%	0%

Among those who belonged to one group only, 63% (42% in Arusha and 74% in Kilimanjaro) were willing to join another group. The main reason for joining another group would be to get capital or increase income. Probably because they are already getting social support from the first group. Other notable reasons are conditions for membership, benefits offered by the group. Conditions for membership here refers to rules and regulations of the group. Benefits offered by the group is whether the services they would get from the group is in line with their expectations in meeting their needs.

Table 46: Reasons for joining another group

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi Rural	Rombo	Hai
<i>n value</i>	230	55	175	19	36	46	62	67
To get capital/more income	26%	25%	26%	26%	25%	22%	39%	16%
Conditions for membership	12%	7%	14%	5%	8%	7%	2%	30%
Benefits offered by the group	12%	11%	12%	16%	8%	13%	10%	13%
To get loans	11%	13%	10%	21%	8%	22%	3%	9%
To improve my economic status	10%	11%	10%	11%	11%	11%	8%	10%
Low interest on loans	8%	9%	7%	0%	14%	7%	13%	3%
To get more skills	7%	13%	6%	21%	8%	4%	8%	4%
To support one another	7%	5%	7%	0%	8%	2%	11%	6%
If my financial status allows	3%	0%	5%	0%	0%	4%	3%	6%
Integrity of members and leaders/Good leadership	3%	2%	3%	0%	3%	4%	3%	3%
To save	2%	4%	2%	0%	6%	4%	2%	0%
I like groups very much	1%	2%	1%	0%	3%	0%	2%	0%
To get help in marketing agricultural produce and livestock	0%	0%	1%	0%	0%	2%	0%	0%

7.3 Group activities

A quarter of the groups that respondents belonged to were welfare groups where group activity involved helping members in times of trouble, for example with funerals. Among the people belonging to more than one group (n=65), 29% belonged to groups with same activity. Activities with less than 1% have been excluded from the table below.

Table 47: Activities of groups

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi	Rombo	Hai
<i>n value</i>	506	151	355	73	78	97	116	145
Helping members during a problem	25%	34%	21%	36%	32%	28%	18%	19%
Giving loans to members only	22%	13%	26%	15%	10%	19%	14%	39%
Saving only	12%	2%	16%	3%	1%	18%	6%	23%
Giving loans to members only and helping members during a problem	9%	11%	8%	11%	10%	11%	11%	4%
Saving, giving loans to members only, and helping members during a problem	8%	13%	6%	12%	14%	1%	13%	3%
Saving and giving loans to members only	6%	10%	5%	7%	13%	5%	6%	3%
Investing in economic activity	5%	5%	5%	1%	8%	10%	5%	2%
Saving and helping members during a problem	5%	6%	4%	8%	4%	3%	9%	1%

Giving loans to members and non-members	1%	1%	1%	1%	1%	0%	2%	2%
Investing in economic activity and giving loans to members only	1%	2%	1%	1%	3%	2%	0%	0%
Saving and investing in economic activity	1%	0%	1%	0%	0%	0%	3%	1%
Saving, giving loans to members and non-members, and helping members during a problem	1%	0%	1%	0%	0%	1%	3%	0%
Saving, investing in economic activity, and helping members during a problem	1%	1%	1%	1%	0%	0%	3%	0%

7.4 Reasons for not Joining Groups

Majority (66%) of respondents did not belong to any group in the community. The main barrier to joining a group was lack of money (51%). This cut across all the five districts. Lack of money is perceived as a barrier to group membership which requires regular contribution of shares. For some people, as much as they have a source of income, it is usually too little to manage the contributions required by groups. Some groups require members to take a loan at least once in year, failure to which one is fined. This presents a barrier particularly to those who are apprehensive about their ability repay a loan. The fear of joining groups is also caused by the risk of losing property if one fails to repay a loan. Lack of money was also the main reason why those who are currently not in savings and loans groups would not join such groups.

"I am afraid of joining a group and then I get stuck... I don't want to, and it's because I am afraid of being in debt." Female FGD, Arusha

"The reason why I have not joined a group is because I have learnt from those who were in groups; you may find someone borrowed money and have a business if you delay to pay they will come to your business with a car while they are playing a song of pay me and I go, this song means you have failed to pay so they will raid your business. We have seen them take people's farms, cattle and home stuffs." Male FGD, Kilimanjaro

"I don't like those groups. And it's because I see the way people get humiliated when it comes to loans. I don't want such groups." Female FGD, Arusha

The scoping study also indicated that financial ability of a person would determine whether he/she joins a group or not. According to the FinScope 2013 Tanzania Survey, 25% of those who did not belong to any group cited lack of money as the reason. This is because the financial ability of group members determines whether they will be able to contribute to group shares or repay loans. The baseline study indicates non-payment of loans as a major challenge affecting SHGs in Arusha and Kilimanjaro regions, and especially if the source of income is affected for example, loss of crops or livestock due to climatic challenges, diseases or pests, low business and poor prices for farm produce, illness which affects productivity, other emergencies in the household, shortage of casual jobs, among other factors.

"Group members usually rely on income from businesses, crops or livestock. Therefore, when problems such as floods sweep away the crops or in case of drought then they have nothing to sell and nothing to contribute to the group" VEO, Arusha Rural

"I took a loan from a savings group for investing in agriculture but my crops dried up and I failed to get yields; I also failed to repay the loan and they took away all my chicken to repay the debt, my children are now facing difficulties in studying and I am a single mother." Female FGD, Kilimanjaro

Mistrust from the community: Depending on past experiences and educational level of the community there might be feelings of insecurity amongst the members of the community in terms of validity of the self-help groups. Past experiences such as formation of similar groups where community members engage in and at the end the leader of the group runs away with money; repayments not being done on time leading to members of the groups not enjoying the benefits of the group are some of the reasons to why mistrust emerge amongst community members.

"You might pass around encouraging people to join a group of borrowing money from each other, someone else passes around spreading negativity, the ones who wanted to join will take a step back and you find your selves few and therefore give up." Female FGD, Kilimanjaro

"Many people do not trust each other, so if you want to form a group many people refuse and this is mostly because in the past we used to have cooperative unions dealing with cotton but they were faced with a lot of theft and so people thought if we form groups right now they will be faced with the same problem." NGO staff, Arusha

Lack of information and knowledge about groups: Lack of adequate information regarding groups formation, operation and benefits to members have an impact on how the community respond to the idea of formation of Self Help Groups

"I grow carrots and fruits in a small garden. We have groups but as a young man I don't know how I can join a group and this is because of my economic condition. Sometimes I think of joining the group but I lack education because nobody came to train me how I can be a member of the group" Male FGD, Kilimanjaro

"In the beginning, most of such groups were formed without prior knowledge of how to operate them and the functions. The women used to get into so many conflicts with each other and even end up in court, many groups collapsed Then we got a social development officer who we took around the area to educate people on formation, organization and functions of such groups. Now people have a better understanding and stronger groups have been formed" VEO, Arusha Rural

"I think it's all about people being educated. If they are educated, negativity about groups and loans will not be there and everything will go well." Female FGD, Arusha

Opposition from male partners: Some women are prohibited from joining SHGs by their husbands because of fear of losing property to the group if the woman takes a loan and fails to repay. Some do not trust their wives being in groups because they involve meetings away from home.

"I wanted to join a group, but my husband denied me the chance." Female FGD, Arusha

"Another issue is that the husbands don't want their wives to get involved in loans which they can't repay because their income is minimal hence they fear losing their household items when the loan is due." VEO, Arusha Rural

"A small percentage of the women experience challenges and mostly those with families because their husbands assume that they were just roaming around. Because what they don't know is that the success of these groups comes after meeting and planning." VEO, Arusha Rural

Sparse population and migration: In rural areas where houses are sparsely populated it is very difficult to bring people or organize people together for meetings as people consider the distance far hence such meetings often face a lot of absenteeism of other village/ community members.

"We do not have a group; distance from one house to the next made it difficult to meet." Male respondent, Kilimanjaro

Registration Process is likely to affect formation of groups as opposed to joining of an existing group: For formal groups where they must be registered; the process might be quite challenging and demotivating to formation of the groups. Slow process involved in registration, documents required and so forth are some of the key challenges that may affect efforts to organize self-help groups. During registration, the attitude of some local government officers may be a barrier to formation of groups, particularly if the group is for women as indicated by the verbatim below.

"First, us as leaders, we usually discourage the women from creating such groups because we know that eventually it becomes a problem when they fail to repay loans, because they start fighting or coming to my office or going to the police. Therefore, even if women come to my office to register a group, I usually refuse." VEO, Arusha Rural

Religions that prohibit their members from taking loans with interest affect membership in savings and loans groups where members are required to take loans and repay with interest. Therefore, some people choose not to join such groups. However, the study shows that this affects only a small proportion, both males and females of the population in the two regions.

Cultural reasons in some communities, for example among the Maasai, culture does not permit women and men to come together and this affects even formation of groups. Although this is changing, it is still an issue in some of the areas.

"Most people in my area are from Maasai community; and in their custom, they don't usually combine men and women in most activities. We have tried to encourage them to do so in meetings and gatherings, and they have started to interact. Things are different now, we have groups for men, women, and even some that combine men and women." WEO, Arusha Rural

"Due to traditional customs, you can't mix male and female genders in groups." CBO staff, Arumeru

Activities of the group, for example, according to the Tanzania FinScope survey of 2013, the main barrier to group membership was lack of interest in group activities. This is not quite clear; however, group activities could include rules and regulations of group, and benefits offered by group. From the household survey and FGDs, it is evident that groups are not necessarily formed by people engaged in same economic activity. Group members were involved in different economic and livelihood activities.

Table 48: Reasons for not belonging to a group

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi	Rombo	Hai
<i>n value</i>	839	364	475	181	183	179	151	145
Does not have money for groups	51%	54%	50%	52%	55%	46%	58%	46%
Does not see the need to join a group	13%	15%	12%	17%	13%	11%	13%	11%
Does not trust groups	6%	5%	8%	4%	5%	11%	7%	5%
No time for group meetings/busy with other activities	6%	7%	5%	8%	6%	7%	5%	5%
No groups/male groups in the area	4%	5%	3%	3%	8%	5%	2%	2%
Previous bad experience with group	4%	4%	4%	4%	3%	2%	3%	9%

Has not found a group that suits his/her needs	4%	3%	5%	3%	3%	3%	3%	9%
Groups have conflicts	4%	5%	3%	5%	4%	6%	1%	2%
Spouse has not permitted her to join a group	1%	1%	2%	1%	2%	2%	1%	2%
Does not understand/have little knowledge about groups/loans	1%	1%	1%	1%	1%	1%	1%	1%
Age - too old	1%	0%	1%	0%	0%	1%	3%	1%
Does not like groups	1%	0%	1%	0%	0%	1%	1%	1%
Illness	1%	0%	1%	0%	0%	1%	1%	1%
Fear of not being able to contribute/repay loans	1%	0%	1%	1%	0%	1%	1%	0%

Overall, more than half (55%) of females who did not belong to any group cited lack of money as the reason. Although this was the major reason in all the districts, the percentages were higher in Meru (60%) and Rombo (60%) and lower in Moshi (49%) and Hai (47%).

Table 49: Reasons for not belonging to a group – females

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha Rural	Meru	Moshi	Rombo	Hai
<i>n value</i>	686	300	386	146	154	144	126	116
Does not have money for groups	55%	58%	52%	55%	60%	49%	60%	47%
Does not see the need to join a group	12%	12%	11%	13%	12%	10%	14%	9%
Does not trust groups	6%	4%	7%	5%	3%	10%	6%	4%
No time for group meetings/busy with other activities	6%	7%	5%	8%	6%	6%	6%	3%
Previous bad experience with group	4%	4%	5%	5%	3%	2%	3%	9%
No groups/male groups in the area	4%	6%	3%	4%	8%	5%	2%	2%
Groups have conflicts	3%	4%	3%	5%	3%	6%	0%	3%
Has not found a group that suits his/her needs	3%	2%	4%	2%	2%	3%	2%	9%
Spouse has not permitted her to join a group	2%	1%	2%	1%	2%	3%	1%	3%
Illness	1%	0%	1%	0%	0%	1%	1%	2%
Does not like groups	1%	0%	1%	0%	0%	0%	2%	2%
Does not understand/have little knowledge about groups/loans	1%	0%	1%	1%	0%	1%	1%	0%
Fear of not being able to contribute/repay loans	1%	0%	1%	1%	0%	1%	1%	0%
Have not decided to join any group	1%	0%	1%	0%	1%	0%	0%	3%
Planning to join soon/after/this year	1%	0%	1%	1%	0%	1%	1%	0%

Like the females, the major reason for not belonging to any group among the males was lack of money. However, the proportion was lower compared to that of females. Compared to the other districts, Rombo District had the highest number of males who did not belong to any group because of lack of money. Males who did not see the need to belong to a group were

18%, a larger proportion compared to that of females (12%). Among the five districts, Arusha had the biggest number of males who did not belong to any group because they did not see the need to.

Table 50: Reasons for not belonging to a group – by males

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha	Meru	Moshi	Rombo	Hai
<i>n value</i>	153	64	89	35	29	35	25	29
Does not have money for groups	37%	33%	40%	37%	28%	37%	48%	38%
Does not see the need to join a group	18%	27%	12%	34%	17%	11%	8%	17%
Does not trust groups	9%	8%	10%	0%	17%	14%	8%	7%
No time for group meetings/busy with other activities	8%	9%	8%	11%	7%	11%	0%	10%
Has not found a group that suits his/her needs	6%	6%	6%	6%	7%	3%	4%	10%
Groups have conflicts	5%	8%	3%	6%	10%	6%	4%	0%
No groups/male groups in the area	4%	3%	4%	0%	7%	6%	4%	3%
Previous bad experience with group	3%	3%	3%	3%	3%	3%	0%	7%
Age - too old	3%	0%	4%	0%	0%	0%	12%	3%
Does not understand/have little knowledge about groups/loans	2%	2%	2%	0%	3%	0%	4%	3%
Does not like groups	1%	0%	2%	0%	0%	6%	0%	0%
Distance from one house to the next made it difficult to meet	1%	0%	1%	0%	0%	3%	0%	0%
Fear of not being able to contribute/repay loans	1%	0%	1%	0%	0%	0%	4%	0%
Illness	1%	0%	1%	0%	0%	0%	4%	0%
My religion prohibits	1%	2%	0%	3%	0%	0%	0%	0%

More than a third (36%) of people in groups had not experienced any problem with their groups. The most mentioned problem was conflicts among members. Non-payment of loans was also a major problem, and which probably also resulted in the conflicts within the group.

Table 51: Problems faced in groups

	Total	Region		Districts				
		Arusha	Kilimanjaro	Arusha	Meru	Moshi	Rombo	Hai
n value	432	140	292	67	73	79	97	116
None	36%	24%	42%	27%	21%	35%	43%	46%
Conflict among members	18%	24%	15%	12%	34%	16%	19%	10%
Members fail to repay/do not repay loans on time	13%	10%	15%	9%	11%	15%	10%	18%
Uncommitted members and/leaders	9%	11%	9%	12%	10%	10%	9%	7%
Group leaders/member run away with group funds	7%	10%	6%	9%	11%	4%	4%	9%
Group savings misused by group leader/s	6%	9%	4%	13%	5%	4%	4%	3%
Limited capital/ Money not enough to loan members	4%	4%	4%	6%	3%	1%	5%	4%
Could not get loan when I needed it	2%	4%	2%	6%	1%	4%	0%	2%
Group leaders make decisions for the group without consulting members	2%	3%	1%	1%	4%	4%	1%	0%
Not having money for contributions	1%	2%	1%	4%	0%	1%	1%	1%
Leaders do not have expertise to run the group	1%	0%	1%	0%	0%	4%	1%	0%
Being forced to borrow against one's will	0%	0%	0%	0%	0%	0%	0%	1%
Delays in getting financial statements	0%	0%	0%	0%	0%	0%	1%	0%
Eviction for not attending meetings/making contributions	0%	0%	0%	0%	0%	1%	0%	0%
High interest on loans	0%	0%	0%	0%	0%	0%	0%	1%
Losing property when you fail to repay loan	0%	0%	0%	0%	0%	0%	1%	0%
Short repayment period even for big loans	0%	0%	0%	0%	0%	0%	1%	0%

7.5 Requirement for formation of group

For groups that want to get loans from the government to advance economic activities, they must qualify by complying with the following requirements: The group should have 5 to 30 members, with an organizational structure showing the chain of command. The members must be Tanzania citizens aged 15-35 years. The group must be registered with the Social Development Officer and local government. The group must have a project, for example livestock keeping, poultry farming, vegetable cultivation, etc. The group must also open a group bank account, and save their earnings in it.

“The government loans are usually for a year and the interest rates are really low, I think one million has an interest of 100,000/= over a year (10%).”

Groups are registered at the village level with Village Executive Officer, at the ward level with Ward Executive Officers and at the district level.

8. Stakeholders

Only 5% of those who belonged to groups reported that their groups were being supported by organizations. The table below shows the organizations and the kind of support they provided to the groups.

Table 52: Organizations supporting groups in Arusha and Kilimanjaro

Organization / Institution	Support provided to groups	District
BRAC	<ul style="list-style-type: none"> Provide loans to group members 	Hai
CARE International	<ul style="list-style-type: none"> Training on how to form and manage groups 	Hai
CARE International	<ul style="list-style-type: none"> Training on how to run businesses, Provide loans to group members, Group seminars (<i>unspecified</i>) 	Moshi Rural
CRDB Bank	<ul style="list-style-type: none"> Entrepreneurship training 	Hai
CRDB Bank	<ul style="list-style-type: none"> Provide loans to group members 	Moshi Rural
FT Kilimanjaro (FTK)	<ul style="list-style-type: none"> Training on improved farming practices Training on how to run businesses Provide loans to group members 	Moshi Rural
Global Poverty Action Fund (GPAF)	<ul style="list-style-type: none"> Provide loans to group members 	Moshi Rural
Kilimanjaro District Council (KDC)	<ul style="list-style-type: none"> Provide loans to group members 	Moshi Rural
Japanese organization (<i>unspecified</i>)	<ul style="list-style-type: none"> Training on how to run businesses 	Hai
SACCOS (<i>unspecified</i>)	<ul style="list-style-type: none"> Training on how to run businesses 	Arusha Rural
SACCOS (<i>unspecified</i>)	<ul style="list-style-type: none"> Provide loans to group members 	Rombo
LNSF	<ul style="list-style-type: none"> Training on how to run businesses 	Rombo
RECODA	<ul style="list-style-type: none"> Training on improved farming practices Provide loans to group members Training group members on how to improve their products for better prices 	Hai
Usawa group	<ul style="list-style-type: none"> Provide loans to group members 	Meru
Tanzania National Parks (TANAPA)	<ul style="list-style-type: none"> They gave us a place to plant trees, together with inputs and money 	Rombo
Tanganyika Plantation Company Ltd (TPC).	<ul style="list-style-type: none"> Training on how to run businesses 	Moshi Rural
Buyers from Australia and America (Do not have specific name)	<ul style="list-style-type: none"> Training on improved farming practices Help group members market their products Provide farm inputs to group members Training group members on how to improve their products for better prices 	Moshi Rural
YECO	<ul style="list-style-type: none"> Training on improved farming practices Training on how to run businesses Provide loans to group members Training group members on how to improve their products for better prices 	Rombo

Usawa group: Created in 2006, Usawa is a network of SACCOS located in rural areas of Kilimanjaro and Arusha regions and whose members are mainly small-scale farmers.

RECODA: Established in 2000, RECODA is a local Non-Governmental Organization that aims to bridge the technical gap in development through research, consultancy, capacity building and facilitating community based projects geared toward poverty alleviation, food security and environmental conservation.

BRAC started its work in Tanzania in 2006. Its activities include microfinance, livelihood development programs, creating opportunities for the poor in agriculture, livestock and poultry; healthcare, and empowerment and livelihood for adolescents through clubs.

FT Kilimanjaro (FTK) is a non-governmental organization registered in Tanzania in April 2009. The organization is a joint initiative of the FD Kilimanjaro (a Dutch Foundation) and Tanganyika Plantation Company Ltd (TPC).

Monduli Pastoralists Development Initiative (MPDI) operates in Monduli District. Started in 2005 with a focus on developing education, particularly early childhood education (ECD) in the area, the organization's activities involve establishing education centers closer to the community. Since 2013, the organization started empowering parents, specifically mothers by mobilizing them into groups where they save, and link them with a microfinance institution for loans to help them establish businesses.

Tanzania Horticultural Association (TAHA) focuses on improving horticulture, both small scale and large scale. TAHA has worked in Oltoroto for 1 month and is targeting the youth in four villages. TAHA is working with groups and provides training on improved agricultural practices using farm models.

*"TAHA conduct farming classes whereby they get an area like a school farm, and there they are taught how to farm efficiently, conduct modern farming, pest control and they find a market for the produced crops"*WEO, Arusha Rural

Farm Concern, has been operating in Bwawani, Arusha Rural for the past two years in the region, and deals with agricultural issues especially vegetable farming. The organization is also helping Urangini women group at Temi ya simba village with cassava farming. Their activities include teaching farmers how to preserve their produce.

*"There are some organizations such as Farm Concern and TAHA that help onion, cabbage and potato farmers. They introduced themselves and promised to return. I have seen TAHA return and form agricultural groups, they have formed about 34 groups. Farm Concern however never returned after having introduced themselves."*WEO, Arusha Rural

In Mahida, Rombo district of Kilimanjaro, there are no organizations targeting enterprise development but there are SACCOs and a microfinance institution, **Small Enterprise Development Agency (SEDA)** which mainly focus on providing loans to businesses. These financial institutions have been operating in the area for a long time, more than six years. They work with self-help groups and provides education to entrepreneurs on how to use the loans in improving their businesses, how to manage their income and pay back the loans.

Faida Mali and Tanzania Forest Conservation Group (TFCG) are organizations working in Lugulu area of Same District in Kilimanjaro. TFCG has been in the area for over two years. It supports groups involved in bee keeping and butterfly husbandry in Shengena forest. The organization targets two villages in which the forest cuts through. It is also implementing the innovative stove project. Their objective is to conserve the forest, hence the innovative stoves that use very little charcoal. TFCG facilitates access to credit by educating the groups on how to get loans as well as by linking them with financial agencies.

On the other hand, Faida Mali supports the ginger farmers. The organization has been working in the area for two years, and it supports small groups that cultivate ginger by providing them with education e.g. on usage of natural fertilizer for better prices. They target the whole district but with focus on Kanza and Luguru villages. The organization provides access to credit for the groups through financial agency called Mwangi Community.

“The loans are provided through the small groups. For instance, Faida Mali works with a financial agency called Mwanga Community. Once they get income, they are encouraged to open accounts. Through this financial agency, loans are provided to the farmers”. WEO, Same district

CARE has been operating in Kirore village, Same district of Kilimanjaro for more than five years now and have been involved in nothing else but provision of loans to groups in the area.

“Care they only provide loans; it doesn’t do anything else. But I think this has helped our village as it is the first organization to enter our village through the groups, therefore you find life is changing.” VEO, Same district

Floresta is a Christian non-governmental organization that promotes organic farming across several villages in Moshi Rural, Same and Siha districts of Kilimanjaro region. The organization is focusing on issues of food security, environmental degradation, economic development, and poverty. It provides training to farmers on better farming practices and production of crops that meet international standards.

Dorcas which gives loans to groups which have been registered, and build houses for elderly people living in poverty.

“Dorcas conducted one mistake which was that they didn’t involve the local governments and I came to know about them when they were following defaulters and they needed my help, when I asked them how they were giving out the loans they said they were targeting groups but they were not very cooperative”

TAFICOM operates in Siha district, and the target is to support the education sector at the primary school level. They work with parents, teachers, students and stakeholders in 30 villages.

8.1 Overview of existing stakeholders

Community Empowerment for Sustained Development (CESUDE) is a CBO formed in 2007 and operates in Arumeru District but is registered to operate in Tanzania mainland. The organization’ focus is on food security and poverty reduction. Activity areas include irrigation, training on entrepreneurship skills and small-scale business management, training on improved farming practices, training on improved animal husbandry, specifically poultry and dairy goats; fish farming, training on market opportunities, training on environmental conservation, specifically the use of biogas energy and tree farming.

The organization is also involved in value addition whereby they train the farmers on how to store and keep their crops and vegetables fresh without using preservatives. In addition, CESUDE facilitates access to credit by mobilizing the farmers into self-help groups (VICOBAs) where they then save and get loans. It also links them with financial institutions for loans.

“What we do is to mobilize them to form Vicoba in which they can generate some revenue and they can start their own credit facilities from their own sources. There are times when we get organizations that want to help such groups with loans then we connect them and they are helped”

The organization’s targets farmers in all its projects. The projects are periodic depending on availability of donor funding. The type of project also depends on the donor. WFP has been the organization’s main partner, raising funds for its projects. The organization also partners with Tanzania Horticultural Association (TAHA) for support in marketing of produce and other agronomical needs. At the time of the study, the organization was running only one project, an irrigation project that started in 2014 in Arumeru district with plans of extension to Simanjiro

district. Before a project is initiated, the organization sits down with the community in meetings organized by the local authorities to identify their needs. The community's involvement in project implementation depends on the project, for example, in irrigation the community members will clear the bushes and dig the area. If they find rocks, then the organization comes in to blast the rocks and drill the water. The challenge that the organization has faced in working with the community is expectations outside the scope of the project and the government comes in to intervene.

"Sometimes people expect more than what the project can offer, for example there is a poultry project which we were giving out five chicken for start-up but the people wanted ten, which was not our plan. Sometimes it gets problematic and that's when the government comes in"

The challenge the organization has faced in working with groups in the area is non-payment of loans.

"The people are not trustworthy they take loans and fail to repay"

Another challenge is unreliable supply of electricity which affects the quality of horticultural produce.

"Horticulture is highly perishable goods and electricity supply sometimes is cut off hence it affects the quality of our products and even the farmers.... we have to buy generator to get reliable power which is very expensive"

Mifipo is a non-governmental organization which was registered in September 1994 with the objective to improve income for small farmers in Mwanga district of Kilimanjaro region. The organization's focus is on training in agriculture practices, irrigation activities, and environment conservation. Mifipo targets small farmers with half an acre to eight acres through groups which were formed at the start of the project. They also train on management of groups. At the time of the study, the organization was supporting eight groups involved agricultural production in the area. The organization involves the community and groups in identifying needs that require intervention.

"We have groups of irrigation and agriculture we help them to enact laws and give advice to open their own account. We deal with their leadership and advise them to be strong and to have laws for the group"

The challenge that the organization faced in working with groups was non-payment of loans. Initially, the organization used to give loans to groups but stopped because they failed to repay, and currently just provides advice or training. For example, the organization encourages farmers to form merry-go-rounds so that they can borrow money to buy seeds and other agricultural inputs.

"We act like advisors; at the beginning, we tried to loan such groups but later it was difficult when you give them a loan and they fail to pay it; it creates animosity so it is better to connect them either with banks or other financial institution but many farmers were not successful with banks because banks are far and there are other factors including the interest... we even tried to connect them with an organization that accepted and was giving them loans but when the groups failed to pay we had to pay"

The organization also face challenge with community expectations that were outside the scope of the project, e.g. provision of seeds.

"we only offer trainings and motivate them to increase their production but there comes a time when they need quality seeds. But this are not available in the area and it is very expensive for a group to travel all the way from the village to town to get farm inputs. This is a great challenge that we deal with"

and they sometimes request us to go with the inputs say 20 bags of fertilizer which is very difficult for us. So, with all this we are considering putting up a farm input center in cooperation with partners”

Kilimanjaro Hope Organization (KIHO) is a local NGO that was created in 2010, and is currently working in the Pare mountains areas and the remote parts of the lowlands in Same District of Kilimanjaro Region. Agriculture in the area is adversely affected by unreliable rainfall patterns. The organization is targeting the marginalized but with focus on women, children and youth groups. KIHO has four areas of activity: Water, hygiene and sanitation (WASH), food security, income generation and education. WASH activities include: implementation of rain water harvesting systems in primary schools in Same district and the development of water gravity supply systems and the installment of watersheds managements in the Pare mountains. The organization uses model farms to address food security issues in the western lowlands of Same District. The model farms enable local farmers to increase their income and to create employment for the local community. KIHO is also training the community on efficient use of the natural resources (water and land) and the existing irrigation channels from the nearby Pangani river.

“The neighboring area besides the model farms, up to 20 km away from the Pangani river, offer further potentialities for cultivation. We seek to cooperate with the local communities to expand the benefiting practices of the model farms”

KIHO provides ideas and trainings to local community initiatives for income generation, and particularly targets women groups so that they can become more independent.

The Challenge in the area is that the communities, particularly in the Pare mountains, totally rely on agriculture. However, the produce is sold cheaply at the local markets without any value addition.

KIHO is also involved in supporting marginalized students to pursue primary, secondary and higher education through a one to one sponsorship. This targets students from the poorest families among the Maasai and Pare communities, particularly girls, and are assisted until they complete their education.

9. Formation and Management of NGOs in Tanzania

There are two main categories of registration of NGOs in Tanzania; registration at International level and registration at local level. The registration at local level is sub-categorized at three levels namely: District, Regional, and National levels.

The procedures governing the registration of international NGOs (INGOs), according to the non-governmental act organization 24/2002 include:

- i. The NGO Act, recognizes International NGOs as charitable organizations that have originally been registered outside Tanzania.
- ii. In case of International NGO, the application for registration shall be submitted in a duly filled prescribed Form No. 1, and shall be submitted by three or more persons, being the founder members and two of whom shall be residents of Tanzania.
- iii. Application shall be accompanied by;
 - o Certificate of incorporation in the Country of origin as proof of its existence as a charity and/or for charitable purposes.
 - o The governing constitution/by laws of the organization as per Section 30 of the NGO Act. (that requires constitution to be submitted as a governing document and no NGO shall operate contrary to its constitution).
 - o Minutes containing full names and details of founder members.
 - o Personal details of office bearers.
 - o Application fees.
 - o Address and physical location of the head office of the NGO in Tanzania.
 - o Any other information required by the Registrar.
- iv. INGO requires a minimum number of three or more persons at the time of registration, however the NGOs in Tanzania are member based, hence the number of members can increase accordingly as per the need by the organization.
- v. The provisions of Section 11(3) of the NGO amendment Act, requires NGOs that are registered under any other written laws in Tanzania, where their status requires registration under this Act shall apply to the Registrar for Certificate of Compliance. No fees shall be paid for compliance. This means a Certificate of Compliance shall be issued upon satisfaction by the NGO, be it local or International, of the terms and conditions for registration under this Act and shall have a similar effect as a certificate of registration.
- vi. All registered and/or complied NGOs including INGOs are required to pay fees annually, to prepare report of its activities, and audited financial reports that shall be made available to the public, the Board and the Council and other stakeholders (see Section 29 of the NGO Act 24/2002). The applicable fees for registration of INGOs is USD 267 that includes stamp duty of USD 2. The annual fees applicable for INGOs is USD 60.

International NGOs are required to and must comply with the following:

- i. To foster and promote the capacities and abilities of local NGOs.
- ii. To participate in activities of the Council.
- iii. To respect laws governing its operations
- iv. To respect the culture and traditions of the people and communities in which it operates unless such culture is contrary to any other written laws.

- v. To refrain from doing any act which is likely to cause competition or misunderstanding among the NGOs.

At the local level, NGOs that want to work in an area are first required to introduce themselves and make their presence known to the Ward Executive Officer before going to the village level and to the people.

*"When they first arrive, they begin at my office (ward level), and then they are directed to the villages and streets (village councilors and chair persons) who then introduce them to the targeted people / households to then form the groups required."*WEO, Arusha

Institutionally, there are no barriers to formation of NGOs if the government is informed about the objective of the organization, and the organization complies with all the required policies. On reporting, the requirement is that organizations submit reports to the government annually and have audited and progress reports.

"First you have to be in touch with the government. They must look at your objective and question your goals, if they are in line with what they want they let you work.... There is no problem if you have followed the policies and all stipulations; there will be problems if you work outside the set policies... every year you must write a report to the government and it is a must to have audited reports and progress reports." CBO staff, Arumeru

"About registration and establishment of new organizations, there is a lot of hardship if the organization has not completed all what is required of it. This will eventually stop the registration; but if the organization has all the needed requirements or what the government needs for registration of NGOs then this process becomes easier." NGO staff, Siha

The study also established that government policy does not prohibit partnership with other organizations, instead it is encouraged including partnership with government.

"No restrictions, they encourage it so much, even partnering with the government; they encourage Private Public Partnership (PPP)." CBO staff, Arumeru

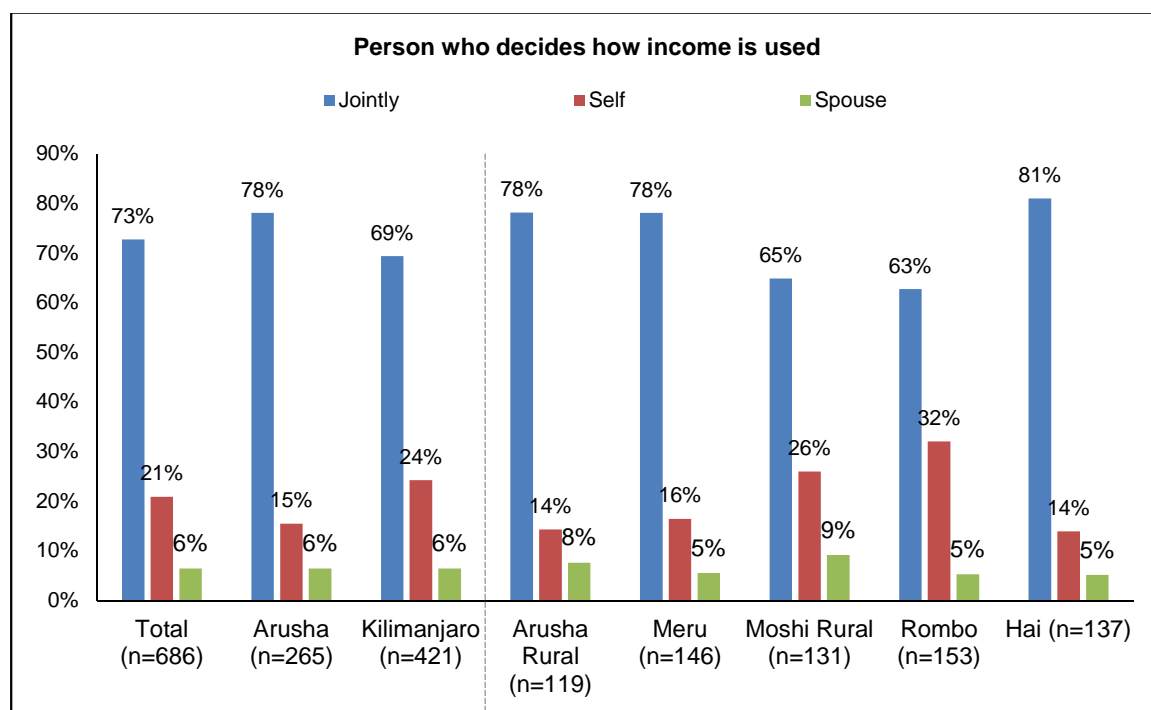
10. Women Empowerment

10.1 At the Household Level

The study shows that in most households (73%) with females who are either married or cohabiting, decisions about how income is spent are jointly made between the woman and the man. The proportion of women who made decisions independently (21%) was higher than that of men (6%).

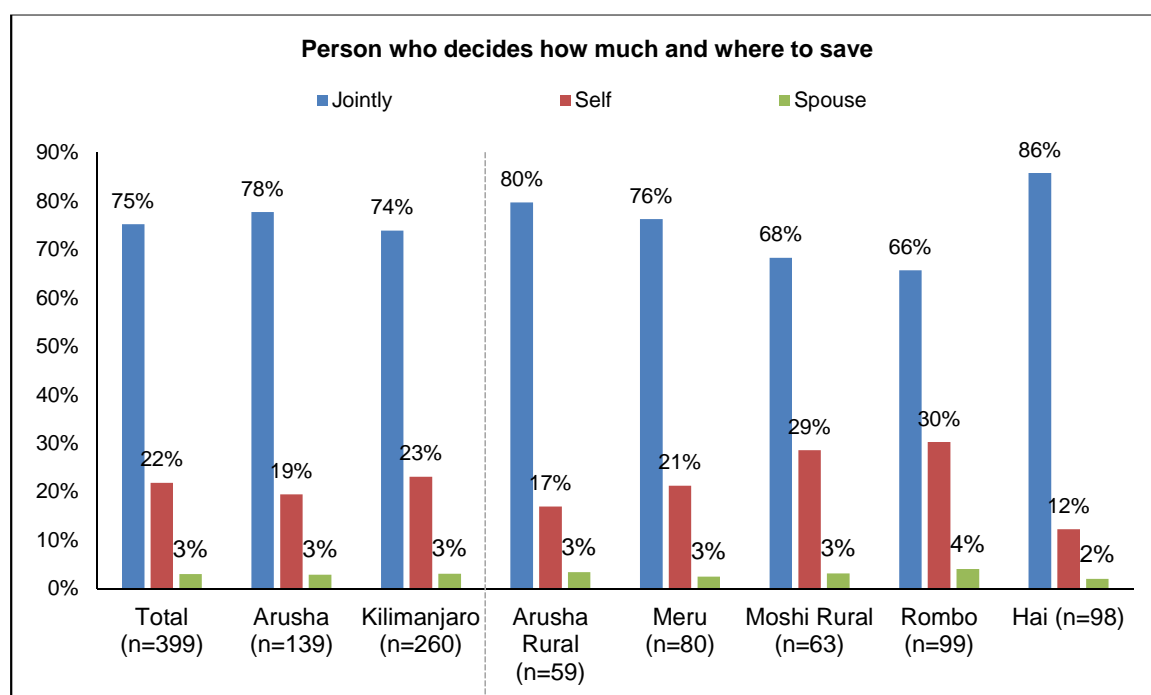
“It depends with the nature of the family; in my family, we cooperate together in financial decisions. If we sell a cow, the amount is put on the table and we discuss what we should do with the money, like how much to pay school fees, how much to renovate the house, how much for food. In other families, the whole amount is kept in the father’s pocket and he is the one to decide what to do with it.” Female FGD, Kilimanjaro

Figure 13: Person responsible for income decisions in household



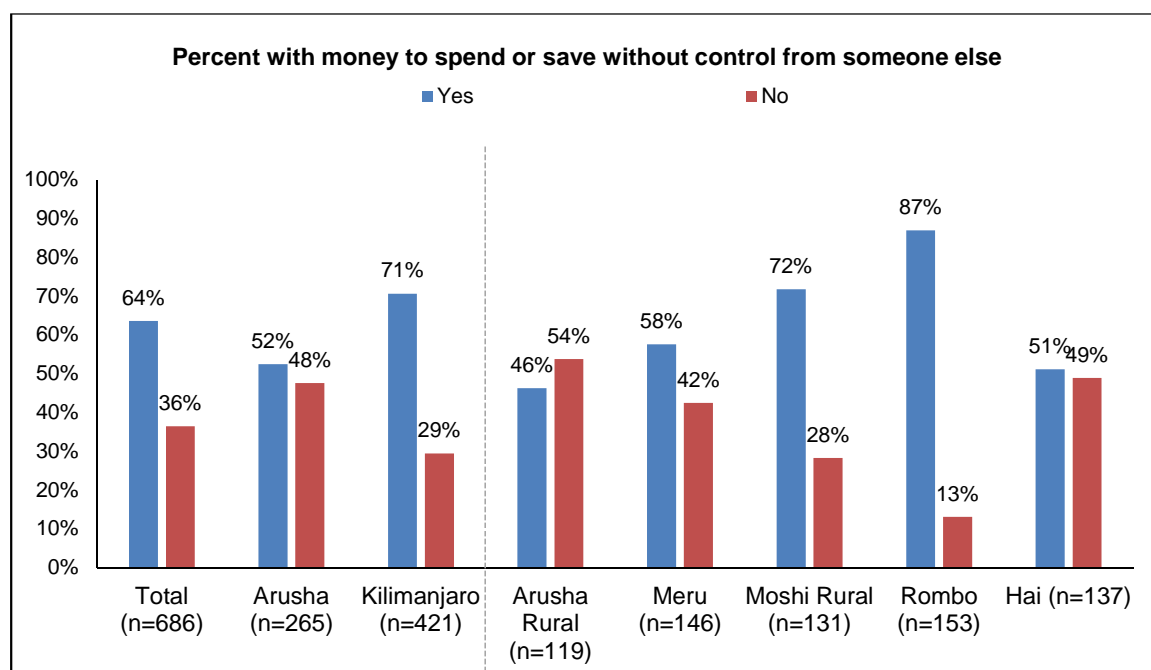
Similarly, as shown in the figure below, in most households (75%) with females who are either married or cohabiting and are putting aside some money as savings, decisions about how much and where to save are jointly made between the woman and the man.

Figure 14: Person who decides how much and where to save



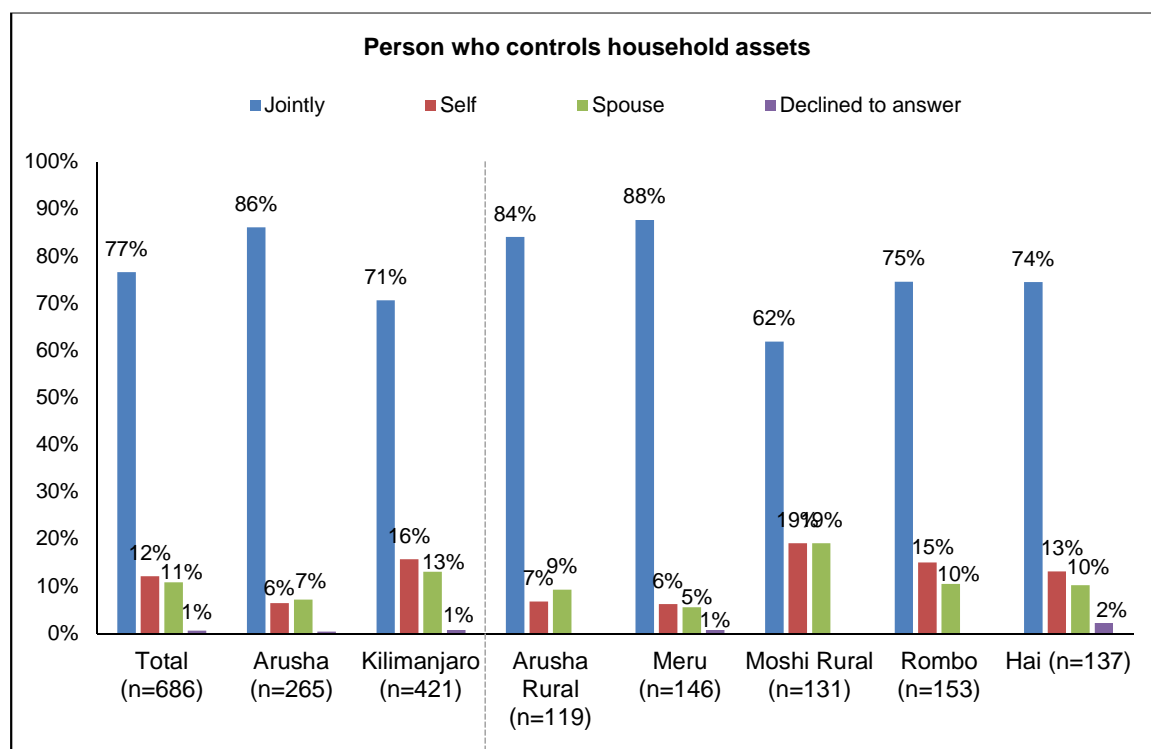
Majority of females (64%), particularly in Rombo District who were married or cohabiting had some income that they could use freely without control from someone else. Compared to the other districts, Arusha Rural had the least number of females with income that they could use without restrictions.

Figure 15: Percent of females with income they can spend freely



In majority (77%) of the households with females who were married or cohabiting, both the man and the woman had control of assets such as land and livestock. However, this was more common in Arusha compared to Kilimanjaro.

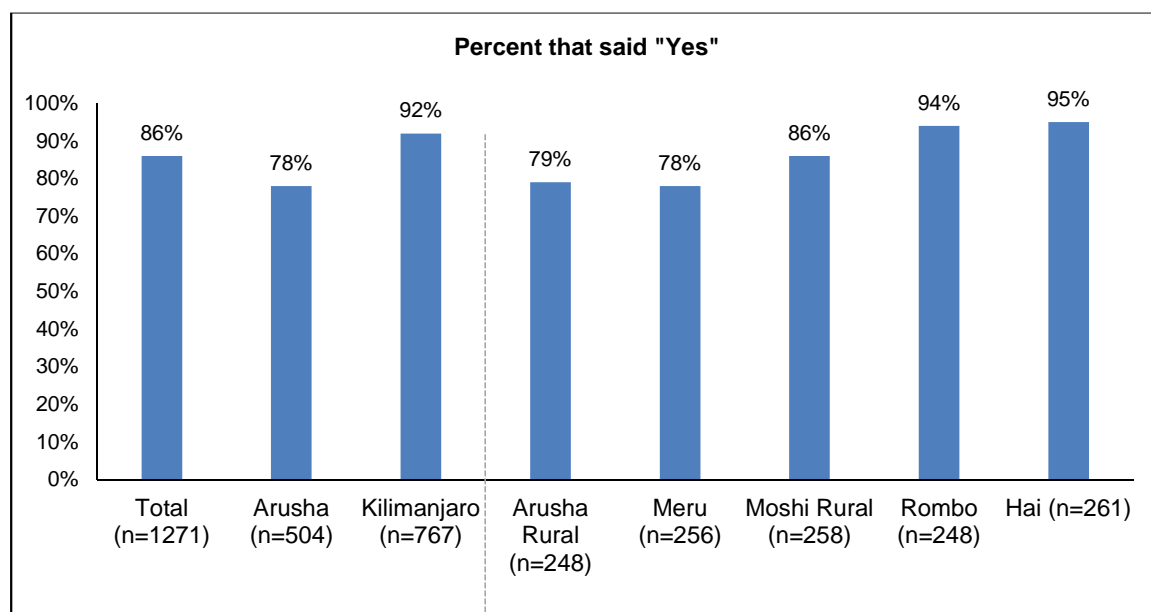
Figure 16: Person who controls household assets



10.2 At the Community Level

Majority of respondents (86%), 90% of males and 86% of females believed that women in their area were involved in making community decisions. More people in Kilimanjaro region believed so compared to Arusha region.

Figure 17: Whether females are involved in community decisions

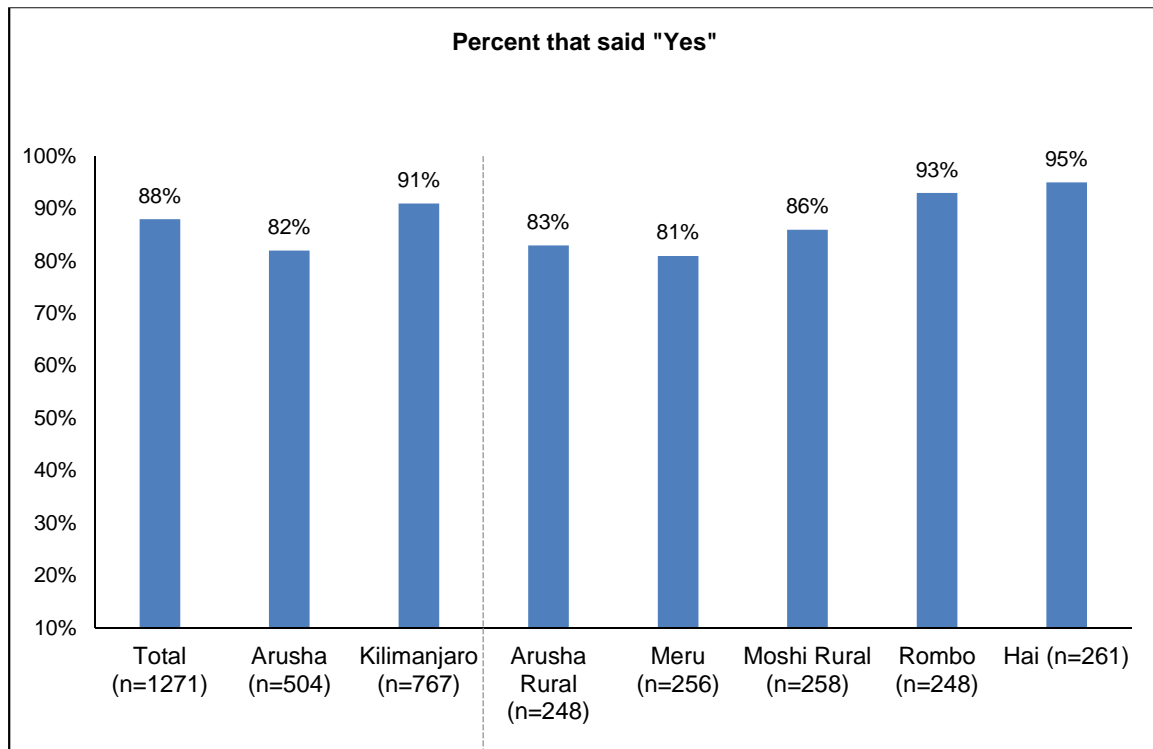


Again, majority of respondents (88%), 92% of males and 87% of females believed that women in their area were involved in leadership roles. As seen with decision making, the percentages were lower in Arusha region compared to Kilimanjaro region.

“They were previously marginalized and ignored, but not anymore; an example is me, I hold an executive position, and they so far respect my authority” VEO, Arusha Rural

“Not really, because these societies don’t believe in the ability of women to speak up in public or for the society’s benefit. The situation is however changing now, as some participate in discussions and speak during meetings.” VEO, Same district

Figure 18: Whether females occupy leadership roles in community



11. Conclusion

Economic / livelihood activities

The selected areas of Arusha and Kilimanjaro have potential entrepreneurs. This is because majority of the adult population in Arusha and Kilimanjaro who are involved in some form of economic activity are self-employed, either in agriculture or business.

Crop farming, which is the main economic/livelihood activity in the two regions faces challenges such as unreliable rainfall, floods, and pests, among others. Consequently, this affects the economic capacity of the communities.

Main economic/livelihood activities within the two regions vary with seasons. Business activities, largely small scale, mainly occur during the dry season and partly involve sale of crops harvested after the rainy seasons. This is an indication that business activities in the target areas are mainly seasonal and are likely to decline during the long rainy season. This may affect income during the rainy season. Moreover, the survey established that money for loan repayment is mainly from business activities. Therefore, loan repayment may be a challenge during the long rains when involvement in business activities is low. Ways of ensuring that the capacity of the people to contribute to shares in groups and repay loans is maintained during this period would be very important for the HiH EA (TZ) program.

Socio-economic / poverty levels

Poverty levels are higher in Arusha region compared to Kilimanjaro region. According to the study, 35% of household in Arusha and 10% of households in Kilimanjaro were categorized as poorest. However, 24% of the poorest were in groups while 44% were saving. An indication of potential for group membership and savings mobilization even among those categorized as poorest.

Groups, savings and loans

Membership in groups is relatively low (34%) in the two regions. Besides other factors, financial capacity is the main barrier to group membership (51%). Challenges that affect economic activities e.g. lack of markets, lack of capital, climatic conditions, low yields, all affect income and therefore contribute to non-participation in groups. Women are more likely to participate in groups compared to men

Most of the reasons for non-participation in groups indicate that there are no outright rejecters of groups. For example: No money for groups, no need to join groups, no trust in groups or previous bad experience, no time for groups, no group in the area, no group that suits needs were some of the reasons. This indicates that there is potential for groups if the income situation is improved, awareness about benefits of groups is created, and if the negative perception people have about groups is changed. In addition, potential for group formation is indicated by the majority (63%), mostly in Kilimanjaro region, who belonged to one group only but were willing to join another group.

Saving was reported in 57% of households where some money is put aside, mostly for emergencies. Most people save at home (46%), 30% saved in groups, and 15% saved on mobile phones. This presents an opportunity for the HiH EA (TZ) program to train and facilitate access to formal financial institutions, especially because fear and mistrust was a barrier to saving in groups. Mobilization of savings can be achieved if the economic capacity of the target

population is enhanced. This is because lack of money is the main barrier to saving (97%) for non-savers.

Target population

Although the survey identified Arusha Rural and Meru Districts in Arusha Region, and Moshi Rural, Rombo and Hai Districts in Kilimanjaro Region as potential target areas for the HiH EA (TZ) program, it is evident that the target population within these districts, as illustrated in the following paragraph, may not be sufficient to achieve the program’s target of 100,000 participants, 80% female. Therefore, expansion to other areas may be necessary. The program may need to consider reaching out to the urban poor in Moshi and Arusha in these two regions.

The baseline study estimated potential target population, in terms of adult population living in poverty in rural areas, at **76,370** in Arusha Rural District, **66,877** in Meru District, **75,944** in Moshi Rural District, **39,518** in Rombo District, and **34,401** in Hai District. In total, the estimated potential target population is **293,110**. The 2012 PHC estimated the population of adult males and females in the rural areas of the two districts at 47% and 53% respectively. Assuming the same proportion for the estimated potential target population, males are **137,762** while females are **155,348**. The HiH EA (TZ) program is targeting 20% male and 80% female. Thus, the program will target **27,552** males and **124,279** females out of the estimated potential target population of males and females respectively. While this shows that the estimated potential target population is more than the program’s target, achieving 80% females may not be possible, particularly because of the existing barriers to group membership.

Institutional and other barriers

Institutionally, government policies present no barrier to formation of organizations and groups if all the requirements are observed. However, it is important for the program to work in close collaboration with local government from regional level to village level according to the hierarchy and following protocol.

The study shows very low levels (3%) of migration in the potential HiH EA (TZ) target areas. In addition, the proportion of respondents that cited religion and cultural factors as barriers to group membership was very small, less than 1%. Therefore, these three factors are not significant barriers to formation of groups in the potential HiH EA (TZ) target areas and do not require redesigning of the program.

Opportunities and challenges for HiH EA (TZ) program

Based on this survey the following opportunities and threats for the HiH EA (TZ) program have been identified.

Opportunities	Threats/Challenges
<ul style="list-style-type: none"> • Participation of women in economic activities and groups; • Gaps in savings, • Community is facing challenges that are in line with the intended program activities <ul style="list-style-type: none"> ○ market access/linkage, ○ post-harvest management of produce and ○ entrepreneurship activities. 	<ul style="list-style-type: none"> • Over-reliance on rain-fed agriculture that makes the community susceptible to climatic conditions that affect income and consequently participation in groups • Seasonality of business activities which may affect income as well as participation in groups. • Loan default by group members

<ul style="list-style-type: none">• Large proportion of the community who are not in groups but are not rejecters of groups• Regulatory environment that is supportive of group formation and have established policies to guide group formation and management	<ul style="list-style-type: none">• Mistrust of groups due to perceived or negative experience• Language barrier, particularly among the Maasai community• Expectations outside the program scope.
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12. Recommendations

Seasonality of business activities and over-reliance on crop farming affect the economic capacity of the target population and may not favor participation in groups. Therefore, the HiH EA (TZ) program should prioritize support towards diversification of income generating activities and sustainable businesses throughout the year. This can be achieved through entrepreneurship training.

In group mobilization, the HiH EA (TZ) program should start off with existing groups, but which are currently not being supported by any organization. These groups are easier target because they do not present the barriers to group membership. However, the numbers are not enough to reach the HiH EA target of 100,000 members and therefore there will be need to form new groups.

In formation of new groups, initial focus should be on activities aimed at addressing the perception and financial barriers: community sensitization, enhancing financial capacity by addressing challenges such as lack of market. This may require HiH EA to use a pull factor e.g. market linkages to bring the people together. Community sensitization about groups should focus on benefits of groups to change the negative perception about groups. Formation of new groups should consider both economic and social capital benefits

Focus should also be on training about group management to improve the way groups are run. This will help in regaining people's trust in groups.

The HiH EA (TZ) program should also provide trainings around loans: reasons for taking loan, where to invest, loan repayment, and ways of ensuring that the capacity of the people to repay loans is maintained during the period when business activities are low

Implementation of the program should start with the five identified districts and, based on the numbers achieved, strategies for expansion into other areas can be made. Areas to consider for expansion include the poor population in urban areas of the identified districts, rural areas of other districts within the target regions, or to neighboring regions namely Tanga and Manyara.

HiH EA (TZ) will need to manage expectations by ensuring that not only the community is aware of its scope of activities but also the local government so that in case of any misunderstanding with the community, the local government will be able to intervene.

13. Annex

13.1 Profile of the Socio-Economic Groups

Profile of the socio-economic groups presents data for the different wealth quintiles on items such as main material used for roof, floor and wall of the main dwelling unit, sources of cooking and lighting fuel, source of drinking water, type of toilet facility, ownership of agricultural land and livestock, ownership of items such as radio.

As indicated in figures 18, 19 and 20, dwelling units among the poorest quintile were mainly constructed using readily available and less durable material. This contrasted with the wealthiest quintile where more durable materials were used.

Figure 19: Main material used for wall of main dwelling

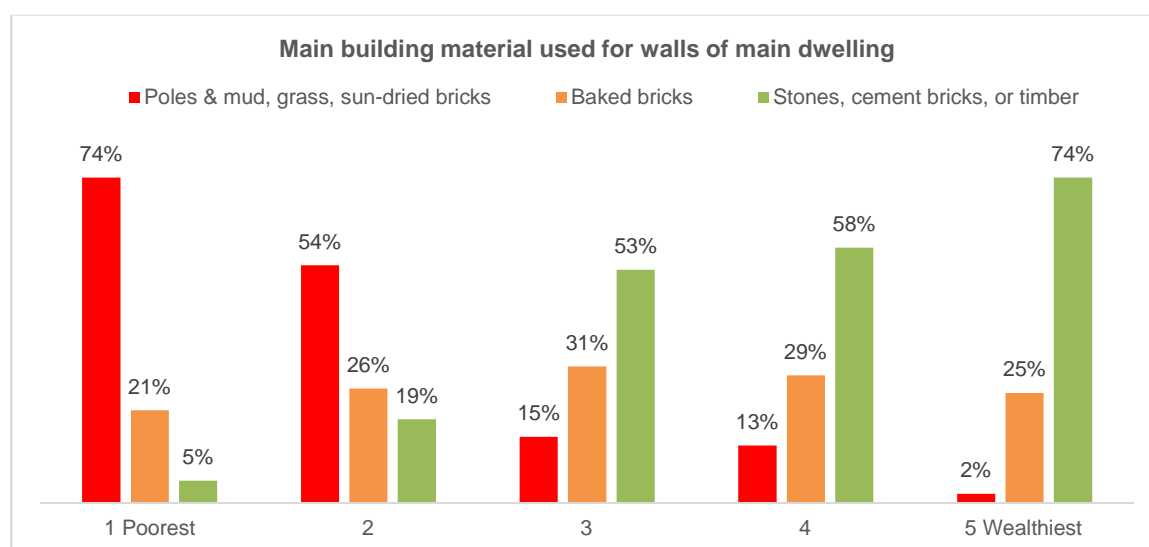


Figure 20: Main material used for roof of main dwelling

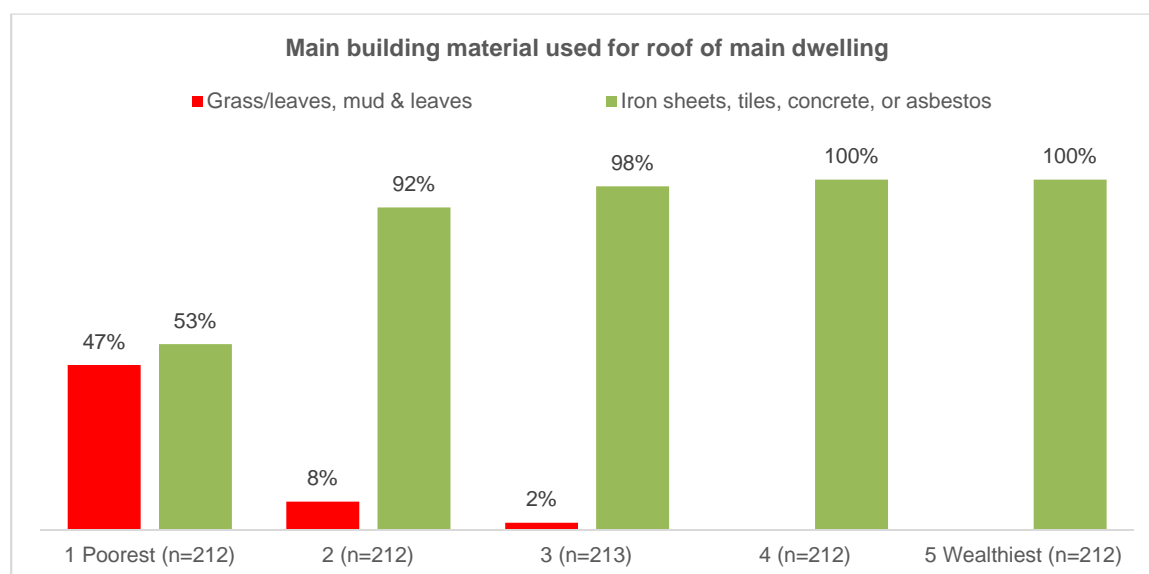
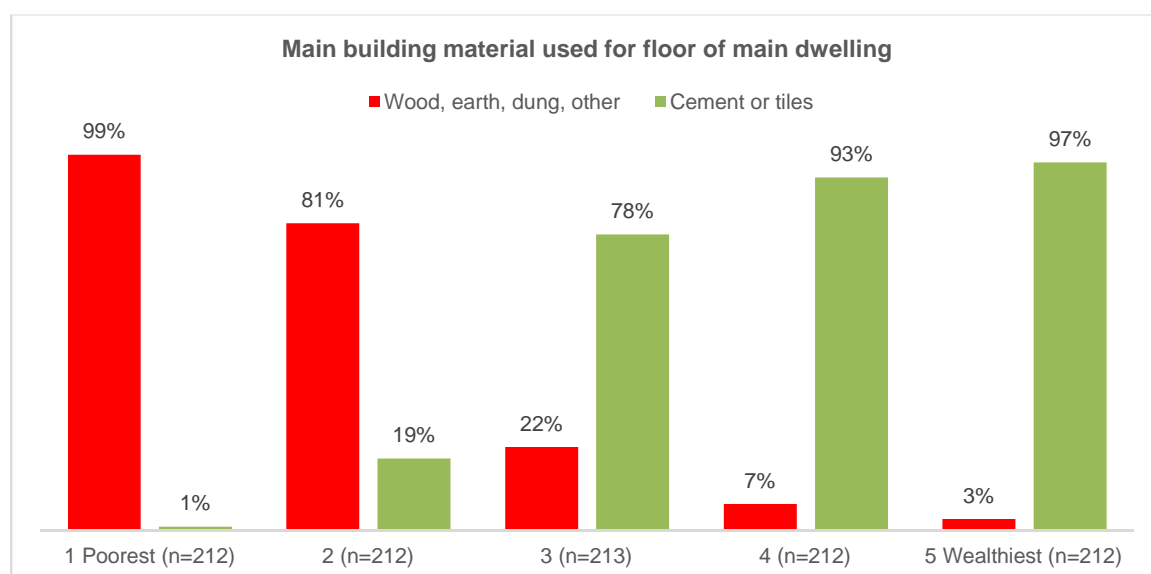


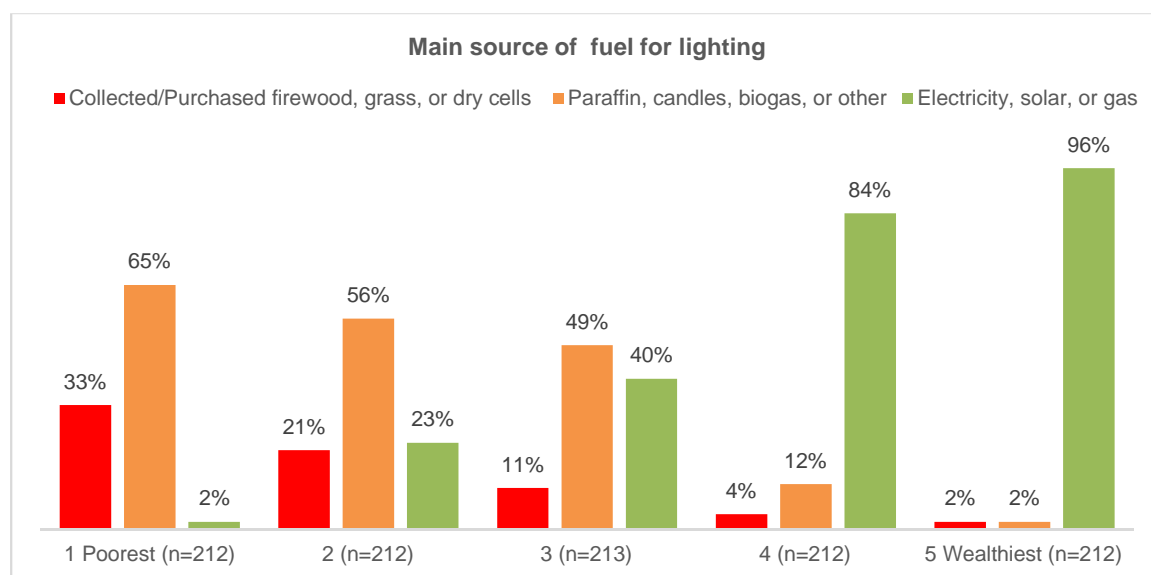
Figure 21: Main material used for floor of main dwelling



Main source of fuel for lighting and cooking

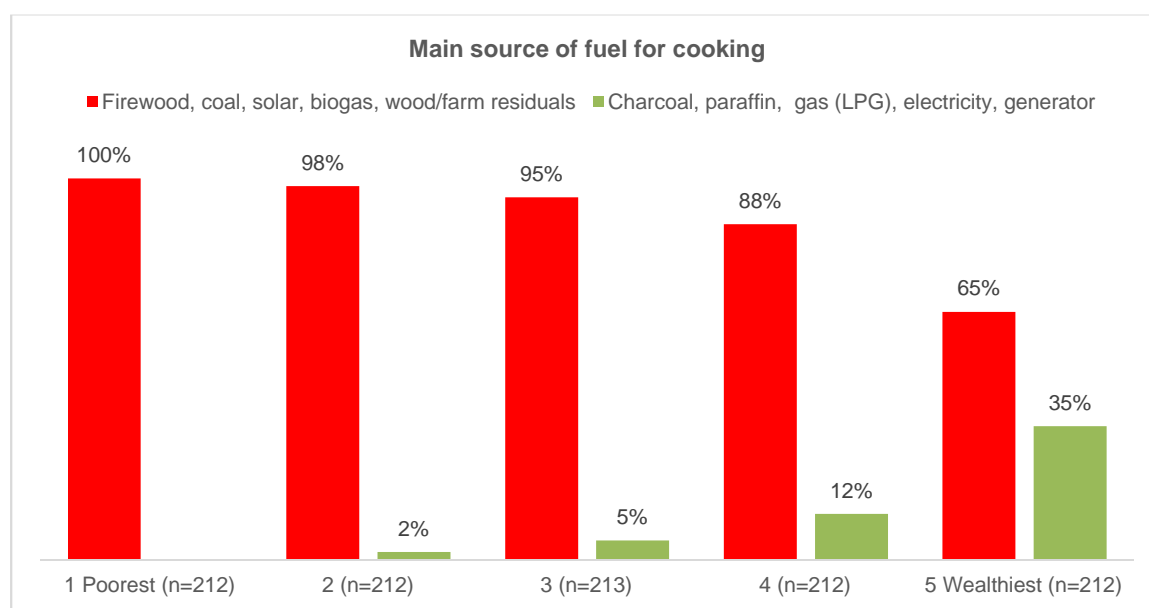
Main sources of fuel for lighting among the poorest households were firewood, grass, dry cells, paraffin, and candles. Electricity, solar or gas was mainly used by the wealthiest households.

Figure 22: Main source of fuel for lighting



Main source of fuel for cooking among all the quintiles was firewood. However, more than a third of the wealthiest households used charcoal, paraffin, gas or electricity.

Figure 23: Main source of fuel for cooking



Main source of drinking water

The poorest households mainly got drinking water from public sources while the wealthiest households used private sources within the dwelling.

Table 53: Source of drinking water

Wealth quintiles	Poorest → Wealthiest				
	1	2	3	4	5
n value	212	212	213	212	212
Public tap/standpipe	40%	36%	30%	28%	19%
Piped to neighbour	28%	30%	35%	31%	22%
Piped into dwelling	0%	5%	10%	21%	41%
Piped to compound/plot	2%	6%	9%	8%	10%
Unprotected spring	7%	5%	5%	4%	1%
Protected well	4%	6%	2%	2%	1%
Surface water (river/dam/lake/pond/stream/canal/irrigation)	5%	3%	2%	1%	2%
Tube well or borehole	2%	3%	1%	1%	0%
Protected spring	8%	1%	1%	1%	0%
Rainwater	1%	1%	1%	1%	0%
Other	2%	3%	3%	2%	2%

Type of toilet facility

Main toilet facility among the poorest households was pit latrine without slab. Among the wealthiest households, the main toilet facility was either pit latrine with slab or flush toilet emptying into a pit latrine.

Table 54: Type of toilet facility

Wealth quintiles		Poorest → Wealthiest				
		1	2	3	4	5
n value		212	212	213	212	212
Pit latrine with slab		23%	38%	43%	42%	31%
Pit latrine without slab/open pit		54%	42%	25%	12%	3%
Flush to pit latrine		0%	6%	10%	21%	31%
Ventilated improved pit latrine		17%	10%	13%	14%	13%
Flush to piped sewer system		0%	0%	3%	7%	8%
Flush to septic tank		0%	1%	3%	2%	11%
Flush to somewhere else		1%	0%	0%	0%	2%
Hanging toilet/hanging latrine		1%	1%	1%	1%	0%
No facility/bush/field		3%	0%	0%	0%	0%

Ownership of assets

More than 60% of households across the different quintiles owned agricultural land. The average size of the land was two hectares.

Table 55: Ownership of agricultural land

Wealth quintiles		Poorest → Wealthiest				
		1	2	3	4	5
Percent with agricultural land	n value	212	212	213	212	212
		67%	68%	68%	68%	65%
Size of land in hectares	n value	141	144	144	145	138
	Mean	2.07	2.28	2.02	2.14	2.44
	Mode	1	1	1	1	1
	Median	1	1.5	1	1	2

Majority of households across the different quintiles owned livestock/poultry. Livestock such as indigenous cattle, goats and sheep were mostly owned by the poorest households while the wealthiest households mostly owned poultry.

Table 56: Ownership of livestock

Wealth quintiles		Poorest → Wealthiest				
		1	2	3	4	5
Percent with livestock	n value	212	212	213	212	212
		73%	78%	83%	82%	80%
Number of livestock owned	n value	141	144	144	145	138
	Cattle (indigenous)	4.25	1.45	0.74	0.68	0.9
	Cattle (exotic)	0.46	0.44	0.45	0.49	0.94
	Horses/donkeys/ mules	0.14	0.35	0.09	0.04	0.05
	Goats	4.37	4.02	2.39	2.75	2.14
	Sheep	1.63	1.98	0.53	0.51	0.58
	Chicken / Other poultry	5.03	7.88	8.4	10.22	16.89

13.2 Sample for Household survey

Region	District	Ward	Village	EA	Interviews	Population (2012)	Households (2012)
Arusha	Arusha Rural	Oltoroto	Ilkirevi	Ekenywa	11	1,096	261
Arusha	Arusha Rural	Oldonyosambu	Losinoni	Engedeko	10	1,190	206
Arusha	Arusha Rural	Oldonyosambu	Losinoni	Engutukoiti	10	1,018	183
Arusha	Arusha Rural	Ilkiding'a	Oloigeruno	Iltulele	11	847	166
Arusha	Arusha Rural	Oljoro	Mirongoine	Kigongoni	10	917	239
Arusha	Arusha Rural	Oltrumet	Ekenywa	Kilimamoto	10	933	159
Arusha	Arusha Rural	Oltrumet	Ekenywa	Kilimo	10	852	133
Arusha	Arusha Rural	Olkokola	Lemanyata	Lenjan	10	914	166
Arusha	Arusha Rural	Olorieni	Saitabau	Meybaku	10	992	206
Arusha	Arusha Rural	Sambasha	Timbolo	Mteriani	10	873	144
Arusha	Arusha Rural	Mlangarini	Kiseriani	Muongano	10	858	144
Arusha	Arusha Rural	Oldonyosambu	Lemong'o	Ngivilati	12	881	199
Arusha	Arusha Rural	Olorieni	Olosiva	Nguyam	10	1,245	301
Arusha	Arusha Rural	Olkokola	Lengijave	Olbak	11	935	179
Arusha	Arusha Rural	Oltoroto	Ilkirevi	Oltoroto	10	1,129	228
Arusha	Arusha Rural	Kisongo	Ilkerin	Parselian	10	832	157
Arusha	Arusha Rural	Olkokola	Lemanyata	RC Mission	10	896	185
Arusha	Arusha Rural	Olkokola	Olkokola	Shaudo	10	828	156
Arusha	Arusha Rural	Oltoroto	Olgilai	Soye kiutu	10	1,096	212
Arusha	Arusha Rural	Olorieni	Olorien	Sumley	12	902	178
Arusha	Meru	Nkoanrua	Ambureni-Moivaro	Ambureni	10	1,005	228
Arusha	Meru	Ngarenanyuki	Kisimiri Juu	Jangwale	10	778	127
Arusha	Meru	Maroroni	Samaria	Kanani	10	816	165
Arusha	Meru	Maroroni	Samaria	Kijenge	10	904	201

Region	District	Ward	Village	EA	Interviews	Population (2012)	Households (2012)
Arusha	Meru	Ngarenanyuki	Olkong'wado	Kireeny	10	903	238
Arusha	Meru	Ngarenanyuki	Olkong'wado	Lendoiya	10	757	158
Arusha	Meru	Nkoanrua	Loita-Nkoamala	Liota	13	787	167
Arusha	Meru	Nkoanrua	Ambureni-Moivaro	Loruvani	10	782	178
Arusha	Meru	Kikwe	Nambala	Malala	10	715	148
Arusha	Meru	Leguruki	Leguruki	Mbaaseny	15	828	145
Arusha	Meru	Kikwe	Maweni	Mboga & Posta	10	713	173
Arusha	Meru	Maroroni	Kwaugoro	Migandini	11	764	170
Arusha	Meru	Nkoanrua	Ambureni-Moivaro	Moivaro	14	1,991	422
Arusha	Meru	Leguruki	Maruvano	Mowara	10	773	169
Arusha	Meru	Nkoanrua	Ambureni-Moivaro	Msorongo	10	1,410	360
Arusha	Meru	Ngarenanyuki	Olkong'wado	Mwakeni	11	771	172
Arusha	Meru	Leguruki	Shishton	Noseiya	10	941	199
Arusha	Meru	Seela Sing'isi	Sing'is	Nsitony	10	722	182
Arusha	Meru	Songoro	Songoro	Shara & Nkwerari	11	736	161
Arusha	Meru	Leguruki	Miririnyi	Sinai	10	801	158
Kilimanjaro	Moshi Rural	Mabogini	Mabogini	Bogini juu	10	1,626	380
Kilimanjaro	Moshi Rural	Kilema kusini	Kilema poio	Darajani	10	1,124	287
Kilimanjaro	Moshi Rural	Kindi	Kindi	Dungi	10	1,050	240
Kilimanjaro	Moshi Rural	Kilema kusini	Kilema poio	Faru	11	1,313	299
Kilimanjaro	Moshi Rural	Mabogini	Mabogini	Kijijini	10	1,108	259
Kilimanjaro	Moshi Rural	Kindi	Sambarai	Kimaroroni	12	1,006	199
Kilimanjaro	Moshi Rural	Kindi	Kindi	Kisowoni	10	934	224
Kilimanjaro	Moshi Rural	Kahe	Oria	Kwaginja	11	1,021	150
Kilimanjaro	Moshi Rural	Uru kaskazini	Njari	Kyaurinde	10	1,023	236
Kilimanjaro	Moshi Rural	Mbokomu	Korini kusini	Manambeni	11	1,054	259
Kilimanjaro	Moshi Rural	Marangu mashariki	Samanga	Mauwo	10	955	222
Kilimanjaro	Moshi Rural	Arusha chini	Mikocheni	Mikocheni A	11	1,009	255

Region	District	Ward	Village	EA	Interviews	Population (2012)	Households (2012)
Kilimanjaro	Moshi Rural	Kilema kusini	Kilototoni	Miwaleni	10	997	244
Kilimanjaro	Moshi Rural	Kahe	Oria	Mkonga	11	1,567	259
Kilimanjaro	Moshi Rural	Mbokomu	Korini kusini	Mpirani	11	1,453	278
Kilimanjaro	Moshi Rural	Mabogini	Mabogini	Mpirani	10	987	256
Kilimanjaro	Moshi Rural	Kilema kusini	Kilototoni	Njia panda	15	1,628	461
Kilimanjaro	Moshi Rural	Kilema kusini	Kilototoni	Otomoro	10	1,258	318
Kilimanjaro	Moshi Rural	Mabogini	Mvuleni	Ujamaa	11	1,149	312
Kilimanjaro	Moshi Rural	Mabogini	Mvuleni	Usalama road	10	1,068	266
Kilimanjaro	Rombo	Nanjara reha	Msangai	Bondeni	10	810	146
Kilimanjaro	Rombo	Motamburu kitendeni	Rongai	Chai	10	801	171
Kilimanjaro	Rombo	Nanjara reha	Kibaoni	Kibaoni	10	1,100	245
Kilimanjaro	Rombo	Nanjara reha	Nayeme	Kotiko	10	909	197
Kilimanjaro	Rombo	Shimbi	Shimbi Kati	Kwaterwa	10	846	179
Kilimanjaro	Rombo	Mahida	Mahango	Mahango	10	813	205
Kilimanjaro	Rombo	Mahida	Mahango	Maketi	10	780	177
Kilimanjaro	Rombo	Nanjara reha	Msangai	Mamboleo	10	1,168	241
Kilimanjaro	Rombo	Nanjara reha	Kibaoni	Mawenzi	10	1,143	231
Kilimanjaro	Rombo	Motamburu kitendeni	Rongai	Mjini	10	886	220
Kilimanjaro	Rombo	Ubetu kahe	Ubetu	Mreyai	14	810	212
Kilimanjaro	Rombo	Nanjara reha	Urauri	Nesae	10	855	190
Kilimanjaro	Rombo	Ubetu kahe	Ngaseni	Reha matchai	10	820	174
Kilimanjaro	Rombo	Kirongo samanga	samanga	Sango	12	779	173
Kilimanjaro	Rombo	Nanjara reha	Kibaoni	Saudia	10	943	192
Kilimanjaro	Rombo	Keni Mengeni	Mengeni Chini	Tia	10	1,086	140
Kilimanjaro	Rombo	Mamsera	Mamsera Chini	Udangeni	10	981	215
Kilimanjaro	Rombo	Kirongo samanga	samanga	Uficha	10	948	200
Kilimanjaro	Rombo	Kitirima kingachi	Kingachi	Uroho	10	779	180
Kilimanjaro	Rombo	Ubetu kahe	Ubetu	Wama B	10	957	190

Region	District	Ward	Village	EA	Interviews	Population (2012)	Households (2012)
Kilimanjaro	Hai	Masama Rundugai	Rundugai	Iramba	13	754	170
Kilimanjaro	Hai	Machame Kusini	Kimashuku	Kiangaa	10	888	201
Kilimanjaro	Hai	Machame kaskazini	Nshara	Lambo estate	10	1,189	264
Kilimanjaro	Hai	Masama Rundugai	Rundugai	Lembeni A	12	769	151
Kilimanjaro	Hai	Masama Rundugai	Rundugai	Lembeni B	12	913	189
Kilimanjaro	Hai	Machame Weruweru	Kikavu chini	Mabatini	11	786	219
Kilimanjaro	Hai	Machame Kusini	Shiri Mgungani	Masika & Kiladea	10	761	161
Kilimanjaro	Hai	Machame Kusini	Shiri Mgungani	Matunda	10	835	188
Kilimanjaro	Hai	Masama Mashariki	Mbweera	Mbweera	15	777	186
Kilimanjaro	Hai	Machame Kusini	Shiri Mgungani	Mgungam	10	1,063	255
Kilimanjaro	Hai	Machame Kusini	Kimashuku	Mnadani	10	1,114	288
Kilimanjaro	Hai	Machame kaskazini	Nshara	Muro	10	934	225
Kilimanjaro	Hai	Machame kaskazini	Nshara	Mwara	11	1,063	237
Kilimanjaro	Hai	Machame kaskazini	Wari	Mwera	13	757	193
Kilimanjaro	Hai	Machame Mashariki	Lyamungo sinde	Mwowe	10	833	226
Kilimanjaro	Hai	Machame Kusini	Shiri Njoro	Njoro Juu	10	1,421	233
Kilimanjaro	Hai	Machame kaskazini	Nshara	Nnyama	11	785	188
Kilimanjaro	Hai	Masama Mashariki	Roo	Shiafigha	11	883	231
Kilimanjaro	Hai	Masama Mashariki	Mbweera	Sumbureni	10	1,068	290
Kilimanjaro	Hai	Machame Kusini	Shiri Mgungani	Weruweru	10	1,140	189