Hand in Hand East Africa (Tanzania) & Hand in Hand International

Rapid Needs Assessment in response to the COVID-19 global pandemic

August 2020
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BRO</td>
<td>Business Relationship Officers</td>
</tr>
<tr>
<td>EIF</td>
<td>Enterprise Incubation Fund</td>
</tr>
<tr>
<td>HiH</td>
<td>Hand in Hand</td>
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<tr>
<td>HiHEA</td>
<td>Hand in Hand East Africa</td>
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<tr>
<td>HiHI</td>
<td>Hand in Hand International</td>
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<tr>
<td>IPL</td>
<td>International Poverty Line</td>
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<tr>
<td>MGR</td>
<td>Merry-go-Round</td>
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<tr>
<td>PPE</td>
<td>Personal protective equipment</td>
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<tr>
<td>RNA</td>
<td>Rapid Needs Assessment</td>
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<tr>
<td>SHG</td>
<td>Self-help Group</td>
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<tr>
<td>TB</td>
<td>Table banking</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollars</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
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Executive Summary

This is the report of the Rapid Needs Assessment (RNA) of Hand in Hand East Africa’s (HiHEA) programme Members in Tanzania, conducted in June 2020 in response to the COVID-19 pandemic and associated restrictions. Data for this report was collected on 10-15 June, twelve weeks after the restrictions were declared by the Tanzanian government. This report seeks to provide insight into Members’ circumstances and needs in order to guide HiHEA’s immediate response and inform Hand in Hand International’s (HiHI) proposal for donor support. This report is structured around four central research questions. These questions, along with key findings for each, are summarised below. Please see the Conclusions section for fuller explanations.

What impact have the restrictions had on Members’ business activities and income?

90% of sampled Members’ businesses in Tanzania remain open, but they have faced significant operating challenges and an average fall in business income of 60%. As a result, 81% of sampled Members are now living below the $1.90/day international poverty line.

What impact have the restrictions had on Members’ savings levels?

Almost all sampled Members in Tanzania are still in contact with their Self-Help Group (94%) and have continued Table Banking / Merry-go-Round (87%) with their Group during the restrictions. Nonetheless, average savings have fallen by 45%. One in five Members now have no savings at all. Just 26% of Members now have a month’s living expenses left in savings.

How have Members adapted their businesses and what non-financial assistance do they need?

62% of surviving businesses have not been adapted in response to the Covid-19 context; the most common adaptations are Covid-19 hygiene measures rather than strategic adaptations. Nevertheless, the average fall in income experienced by Members who made Covid-19 hygiene adaptations to their businesses was 33% less than the average fall in income for those who did not make Covid-19 hygiene adaptations. It is not clear why this is the case, but it could be that customers feel safer visiting enterprises which are demonstrably taking Covid-19 safety measures.

Just five Members diversified their products and services in response to the Covid-19 context. This suggests there is plenty of scope for improvement.

Lack of markets and customers is the main challenge reported by members, who requested support with market linkage, specifically to markets for liquid soap, rice, beans, and maize. 82% of Members say they need PPE, in particular, face masks, hand sanitizer, and soap. In terms of technical support, Members requested training on COVID-19 awareness and on how to do business during coronavirus restrictions.

Members had a few questions about what to expect from Hand in Hand in the Covid-19 context, which may be worth addressing as standard when BROs reach out, in order to set expectations.

How indebted are Members and what financial assistance do they need?

76% of Members who currently have a loan are having difficulty repaying in the Covid-19 context. Half of sampled Members plan to take further loans to support or restart their business due to the restrictions. The average amount Members plan to borrow is Tsh 345,967. Half the sampled Members need to borrow Tsh 300,000 or less.

The majority of Members who do not plan to take further loans say it is because they fear they will not be able to repay. Many do not have enough collateral and some do not feel comfortable having multiple debts.

Ninety-seven percent of Members’ current loans are provided by the SHGs, highlighting just how crucial informal credit is in the Tanzanian context, as compared to Kenya, where 43% of Members’ loans come from mobile apps, MFIs, banks, SACCOs and other sources. This also demonstrates how dependent our Members will be on us to provide a source of re-starting capital.

**What impact have the restrictions had on migration?**

Given that 98% of sampled Members have not migrated as a result of Covid, it seems the impact in this regard has been minimal.
Introduction

Background

In light of the global COVID-19 pandemic and ensuing restrictions in many countries, Hand in Hand East Africa and Hand in Hand International are seeking to understand what impact the pandemic is having on programme Members in Tanzania.

This Rapid Needs Assessment (RNA) was conceived in May 2020. Data was collected on 10-15 June and a draft report was delivered on 27 July 2020 to provide insights into the impact of the pandemic on Members’ enterprises and finances; the challenges faced by Members and how they have adapted their businesses; and amount and type of financial assistance needed by Members. It seeks to answer four key research questions:

- What impact have the restrictions had had on Members’ business activities?
- What impact have the restrictions had on Members’ savings levels?
- How have Members adapted their businesses and what non-financial assistance do they need?
- How indebted are Members and what financial assistance do they need?

The data collection tools and data analysis for this report are modelled on those used in Hand in Hand’s Rapid Needs Assessment in Kenya, conducted in late May 2020. The purpose of this report is to provide an evidence base for HiHEA’s immediate response and to guide project design in HiHI’s proposals for further donor support. This RNA will also contribute to a wider Situational Analysis, which will incorporate desk-based research about the wider market and business context in Kenya as well as Tanzania.

Methodology

This Rapid Needs Assessment draws on primary data collected for this study by HiHEA’s in-house Business Relationship Officers via telephone survey between 10-15 June 2020. This RNA dataset comprises responses from 372 HiHEA Tanzania Members (301 women, 71 men) about their business activity, income, savings, and loans. For this dataset, the team contacted 373 Members in total, 372 of whom agreed to participate in the survey. Details of the respondents’ branch and gender are below.

Table 1: Respondent numbers by branch and gender

<table>
<thead>
<tr>
<th>Branch</th>
<th>Female</th>
<th>Male</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arusha</td>
<td>121</td>
<td>34</td>
<td>155</td>
</tr>
<tr>
<td>Moshi</td>
<td>180</td>
<td>37</td>
<td>217</td>
</tr>
<tr>
<td>Grand Total</td>
<td>301</td>
<td>71</td>
<td>372</td>
</tr>
</tbody>
</table>

Due to the time-sensitivity of this needs assessment, minimal qualitative data was collected. The survey tool included follow-up questions to capture respondents’ thinking, reasoning, and unexpected information they might like to share with us. No in-depth interviews or focus group discussions were conducted. Therefore, this report serves more as a high-level snapshot of the current situation and should be read as such.
1 Impact of Restrictions on Enterprise Operations and Income

1.1 Most enterprises remain open despite restrictions

The sampled group (372 Members – 301 F, 71 M) had an average of 1.1 enterprises per person before the restrictions, falling to 1 enterprise per person after. 90% of sampled Members’ enterprises are still operational; 10% are closed. 10% of sampled Members are currently not operating any enterprises at all, compared to 5% before the restrictions came into force.

Figure 1: Change in no. of enterprises run by each Member (n=372)

There is minimal variance by gender, although men have been slightly worse affected by closures than women. 86% of sampled men have been able to avoid closing any of their enterprises, compared with 91% of sampled women. One woman started a new enterprise during the restrictions.

Figure 2: No. of enterprise closures, by gender (n=372)

There is minimal variance in the level of enterprise closures between branches, although Moshi has been slightly worse affected. 11% of sampled Members’ enterprises in Moshi have closed since the restrictions were imposed, compared to 9% in Arusha.

1.2 Transport sector worst affected by closures

Of the 397 enterprises owned by the 372 Members sampled for this survey, most fall into the retail (39%) or agricultural sector (38%). Hospitality (8%), Manufacturing (6%), Service (5%) and Transport (4%) each make up a small fraction of the enterprises run by sampled Members.

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3 These figures represent the breakdown of Member enterprises by sector under normal conditions, i.e. before lockdown.
Looking at closures by sector, we can see that manufacturing, agriculture, and retail were the least-affected by closures, with upwards of 85% of Member enterprises in these sectors remaining open despite the challenges posed by Covid-19 restrictions. Transport was the worst-affected sector, with 69% of Member enterprises managing to remain open.

A detailed breakdown of the percentage of Member enterprises that were still open at the time of data collection, by sector and subsector, can be found in the graph below.
Figure 5: % of Member enterprises still open, by subsector

Agriculture
- Crops: 89%
- Other livestock: 86%
- Dairy: 79%
- Poultry: 76%

Retail
- Soap & hygiene products: 100%
- General store: 94%
- Food, drinks & tobacco: 87%
- Other: 82%
- Fabric, clothes & leather: 80%
- Handicrafts: 75%
- Computers & electronics: 0%

Service
- Hairdressing & barbers: 83%
- Other: 83%
- Maintenance & repairs: 67%

Hospitality
- Restaurant: 100%
- Bar: 89%
- Café: 79%
- Other: 50%

Manufacturing
- Food, drinks & tobacco: 100%
- Soap & hygiene products: 100%
- Other: 100%
- Fabric, clothes & leather: 80%
- Handicrafts: 67%

Transport
- Taxi / boda boda: 69%

Hand in Hand rapid assessment of COVID-19 impact on microenterprise, Tanzania, June 2020
1.3 Four in five Members now living below international poverty line

To gauge the impact of the restrictions on Members’ income, we asked about their net enterprise income in the four-week period immediately preceding the restrictions, and the four-week period in restrictions immediately preceding data collection. The table below shows the distribution of Members’ income in the normal versus the restrictions period.

**Table 2: Distribution of net enterprise income - normal vs. restrictions**

<table>
<thead>
<tr>
<th></th>
<th>Normal period (Tsh)</th>
<th>Restrictions period (Tsh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>-</td>
<td>(350,000)</td>
</tr>
<tr>
<td>Q1</td>
<td>59,500</td>
<td>2,750</td>
</tr>
<tr>
<td>Median</td>
<td>100,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Q3</td>
<td>200,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Maximum</td>
<td>1,050,000</td>
<td>600,000</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>154,524</td>
<td>62,491</td>
</tr>
</tbody>
</table>

Average income has fallen by 60%, down from Tsh 154,524 in the four-week period before restrictions to Tsh 62,491 after. The majority of Members (63%) experienced a decrease in enterprise income due to the restrictions; while nearly a third (30%) experienced no change.

Of those who experienced a decrease in income, 24 Members (6% of total) were operating at a loss, with losses ranging between Tsh 5,000 – 350,000 over the four weeks immediately preceding data collection. The greatest individual fall in income was reported by a woman in Moshi whose three enterprises in retail, poultry, and boda-boda taxi services all closed due to the restrictions. Her income fell by Tsh 1,050,000 to Tsh 0.

On the other hand, 24 Members’ (6%) incomes increased during the restriction period, by a range of Tsh 5,000 – Tsh 130,000. Surprisingly, most of those whose incomes increased said they did not make any changes to their enterprises during the restrictions. One adopted COVID-19 hygiene measures, one diversified their offerings, and one began delivering door-to-door.

In order to make sense of the fall in Members’ incomes in the context of international benchmarks, we calculated their daily US Dollar income in the normal four-week period and four-week period under restrictions and grouped them in relation to the World Bank 2015 International Poverty Line ($1.90 per day) and the WB Lower-Middle Income Poverty Line ($3.20 per day).4 81% of sampled Members are now living below the $1.90/day international poverty line, up 26 percentage points from 55% before the restrictions.

**Figure 6: Impact of restrictions on business income, by WB poverty lines (n=372)**

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Women are overrepresented in the lowest income bracket (< $1.90/day) and underrepresented in the higher income bracket (> $3.20/day) in normal times. This has become less pronounced during the economic conditions of the COVID-19 restriction period.

**Figure 7: Impact of restrictions on business income, by gender (n=372)**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Normal Income</th>
<th>Lockdown Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>60% Below $1.90</td>
<td>83% Below $1.90</td>
</tr>
<tr>
<td>Men</td>
<td>37% Between $1.90-$3.20</td>
<td>14% Between $1.90-$3.20</td>
</tr>
</tbody>
</table>

1.4 **Income losses greatest in agriculture and retail**

Looking at the total enterprise income of sampled Members by sector, we can see that agriculture and retail represent the bulk of HiH Members' income in Tanzania and that these two sectors have suffered the biggest losses in absolute terms. Total agricultural income for a four-week period fell by nearly Tsh 13.3 million, from Tsh 22.1 million before Covid-19 restrictions to Tsh 8.8 million during. Retail income fell by Tsh 12.1, also a drastic drop from Tsh 20 million to Tsh 7.9 million.

**Figure 8: Change in total business income, by sector (100,000s of Tsh)**

In proportional terms, transport has been hardest hit with income falling 75%. This severe downturn in income from the transport sector will affect a small proportion of our Members in Tanzania. However, retail and agriculture have also been hard hit with income loss in proportional terms, with both seeing a fall of 60%. As we have seen earlier in this report, these two sectors represent the bulk of our Tanzanian Members' businesses, both in number of enterprises and in total income.
Figure 9: Proportional change in business income, by sector

1.5 Almost all Members whose businesses have closed plan to reopen

To gauge Members’ feelings of risk aversion or hopefulness about the potential to do business again, we asked those who had closed enterprises due to the restrictions whether they planned to reopen them once restrictions end. 86% of sampled Members who closed businesses said they do plan to reopen after restrictions end. 11% said they do not plan to reopen and 3% were unsure.

Most of those who plan to reopen explained that they must reopen because their business is their livelihood and they depend on it. A couple of them expressed hopefulness that customers would return as before the restrictions. A few said that reopening was contingent on their ability to secure capital. None of the Members who do not plan to reopen gave any details as to why.

Figure 10: Are Members planning to restart closed enterprises after restrictions? (n=37)

2 Impact of Restrictions on Member Savings

2.1 Most Members continuing table banking despite restrictions

Almost all of the sampled Members say they are still in contact with their Self-Help Group (94%) and that they have continued practising Table Banking / Merry-go-Round (87%) with their Group during the restrictions. Nine percent have stopped meeting with their Group due to COVID-19 restrictions. This finding is in opposition to that in the Rapid Needs Assessment for Kenya, which found that most Members there had been forced to stop meeting due to the parameters of their COVID-19 restrictions.

88% of those who had stopped Table Banking / Merry-go-Round with their group (n=32) said they planned to restart once restrictions were lifted and the virus was under control. Many of them also emphasised the benefits to them of participating in these group finance activities.

2.2 One in five Members have already run out of savings entirely

To gauge how much of a financial buffer Members have and the rate at which it is dissipating, we asked about their savings levels just before the restrictions and at the time of data collection. Average savings
have fallen by 45%, from Tsh 165,496 before the restrictions to Tsh 90,487 during. One in five Members (21%) now have no savings at all, up from one in ten (11%) before the restrictions. The table below shows the distribution and average figures before and since restrictions.

Figure 11: Distribution of savings - before and after restrictions

<table>
<thead>
<tr>
<th></th>
<th>Savings before (Tsh)</th>
<th>Savings now (Tsh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1st Quartile</td>
<td>50,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Median</td>
<td>150,000</td>
<td>40,000</td>
</tr>
<tr>
<td>3rd Quartile</td>
<td>245,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Maximum</td>
<td>1,000,000</td>
<td>624,000</td>
</tr>
<tr>
<td>Average</td>
<td>165,496</td>
<td>90,487</td>
</tr>
</tbody>
</table>

Using the World Bank poverty lines (see above) as a guide, a months’ living expenses equates to between Tsh 132,700 ($1.90 line) – Tsh 223,500 ($3.20 line). By this calculation, 50% of sampled Members had more than a month's living expenses (@$1.90) saved before the restrictions. Now, just 26% do.

Figure 12: Change in Member savings levels

As well as the fall in Members’ savings in terms of Shilling value, we sought to understand the rate of the fall and what this would mean for Members ability to support themselves over the coming weeks, possibly months, with severely limited income. As mentioned above, just 26% of Members still had more than a months’ subsistence costs left in savings, based on the World Bank IPL of $1.90 per day, at the time of data collection. Fifty-two percent had less than one months’ subsistence costs left. Twenty-one percent already had no savings left at all.

3 Challenges, Adaptations, and Non-Financial Needs

3.1 Businesses need access to markets, stock, affordable inputs

When asked about the business challenges they have faced during the COVID-19 restrictions, 72% of members mentioned the lack of markets and customers for their products and services. All other challenges were mentioned by just a handful of Members each, and these included lack of access to the products and facilities needed to run the business; lack of PPE and fear of getting infected with Coronavirus; destruction of crops by floods; and increasing prices of the products and facilities needed to run their businesses.

Figure 13: Key business challenges during restrictions (# spontaneous mentions)

5 Based on spontaneous mentions, rather than a choice of options
3.2 Majority of Members have not adapted their businesses in response to Covid-19

To understand how Members have been responding to the business challenges posed by the COVID-19 restrictions, we asked whether they had made any changes to any of their business that were still open. Members told us they had made adaptations to 137 out of the 358 surviving enterprises (38%), but not to the other 62%. These adaptations mostly relate to COVID-19 hygiene measures (33%). The remaining 5% relate to strategic adaptations, including starting door-to-door sales in response to the lack of customers (3%) and diversification of products or services (1.4%).

Figure 14: Enterprise adaptations, as a % of all surviving enterprises

3.3 Covid-19 hygiene adaptations reduce fall in business income

The average fall in income experienced by the members who made Covid-19 hygiene adaptations to their businesses was 44%, 22 percentage points lower than the average fall in income for those who did not make any Covid-19 adaptations, at 66%.

3.4 Members need soap, face masks, access to water to resume business activities

82% of sampled Members say they need Personal Protective Equipment (PPE) for COVID-19 hygiene and prevention in order to continue or resume their enterprise activities. The PPE they mentioned included the key items that people are turning to the world over: soap, detergents, hand sanitiser, face masks, and gloves. The most-mentioned items were face masks (mentioned by 67% of sampled Members), hand sanitizer (61%), and soap (46%). RNA data from Kenya showed that a couple of Members there had already started making face masks and other hygiene products in response to the pandemic, but there was no
evidence of this in Tanzania in the RNA data. As well as empowering Members in Tanzania with the technical skills to make face masks, hand sanitizers, and/or soaps, Hand in Hand should encourage them to do so and seek ways to connect those Members who need these products with our own Members within the same locales who are producing them.

Figure 15: PPE needed by Members

3.5 Members need farm inputs, training, market access, food donations

We asked Members whether they needed any support aside from financing and COVID-19 PPE. Most Members (42%) said they do not need other support aside from PPE and access to capital. Despite the phrasing of the question, 14% reiterated the need for financial assistance. Members also mentioned training (13%), farm inputs (10%), market linkages (9%), and equipment (3%). Two Members requested food donations.

Figure 16: Support needed, excluding financial and PPE

Members requested training on COVID-19 awareness and on how to do business during coronavirus restrictions. The farm inputs mentioned were seeds, fertilizer, and pesticide. In terms of market linkage, Members specifically requested linkage to markets for liquid soap, rice, beans, and maize.

Members also had a few questions, which may be worth addressing as standard when BROs reach out in order to set expectations:

“Will we be granted masks during training?”

“When you come to teach us will we all meet, or what will happen?”

“When will entrepreneurship training begin again?”
4  Indebtedness and Financial Needs

4.1  Half of Members already in debt

To understand Members’ current level of debt, we asked them how many loans they are currently paying off. Nearly fifty-two percent of the sampled Members are currently not repaying any loans; just under 48% are currently repaying one loan. Two Members are currently repaying two loans and one Member is currently repaying three loans. 76% of sampled Members said they are having difficulty repaying their loans at the moment.

![Figure 17: No. of loans Members are currently repaying](image)

Ninety-seven percent (n=174) of the loans are provided by the Members’ SHGs, highlighting just how crucial informal credit is in the Tanzanian context, as compared to Kenya where 43% of Members’ loans come from mobile apps, MFIs, banks, SACCOs and other sources. This also demonstrates how dependent our Members will be on us to provide a source of re-starting capital.

The average loan amount pending is Tsh 240,709. This equates to 1.5 months’ average income in normal conditions (Tsh 154,524), or four months’ average income under the restrictions (Tsh 62,491). As a proportion of average annual income, this average debt burden would equate to around 12% in normal conditions. Based on reduced incomes in the wake of COVID-19, it is around 19% of average annual Member income. Looking at the distribution of loan debt, we can see that a quarter of Members owe Tsh 94,000 or less and half of Members owe Tsh 200,000 or less.

<table>
<thead>
<tr>
<th>Loan debt (Tsh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>1st Quartile</td>
</tr>
<tr>
<td>Median</td>
</tr>
<tr>
<td>3rd Quartile</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

4.2  Half of members plan to take further loans; others are afraid they can’t repay

49% of sampled Members say they plan to take out a loan / a further loan to support or restart their business due to the Covid-19 restrictions. 42% do not want to take a loan / further loan for their business, and 9% are unsure. The average amount Members plan to borrow to support or restart their business due to the restrictions is Tsh 345,967 and the distribution of intended borrowing (details below) shows that half of the sampled Members need to borrow up to Tsh 300,000.
### Table 4: Distribution of intended borrowing to support or restart businesses

<table>
<thead>
<tr>
<th>Loan amount needed (Tsh)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>20,000</td>
</tr>
<tr>
<td>1st Quartile</td>
<td>200,000</td>
</tr>
<tr>
<td>Median</td>
<td>300,000</td>
</tr>
<tr>
<td>3rd Quartile</td>
<td>500,000</td>
</tr>
<tr>
<td>Maximum</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Average</td>
<td>345,967</td>
</tr>
</tbody>
</table>

Of the 42% (n=157) who do not want to borrow or borrow more to support their business out of the restriction period, most (58%) say it is because they are afraid they will not be able to repay the debt. One in ten do not have enough collateral (11%); some do not feel comfortable taking out another loan until they have finished repaying their current debt (6%); and a few fear their business will collapse anyway (2%). Those who still have savings and/or whose businesses are still faring well enough do not need to borrow (19%).

### Figure 18: Reasons Members do not want to take further loans

- Scared I won’t be able to repay: 58%
- Don’t need to borrow: 19%
- Don’t have enough collateral: 11%
- Not until I pay off my current loan: 6%
- Scared my business will close anyway: 2%
- Other: 4%

Hand in Hand rapid assessment of COVID-19 impact on microenterprise, Tanzania, June 2020

### 5 Impact of Restrictions on Migration

In order to gauge what impact the Covid-19 restrictions had on migration, we asked Members whether they had recently migrated back to their original homeland on a temporary or a permanent basis. 98% of sampled Members said they had not migrated as a result of Covid. One Member said they had permanently migrated back to their original home, and four Members said they had temporarily migrated back home.
6 Conclusions

What impact have the restrictions had on Members’ business activities and income?

The majority (77%) of sampled Members’ businesses fall into the retail (39%) or agricultural sectors (38%). The Covid-19 restrictions in Tanzania have not had as severe an impact on the ability of local Hand in Hand Members to keep their enterprise activities running as in Kenya, with just one in ten enterprises closed in Tanzania compared to one in four in Kenya. Despite 90% of sampled Members’ businesses in Tanzania remaining open, they have faced significant operating challenges and seen an average fall in business income of 60%. As a result, 81% of sampled Members are now living below the $1.90/day international poverty line, up from 55% before the Covid-19 restrictions came into effect.

What impact have the restrictions had on Members’ savings levels?

Unlike in Kenya, almost all sampled Members in Tanzania are still in contact with their Self-Help Group (94%) and have continued meeting and practising Table Banking / Merry-go-Round (87%) with their Group during the restrictions. Nonetheless, the steep decline in business income has forced Members to eat into their savings, with average savings falling by 45%, since the restrictions were imposed. One in five Members now have no savings at all, up from one in ten before the restrictions. Using a rough calculation based on the International Poverty Line of $1.90 per day, just 26% of Members now have a month’s living expenses left in savings.

How have Members adapted their businesses and what non-financial assistance do they need?

A majority of Members’ surviving businesses (62%) have not been adapted in response to the Covid-19 context. The most common adaptations were Covid-19 hygiene measures rather than strategic adaptations such as diversification or pivoting to in-demand products and services. Nevertheless, the average fall in income experienced by Members who made Covid-19 hygiene adaptations to their businesses was 33% less than the average fall in income for those who did not make Covid-19 hygiene adaptations. From this dataset alone, it is not clear why this is the case. It could be that customers feel safer visiting enterprises which are demonstrably taking Covid-19 safety measures, in which case, clear messaging or advertising that a business is “Covid-hygienic” might further encourage customers to visit.

Just five Members said they had diversified their products and services in response to the Covid-19 context. That such a small proportion of enterprises have been strategically adapted so far is encouraging: it suggests there is plenty of scope for improvement from a business perspective. A workshop could be held to identify practical and successful strategic adaptations for dissemination to Members.

The lack of markets and customers is the main challenge faced by members. A handful of Members have started offering a door-to-door service to mitigate this challenge. Members requested support with market linkage, specifically to markets for liquid soap, rice, beans, and maize. 82% of Members say they need PPE, in particular, face masks, hand sanitizer, and soap. In terms of technical support, Members requested training on COVID-19 awareness and on how to do business during coronavirus restrictions.

Members also had a few questions, which may be worth addressing as standard when BROs reach out, in order to set expectations:

“Will we be granted masks during training?”

“When you come to teach us will we all meet, or what will happen?”

“When will entrepreneurship training begin again?”

How indebted are Members and what financial assistance do they need?

49% of sampled Members are currently paying off a loan, 76% of whom are having difficulty repaying at the moment. Half of sampled Members plan to take further loans to support or restart their business due
to the restrictions. The average amount Members plan to borrow is Tsh 345,967. Half the sampled Members need to borrow Tsh 300,000 or less.

Of the Members who do not plan to take further loans, the majority say it is because they fear they will not be able to repay the debt. Many do not have enough collateral and some do not feel comfortable having multiple debts.

Ninety-seven percent of Members’ current loans are provided by the Members’ SHGs, highlighting just how crucial informal credit is in the Tanzanian context, as compared to Kenya, where 43% of Members’ loans come from mobile apps, MFIs, banks, SACCOs and other sources. This also demonstrates how dependent our Members will be on us to provide a source of re-starting capital.

**What impact have the restrictions had on migration?**

Given that 98% of sampled Members have not migrated as a result of Covid, it seems the impact in this regard has been minimal.