

# Nafasi: Education & Microfinance in Tanzania

100 Projects for Peace Proposal

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## BACKGROUND

The Mwenge Woodcarver's Market in Dar es Salaam is arguably the largest producer of Makonde woodcarvings in East Africa and is a popular attraction for tourists in Tanzania. Despite the constant influx of Western tourists, the woodcarvers of Mwenge live an impoverished life due to intense competition and marginal profit; the majority of carvers are single men working to support their families left behind in rural villages.

We met the carvers in 2008 through an informal English class where we taught nightly for five months and began our project by giving a small out-of-pocket microloan of \$300 to a group of 3 woodcarvers. Our efforts eventually took on the formal name of Nafasi, meaning "opportunity" in Swahili. Working from America, we recruited a Tanzanian student and a current study abroad student to act as loan officers and business advisors. Our borrowers started a wood glue shop, opened a savings account, and paid off their debt in only eight months. During this time we were introduced to *Investours*, a successful microfinance organization that has combined tourism and microfinance to fight poverty in Oaxaca, Mexico since the summer of 2008. The *Investours* staff served as invaluable consultants during our organization phase, and we ultimately hope to implement their microfinance-tourism model in Dar es Salaam.

## OBJECTIVES

1. To deliver interest-free loans to the entrepreneurs of Mwenge by implementing the *Investours* microfinance-tourism model.
2. To integrate business management and financial education into established daily English lessons.
3. To recruit 5-10 local Tanzanian college students as loan officers, mentors, and teachers.
4. To formalize a network of study abroad students who will work in conjunction with Tanzanians, thus creating a sustainable international partnership.

## METHODS

### Microfinance

**Sources of Funds**—The grant will fund the initial loans; subsequent loans will be generated by implementing the *Investours* microfinance-tourism model. The Mwenge Woodcarvers Market is already a key tourist destination and tours will be advertised by partnering with local businesses, especially hotels, to form small incentive programs and by flyering key tourist locations.

**Microfinance Delivery**—Entrepreneurs will be recruited via community meetings and given a basic paper application and oral examination to ensure the understanding of formal terms. Tanzanian and study abroad students will be recruited as loan officers and will meet weekly with carvers to monitor their progress and provide any assistance that may be necessary. Each loan will involve a formal contract and repayment schedule and will be paid back within 4 months.

### Partnership Building

**Universities**—Utilizing our connections with various departments at the University of Dar es Salaam, we will recruit 5-10 of the most motivated and hardworking Tanzanian business students to serve as volunteers. Involving students from the local campus is both crucial and invaluable for our project's success, as is shown by our previous loan officer (a Tanzanian student). These students will not only be native Swahili speakers but also proficient English speakers enabling them to serve important roles in the coordination of tours. Their local expertise and long-term on-the-ground support will help ensure our project's sustained success and continuity. The University of Dar es Salaam also has a constant influx of

international students from around the world, many of whom teach English in the Mwenge community. Utilizing our connections through the University of Florida's study abroad program as well as the University of Dar es Salaam's international office, we will continue building a network of international students from Europe, Asia, and North America to work in tandem with Tanzanian volunteers as mentors and loan officers.

**Investours**—Establishing a new Investours education tourism destination in Dar es Salaam will connect the entrepreneurs in Mwenge with tourists from around the world. This mutually beneficial relationship will provide entrepreneurs with much needed capital while educating tourists on poverty and development. The Investours staff will also be a key resource for organizational planning and expertise.

### Education

**Website**—We have already established a website ([stevensweb.net/Tanzania](http://stevensweb.net/Tanzania)) for the English class which visiting and Tanzanian students alike can use as a tool for creating and organizing lesson plans. The website also serves as an avenue of communication and information for incoming and veteran teachers. We can also utilize the Investours website ([investours.org](http://investours.org)) where potential tourists can learn about and sign up for tours, communicate with other tour alumni, and follow the progress of entrepreneurs.

**Financial Education**—Building on the infrastructure that already exists for the daily English class we will incorporate lessons in financial education. This curriculum will include the basics of business management, loan management, and accounting. This grant will also be used to supply basic classroom necessities and lesson-enhancing curricula.

**Educational Tourism**—This project also serves to educate socially minded tourists by giving them the opportunity to experience urban Tanzanian from an entrepreneur's perspective. Tourists will experience the daily dilemma of having limited resources in Mwenge while concurrently engaging in social change and poverty reduction.

### **SUSTAINABILITY AND FUTURE IMPACT**

This project will last far longer than the summer of 2010. Every dollar given in microloans will be repaid and reused for further reinvestment, as was our original out-of-pocket loan, thus creating a sustainable foundation for transforming the community of Mwenge and lifting the entrepreneurs and their families out of poverty. The partnerships resulting from this project will create a diverse network of volunteers from all over the world. The volunteer program will give Tanzanian students a unique opportunity to help their fellow citizens while playing an active role in boosting the Tanzanian economy.

### **TIMELINE**

All network building and partnership development will occur before our departure and early in the summer of 2010. We will stay in Tanzania throughout the duration of the summer ensuring that tours are running efficiently and each group of microentrepreneurs establishes a business plan and repayment schedule, obtains their loan, and is set up with a loan officer. After our departure from Tanzania, the tours and loans will continue through the volunteer work of the Tanzanian and international loan officers. We will help guide the program remotely or through volunteers on the ground throughout the year.

### **ABOUT US**

Kathryn Ranhorn and Parker Stevens lived and studied at the University of Dar es Salaam for a semester in 2008 where they both became advanced speakers of Swahili. When Parker returned to the University of North Carolina Chapel Hill she spearheaded a non-profit project selling the woodcarvings on campus through the World MicroMarket. Kathryn is planning a yearlong post-baccalaureate study investigating men and microfinance in Tanzania. In the summer of 2009 Parker returned to Mwenge to visit the new shop, now known as Shop Camp. Dar es Salaam translates to "house of peace," but such peace is denied for the many artisans living there in violent poverty. This project is dedicated to preserving this translation and transforming the Mwenge community into a literal "house of peace."