

## **Opening Remarks at the End of Project Assignment on Rural Microfinance Management Project**

The Chairperson of the Workshop,  
The Deputy Principal Academic,  
The Deputy Principal Administration,  
The Director, Bureau of Research and Consultancy Services,  
The Dean, Faculty of Business and Information Sciences,  
Dean, Faculty of Co-operative and Community Development Studies,  
The Director of The Institute of Continuing Co-operative Development and Education,  
Humber College representative Mr Kent Shroeder,  
Project Co-ordinator Workshop,  
Participants,  
Ladies and Gentlemen.

It is a great honour for me to speak to this gathering, in a workshop, marking the final leg of our joint project with Humber College of Advanced Learning and Technology.

I want to thank God for keeping all of us through the project period and see the finalization of the project on Rural Microfinance Management.

I thank the leadership of Humber College and CIDA of Canada, for providing us at MUCCoBS, this rare opportunity for learning on critical areas of development, namely microfinance and enterprise development and entrepreneurship. This project started five years ago, in 2003. I remember us sitting with Kent, Dr Bee and myself in my office, discussing the unique characteristics of Rural Microfinance, Rural enterprise development in the context of the historical mandate of the Moshi University College of College and Co-operative and Business Studies.

Today we can make reflection on the successes, challenges and lessons on a project that we all implemented with our own hands.

Apart from the successes, challenges and lessons learned, of which we are here to document and analyze today, the project has seen our two institutions making massive institutional changes, that have taken place at MUCCoBS and Humber College of Canada.

I know over time; Humber College has enhanced its collaboration with Guelph University to offer degree programs in areas where Humber College is highly competent. Likewise, the Co-operative College of the year 2003, is today the Moshi University College of Cooperative and Business Studies. Humber College has expanded its business school programs and at MUCCoBS we are doing the same.

In Canada, Humber College is collaborating with an Agricultural University while in Tanzania, MUCCoBS is a business studies university collaborating with Sokoine University of Agriculture. Professors from Humber's Business School have interacted with their Tanzanian colleagues and offered commendable practical business teaching and research experiences. Likewise, Senior members of the academic staff at MUCCoBS, have travelled to Canada and experience the competitive financial and other market environments. Interns have come all the way from Canada to Tanzania and have greatly contributed to the reconstruction of different structures of delivery at MUCCoBS, especially in ICT policy, curriculum development, project documentation and the development of the Centre for Co-operative Entrepreneurship and Innovation. We now have a lot of insights on different perspectives of enterprise development, locally and internationally. We thank Humber College and CIDA for the achievement so far reached.

I will not dwell on the lessons here because, that is a whole day agenda. But I want to recognize two important statements from current interns as follows; Natasha said in her submission that "We have seen when visiting the regional centres that, MUCCoBS is a university helping people across Tanzania" and Pat said MUCCoBS has a very high community reputation which should be harnessed progressively" These are important insights which demonstrate the lifetime ambitions of MUCCoBS.

Let me now look at the future of our collaboration which you will also discuss, but I will just touch on very few issues:

First is the strategic value and future of the concept of rural microfinance and rural micro-enterprise development. Our collaboration with Humber College came at the right moment because this is the only time when Africa is seriously reviewing its policies on poverty alleviation. And when poverty is being discussed in policy making meetings, strong farmer institutions, financial services and enterprise development are topical issues on the agenda. I therefore want to emphasize that our

collaboration with Humber College has a great future than the current five years that we are completing today.

Second, is the complexity of microfinance in general and savings and credit co-operatives as people owned microfinance institutions in the context of competition and poverty. In terms of priority, MUCCoBS would like to propagate the idea of SACCOs because we believe it has longer future than ordinary NGO-based microfinance institutions. This is because SACCOs promote independence and freedom of economic decision-making than ordinary microfinance institutions. SACCOs have a comprehensive organizational infrastructure for external governance than otherwise. SACCOs emphasize the role of savings before credit, while other microfinance institutions emphasize the role of credit without savings. We feel this is risky because of its emphasis on the pressure of commercial banks. We have pressure of commercial banks using SACCOs as their branches in the rural areas. But they are not just branches, they are in fact marginalizing the savings concept in the SACCOs. The commercial banks will soon declare victory over the SACCOs because they will see no need for savings as loanable funds will be available anyway. This scenario will sustain the system in the short run before some of the SACCOs are declared bankrupt and banking operations will be closed in different areas, before people start talking about establishing their SACCOs again.

But the other advantage of SACCOs is where they can graduate into co-operative banks and create a strong network of IT driven people owned financial services.

Canada has a financial co-operative system known as credit unions and co-operative banks which have survived years of stiff competition. Tanzanian SACCOs have a lot to learn from Canada on how such institutions have managed competition. Our future collaboration with Humber may need to touch base on financial innovation experience of the Canadian credit union movement.

Thirdly, we had the ambition of curriculum development for degree programs in microfinance and enterprise development. I am glad that those degrees will become a reality very soon. But in future, we may need to see more programs linking financial services and agricultural business development, agricultural investment and agricultural marketing. We are saying so because the future of Tanzania will continue to depend on agriculture. Therefore, our future collaboration with Humber, may have to re-conceptualize, the scale, technology and sustainable financial services into curriculum development, research, consultancy and publications.

I want to end up by saying we have come a long way in our collaboration with Humber College and CIDA, but we still have a long way to go together in as long as we remain flexible in the design of O our future collaboration because I believe that flexibility is the mother of change.

Thank you for your attention