

# Akiba Commercial Bank: a partner in women's efforts

...Introduces tailored product to benefit those in rural areas

By Idi Ismail

**MOST** people focus on the Beijing Conference as having been a turning point in redefining the role of women in the manner of so many other issues like the invention of the typewriter and the rest of it. But, talking about the Tanzanian woman and local events that have been influential in redefining her role, that of Akiba Commercial Bank cannot go unnoticed.

Before the Beijing conference in 1995, five visionary Tanzanians had earlier in 1993 realized the need to come up with a bank that was aiming at raising the standards of the un-banked and underserved, which came into reality in 1997 when Akiba Commercial bank officially commenced its operations in the country. It was actually the first Tanzanian private bank.

The founders of Akiba Commercial Bank shared a strong conviction that in AKIBA they would have a vehicle with which they could reach and provide financial services to the lower side of the market. In fact today, 70 per cent of Akiba's services are micro finance and according to Vitalis Kimario, marketing Manager of ACB, their target is to make it up to 80 per cent and only provide the 20 per cent to corporate clients. So how does this help women?

Mrs. Mashauri Specioza, the deputy Marketing Manager says that women take the lion's share of the customers that are served by the bank. She says most of the groups that have benefited greatly from the bank's initiatives are the women groups and that most women have now improved their lives through the banks, thanks to the visionary founders.

"In fact," says Specioza, "going back to history, it was the women who were the most under looked members of society, they were the underserved and un-banked."

Specioza says that women were meant for domestic work and giving birth to children. They had no legal rights, no equal right and no right to education. "But with the Beijing conference and the emergence of Akiba, women have woken up to all those rights and today we can rightly say that women stand on equal footing with men in social, political and economic spheres of life.

Akiba commercial bank's tailor-made micro finance services are mostly linked to women and the poor and as such, the bank has gone an extra mile in serving women and their micro and small enterprises. Specioza says the ratio of women entrepreneurs to men entrepreneurs is far above 60 per cent.

These women get more financial services, she says referring to loans and savings, adding that the bank even provides them with training in basic record keeping, entrepreneurship, business management, leadership and simple concepts of marketing. Besides that, the bank organizes regular trade fairs where they bring in various non-financial service providers to network with them.

"We do this because we know that business is not only about money, but they also need to know where to go when they need for example, an energy saving stove, city council licenses, free or affordable legal services, other training providers like SIDO, trainers on matters of hygiene, health and environmental issues," she says.

Kimario says the bank's tailor-made products like the Vikundi (group) loans have benefited many women groups and these groups have been able to improve their life standards. And because women are more faithful than men, many have been able to further develop themselves by advancing into personal loans and as of today, some of those who started off with capital of as low as 20,000/=



A fashion designer (left) displays dresses and flowers at a pavilion during an exhibition in Dar es Salaam recently as part of celebrations of the International Women's Day this week. Some businesswomen have benefited from Akiba Commercial Bank's soft loans. (Picture by Heri Shabani)

are now doing great business in Kariakoo, trading between Dar, Hong Kong, Dubai and other business centers.

Kimario attributes this to the ease in the conditions available at the bank for the common citizen of Tanzania. When you look at other loan products available at the bank, you realize that the bank is actually pro poor as people can borrow as low as Tsh. 20,000 and graduate to higher loan stages, and many have succeeded according to Kimario. He says some of the people who started to save as little as Tsh 3000 a week, have as much as over a mil-

lion shillings in their accounts because of the culture of saving the bank has instilled in them.

Besides, the bank provides an opportunity for micro entrepreneurs to save small amounts every week on compulsory basis, under the group loans scheme. This has inculcated a savings culture to the entrepreneurs, most of whom are women.

In fact, in recognition of the potential of women in enhancing economic development in the country, the bank is piloting a tailor-made loan product designed to benefit women, specifically

those in the rural areas. Known as the *Ujuzudi* or effort loan, the product benefits women in small and big groups in the same locality owning a business for at least six months before joining the group.

According to Kimario, areas that have been reached under this project include Tengeru, Usa River, Maji ya Chai, Kikatiti, Mashono, Unga Limited and Mbauda, all in Arusha region but he says other areas will soon be reached after launching the product officially. So far, over 500 women in those areas have benefited from the

pilot product.

Out of the 14,000 borrowing customers of Akiba, 8,500 are women, which is about 61 per cent and this clearly indicates Akiba's dedication to the promotion of women in Tanzania. Most of the activities supported by the bank are those mainly carried out by women. These include food vending, fish mongering, second hand cloth selling, knitting/weaving, horticulture, groceries and fruits and vegetable sellers. Others are small-scale diary cattle keeping, retail and distribution, tailoring, carpentry, masonry works,

Internet cafes, stationary shops, secretarial services, barbershops and hair salons.

The bank is today a recognized player in the micro finance industry in Tanzania and has been able to blend micro banking with corporate banking which makes it unique among other commercial banks in Tanzania. Given its commitment to serve the lower market segment, the bank is a significant contributor to the government's poverty alleviation strategy. Akiba has developed a solid reputation in the market for being a 'bank of the people.'

The bank's performance record is marked equally by the success of its customers and this is evidenced in the abundant success stories among its borrowers. Many of our customers began their relationship with the bank through a small group micro finance loan, but have over the last few years built their businesses to qualify for individual loans and sometimes even corporate loans, says Kimario.

In fact, one of such customers is Rose Ngogo who has built a secondary school from Akiba loans having started as a food vendor. In her own words Rose says: "Akiba's loan facilities have elevated me from one stage to another. It's unbelievable that I now own a school although it is still under construction. I started my business by offering catering services, which expanded very fast, especially from my third loan onwards. Then I got the idea to establish a school at Pugu, where I had acquired a sufficient piece of land. Besides loans, I value greatly the opportunity to save regularly on a compulsory basis under the AKIBA Group Methodology. I have a total of TZS 706,000 (USD 706) in my special savings account and I continue to save every week."

Kimario and Specioza believe the progress in furthering the role of women has been beneficial to the individual woman given the fact that a lot of women are now educated and know their

rights in the social, political and economic arenas. Women discrimination has decreased though not to satisfactory levels.

The dual however believe the Beijing Conference was a stepping-stone in enlightening the women about their rights to education and equal opportunity in all spheres. Globalization also played a major role in shaping today's woman as it turned the world into a single village where Tanzanian women gained access to women in developed countries and thereby learning a lot from them. They did not underscore the role of education institutions in fighting for the right of the woman to education and said Akiba is also trying as much as possible to ensure parents make a lot of savings to enable them take their children to school.

AKIBA's savings products include *Zawadi* (Gift) account, which is a special account for children below the age of 18 years where parents save small amounts of money over a prolonged period into this account which enables them to pay for school fees and other needs of their children. There is also the Special Savings account (SSA) for micro entrepreneurs, the *Biashara* (Business) account, which is a non-cheque book current account for SMEs, the normal savings account, fixed deposit account and Current Account.

On the side of loans, the bank offers a variety of loan products including the Akiba 'Vikundi' or Group loans, individual loans, consumer loans, Vehicle loans and corporate loans and overdrafts. The bank also offers a complete range of other financial services.

Kimario believes that women, once empowered, can contribute greatly to reducing corruption and poverty in the country.

Specioza conquers with him and she says without empowering women fully, life would be a misery, oh will it be?