

# The Financial Needs & Risks of the Microentrepreneur in Maputo, Mozambique: A Case Study



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# **THE FINANCIAL NEEDS & RISKS OF THE MICROENTREPRENEUR IN MAPUTO, MOZAMBIQUE: A CASE STUDY**

**Mozambique Microfinance Facility—Maputo, Mozambique**

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## ACRONYMS

ASSOTSI	Associação dos Operadores e Trabalhadores de Sector Informal
CIDA	Canadian International Development Agency
CRESCE	Crédito Sustentável para o Crescimento de Empresários
FCC	Fundo de Crédito Comunitário
FJ	Fajardo Market
GDP	Gross Domestic Product
IGA	Income Generating Activity
KULANE	Kulane Ka Ntwananu
ME	Micro-Entrepreneur
MEDA	Mennonite Economic Development Associates
MF	Microfinance
MFI	Microfinance Institutions
MMF	Mozambique Microfinance Facility
ROSCA	Rotating Savings and Credit Association
SE	Small Entrepreneur
SOCREMO	Socièdade de Crédito de Moçambique
XL	Xiquelene Market
XP	Xipamanine Market

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# THE FINANCIAL NEEDS & RISKS OF THE MICROENTREPRENEUR IN MAPUTO, MOZAMBIQUE: A CASE STUDY<sup>1</sup>

## EXECUTIVE SUMMARY

This report addresses the needs and financial risks of micro-entrepreneurs working in the informal markets of Maputo. The qualitative survey posed three questions to businesses: a) *What are the needs and risks of your business?* b) *How do you address these needs given the resources that your market currently receives?* and, c) *What are your perceptions on savings?* The study takes place in three informal markets in the peri-urban areas of Maputo, Mozambique and examines each group of participants in the market.

Findings state the most pressing need is access to working capital. Business owners look for opportunities to diversify their products, make new purchases, and expand their businesses. Other needs identified included new competition, safe storage, adequate security, training and other non-business needs.

In terms of payment preferences, most vendors favoured the prospect of credit through a financial institution. Most have an ideal initial loan size and loan terms, preferring payments at the end of each month. Participants were concerned about customer care with the institutions. They look for full understanding with preferred loan terms, flexibility under unforeseen circumstances and explanation of the use of collateral.

Savings continues to be perceived as a short-term way to manage household expenses, personal salaries and child education. As for their savings needs, most markets are still using traditional savings practices such as the Xitiques – or ROSCAs (Rotating Savings and Credit Associations). However, with new growth inside and near informal markets, merchants are making short-term deposits at least at the end of the month. Long-term savings is still limited to informal group savings such as a family fund within the community.

Recommendations for the microfinance industry are to continue the mix of business training to new clients, a push for market commission and government regulation of new entrants and women specific workshops on financial household management. In terms of credit preferences, continued customer empathy and retention of loan flexibility will strengthen the microfinance institution and expand client accounts. The development of the industry's long term group savings programs and mobilization of savings within the informal markets will support new MFI savings initiatives within Maputo and draw upon the specific preferences of clients within this market.

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<sup>1</sup> This study was graciously supported by CIDA through the CIDA Youth Internship Program which funded MEDA intern Kathleen Diga.

## 1.0 INTRODUCTION

This study presents the results of an in-depth evaluation on the needs and risks of micro-entrepreneurs in Maputo's urban informal markets<sup>2</sup>. It was carried out from June to November 2004 by Kathleen Diga, a Mennonite Economic Development Associates (MEDA) intern, on assignment with the Mozambique Microfinance Facility (MMF). This information is to provide key findings to the main stakeholders of the study: CIDA, MEDA, MMF and its partners.

Little documentation has been completed as to the needs and risks of micro-entrepreneurs within the urban informal markets in the city of Maputo. The findings hope to give insight to the needs and risks of local peri-urban clients and non-clients. Understanding the needs of the client may lead the microfinance industry to consider ways to help clients mitigate these risks through their financial products and services. The demand for financial services is certain, however, it is unclear whether the limited range of services provide positive impacts for the lives of the clients. The MFI industry benefits from research that reflects whether or not clients utilize current MF products in alleviating poverty. This survey tool could provide a framework for further market research conducted in the future. The results of the study are intended to contribute to the growth of Mozambique's MF sector.

## 2.0 RESEARCH GOAL AND OBJECTIVES

### 2.1 Purpose of Research

The study's Framework identifies the following objectives:

- To review February 2004's "Credit Demand Study of Markets in Maputo" with feedback from a past surveyor and conference participants.
- To report the lessons learned from this past credit study and use information for follow up evaluation
- To create a research tool for gathering information for study
- To train a research team who will conduct the survey on the field
- To collect, code and interpret data from the survey
- To give an evaluation and recommendations according to the results presented.

### 2.2 Research Questions

The questions to be addressed for this study were:

***The Need: What will this credit be used for?***

*What are the needs and risks of your business?*

***The Product / Service: Given the need, what are my product preferences?***

*How do you address these needs given the resources that your market currently receive?*

***Savings Perception: What are your feelings about savings?***

*What are your perceptions on savings?*

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<sup>2</sup> This study responds to the recommendations from previous credit demand study carried out by a former intern in November 2003. A follow-up study was recommended in order to get more information from micro-entrepreneurs in Maputo.

The study is comprised of interviews with MFI staff, and several focus group discussions. Interviews with Kulane/MEDA, SOCREMO, Novo Banco and an email to Tchuma were conducted prior to the survey to determine some market research criteria and review what steps could be taken towards enhancing the findings of the previous study in the MF sector. These meetings help to make the research more relevant to the institutions particularly to MFIs operating in this study's informal markets. The MFI input helped shape the Question Guide tool utilized in the survey, ensuring that MFIs will find this information beneficial to their institutions particularly in the city of Maputo.

### 3.0 BACKGROUND

#### 3.1 Mozambique

Mozambique continues to show strong GDP growth of 7% (2003) due to its ability to maintain peace since the end of the civil war in 1994. Much donor money has been put towards this post-conflict transition including the demobilization of soldiers and the return of refugees to their homes. Foreign investors especially from South Africa feel confident to open gas and aluminum mega-projects in the region. Donors have been generously investing in Mozambican development, including microfinance programmes. However, the Economist's Annual Country Report on Mozambique (April 2004 Country Report, The Economist) reports hesitations in the financial services sector. Mozambique has been described as having a "poor domestic lending environment" due to "weak assurances of contract enforcement through the legal system", and a "weak repayment culture". With increasing inflation, and the devalued metical, Mozambicans are able to purchase less and less with their monthly income; thereby, contributing to an increased sense of weaker business.

**Do you think that your business is stronger or weaker than the beginning of the year?**  
(conducted Nov. 2003)

	INFORMAL MAPUTO MARKETS			Total Client Responses	
	Xipamanine	Xikhelene	Fajardo		
<b>Stronger</b>	45	15	19	79	10,0%
<b>Weaker</b>	247	161	85	493	62,5%
<b>The Same</b>	104	81	32	217	27,5%
<b>TOTAL:</b>	396	257	136	n = 789	100,0%

*Credit Demand Report, MMF, Feb. 2004*

External issues contributing to the perception of a poor economy arise from government interventions and low sales volumes. The World Bank is assisting by urging authorities to improve the financial sector through a Financial Sector Assessment Programme, and this external pressure is expected to help change the environment.

#### 3.2 The Southern Region

In general, Maputo and its surrounding areas are experiencing widespread population growth due to migration of workers from outside provinces, mainly from the North, looking for opportunity and jobs in the southern region of Mozambique. There is a perception of prosperity (better infrastructure, wealth, education, investment) in the South (mainly in Maputo). However, the influx of migration to the South has actually increased the incidence of poverty in Maputo city by 5.8% (April 2004 Country Report, The Economist) while the rest of the poverty around

the country drops. Market opportunities for informal traders are high as they transport goods from the north to the south.

MFI partners working in the South area includes: SOCREMO, CRESCE, FCC and Male Yeru. After a recent MMF baseline report on five participating MFI's, 31% (about 5,908) of their active clients operate in the South (November 2003). The concentration of clients still remains in the rural North.

### **3.3 The City of Maputo**

The city of Maputo is divided into five municipalities including Maputo, the main city centre (see **Appendix A** for city centre map). The four other municipalities make up the peri-urban zones ("zonais urbanos"), and within these municipalities are 43 urban districts (see **Appendix B**: National Commission of Elections, Republic of Mozambique, 2004). According to Associação dos Operadores e Trabalhadores de Sector Informal (ASSOTSI), they have 26 informal markets who are members serviced by these MFIs in the Maputo zone (see **Appendix C** for list of Maputo's informal markets). Almost all informal markets are located outside the city centre. Out of 35,852 total registered informal market vendors, about 61% are women.

Of the 34 listed MFIs in the 2004 MMF Microfinance Operators Directory, there are fourteen running programs in Maputo (**Appendix D** for MFI Maputo Listing). SOCREMO is the only MMF partner offering services within the city of Maputo.

Microfinance in Mozambique is still a relatively new market given that FCC was the first MFI to start operations in 1994. The increasingly competitive stream of financial services currently offered in Maputo means that some MFIs are adopting strategies to take on the new and upcoming market challenges. SOCREMO will begin offering a savings account for clients as of this year. Novo Banco provides savings accounts with no start-up or transaction costs. Negotiations continue with possible mergers of local MFIs. All this movement means that some MFIs in Maputo are attempting to be pro-active to the ever-changing environment. "MFIs can no longer survive by expansion alone, but must set priorities of client retention through offering better and more varied products" (Wright, 2003).

## 4.0 RESEARCH METHODOLOGY

### 4.1 Site Selection & Characteristics of Population Study: Lessons Learned

In order to maintain continuity with the urban nature of the previous study, the current survey will again take place in the informal markets of Maputo. Site selection depended on the following criteria: a) population size of market, b) past survey locations, c) ease of contact with market commissions, and d) the presence of microfinance institutions within each respective market.

#### 4.1.1 Chart of Characteristics

In order to distinguish the different groups within the market, this survey adopts the IGA/SE Continuum chart (see chart below) of characteristics (CARE, 1996). The past survey's population sample had a strong concentration of merchants who fell under the income-generating category (IGA). The criteria utilized for verifying participants in this past survey was that the "interviewee was the owner of the business and not an employee". The past survey was a random sampling of the informal markets representative of the market's proportion of income-generating, micro enterprise and possibly, small enterprise (SE) vendors. When asked, "on average, how much does each one of your clients spend", 41% of the total respondents said that each of their clients spend 1,000 to 20,000 MTZ (between \$0.05-\$1.00) per visit. The majority of vendors in Maputo's informal markets still fall under the income-generating category. Note that the owners of the larger stalls were not always available as they were busy running several stalls in the market or had no interest in sharing information about their business. This limitation may also mean that the surveyors had concentrated its work on IGA vendors.

#### 4.1.2 Current Target Participants

Survey feedback illustrated the majority of previous interviewees would not meet current loan requests. Therefore, the current sample was stratified for this study to target those who fall under the micro-entrepreneur and small enterprise category\*. The criteria followed the key characteristics of the chart below. The characteristics of those surveyed were confirmed by the registration form (**Appendix E**), which was completed prior to focus group discussions.

**Key Characteristics of IGAs, MEs and SEs**

IGA	ME	SE
Little Reinvestment	Some Reinvestment	High Reinvestment
1. Mixed with household economy	1. Mixed with household economy, but shifting towards separation	1. Separated from household economy
2. Family labour	2. Family labour, apprentices, paid labour	2. Paid labour
3. Little to no investment in work site	3. Little to no investment in work site	3. Extensive investment in work site
4. Traditional technology	4. Out-dated technology	4. Modern technology
5. Little or no fixed assets	5. Moderate fixed assets	5. Large investment in fixed assets
6. P/T and seasonal occupation for owner, multiple activities	6. Full-time occupation for owner	6. Full-time occupation for owner
7. Traditional skills	7. Moderate to high skill level	7. Higher skill level
8. Illiterate or semi-literate	8. Low to medium literacy levels	8. Literate
9. Few or no written records	9. Few written records	9. Extensive records and systems
10. Not legally registered and do not pay business-related taxes	10. Often not legally registered and often do not pay business-related taxes	10. Legally registered and pay business-related taxes

The study took place over a five-month period from June to October 2004.

## 4.2 Data Analysis Description

### 4.2.1 Analysis Method & Description

The Research Team<sup>3</sup> conducted six focus group discussions with a total of 53 participants. The participants were comprised of separate groups of seven to ten women and men stall owners in the informal markets called Xipamanine, Xiquelene and Fajardo. These are three of the largest informal markets in Maputo city, each with approximately 7,724, 2,660, and 1,300 registered vendors respectively (February 2004). These are also the three markets used in the past survey. Approximately one-third of the participants have had financial institution loans in the past.

Local MFIs operate in all three markets with a few owning financial branches within. At the end, the market commission chose the participants for each of the focus groups according to ME characteristics as well as those on a supplemental list found under **Appendix F**. The average profile of the actual surveyed merchants can be found under **Appendix G** and the actual survey population fell under 16.2% IGA, 61.2% ME and 22.4% SE participants.

#### Actual Characteristic Findings of Maputo IGAs, MEs and Ses (Wealth Ranking)

IGA	ME	SE
Little Reinvestment	Some Reinvestment	High Reinvestment
1. < 600,000 MTZ monthly income	1. 600,000 MTZ < monthly income < 4,000,000 MTZ	1. > 4,000,000 MTZ monthly income
2. Family labour (1 or no working spouse)	2. Family labour, + working spouse	2. Paid labour + working spouse
3. < 800,000 MTZ working inventory	3. 800,000 MT < inventory < 8,000,000 MT	3. > 8,000,000 MTZ inventory
4. < 8,400,000 monthly sales	4. 8,500,000 MT < sales < 30 million MT	4. >30,000,000 monthly sales
5. Average 4 kids, < 1 kid at school	5. Average 5 kids, 1.7 kids at school	5. Average 3.2 kids, 1.8 in school
6. F/T work 6 or 7 days per week	6. F/T work 6 or 7 days per week	6. F/T, work 6 or 7 days per week
7. Traditional skills	7. Moderate to high skill level	7. Moderate to high skill level
8. No other business	8. May own another business	8. May own another business
9. Rent informal space for good storage	9. May have formal or informal storage	9. May have formal storage for goods
10. May or not pay market tax for location	10. Pay market tax for location	10. Pay market tax for location
<b>8 participants (16.2 %)</b>	<b>30 participants (61.2%)</b>	<b>11 participants (22.4%)</b>

\* Please note that one participant's responses were disqualified as she was not the owner of the business and three participants had incomplete registration forms.

### 4.2.2 Analysis Procedure

During each training session, participants completed a registration form and the research team took one to one and a half hours to discuss the questions found under the "Focus Group Question Guide" (**Appendix H**). After the discussion, the team de-briefed and reviewed the transcripts of the event. The Note-Takers were asked to email their Portuguese-translated results and return all original transcripts within three days of the discussion. Once transcripts

<sup>3</sup> The Research Team for the Focus Group Discussion consisted of four university senior students from the Faculty of Agronomy, the Microfinance Research Intern, and a translator.

were received, they were translated to English, and colour-coded according to each topic. Information was then described in summary per focus group and by research topic. All major or unusual findings were summarized and interpreted for this report.

### **4.3 Survey and Data Collection Tools**

#### **4.3.1 Team Description**

The Microfinance Research Intern was responsible for creating the research tool to conduct evaluation, training a Research Team to conduct the surveys and reporting the findings of the market research. The university students were trained to moderate the focus group discussions and present Portuguese translated transcripts to the Microfinance Research Intern. The translator's job was to translate Portuguese transcripts to English and to act as an observer in some of the discussions. The university students were selected based on their resumes (Job Description: **Appendix I**), reviewed by the Microfinance Research Intern and a visiting Faculty of Agronomy lecturer from the University of Eduardo Mondlane.

#### **4.3.2 Team Training**

All Research team members were provided with a full day training session on microfinance and how to conduct focus group discussions. The group also participated in two field pilot test exercises in Mercado Estrela Vermelha prior to the actual focus group discussions. Research team members were evaluated based on their past survey experience, their perceived analytical skills, communication skills, ability to speak the local dialect, and their performance during the pilot test. Participants are believed to represent an independent group with little partiality with the microfinance industry.

### **4.4 Limitations**

As with any study, certain inconsistencies may alter the results of truly fair and unbiased results. Nevertheless, the results of the survey are valid as surveyors attempt to minimize variables.

During the survey time, some meetings were reduced due to unexpected interruptions - presidential elections were taking place simultaneously. Meetings generally took much longer than expected, as it was necessary to build a relationship before the participants were willing to give their most honest opinions. The Research Team also needed time to practice the skill of probing and questioning participants. Given that participants were discussing relatively sensitive issues on their income and wealth, they may have under or overestimated their income, inventory and sales. Although there was an attempt to interview only those without loans, we found a small proportion (1/3) of our survey group as current or former credit users. This alters the initial intent to gather information on perceptions of vendors with little experience with financial institutions. The use of former MEDA space also created a preconceived notion about the purpose for the study. For example, the women immediately thought that the discussion was to be used to talk about their issues with past and some poor customer credit service. At some meetings, the market commission chief chose to join the focus groups and participate which may have made some vendors uncomfortable with sharing the truth about sensitive issues on their income and inventory.

## 5.0 FINDINGS AND DISCUSSION

The analysis is divided in to two sections: 1) summaries to each of the three market findings, and 2) interpretation of the results according to the three research questions.

### Findings per Market Location

#### 5.1 Xiquelene (XL)

##### 5.1.1 XL Market Needs

*a) Water (Infrastructure):* The women participants of this market expressed concern about the availability of water in Xiquelene. Currently, they send a child to fetch water for 20,000 MTZ (\$1 USD) per day, as water is critical for running some of the participant's cooked food stalls. Some women were disappointed that the water tank project sits idle in their area; they had strong hopes for water accessibility from this abandoned NGO project. *b) Inventory & Goods:* Apart from water, both women and men expressed a need to purchase products and inventory for their business. The men were particularly interested in increasing and widening their business by trying new product brands or opening a new shop. *c) Service Preferences:* A majority of the women in this market had participated in past loans and they expressed issues with an institution's bureaucracy and the paper work required from notaries. They also showed prior knowledge and concern with rising interest rates, collateral issues ("they even wanted to take my bed"), fines and transport costs. *d) Non-Business Needs:* The women brought up the issues on needs outside the business. They were worried about unexpected emergencies like death and illness. In terms of life cycle events, some women participants wished to build new homes as well as send their children to school.

##### 5.1.2 XL Product Preferences

Most merchants expressed interest in negotiating a loan to help build capital for selected business needs. As the majority of the Xiquelene women had been loan clients in the past, they were confident in stating the initial loan size required for their business. The loan size demand from the women varied between six and twenty million MTZ (approximately US\$275-900) paid monthly between four and eight months. The men requested much smaller loan sizes of two to ten million MTZ (approximately US\$95-450). The preference of loan terms of reference included using their *barracas* (market stalls) or goods as a form of collateral. Both men and women were willing to accept interest rates, guarantee demands and fines set by the financial institutions as long as they were not exaggerated or set at an unreasonable rate. Some men stated that they were willing to pawn their goods if they could not pay their loans on time. Two others mentioned the importance of planning for loan payments. If there were unexpected risks, the individual would "contact the banker and ask him to defer payment."

##### 5.1.3 XL Savings Perceptions

*a) Concept of Savings:* In terms of savings, the perception of savings by the women was "depositing money". Another woman stated the purpose of savings was to prepare for unforeseen circumstances. The men stated similar ideas as having "savings for the difficult days in my life" and "to save is to keep money". *b) Actual Savings Methods:* Some of the men had xitiques (form of ROSCA savings) but many of them had stopped depositing through this method. One man said he lost 6 million MTZ in a xitique. Most men stated switching to depositing at banks. One man even admits keeping 20% of his daily income in the bank. The women participate in xitiques but state that the amount they put away is little and find it difficult to deposit it in the bank. They do eventually put savings in a nearby bank but wish to have a bank right inside this market to make small deposits. They cannot leave their businesses

everyday to make small deposits if they must go a fair distance to the closest bank. Several participants mentioned saving for a family fund in case of death.

## **5.2 Xipamanine (XP)**

### **5.2.1 XP Market Need**

*a) Competition & New Entrants:* The women merchants were strongly concerned about the competition of informal street vendors who walk about selling their wares. These individuals “steal all the clients” and block the way into the market according to one woman. These vendors sell goods at a much lower price. There are also the vendors who sell cheap imitation goods imported from China and compete against traditional vendors who import similar products from South Africa. This competition has made selling difficult in the market. *b) Inventory & Goods:* The men mainly concentrate on the needs of adding to their business by diversifying their inventory or expanding their working capital to purchase larger quantities and sell goods in bulk. They want to increase the volume of business and sell new types of products. Another male merchant wanted to open a new business. *c) Bureaucracy:* One male vendor needed money to “defend his goods at the border”. He said a loan would assist him in dealing with bureaucracy and import taxes for his goods at the border. A woman wants to also see less bureaucracy, but when dealing with loans. *d) Other Needs:* One woman wants to do construction funded firstly with a loan. The women were the ones who mentioned needs outside the business such as the risk of sickness, the death of a brother with debt and life cycle events like a son’s marriage.

### **5.2.2 XP Product Preferences**

These needs and risks of the business are dealt with in a variety of ways. One woman stated her ability to pay her bank loans through money retrieved from the xitique. Another woman preferred to negotiate a loan in the market. The men looking to negotiate a loan suggested a wide loan range from four to twenty-five million MTZ (approximately US\$185-1,150) paid between two to ten months. The male vendor, who requested 25 million MTZ (approximately US\$1,150), has had a previous loan and holds a large inventory of suitcases. He is the same man who would like to do wholesale distribution of goods. The merchant who requested credit for construction stated that once this amount was paid, the constructed building would be a guarantee for life. Some participants felt that there was lack of pity, flexibility and tolerance for the personal issues that may affect them running their business successfully. One participant had a son in the hospital at the same time of a loan payment and wish the bank had more flexibility for repayment after this unforeseen circumstance. Another stated that she was a guarantor for her brother who died with a debt and the “bank doesn’t want to know” about her problems. She was now paying for her brother’s loan but she wished the bank would acknowledge this hardship and show sympathy for her and her family. Another woman stated she understands that payments must be done on time (“if you must pay on the 20th, it must be on that day”). Outside of business, one woman offers one of her two homes to her son when he marries. This woman financially prepared for the future of her son. A few women stated that cases of death and sickness were to be paid through savings.

### **5.2.3 XP Savings Perceptions**

*a) Concept of Savings:* In terms of savings, the men made two comments: 1) savings is the income we have after making all the expenses” and 2) “to save is to know how to manage money.” For the women, some stated the purpose of their xitique savings was to “buy food for the house and reinforce the business like a salary.” *b) Actual Savings Method:* A number of these men participate in daily xitiques ranging in contribution from 30,000 to 100,000 MTZ per day. From this same group, a few merchants state taking the end of the month amount and depositing it at the bank. However, the women said that their xitiques are not enough to make a

bank deposit. Others mentioned holding an account in the bank except for one merchant, these accounts are not in active use. One woman said that her account “disappeared and she never worried with the bank again.” A few had accounts but lack money in them and never had enough to deposit in the bank. One participant wanted a “place where we could deposit even 50 thousand” MTZ, small amounts for the average market merchant. Lastly, a participant referred to “a way of saving using a card where we could register the deposits done.” She participated in this savings initiative more than 5 years ago. One man stated giving his savings to someone he trusts to hold in his account. *c) Use of Savings:* One man wanted to reinvest his xitique to the business. Another woman used the bank account to pay debts. Another woman “only sees profits in xitique” and pays her loans with this xitique. She is not able to keep her xitique for its intended household purposes.

## **5.3 Fajardo (FJ)**

### **5.3.1 FJ Market Needs**

*a) Inventory & Goods:* As to the needs of the business, several men want to increase the inventory of their business in items such as bags of second hand clothes to more rafters for construction. The majority of the women could be classified under the IGA grouping, as most participants were vegetable sellers with very low income and inventory. They mainly wanted money to buy product. *b) Competition:* A concern equally on the minds of these merchants was the competition that was weakening their sales. Competition includes those who sell their goods in stalls at neighborhood street corners, and those selling in the Malanga market, a nearby market that does bulk and supplier sales. Both men and women were concerned about working salaried people who are opening businesses in Fajardo. They would like these merchants to leave the market so that there is less competition and better visibility of their own stalls for their clients. *c) Storage:* Another issue for the male merchants was the storage of their goods. They suffer from theft in ill-guarded houses that act as storage rooms, as well as food spoilage from rats eating at the inventory. *d) Other Needs:* Some merchants were paying the expense of traveling to purchase specialty beans and fruit. The women brought up more household concerns about how the “money borrowed does not take into account death, diseases or trips”. Merchants perceive that financial institutions prefer to ignore their unexpected emergencies such as disease and illness than confront them together with their clients. Another woman wanted to be able to send her children to school and feed them.

### **5.3.2 FJ Product Preferences**

Most male and female merchants hope to use loans to assist in the payment of the goods. The men would like to negotiate loan sizes between 2,500,000 to 12,000,000 MTZ (approximately US\$115-550) payable at the end of each month in installments ranging from 300,000 to 1,000,000 MTZ (approximately US\$15-45) per month. Some say they can pay within two to ten months. The majority of women requests loan sizes of 1,000,000 MTZ (approximately US\$45) payable monthly at 100,000 MTZ (approximately US\$5) because they are aware that 1,000,000 MTZ is the initial loan size in their market. The women were willing to take a group or individual loan. Another woman asked for five million MTZ and another saw ten million as sufficient to purchase beans out of province. Besides loans, some men prefer to pay for their risks by using less supplies and goods during weak business time. Some put their product up for credit. One man who wished to travel to buy goods, preferred to use his savings to pay for these expenses. The women brought up concerns about what to use as guarantee for their loan. One woman wishes to use her home as a guarantee while another was afraid and was unsure what she could use for a loan guarantee. Another woman knows that some merchants preferred to keep money at home instead of taking loans because the bank demands to see a guarantor with certain qualities such as how much (s)he earns, whether (s)he owns capital, and notes the person’s dress. She thinks the bank is unreasonable for this guarantor request. They are

unsure of the interest rate that the institutions should be charged but one woman requests more days provided if she is not able to pay a loan in a defined amount of time. One woman stated that, “the bank must create mechanisms of collecting money that is not harmful to the debtor”.

### **5.3.3 FJ Savings Perceptions**

a) *Actual Savings Methods:* As for the savings, both men and women are using a xitique geral that require a card. Many male merchants hold a xitique ranging from 30,000 to 70,000 MTZ daily. Most will collect their xitique at the end of the month then take it straight to the bank. Some place this savings in the bank once the business profits have been removed from the running expenses. One woman keeps a safety box at home. One man keeps savings at the friends. Another chooses not to keep money at home because “men are wild and they take all our money and they go and eat”. b) *Use of Savings:* At the end of the month, vendors use the xitique savings for daily food, product expenses or their own salaries.

## **Findings per Topic**

### **5.4 Topic 1: The Need**

What will this credit be used for?

What are the needs and risks of your business?

#### **5.4.1 Working Capital**

The most common response regarding merchant business improvement was the need to have working capital to purchase inventory for their stall or *barraca*. Some would like to change their current inventory either by increasing the volume of existing goods or testing new sales items, and thereby diversifying their stock. Some merchants were not satisfied with current inventory levels of second hand clothing, rafters, fruit, etc. They were not satisfied because they either do not have the working capital to hold more stock or they want to be different from their fellow merchants by seeking a more diverse product variety. In the current central markets, each sector (fruits, toiletries, pasta) sells extremely similar types of products and brands as many purchase goods from similar local suppliers. With identical products, they sell goods at fiercely competitive low prices resulting in low profits and low volume sales for the vendor. The availability of working capital may provide stall owners with the means to make changes in inventory for profit.

#### **5.4.2 New Entrants**

Another issue that complements the need for product diversity is a merchant’s need to compete against new entrants within the markets. Traditionally, merchants were able to sustain their business and livelihoods by using their market stall to sell local produce, second hand clothing bought at 2,000 MTZ (10 cents USD) a bag and South African imports of non-perishable food, toiletries, bags and shoes. The original market stalls were placed in a set location roofed and housed by hundreds of vendors each situated in pre-defined areas established by the market commission. External entrepreneurs (farmers from the North, salaried business people, etc.) have found the potential of earning money within the markets. More profit-seeking individuals have moved in to compete for customers against long-established vendors who have been situated in their markets for many years. As a result, the traditional market environment is disturbed with these new entrants who possess new tactics of sales. They sell cheap imitation goods from China, and hire wandering street vendors to sell wares at undercut prices near the heavily populated chapa bus stop entrance. Today, some formal markets have been abandoned and its open space sits empty as vendors shift stall location towards the busiest routes of transport. As new entrants bring new market dynamics to the scene, traditional

enterprises lose sales from stagnant conventional selling tactics. Traditional vendors are struggling to compete against these new market entrants.

### 5.4.3 Other Needs

Other merchant needs included secure warehouse storage facilities, basic infrastructure such as running water within the markets, and reliable security. In the larger markets of Xihkelene and Xipanamine, vendors also wanted opportunities to open a new business or do some construction for extensions. Outside of the business, unexpected emergencies and life cycle events like illness, death, marriage and education strongly affect the normal operations of the business, as most businesses are sole proprietorships. From the study, it appears that the women were most involved in channeling resources to the family needs as opposed to the men. The men mainly mentioned business-oriented risks and needs. There are usually few people to whom a vendor would rely upon for the business if he were to become ill or injured.

#### Most Frequently Mentioned Needs or Risks to Address

ME / SE	
<b>Business Expansion</b>	Add more products (quantity)
	Add new products (diversify)
	Expand current market stall
	Build new business / stall
<b>Competition of New Entrants</b>	Salaried workers with new stalls
	New sales tactics (wandering vendors)
	Imitation goods from other countries
<b>Storage</b>	Other markets and locations
	Food spoilage
<b>Travel:</b>	Poor storage facilities
	Purchase good deals in other provinces
<b>Loans:</b>	Defend imports at border
	Loss of collateral
<b>Unexpected Emergencies:</b>	Afraid of bureaucracy
	Illness
	Death
<b>Lifecycle Events</b>	Divorce
	Home construction
	Schooling / education
	Marriage
IGA	
	Buy vegetable products
	Travel out of province for goods
	Competition from salaried workers

## 5.5 Topic 2: The Product / Service

Given the need (Topic 1), what are my product preferences?

How do you address these needs given the resources you currently receive?

### **5.5.1 Credit Preference**

According to the findings, majority of vendors would like the opportunity to take a loan to assist with their business needs. They would like the opportunity to use the loan as an increase in working capital and build up their inventory.

Those who planned on using a loan to assist with their business needs stated a range of loan sizes and the length of time for monthly payment. Almost all those interested in a loan wish to make payments at the end of the month, as this was generally their most active sales period. The end of the month was the period when most merchants and salaried people are paid therefore they complete their market shopping during this same period.

Some who did not mentioned the use of a loan to help in lowering financial risk stated that pawning their goods was another way to pay for needs. Savings is also used to pay for their monthly bank loans, unexpected emergencies and traveling out of province. Some participants would integrate their xitique savings with end of the loan re-payment. Some people would also reduce their supplies and inventory in order to cover costs of more slow selling months.

### **5.5.2 Credit Services**

a) *Vendor Care:* Some participants have the perception that institutions would have no empathy to individuals if they ran into unexpected emergencies that are commonplace in Mozambican life. They are under the impression that banks or MFIs would not have tolerance for sensitive issues such as death in the family or sickness. The vendors are simply looking for institutions that show care and attention to the needs of their business and families. At the same time, it is unclear whether the participant fully understands the implications and responsibilities of taking a loan.

b) *Term Reference Flexibility:* “The bank must create mechanisms of collecting money that is not harmful to the debtor”. This opinion reflects vendors’ hope to see credit programs establish appropriate products that benefit the client and not allow them to fall deeper into poverty. The merchants seem to accept an institution’s loan terms. They are willing to pay interest rates, accept methods of payment and fines as set by the institution. They trust the institutions to provide fair terms but also expect flexibility if vendors fall into troubled times. As well, those with previous loans did not appreciate the bureaucracy required to receive loans. They wish to see less of their time spent on paperwork. However, if needed, they would like to see more local, nearby notaries to facilitate the process of a loan application.

c) *Collateral:* While a few vendors were afraid to place their goods for collateral, most understood that it is a necessity in loan approval. Some merchants would like to put up their businesses and homes for loan collateral. The problem is that in current Mozambican law, very few can prove that they own their land or homes due to a of lack of assurance on title land deeds. Most of the land in Mozambique is in fact state-owned. Without a consistent title deed system or some other reliable system to confirm the owners of certain land, this asset cannot be used for collateral. While families’ occupancy rights were codified into law in 2000, banks still do not recognize this as appropriate collateral. Without the use of land collateral, many vendors are excluded from loans due to small possession of inventory collateral, no reasonable guarantor, and other reasons that deter vendors from participating in credit initiatives.

d) *Debt Management:* When asked, “if you are not able to pay back a loan on time, what would you do?”, several individuals stated that they would pawn their belongings. Some would reduce their consumption and inventory of goods for the month, borrow from family or friends or deduct payment from their xitique or salary. Others would report their case to the bank and ask for a more flexible loan payment schedule.

## 5.6 Topic 3: Savings Perception

What are your feelings about savings?  
What are your perceptions of savings?

### 5.6.1 Perceptions

Savings is perceived differently depending on the experience of the merchants. The most simplistic perception of savings was described by a 29-year-old suitcase vendor as “the income we have after making all the expenses.” Savings is perceived mechanically as a way to profit or an end benefit after a short period of sales and costs

However, more individuals expressed savings as a process. A 36-year-old hardware salesman states, “to save is to keep money”. Savings is not immediately spent but stored or deposited for safekeeping.

“I have savings for the difficult days in my life”, stated one participant. This perception shows the merchant using savings for risk preparation. Merchants are preparing preventative measures to protect their businesses from unforeseen circumstance or hardship.

A 49-year-old vendor of second hand sheets gave the most experienced reply on the perception of savings: “to save is to know how to manage money”. This particular vendor had also held a loan in the past and past business experience may have taught him advanced uses of savings. This all-round perception of savings means that vendors, after time, understand the combination of solid business knowledge, planning, and strategy building are all part of effective financial management.

### 5.6.2 The Savings Process

a) *Xitiques & the Progression to Savings Accounts*: Participants are still fully aware of the informal savings method called the xitique or more commonly known as a ROSCA. The majority of the market participates in the xitique geral everyday. Xitique geral is a method of depositing money to the collector or the “xitiqueira”, and marking the daily payment on a personal card. The savings is then collected at the end of the month minus one-day payment for the “xitiqueira’s” services. Participants find the convenience of depositing small daily amounts to the xitique preferable to a MFI or bank. It is hard for merchants to fit time to visit a distant bank everyday to make deposits and some feel embarrassed to only contribute such small amounts of 20,000-50,000 MTZ (\$1.00-2.50 USD) to a formal institution. However, some merchants wait to collect their xitique at the end of the month and then they deposit this larger amount of savings at a financial institution. It appears that merchants feel more comfortable leaving their business once a month to make a deposit that is of a greater amount as opposed to more frequent, smaller deposits. When some markets strengthen in financial maturity, certain groups completely withdraw from xitiques and deposit their savings directly in the institution. This increased availability of other savings methods means merchants feel comfortable in making full use of their deposit accounts.

b) *Short-Term Savings*: The other savings issue is that some merchants had opened savings accounts but they remain empty. Some wait until the end of the month to make a deposit and then immediately withdraw the money to pay their debts. In this case, savings accounts remain as a current account and used as short-term solutions to short term needs. Many have stated that their xitiques were used to pay for household expenses and their own salary. No indication was made about their xitique savings being used for long-term goals.

c) *Long-Term Savings*: Participants are looking for ways to contribute to long-term savings such as a family fund. The family fund is money put away to protect the household of sudden death in the family. This fund would keep vendors from pulling money from their business or working capital to pay for this unexpected emergency. One market commission also states that they have put together a fund that assists any businesses that may fall into unexpected hardships.

d) *Other Savings Issues*: Most merchants look to purchase goods for their business and consider this inventory as their “savings-in-kind”. Some vendors state that inventory would be “pawned” or sold at a moment’s notice if needed for unexpected business requirements. A few individuals save at home but find this method unsecured as neighbors and family look for help when they acknowledge money wealth nearby. Vendors feel obligated to give what money they hold on hand to their neighbors in need. One woman stated giving their husband their savings but the same husband is sometimes “wild and they take all our money and they go and eat”. Some also mentioned leaving savings with a friend or in a safety box.

## **6.0 RECOMMENDATIONS:**

### **6.1 Needs and Risks of Microentrepreneurs**

a) *Client Business Training*: Many clients interviewed have been working in the markets for many years and they continue to run their business through traditional methods of sales. Most market businesses start as income generating operations with the specific objective of sustaining family lifestyle. Their businesses have flourished with these same sales methods but now have reached a point of growth and expansion. Other factors merchants must consider include increased competition and the threat of new entrants. These vendors would benefit on opportunities to upgrade their marketing and sales through effective, hands on business training in order to contend with this dynamic Maputo environment. MFIs can assist by continuing their business training workshops with stress on simple marketing strategies.

b) *Government / Market Commission Regulation*: Vendors request the support of their market commission and local government to establish regulation on wandering street vendors and other unregulated barraca stalls so that there may be fair competition for those limited to their business within the market.

c) *Women-Specific Workshops*: Women vendors highly prioritize both their business and family; their family’s livelihoods depend on the success of their stall to provide them with food, clothing and shelter essentials. Workshops focused on women and their future planning for unexpected emergencies or life cycle events can assist families in mitigating a crisis.

### **6.2 Credit Preferences**

a) *Customer Empathy*: For loan products, participants have expressed positive opinions with credit officers who display understanding and recognition of the vendor’s problems in the market. Although officers are faced with adverse and difficult conditions on a day-to-day basis, the most successful ones may be those who share a breadth of compassion and care for their clients. This will benefit institutions as it maintains client loyalty and potential word-of-mouth advertising from those same served individuals.

b) *Retain Flexibility with Clients*: Clients trust their institutions to provide sound financial advice in order to mitigate risk in their business. However, instability is commonplace and not always preventable; clients seek the assistance of credit officers to help them during difficult times for loan payment. They would like to be comfortable to work with the officers who are willing to develop adjusted repayment plans if an unexpected emergency were to occur. The same account goes for guarantors who are assisting one who is indebt. Financial institutions do face tough decisions in determining a product best suited for their clients however those initial sound loan conditions will set the stage of solid strong portfolios and satisfied customers.

- c) *Clearly Stated Collateral Requirements:* Some participants interested in credit seem to stress under this preconceived fear that they will immediately lose their household assets for late or unpaid loans. It comes from lack of information or rumours from around the market that spread to ill-informed potential clients. It is important for MFIs to be clear at the start of a loan application process of these collateral issues to avoid any future misunderstandings.
- d) *Government Regulation on Land Deeds:* Transparent land rights are needed in order for vendors to use land and building as collateral for their business.

### **6.3 Savings**

Many participants observe savings as a process of accumulating and managing wealth. The xitique and bank withdrawals are used solely for short-term payments to buy food and products for their home, their personal salary or other daily household expenses. Apart from the family fund, there were no other indications of long-term planning or risk management strategies for business investments, illness or marriages.

- a) *Specific Long-term Group Savings Projects:* Groups currently pool a small amount of savings to create a family fund used for funerals and death related incidents. MFIs could look to design group or individual savings projects similar to family funds that assist in emergency. This form of long-term savings could thereby reduce the financial shock that would be experienced by the business if a crisis were to occur. Comprehensive field research specifically in long-term savings is necessary for successful implementation.
- b) *Mobilize Savings within the Market:* With new governmental regulation on savings, some MFIs may now have options to design short-term daily savings programs for vendors inside these markets. The ideal program would provide the option to deposit in a central secure location inside the market or have trusted counterparts within the market collect in a similar “xitique” method.

APPENDIX A: MAPUTO CITY MAP



## APPENDIX B: URBAN DISTRICTS IN THE CITY OF MAPUTO

<b>Municipality no. 1</b>	1	Alto Mae "A"	<b>Municipality no. 4</b>	30	Albasine
	2	Alto Mae "B"		31	Costa do Sol
	3	Polana Cimento "A"		32	Hulene "A"
	4	Polana Cimento "B"		33	Hulene "B"
	5	Malhangalene "A"		34	Mahotas
	6	Malhangalene "B"		35	Laulane
	7	COOP		36	Ferroviano
	8	Sommerchild		37	3 de Fevereiro
	9	Central "A"		38	FPLM
	10	Central "B"		39	Mavalane "A"
	11	Central "C"		40	Mavalane "B"
<b>Municipality no. 2</b>	12	Aeroporto "A"	<b>Municipality no. 5</b>	41	Luis Cabral
	13	Chamanculo "A"		42	Jardim
	14	Chamanculo "B"		43	Inhagoia "A"
	15	Chamanculo "C"		44	Inhagoia "B"
	16	Chamanculo "D"		45	Ntsalene
	17	Malanga		46	25 de Junho "A"
	18	Munhuana		47	25 de Junho "B"
	19	Minkadjuine		48	Bagamoyo
	20	Xipamanine		49	George Dimitrov
	21	Unidade 7		50	Malhazine
<b>Municipality no. 3</b>	22	Maxaquene "A"		51	Magoanine "A"
	23	Maxaquene "B"		52	Magoanine "B"
	24	Maxaquene "C"		53	Magoanine "C"
	25	Maxaquene "D"		54	Zimpeto
	26	Polana Canico "A"			
	27	Polana Canico "B"			
	28	Mafalala			
	29	Urbanizacao			

## **APPENDIX C: LIST OF INFORMAL MARKETS IN MAPUTO REGISTERED (ASSOTSI), 2004**

1. Mercado 16 de Junho
2. Mercado Fajardo
3. Mercado Malanga
4. Mercado Museu
5. Mercado Djai – Veue
6. Mercado Mandela “1”
7. Mercado Mandela “2”
8. Mercado Xipamanine “B”
9. Mercado Xipamanine “C”
10. Mercado Junta
11. Mercado Vulcano
12. Mercado Xiquelene
13. Mercado Forca do Povo
14. Mercado Estrela Vermelha
15. Mercado Magoanine
16. Mercado 25 de Setembro
17. Mercado Triunfo
18. Mercado Costa do Sol
19. Mercado Minkadjuine
20. Mercado Ferroviario
21. Mercado Romão
22. Mercado Beufica
23. Mercado Jardim
24. Mercado 1 de Junho
25. Mercado 4 de Outubro
26. Mercado Maugeiras

## **APPENDIX D: OS OPERADORES DE MICROFINANÇAS EM MAPUTO**

1. ADEMO – Associação dos Deficientes Moçambicanos
2. AJAM – Associação dos Jovens Agricultores de Moçambique
3. AMODESE – Associação Moçambicana para o Desenvolvimento
4. CCDR – Cooperativa de Crédito para o Desenvolvimento Rural
5. CCCP – Caixa Comunitária de Crédito e Poupança
6. FFA – Fundo de Fomento Agrario
7. FFPI – Fundo de Fomento à Pequena Indústria
8. KULIMA – Organismo para Desenvolvimento sócio-económico integrado
9. Kulane Ka Ntwananu
10. MBEU – Associação de Desenvolvimento Económico Sócio-Cultural da Mulher
11. Novo Banco
12. SOCREMO – Sociedade de Crédito de Moçambique
13. Tchuma – Cooperativa de Crédito e Poupança
14. UGC-CPC – Cooperativa de Poupança e Crédito

Directorio dos Operadores de Microfinanças em Moçambique,  
(MOZAMBIQUE MICROFINANCE FACILITY, MAIO 2004)

# APPENDIX E: PERCEBENDO AS NECESSIDADES E RISCOS DOS EMPREENDIMENTOS

## Foco de Discussão em Grupo

### Formulário de Registo

FDG No.: \_\_\_\_\_

Mercado: \_\_\_\_\_

Data: \_\_\_\_\_

### Dados Gerais:

Nome: \_\_\_\_\_

Idade: \_\_\_\_\_

A esposa / o marido trabalha? Sim / Não \_\_\_\_\_

Tem crianças? \_\_\_\_\_ vão a escola? \_\_\_\_\_

### O Negócio:

1) Você é o dono/a do negócio? Sim/ Não \_\_\_\_ Qual é o seu rendimento: \_\_\_\_\_

2) Qual é o seu Negócio Principal (O que é que você vende?): \_\_\_\_\_

3) Tem outros negócios? Sim /Não \_\_\_\_\_ De que? \_\_\_\_\_

4) Tem alguns trabalhadores no seu negócio? Sim/ Não Quantos? \_\_\_\_\_

5) Quantos clientes é que você tem? No. \_\_\_\_\_ Cada D / S / M

6) Quanto é que vende normalmente? Mts \_\_\_\_\_ Cada D / S / M

7) Quantos dias trabalha por semana? \_\_\_\_\_

8) Onde é que tem o seu inventario? \_\_\_\_\_

8) Quanto é que você tem no seu inventario em produtos? \_\_\_\_\_

E qual é o valor dos productos (Mts) \_\_\_\_\_

### Outros:

a) Já tiveste algum empréstimo antes? Sim / Não

Si Sim, quando? \_\_\_\_\_ E Quanto? Mts \_\_\_\_\_

b) Já participaste em alguma pesquisa antes? Sim / Não

Se for Sim, explique: \_\_\_\_\_

NOTAS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Muito Obrigado,

\_\_\_\_\_

## APPENDIX F: MARKET COMMISSION CRITERIA FOR MAPUTO MARKET

On behalf of Mozambique Microfinance Facility, I would like to thank you in advance for your assistance in finding participants for this survey. Your help is valuable to the success of providing good financial help and services to the clients of the markets.

We are looking for the following people for two groups, Group A & Group B (\*\*Fajardo Market has Group B & Group C) to participate in this survey:

### Group A must possess these qualities:

- 8 Women who own business in market
- “Medium / large scale” operations (see examples)**
- Businesses that **operate everyday permanently, registered with Commission**
- NO LOAN for more than 3 years OR currently have FIRST LOAN for less than 6 months.
- May have employees working for the owner
- Ideally, have not participated in Market Research in the recent past

### Group B must possess these qualities:

- 8 Men who own business in market
- “Medium / large scale” operations (see examples)**
- Businesses that **operate everyday permanently, registered with Commission**
- NO LOAN for more than 3 years OR currently have FIRST LOAN for less than 6 months.
- May have employees working for the owner
- Ideally, have not participated in Market Research in the recent past

EXAMPLES for Group A & B: Owner of metal barracas in Xipamanine, Owners of Supplier/Wholesaler Companies, Small Restaurants, plus other medium businesses

### Group C must possess these qualities\* (Fajardo market ONLY)\*\*:

- 10 Women who own business in market
- “Small scale” operations (see examples)**
- Businesses that **operate everyday permanently, registered with Commission**
- NO LOAN for more than 3 years OR currently have FIRST LOAN for less than 6 months.
- Usually NO employees who work with owner
- Ideally, have not participated in Market Research in the recent past

\*EXAMPLES for Group C: Owners of small stands selling second hand clothes, vegetables, plus other small businesses

\*\*FAJARDO Market will have groups for ONLY Group B & Group C.

## APPENDIX G: AVERAGE PARTICIPANT CHARACTERISTICS OF FOCUS GROUP DISCUSSION

"I have a working spouse."	40%	
29 women, 25 men		
Days worked per week:	7	
Average Monthly Income:	4 209 118	MTZ
Average Monthly Sales:	29 918 519	MTZ
Average Monthly Inventory:	7 316 667	MTZ
Average # of children:	4	
Average # of children in school:	1,5	
Average vendor age:	41	
Type of businesses:	Fresh Produce Cooked Food Stall Non-Perishable Food Plants Bags/Luggage Electronics/Hardware Construction Material Second Hand Items Barber	

## **APPENDIX H: FOCUS GROUP QUESTIONS DISCUSSION GUIDE:**

### **FGD CORE QUESTIONS:**

#### **Warm-Up Questions:**

You are business owners in the market (name of market). Name of participant?

1. Can you tell us what is your main business in this market.

#### **TOPIC A: The Need for Credit:**

2. Please tell me about the needs of this business.

3. What projects do you have for the future?

#### **TOPIC B: Need Preferences:**

For Each Need/Project Mentioned, ASK:

4. How do you pay for good/service X?
5. How often do you pay for good/service X?

#### **TOPIC D: Savings Perceptions:**

If Savings is mentioned, ASK:

6. What does “savings” mean to you?
7. How does “savings” work?

**CLOSE: Thank Participants.**

**PROBE QUESTIONS:**

What kind of needs are most common among your business?

Think back to a time when you experience a problem with business. What was the problem?

What did you do?

For what purposes do you prepare for the future?

Are there other ways that you pay for good/service X?

How do you hope to pay for these projects?

How long would it take to pay for good/service X?

Suppose that you cannot pay for this need. What would you do? Barriers?

## **APPENDIX I: JOB POSTINGS**

The Mozambique MicroFinance Facility (MMF) is looking for keen, enthusiastic individuals interested in being part of a Research Team that focuses on the credit needs of markets here in Maputo. This is a great opportunity for individuals to participate in market research and information could be useful for one's dissertation or thesis. We are looking for:

### **Job Description for Moderator (Universidade de Eduardo Mondlane students) (2 positions):**

- Good listening skills: ability to listen and summarize comments made by participants and repeat information for understanding
- Ability to encourage discussion by strangers, ability to remember past comments and relate these comments to the next question
- Ability to ask good follow-up questions
- Leadership skills – able to direct discussion
- Sensitive to the needs of the community, familiar with local culture
- Patient and flexible
- Sense of humour
- Good observation skills
- Fluent in Portuguese and Shangan. Understanding in English is an asset but not necessary.
- Knowledge about micro-finance / businesses in the open-air markets an asset (not necessary as training is provided)

### **Job Description for Note Takers (Universidade de Eduardo Mondlane students) (2 positions)**

- Legible, clear handwriting skills
- Outstanding listening skills: able to listen well and record discussion at fast pace
- Able to do English-Portuguese-Shangaan translation
- Well-organized
- Good observation skills
- Fluent in Portuguese and Shangan. Understanding in English is an asset but not necessary.
- Knowledge about micro-finance / businesses in the open-air markets an asset (not necessary as training is provided)

**Time:** We expect that each student will contribute **15-20 hours** (within 4-5 days: 1 day training + 3 days in field).

**Benefits:** Students will receive training on conducting good focus group discussions and survey techniques. They will receive an honorarium for transportation costs and snack. They will practice skills in interviewing and speaking to the public as well as data analysis.

**Dates of Research:** To Be Determined. **4-5 evenings (3-4 hours each evening)** between Aug. 25 - Sept. 10. Research Team will be contacted 1 week before the Start Date to confirm the time and place of research.

**Application:** Please submit your name, resume, the position you are interested in and why you are qualified / interested in this position to your professor contact as soon as possible.

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