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Awareness, Application Procedures and Eligibility Requirements as Determinants of Access to the 10% Local Government Loan and the Social Empowerment of Women, Youth and Persons with Disabilities in Temeke Municipality, Tanzania

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ABSTRACT **Original Research Article**

This study examined how awareness, application procedures and eligibility requirements shaped access to the 10% Local Government Loan, and hence the social empowerment, of women, youth and persons with disabilities in Temeke Municipality, Tanzania, up to the 2024/2025 financial year. The study was guided by Social Capital Theory and Empowerment Theory. An interpretivist, exploratory qualitative design was adopted. Data were collected from 24 purposively selected participants, comprising 18 beneficiaries drawn from nine registered groups and six key informants, through in-depth interviews, a key informant checklist and three focus group discussions, and were analysed thematically. The findings revealed that awareness of the programme was transmitted mainly through group networks and informal contacts rather than through formal municipal outreach; that application procedures were multi-staged and required repeated office visits and help with completing forms; and that eligibility requirements, including group membership size and the standard of business plans, were not always explained before applicants began the process. Women, youth and persons with disabilities faced different barriers, namely household negotiation, age-related scrutiny, and physically inaccessible offices together with an allocation perceived as inadequate. Beneficiaries who obtained loans reported gains in income, confidence and group leadership, but access was most readily available to those already organised in groups. The study concludes that access to the loan was socially mediated and institutionally constrained, so that empowerment was only partially realised. Recommendations were drawn for the Municipal Council, policy authorities, programme officers and community stakeholders to simplify procedures, improve outreach and make the process accessible to all three categories of beneficiaries.

Keywords: Loan Accessibility, 10% Local Government Loan, Social Empowerment, Social Capita, Women, Youth, Persons with Disabilities.

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Introduction

Access to affordable credit is widely recognised as a pathway to social and economic empowerment for groups that are excluded from formal finance. The Global Findex Database 2021 shows that although account ownership has expanded worldwide, women, young people and poorer adults in developing economies remain less likely to borrow from formal sources (Demirgüç-Kunt et al., 2022). A systematic review of microfinance-led interventions concludes that credit has had a positive but modest effect on women's status and that its empowering effect depends on how programmes are designed and delivered (Parwez & Patel, 2022). These findings suggest that being able to obtain a loan is a precondition for empowerment but does not in itself

guarantee it, and that the conditions under which people learn about, apply for and qualify for credit matter as much as the credit itself.

Across Africa, discussions of entrepreneurship and financial inclusion highlight the importance of understanding local institutional conditions rather than assuming that finance alone produces sustainable enterprise outcomes. Ajeigbe and Kibukamusoke (2024), in their discussion of entrepreneurship in East Africa, provide a regional context for considering the challenges that shape entrepreneurial activity. Regional literature of this kind is, however, not a substitute for direct evidence on Tanzania's statutory Local Government 10% Loan Programme, which has its own eligibility and implementation arrangements.

In Tanzania, Local Government Authorities (LGAs) are legally required to set aside 10% of their own-source revenue for interest-free loans to registered groups of women, youth and persons with disabilities, distributed in the ratio of 40% for women's groups, 40% for youth groups and 20% for groups of persons with disabilities (United Republic of Tanzania [URT], 2024). The programme seeks to promote income generation, entrepreneurship and the participation of these groups in economic and community life. Following concerns over weak loan management and recovery, the Government suspended disbursement in April 2023 and resumed it under the 2024 Regulations, which tightened group eligibility, training and repayment requirements (URT, 2024). Peer-reviewed studies nonetheless report persistent implementation challenges. Rugeiyamu (2023) attributes the failure to recover loans in Tunduru District to limited council capacity, weak governance and borrowers' poor understanding of the purpose of the fund. Kitua and Mbaza (2025) found that only 28% of surveyed start-ups in Dodoma, Meru and Hai had accessed LGA loans, citing bureaucratic delays and poor information on application procedures, while Mboya et al. (2025) report very low uptake among persons with disabilities in four LGAs because councils did little to raise awareness among them.

Temeke Municipality is one of the five municipalities of Dar es Salaam Region and has a large population of women, youth and persons with disabilities engaged in petty trade, food vending, tailoring and other informal activities, making them primary targets of the programme (National Bureau of Statistics [NBS], 2022). The municipality administers the loans through its Community Development Department, which registers groups, screens applications, organises training and follows up repayment. However, little is known about how beneficiaries in this urban setting learn about the loan, move through the application process and meet the eligibility requirements, or about whether the access they obtain translates into improved income, confidence and participation in decision-making. Existing Tanzanian studies have examined access, uptake or recovery in other councils, mostly through surveys and often focusing on a single beneficiary category (Rugeiyamu, 2023; Kitua & Mbaza, 2025; Kusongwa et al., 2026). There is therefore insufficient qualitative evidence, grounded in beneficiaries' own experiences, on how awareness, application procedures and eligibility requirements shape access to the loan among women, youth and persons with disabilities in an urban municipality under the 2024 Regulations. Therefore, this study sought to examine how these three factors shaped access to the 10% loan, and hence the social empowerment of beneficiaries, in Temeke Municipality.

Study Objective

To examine how awareness, application procedures and eligibility requirements shaped access to the 10% loan, and hence the social empowerment, of women, youth and persons with disabilities in Temeke Municipality up to the 2024/2025 financial year.

Literature Review

In this section, theoretical and empirical reviews are presented. The theoretical review provides the sociological foundation and perspectives for this study. The empirical review examines relevant research to unveil the existing gaps which the current study addressed.

Social Capital and Empowerment Theories

Social Capital Theory explains how social networks, trust, norms of cooperation and group cohesion enable individuals and groups to mobilise resources that would otherwise be difficult to obtain (Putnam, 2000; Woolcock, 2001). Grootaert and Van Bastelaer (2002) distinguish bonding capital, which refers to close ties among members of a group, from bridging and linking capital, which connect groups with other community groups and formal institutions and enhance access to information and institutional support. A major strength of the theory is that it treats information and access as outcomes of social relationships rather than of individual effort alone, which makes it highly relevant to a group-based programme in which loans are applied for, received and repaid collectively. However, the theory has limitations. Fine (2010) and Woolcock (2001) argue that it often idealises community networks and underestimates the structural inequalities that limit access for marginalised groups, including women, youth and persons with disabilities. Strong networks cannot by themselves overcome bureaucratic delays, limited local government capacity or physical barriers, which may prevent groups from obtaining loans even where cohesion is high.

Empowerment Theory complements Social Capital Theory by emphasising the capacities and agency of beneficiaries once resources are accessed. Zimmerman (2000) and Perkins and Zimmerman (1995) conceptualise empowerment as a multidimensional process involving psychological, economic and community dimensions. Its limitation is that it may

assume that access to resources automatically produces empowerment, without fully accounting for institutional barriers that limit what people can do with the resources they obtain. The two theories are particularly relevant to this study. Social Capital Theory guided the questions on how beneficiaries learned about, applied for and qualified for the loan, while Empowerment Theory guided the questions on how access to the loan related to beneficiaries' income, confidence and participation. They were used as sensitising lenses rather than as sources of variables to be tested.

Empirical Review

Awareness, Application Procedures, Eligibility Requirements and Access to Local Government Loans

Access to credit is a central dimension of programme performance because it determines who is able to benefit at all. Evidence across global, regional and national contexts suggests that access depends on information, administrative procedures and the perceived suitability of loan conditions, and not on the availability of funds alone.

At the global level, Parwez and Patel (2022), in a systematic literature review of microfinance-led developmental interventions, show that access to finance may support women's empowerment, while outcomes depend on the wider conditions in which finance is provided. Their review cautions against equating access to a loan with empowerment itself. However, it concerns microfinance in general rather than statutory local-government loan schemes and therefore does not explain how access is negotiated under such schemes. Demirgüç-Kunt et al. (2022) similarly show that women, young people and poorer adults remain less likely to borrow from formal sources, but their global survey does not explain the procedural barriers within a particular public programme.

At the regional level, Ajeigbe and Kibukamusoke (2024) discuss the challenges that shape entrepreneurship in East Africa and provide a regional context for understanding why institutional conditions matter. However, regional entrepreneurship literature does not provide direct evidence on how awareness, procedures and eligibility rules operate within Tanzania's statutory loan programme.

At the national level, evidence is growing but remains fragmented. Kitua and Mbaza (2025) examined the accessibility of local government loans for start-up businesses in Northern and Central Tanzania. They found that only 28% of surveyed start-ups in Dodoma, Meru and Hai had accessed LGA loans, and identified bureaucratic delays and poor information on application procedures as barriers. Their focus on start-ups, however, does not capture the experiences of women, youth and persons with disabilities as statutory beneficiary groups, nor the relationship between access and broader social outcomes. Mboya et al. (2025) used a mixed-methods design, combining questionnaires, interviews and documentary review with 330 respondents in four LGAs, to investigate access to interest-free loans among persons with disabilities. They found that persons with disabilities were less likely to apply where they were concerned about application and repayment procedures, lacked business knowledge or had not received adequate information, and that councils did little to raise awareness among them. Their findings demonstrate that formal eligibility does not guarantee practical access, but their focus on a single category leaves room for a comparison across all three beneficiary groups within one municipality.

Kusongwa et al. (2026) examined the determinants of group loan uptake among youth at Mwanga District Council and reported that perceived favouritism and loan terms that do not fit youth enterprises discourage young people from borrowing. Their study adds evidence on the demand side of access, but it concerns uptake in one district and does not explain how beneficiaries experience the process in an urban setting. Rugeiyamu (2023) examined the failure of local governments to recover loans from groups of women, youth and persons with disabilities. The study identified weak council capacity and governance, together with borrowers' limited understanding of the purpose of the fund. It is relevant to the question of awareness, because it indicates that unclear communication about the fund affects both access and later performance, but its emphasis on recovery means that it does not examine how beneficiaries first gain access.

The reviewed studies demonstrate that access to local government loans is shaped by information, administrative procedures and the way eligibility and fairness are perceived. However, important gaps remain. The studies address different populations and outcomes, most rely on surveys, and none provides an integrated qualitative account of how awareness, application procedures and eligibility requirements together shape access among women, youth and persons with disabilities in an urban municipality under the 2024 Regulations, or how that access relates to social empowerment. Therefore, an empirical and contextual gap remains concerning how these factors shaped access to the 10% loan in Temeke Municipality. The present study addresses this gap by providing an in-depth qualitative understanding of beneficiaries' experiences across the three statutory categories.

Methodology

Research Design: The study adopted an interpretivist philosophy and an exploratory qualitative research design, which is well suited to investigating phenomena that are not yet well understood in a specific context and to capturing the meanings that participants attach to their experiences.

Study Area: The research was conducted in Temeke Municipality, one of the five municipalities of Dar es Salaam Region, with a population of about 1.35 million people (NBS, 2022). The municipality comprises densely populated urban wards and rapidly growing peri-urban wards, and a large

share of its residents depend on informal activities such as petty trade, food vending, tailoring and casual labour. The programme is administered through the Community Development Department, which keeps records of registered groups and oversees loan disbursement, training and repayment monitoring. Three wards were purposively selected: Azimio and Tandika, which are densely populated urban wards with busy markets, and Mbagala, which represents the peri-urban part of the municipality. Each ward had registered women's, youth and persons-with-disabilities groups that had received the loan at least once. The study covered beneficiaries' experiences of loan cycles before the suspension of disbursement in April 2023 and after its resumption under the 2024 Regulations, up to the 2024/2025 financial year, and data were collected in 2026.

Targeted Population: The target population comprised members of registered women's, youth and persons-with-disabilities groups in the three study wards who had received the 10% loan at least once, together with officers and group leaders involved in administering the programme. Because the government disburses loans to registered groups rather than to individuals, participants were drawn from groups, but the individual beneficiary was the unit of analysis.

Sampling Technique: The study employed purposive (criterion-based) sampling to obtain information-rich participants with direct experience of the programme (Creswell & Creswell, 2023). One women's group, one youth group and one group of persons with disabilities were selected in each ward, giving nine groups, and two members were selected from each group. Beneficiaries had to have received the loan through their group at least once and to have been members for at least six months; youth had to have been aged between 18 and 35 years at the time of borrowing. Six key informants were selected on the basis of their roles in administering the programme: two loan officers and two community development officers with at least two years of involvement in screening applications, training or follow-up in the study wards, and two group leaders who had overseen at least one full loan cycle. The total sample of 24 participants was guided by the principle of data saturation rather than statistical representativeness (Guest et al., 2020). Of 27 participants initially identified, 24 were interviewed, a participation rate of 88.9%, and no new codes emerged after the twenty-second interview. The sample is presented in Table 1.

Table 1: Target Population and Sampling

Category of Participants	Sampling Technique	Data Collection Method	Sample Size
Women beneficiaries (B1–B6)	Purposive	In-depth interviews; FGD	6
Youth beneficiaries (B7–B12)	Purposive	In-depth interviews; FGD	6
Beneficiaries with disabilities (B13–B18)	Purposive	In-depth interviews; FGD	6
Loan officers	Purposive	Key informant checklist	2
Community development officers	Purposive	Key informant checklist	2
Group leaders	Purposive	Key informant checklist	2
Total			**24**

Source: Researcher (2026)

Data Collection Methods: The study employed three qualitative data collection methods. First, semi-structured in-depth interviews were held in Kiswahili with all 18 beneficiaries, at a ward office or the participant's business premises. Second, key informant interviews were conducted with the six key informants using a checklist covering the steps and documents in the application process, eligibility requirements, officers' caseloads and safeguards against unfair allocation, supplemented by group registers where available. Third, three focus group discussions, one for each beneficiary category, were held at accessible ground-floor venues to validate and deepen the themes emerging from the interviews. Interviews were audio-recorded with consent, transcribed verbatim in Kiswahili and translated into English, and the translated excerpts were checked against the original recordings.

Data Analysis: The study employed thematic analysis following Braun and Clarke (2006, 2021). Transcripts were read repeatedly, coded openly, organised into categories and developed into themes, while the checklist responses were summarised item by item to corroborate or qualify beneficiaries' accounts. Credibility was strengthened through triangulation across beneficiaries and key informants, member checking and an audit trail of analytical decisions. Research clearance was obtained from The St. Augustine University of Tanzania, the Dar es Salaam Regional Administrative Secretary and the Temeke Municipal Director. Informed written consent was obtained from all participants, who were assured that their responses would not affect their loan eligibility, and codes were used in place of names.

Characteristics of Participants

The study involved 18 beneficiaries, identified using the codes B1 to B18 (B1–B6 women, B7–B12 youth and B13–B18 persons with disabilities), together with six key informants coded KII-1 to KII-6. Eleven of the beneficiaries (61.1%) were female and seven (38.9%) were male. Eleven

(61.1%) were aged between 26 and 45 years, 72.2% had attained at least secondary education, and 72.2% had participated in the programme for one year or more, which gave them first-hand experience of the application process. The key informants had between three and twelve years of programme-related work experience. Participant codes were used to protect identities while allowing experiences to be presented clearly throughout the findings.

Study Findings

Access to the 10% Loan and Social Empowerment

The study objective sought to examine how awareness, application procedures and eligibility requirements shaped access to the 10% loan, and hence the social empowerment, of women, youth and persons with disabilities. The findings revealed that access was not determined by the existence of the fund alone. Beneficiaries had to learn that the fund existed, complete a multi-stage application process and understand eligibility rules that were not always explained in advance, and each of these steps worked differently for women, youth and persons with disabilities. Six closely connected subthemes emerged: awareness through group networks; bureaucratic and lengthy application procedures; clarity of eligibility requirements; perceived fairness of loan allocation; barriers facing the three categories of beneficiaries; and gendered experiences. The findings on access and social empowerment are presented at the end of this section.

Awareness through Group Networks and Local Government Channels

Awareness of the programme was largely transmitted through existing social and community networks. Beneficiaries reported receiving information from group chairpersons, fellow traders, ward meetings and people who had previously benefited. For some participants, membership of a registered group was the main pathway through which information became available. B4 described how the information reached her group:

> *"Our group chairperson told us about the loan during a ward meeting. She explained that the programme was available to groups like ours and encouraged us to follow the information she had received. Before that meeting, I did not know that such a fund existed. Without the chairperson bringing the information to us, we would not have known about the opportunity." (B4, 2026)*

Information also travelled informally among traders and previous beneficiaries, not only through formal government announcements. B8 explained:

> *"I heard about the ten percent loan from a fellow trader at the market who had already benefited from it the previous year. She explained to me that the loan was available, and I could learn more through the group process. That conversation was what made me interested in applying for the loan. I would probably not have known about the programme without information from someone who had already benefited." (B8, 2026)*

A key informant confirmed the pattern and acknowledged its limits:

> *"Most beneficiaries hear about the programme through their groups. We have not yet managed to reach unregistered residents effectively." (KII-2, 2026)*

According to this key informant, residents who were not members of registered groups were less likely to receive information about the programme.

Bureaucratic and Lengthy Application Procedures

Beneficiaries described the application process as involving several stages and repeated movement between offices. The main difficulties were the number of forms, documentation requirements, repeated visits and the need for help in completing documents. B9 described the process as follows:

> *"We had to move between the ward office and the municipal office several times before our group's file was even registered, each time, we were directed to another office or asked to follow another step in the process. This made the application take longer than we expected. We felt that having clearer guidance from the beginning would have reduced the number of trips we had to make." (B9, 2026)*

Beyond the requirements themselves, B9 reported uncertainty about where and how each requirement should be completed. The documentation burden was also reported by B2:

> *"The forms were many, and some of us needed help from our children to fill them in correctly. The language and the amount of information required made the forms difficult for some members to complete on their own. We therefore asked our children to help us understand and fill in the required sections. Without that assistance, some of us would have struggled to complete the application correctly." (B2, 2026)*

B2 did not report unwillingness to complete the forms; rather, she and other members needed assistance to understand them. The key informant perspective explained why the process involved several stages:

> *"The verification process takes time because we must confirm that a group is genuinely registered and that members are not duplicated across other funded groups." (KII-1, 2026)*

Thus, while beneficiaries described the process as lengthy, the key informant described the same steps as necessary verification.

Clarity of Eligibility Requirements

Although key informants indicated that programme requirements were formally established, some beneficiaries reported that they did not receive sufficiently clear explanations before beginning the application. B15 reported a lack of advance information on group size:

> *"No one clearly told us how many members a group needed to qualify before we started the process. We only became aware of some of the requirements as we continued with the application. This made it difficult for us to prepare the group properly from the beginning. Clear information about the membership requirement would have helped us avoid confusion during the application process." (B15, 2026)*

A similar lack of advance information applied to the business plans that groups were required to submit. B11 explained:

> *"We were told to bring a business plan, but nobody explained what a good business plan should have been in place until our first application was rejected. We knew that the document was required, but we did not understand the standard expected by the programme. Because of that, we had to learn from the rejection and make corrections before trying again. Clear guidance on preparing the business plan at the beginning would have saved us time." (B11, 2026)*

In this case, the group became aware of the expected standard only after its first application had been rejected, and it had to correct and resubmit its documents. A key informant offered an institutional explanation:

> *"Sometimes even we as officers assumed applicants already understood the criteria, because the guidelines had been explained in earlier group meetings; but by the time new members joined later, that information was not always passed on to them." (KII-6, 2026)*

According to this key informant, guidelines explained in earlier group meetings were not always passed on to members who joined their groups later.

Perceived Fairness of Loan Allocation across Groups

Perceptions of the distribution of funds among women, youth and persons with disabilities were mixed. Beneficiaries from the persons-with-disabilities category raised concerns about the adequacy of the amount available to them. B17 stated:

> *"Persons with disabilities receive the smallest share, yet our needs are just as great, and sometimes greater, because we must also pay for assistance to run our businesses. The amount available to us does not always reflect the additional costs associated with disability. In some cases, we need support to perform activities that other beneficiaries can do without assistance. For that reason, the loan amount can feel insufficient for meeting both business needs and the additional costs we face." (B17, 2026)*

For this participant, the concern was the adequacy of the amount in relation to the additional costs of operating a business with a disability, rather than the allocation percentage alone. A key informant presented a different concern:

> *"I think the sharing formula is fair in principle, but in practice, fewer disability groups are registered, so the money sometimes sits unused while women and youth groups are still waiting." (KII-4, 2026)*

Thus, while the beneficiary considered the disability allocation insufficient, the key informant reported that funds set aside for persons with disabilities sometimes remained unused because fewer disability groups were registered. Participants were also asked about favouritism by officials and informal payment requests. The concerns that emerged related to age-related scrutiny and to the adequacy of the share for persons with disabilities; the data did not provide a verified account of any officer demanding an informal payment.

Barriers Facing Women, Youth and Persons with Disabilities

Barriers to access differed according to beneficiary category. Persons with disabilities described physical barriers, youth described perceptions concerning age and business capability, and women reported the influence of household relationships. A participant using a wheelchair explained:

> *"As a person using a wheelchair, reaching the municipal office itself was difficult because the building is not easy for us to access. Getting into the office can require more effort than the application process itself. This physical difficulty can discourage a person from making repeated visits when documents or corrections are required. I therefore feel that physical accessibility of municipal offices should be considered when delivering the programme." (B14, 2026)*

The repeated visits required by the application process were therefore especially demanding for applicants with mobility difficulties. A youth beneficiary described a different type of barrier:

> *"Because I am young, some officers assumed I would not manage the business seriously, so I had to explain myself more than the older applicants. I felt that my age sometimes influenced how my ability to manage the loan was viewed. I had to provide more detail about my business and demonstrate that I was committed to using the funds properly. Young beneficiaries should be assessed on their business plans and commitment rather than on assumptions about their age." (B10, 2026)*

In contrast to the physical barrier above, B10 reported that officers' assumptions about young applicants affected how

the application was assessed. Women described household-level influences:

> *"Some women in our group had to first convince their husbands before they could commit to the group's loan obligations. This affected how quickly some members could agree to participate in the group loan. They needed support from their families before accepting the responsibilities associated with borrowing. It shows that household relationships and decisions can also influence women's access to the programme." (B1, 2026)*

For some women, therefore, participation in the group loan depended on agreement within the household. The experiences of the three categories are summarised in Table 2.

Table 2: Access Experiences by Beneficiary Category

Beneficiary category	Main access experiences reported	Illustrative evidence
Women (B1–B6)	Learned of the loan through group chairpersons; needed children's help with forms; some needed husbands' agreement before committing to group obligations	B4, B2, B1
Youth (B7–B12)	Learned of the loan through fellow traders; repeated office visits; business plan standard explained only after rejection; age-related scrutiny by officers	B8, B9, B11, B10
Persons with disabilities (B13–B18)	Physically inaccessible municipal offices; unclear group membership requirements; 20% share seen as inadequate given disability-related costs	B14, B15, B17

Source: Field Data (2026)

Gendered Experiences of Access

Female and male beneficiaries described different constraints. Women, who included all members of the women's groups as well as some members of the youth and disability groups, more often described constraints arising from household relations and the documentation process, as in the accounts of B1 and B2 above. The accounts of male beneficiaries related mainly to the barriers already identified for youth and persons with disabilities, including scrutiny of young applicants, uncertainty about requirements and physical difficulties, which could delay participation even where applicants knew about the programme.

Access and Social Empowerment

Beneficiaries who obtained loans associated them with gains in income, confidence and participation. B12 reported that "my income has almost doubled since I started my tailoring business with the loan" and that she could now save a small amount each month (B12, 2026). B3 explained, "Before the loan, I depended entirely on my husband's income. Now I contribute to our household expenses from my own trade" (B3, 2026), and B5 reported, "I was elected treasurer of our group, something I never imagined before joining" (B5, 2026). These gains were reported by people who had successfully navigated the routes to access described above, namely group membership, documentation and the group registration and screening process. Persistent constraints were also reported. B16 stated, "The loan has helped, but it is still too small to grow my business the way I want" (B16, 2026). The study did not interview eligible residents who never obtained the loan, so the empowerment outcomes reported here relate to those who gained access and not to those who were excluded from it.

Discussion of the Findings

The findings showed that access to the 10% loan in Temeke Municipality was shaped by the interaction between beneficiaries' social networks and the capacity and design of municipal procedures. Social Capital Theory explains how relationships, trust and networks enable groups to obtain resources (Putnam, 2000; Woolcock, 2001). The dominance of group chairpersons, fellow traders and previous beneficiaries as sources of information demonstrates the practical importance of this mechanism. Consistent with Grootaert and Van Bastelaer's (2002) argument that bonding capital supports collective action, group members shared information, encouraged one another to apply and helped each other with forms. Social capital was therefore an active mechanism of access and not merely a background characteristic.

The findings also reveal the limits of relying on these networks. The absence of systematic municipal outreach meant that residents outside registered groups had fewer opportunities to learn about the programme, as the key informant acknowledged. This reflects Fine's (2010) and Woolcock's (2001) caution that social capital cannot substitute for effective institutional structures. The information gap can be interpreted as a deficit in bridging capital rather than bonding capital: groups were well connected internally but less effectively connected to the municipal structures that hold accurate and timely information. It also resembles the finding of Mboya et al. (2025) that councils did little to raise awareness among persons with disabilities. Group-mediated awareness can therefore become an access barrier where membership is uneven, because a mechanism intended to promote inclusion

can reproduce exclusion when the network through which information flows is itself unequally available.

The bureaucratic burden and the lack of clarity on eligibility are consistent with Kitua and Mbaza's (2025) finding that bureaucratic delays and poor information on application procedures restrict access to LGA loans in Tanzania. For low-income applicants, repeated visits entail transport costs and time lost from income-generating activities, so that even an interest-free loan can carry significant transaction costs, which Armendáriz and Morduch (2020) note can disproportionately affect borrowers of publicly administered credit. The key informant's explanation shows that verification serves a legitimate purpose, since public funds must be protected against duplication and misuse within the framework set by the Local Government Finance Act and the 2024 Regulations (URT, 2019, 2024). The implication is not that verification should be removed but that it should be simplified and communicated clearly. The fact that guidelines explained in earlier meetings did not reach later members, and that a group learned the expected business plan standard only after rejection, suggests that some unsuccessful applications reflect weaknesses in information and applicant support rather than lack of interest. This also echoes Rugeiyamu's (2023) evidence that borrowers' limited understanding of the fund undermines the scheme.

The differentiated barriers confirm that formal eligibility does not guarantee equal practical access. For persons with disabilities, physical inaccessibility of municipal offices shows that a programme can be financially inclusive in its objectives while remaining physically exclusionary in its implementation, which mirrors Mboya et al.'s (2025) finding that fears about application procedures and weak awareness-raising kept persons with disabilities from applying. The coexistence of a beneficiary's view that the disability allocation is inadequate and a key informant's report that funds can remain unused suggests that low registration of disability groups, which may itself reflect weak awareness and physical barriers, may sit alongside an allocation that does not reflect the additional costs of disability. For youth, age-related scrutiny echoes Kusongwa et al.'s (2026) evidence that perceived favouritism discourages young people from borrowing from the LGA fund. For women, the need to secure husbands' agreement shows that access to a group loan is negotiated within households as well as with the council, which is consistent with Parwez and Patel's (2022) conclusion that credit has had only a modest effect on women's status.

From the perspective of Empowerment Theory, access is a starting point and not empowerment itself (Zimmerman, 2000; Perkins & Zimmerman, 1995). Those who gained access reported higher income, savings, greater say in household finances and leadership roles within their groups, which suggests that the loan created real opportunities. However, the same constraints that shaped access meant that these opportunities were concentrated among people who were already organised in groups and able to navigate the procedures. Empowerment therefore remained partial, and the persistence of small loan sizes, as reported by B16, further limited its depth. Overall, the findings support an interpretation in which social capital and institutional accessibility are complementary and not substitutable: networks help beneficiaries obtain information and assistance, but only clear, affordable and physically accessible municipal procedures can convert that information into successful applications for all categories of beneficiaries.

Conclusion

Overall, the findings demonstrate that access to the 10% Local Government Loan in Temeke Municipality was enabled mainly by beneficiaries' existing group networks and constrained by a multi-stage application process, unclear eligibility and business plan requirements, and barriers specific to each category: household negotiation for women, age-related scrutiny for youth, and physically inaccessible offices and an allocation perceived as inadequate for persons with disabilities. Access therefore contributed to social empowerment mainly for those who were already organised in groups and able to navigate the procedures. Accessibility cannot be assumed from the mere existence of the programme; it must be actively supported through clearer communication and more accessible administrative processes. The findings deepen understanding of access to statutory loans by showing that it results from the interaction between social capital and institutional capacity, and that where either is weak, empowerment is reduced.

Recommendations

After carrying out this study, the following recommendations were drawn for various stakeholders' intervention.

Institutional-Level Recommendations: Temeke Municipal Council, through the Community Development Department, should prepare a one-page checklist showing the documents required, eligibility conditions, application steps and contact details, and display it at ward offices and share it through existing council, ward and mtaa channels. The Department should arrange an initial document check at ward level before applications are forwarded to the municipal office, with a simple record of applications received and missing documents, so that applicants are not required to make unnecessary trips. The Council should also ensure that offices and venues used for loan information and application support are accessible to persons with disabilities, arranging appointments at accessible ward facilities where they are not, and should publish its selection criteria and application outcomes in a way that protects applicants' personal information, with a clear channel for clarification and complaints.

Policy-Level Recommendations: The President's Office – Regional Administration and Local Government (PO-RALG) should consider, through its established policy review process, whether the statutory allocation and loan limits adequately reflect the additional costs faced by persons with disabilities, using evidence from council loan records, including the extent to which funds set aside for persons with disabilities remain unused. Any change to the allocation formula should be made at that level and not by the municipality alone.

Professional Practice Recommendations: Ward Community Development Officers and loan officers should give clear early guidance on membership requirements and on the standard expected of a business plan, and should assist applicants who need help completing forms. They should use transparent and standardised assessment criteria that focus on the viability of the proposed activity and the applicant's capacity rather than on assumptions about age. Brief information sessions on the 10% loan should be included in existing community meetings so that residents who are not connected to established groups are reached.

Community and Stakeholder Recommendations: Group leaders should ensure that guidance on eligibility and procedures is passed on to members who join after the initial explanation. Ward executive officers and mtaa leaders should help to circulate information on the programme through existing channels, and organisations of persons with disabilities should be invited to circulate information in accessible formats and help eligible residents understand group registration.

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