

PROJECT FACTSHEET

Title of project	SCBF 2013-03: Access to Water and Energy through Microfinance
Country / region	Tanzania / country wide
Financial Intermediary	PRIDE RFW, 333 Serengeti Wing, P.O. BOX 13900, Arusha, Tanzania
Competence Centre mandated for execution	PAMIGA, 7 rue Taylor, 75010 Paris, France
Overall project budget	CHF 209'944 (34% self-contribution by partner)
SCBF contribution	CHF 139'536 (66% SCBF funding share)
Date of project approval	04.06.2013
Project period	07.2013 until 06.2015
Context	<p>Access to financial services in Tanzania is low, with 87.6% of the people not having a bank account and 56% not using either formal or informal financial services (FinScope 2009). Despite clear needs for financial services, few institutions have dared to extend their services to rural areas. The Tanzania rural environment is indeed characterized by poor communication infrastructures, low population density, low profitability / high risk of agricultural activities, and relatively undiversified economies, making it a real challenge for the microfinance sector to develop financial services there.</p> <p>Within the Tanzanian microfinance sector, PRIDE RFW has the merit to have ventured where conventional MFIs shy, reaching out to poor clients in remote rural areas. By providing new financial services linked to water and energy access, PRIDE RFW will even further the financial inclusion of rural Tanzanian populations. A preliminary survey confirmed a clear need and demand for water & energy loans but no financial institution provides this type of service so far in the rural areas of intervention of PRIDE RFW.</p>
Current status	<p>PRIDE RFW is a span-off of PRIDE Tanzania, one of the MFIs with the largest outreach in Tanzania. It was created in 2007, when CIDR transferred to PRIDE Tanzania the pilot programme on rural microfinance that they had been implementing in Iringa region over the previous four years. PRIDE RFW is thus a specific microfinance entity dedicated to providing financial services in rural areas, with a focus on smallholder agricultural producers and agricultural value chains. As of Dec. 2012, PRIDE RFW had a total outstanding loan portfolio of 2.71m Euros for 30,839 active clients, served through a network of 12 branches.</p> <p>PRIDE RFW already has a strong experience in providing client-led financial services. However, providing adapted products for access to water and energy solutions strongly differs from traditional microcredits and requires developing innovative partnerships and processes. The financial institution therefore expressed a need for support in identifying needs, designing adapted solutions, building partnerships with technology providers, developing awareness and marketing tools, training staff, and following up on the pilot implementation.</p>
Objective and main activities	<p>The purpose of the project is to assist PRIDE RFW in developing and launching adapted financial products and services to facilitate access to clean water and energy solutions for poor rural populations in Tanzania. The following activities are planned under this capacity building project:</p> <ol style="list-style-type: none"> 1. Identify clients' water & energy needs and develop adapted solutions 2. Set up partnerships with technology providers and distributors 3. Design adapted financial products and elaborate a business plan 4. Develop awareness-raising materials on water and energy solutions, good practices linked to their use, and warranty and after-sales services. 5. Strengthen PRIDE RFW's capacities to promote water and energy solutions, develop and offer adapted financial products, manage credit risk linked to these specific products, and conduct financial education sessions. 6. Implement a pilot product, evaluate it, make necessary adjustments, and share lessons learned