



SELFINA

Background

Sero Lease and Finance Limited (SELFINA) is a for-profit micro-leasing company that provides business training, economic empowerment, and appropriate capital to more than 11,000 lower-income female entrepreneurs in rural Tanzania. Created in 2002, SELFINA's mission is to increase the income and living standards of poor and disadvantaged women, an urgent need in a country where the majority lives on less than \$1 a day.



Tanzania's legal environment provides equal rights for women in theory, but local practices and customary law traditions make it difficult for women to own land and assets. As a result, financial institutions do not consider low-income women credit-worthy. This restricts women's access to financial services and leads to their economic marginalization.

SELFINA's MISSION
Increase the income and living standards of poor and disadvantaged **women**, an urgent need in a country where the majority lives on **less than \$1 a day**

SELFINA's goal is to become a major provider of micro-leasing exclusively to women throughout Tanzania. The institution provides women with affordable leases that enable them to invest in productive assets like sewing machines, livestock, and ovens. Once the assets become the women's property (upon full payment of the lease), they can be used as collateral for working capital loans to provide further business expansion. In this way, SELFINA

acts as a catalyst to create and support sustainable small enterprises, build incomes, create jobs, and lift women and their families out of poverty.

SELFINA offers its clients a complete package, complementing financial services with business training provided by its founding organization, Sero Businesswomen Association (SEBA), a Tanzanian NGO. SEBA aims to help women and youth increase their income and employment opportunities, providing them with training and mentoring in business know-how, life and health management skills, gender issues, and legal rights under Tanzanian law. SELFINA works closely with SEBA to develop enduring relationships with its clients, promoting strong customer loyalty and high repayment rates, especially within its hard-to-reach, rural markets.

SELFINA provides a simple, distinctive financial service that meets a huge unmet demand among women: help in acquiring productive assets and building sustainable businesses. The company creates a multiplier effect—a small amount of capital invested into SELFINA can be leveraged to provide increased income from higher sales, which is in turn utilized (along with business assistance) to build productive assets and wealth-creating businesses.

GBF's Investment



The **Grassroots Business Fund** provides SELFINA with equity capital that will allow the company to scale up its services, broaden its geographic reach, and deepen its social and economic impact in its community. GBF's support is also intended to help SELFINA achieve the business performance required to attract additional sustained public and private financing.

As an essential complement to this financial investment, GBF provides capacity-building funds and direct technical assistance to SELFINA. The funded activities, coordinated on-site by GBF and SELFINA staff, focus on operational improvements such as a management information system (MIS) and improved market outreach. GBF's capacity building also supports improvement of the institution's management, financial controls, strategic planning, and human resource operations.

In addition, GBF is assisting SELFINA in engaging new stakeholders, thereby expanding its social impact. These activities include the creation of a "Next Stage Fund" for successful women entrepreneurs that will offer larger and longer-term financing, and the delivery of business development services to successful SELFINA clients.

Expert GBF consultants and new staff with banking experience are working with SELFINA in the field. The focus is to develop SELFINA's core management team and help implement its strategic business plan. Working together, SELFINA and GBF field staff are developing financial control processes, building a team of financial analysts and internal auditors, and setting up a human resource policy to recruit, train, reward, promote, and retain staff. This type of in-depth, hands-on support is helping SELFINA to develop solid systems and processes that will enhance its growth and can be rapidly adjusted to meet the frequently-changing conditions in Tanzania's business environment.

In the future, GBF expects to replicate SELFINA's approach in other regions by helping women access appropriate types of financing and acquire the assets and skills needed to grow and sustain viable enterprises.

Social Impact

SELFINA currently has **11,000 clients** and **expects to reach approximately 30,000 clients** within the next five years.

According to a GBF March 2009 survey of SELFINA's clients, 35% of all women entrepreneurs are the sole household

bread winner (for an average family of five) and each entrepreneur has at least two employees. The survey also determined that 98% of SELFINA's clients saw a revenue increase within one year of receiving an asset-backed SELFINA loan. Through this incremental income gain, these women were better able to support their households, afford fees to send their children to better schools, and develop and expand their businesses.

GBF is working with SELFINA to ensure that its current systems and processes will be able to absorb this growth, and will accurately and reliably report its impact. In addition, GBF worked with SELFINA to develop a poverty assessment survey that can determine both the rate of client success and the impact of SELFINA's client services.

SELFINA'S IMPACT

To date, SELFINA has helped over **140,000 Tanzanians out of poverty** and its activities are expected to **impact the lives of 440,000 individuals by 2014.**