



SELFINA

The Challenge

Sero Lease and Finance Limited (SELFINA) is a for-profit micro-leasing company that provides business training, economic empowerment, and capital to more than 15,000 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 of the population lives on less than \$1 a day.



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

SELFINA's Solution

SELFINA's goal is to become a major provider of capital principally to women entrepreneurs throughout Tanzania by providing affordable leases that enable entrepreneurs to invest in productive assets like sewing machines, livestock, and ovens. Once the assets become the woman's property (upon full payment of the lease), the assets can be used as collateral for working capital loans and, in turn, 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). 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. SELFINA works closely with SEBA to develop enduring client relationships that promote strong customer loyalty, especially within its hard-to-reach, rural markets.

SELFINA'S GOAL

To become a major provider of capital principally to women entrepreneurs throughout Tanzania by providing affordable leases that enable entrepreneurs to invest in productive assets like sewing machines, livestock, and ovens.

SELFINA provides a simple, distinctive financial service that meets a large unmet demand among women, who require productive assets to build sustainable businesses. A loan from SELFINA creates a multiplier effect by allowing women to leverage a productive asset to increase the profitability of their

wealth-creating enterprise.

Partnership with GBF

The **Grassroots Business Fund** is providing 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. 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 is providing capacity-building funds and direct technical assistance to SELFINA. The technical assistance activities focus on operational improvements such as financial management, improved market outreach, and better corporate governance.

Similar to most financial institutions in Africa, SELFINA has been negatively affected by the recent economic crisis. GBF is now working with SELFINA management and its other stakeholders to help design and implement a strategic plan for the company during this difficult period. Working together, SELFINA and GBF are developing financial control processes, building the capacity of the financial team, and encouraging the improvement of portfolio performance while setting and measuring financial and operational goals. This in-depth, hands-on support is helping SELFINA to develop solid systems and processes as a foundation for future growth.

SELFINA's Performance and Impact

GBF worked with SELFINA to develop a poverty assessment survey to assess both the rate of client success and the impact of SELFINA's client services. The first survey was conducted in March 2009 with the help of GBF, but since then the company has refreshed the survey at least two times using its own staff. These surveys have already provided valuable information that is allowing SELFINA to adapt to meet its clients' needs and maximize impact (see sidebar).



Poverty Assessment Surveys: Key Findings

- There is a demonstrated **positive correlation between greater loan size and net income** of the borrower's business.
- 55% of SELFINA's borrowers are MSMEs which have **1 to 3 employees**.
- 98% of clients surveyed said that **business development training** would help them to grow their businesses. Specifically training in: bookkeeping and repaying loans
- Clients are satisfied with SELFINA's services, but would like to see **faster processing of loan applications and improve branch accessibility**