

RG-04 | Affordable asset financing of solar-powered equipment for smallholder farmers, Tanzania

Company name	Simusolar	SCBF Contribution:	CHF 200'000
Country	Tanzania	Instrument:	Repayable Grant
Sector:	Agri-financing	Target group:	Smallholder farmers
Duration:	Feb 2025 – Jun 2027	Product:	Asset Financing - Solar powered equipment
Potential Outreach:	1,000	Theme:	Financial Capability

CONTEXT

Smallholder farmers in East Africa struggle with low productivity due to limited access to affordable energy and equipment solutions like irrigation, storage, and processing tools. Asset financing is unavailable in rural areas, and equipment sellers operate only in major cities, leaving farmers underserved. Additionally, farmers lack information and access to modern, cost-effective technologies like solar water pumps, often relying on expensive fuel-powered alternatives.

Simusolar helps in boosting farmer productivity by providing solar-powered technologies like water pumps, enabling year-round cultivation and doubling harvests. Through a Pay-As-You-Go (PAYG) model, farmers can affordably finance equipment via mobile payments. As a last-mile service provider, Simusolar delivers, installs, and customizes solutions for individual farms while educating farmers and partnering across the value chain to expand access and awareness.

THE ORGANISATION AND SOLUTION

Simusolar is a social enterprise transforming rural livelihoods in East Africa by providing solar-powered equipment and innovative financing solutions. The company offers technologies like solar water pumps and storage systems, enabling smallholder farmers and rural businesses to boost productivity and income. To date, the company has supported over 30,000 smallholder farmers and rural businesses, improving access to productivity-enhancing tools such as solar water pumps and storage systems. Farmers using Simusolar’s solutions have reported doubling their annual harvests by extending growing seasons and reducing reliance on rain-fed agriculture. Through its Pay-As-You-Go (PAYG) model, Simusolar removes the barrier of upfront costs, allowing customers to make affordable payments via mobile money. As a last-mile service provider, Simusolar designs, delivers, and installs tailored solutions while educating communities on sustainable energy use. With a focus on empowering underserved populations, Simusolar drives inclusive growth and sustainable development.

OBJECTIVES AND MAIN ACTIVITIES

SCBF's intervention will primarily focus on funding working capital, with inventory as the largest component, prioritizing up-front purchases due to extended supply-chain timelines. This funding will enable farmers to access affordable payment plans, making solar systems a cost-competitive alternative to fuel pumps.

Additionally, a portion of the support will be dedicated to education and awareness efforts. Through demonstrations and events, farmers in Tanzania will gain knowledge and confidence in adopting the new technology, addressing the low awareness of solar solutions and fostering effective adoption within farming communities.

Partnering with:

