Go Green Project
Tanzania 2017-20
Access to sustainable energy solutions in rural Tanzania
Introduction
Go Green was a three-year project funded by Augustinus Foundation, Denmark. The project aimed to increase the number of women in Tanzania adopting and directly benefitting from clean energy products through an innovative market-based approach. The project was implemented in 3 Districts of Same, Hai and Moshi in the Kilimanjaro Region of Tanzania. A region that is one of the worst affected by the impacts of climate change and climate variability in Tanzania. Go Green introduced business opportunities for rural women in the clean energy market, by facilitating links with the private sector to improve last mile distribution at district and village level, thereby increasing disposable household income for women entrepreneurs. By increasing provision and access to solar lamps and clean cook-stoves for Tanzania’s rural population, the project aimed to indirectly contribute to reduced health problems from indoor pollution, reduced workload for women, save fuel costs for families and reducing forest degradation. The project was implemented together with two local organizations Floresta Tanzania Foundation and Voice of Empowered Women Foundation (VOEWOFO).

Go Green’s Business model
The project tapped into CARE’s successful models of Community Based Trainer’s (CBTs) and Village Savings and Loaning (VSLAs) groups as the point of entry for recruiting and empowering women entrepreneurs to sell and distribute solar lamps, solar home systems (SHS) and improved cook-stoves. The VSLAs members invested together as a business entity, financing the business using non-interest loans from their own savings and/or loans from financial institutions to invest in the clean energy value chain. It leveraged on CBTs to provide training on entrepreneurship & business management skills on a fee-for-service approach where the groups paid for the services. Participating VSLAs were then linked to clean energy distributors for supply of clean energy products.

Go Green Business Model - Task flow
- Identify CBTs, VSLAs and the women from VSLAs that will constitute the sales force
- Training of Trainers (CBTs and local partners)
- Train sales force of VSLAs
- Soft Entry – match sales force with portable solar light suppliers and formalize the buy – sell relationship. Make groups think of PUE activities
- Full Model Roll Out – match capable VSLAs (TZS 1 mill capital) with SHS&CSS suppliers, formalize the relationship and engage CBTs as order aggregators
- Briquettes – support capable groups to start production
- Match VSLAs with financial and government institutions for credit and business registration
- Ensure that the VSLA – supplier relationship is functional for business sustainability

The Clean energy product supply chain involved various actors interlinked and coordinating as shown in the figure. The NGO (in this case CARE) provided overall financial support for capacity building and operations and together with the local partners provided technical backstopping and linkages to financial institutions, private sector suppliers and other relevant stakeholders. The CBTs, VSLAs, privates sector suppliers and financial institutions formed the core of the green energy business model. The CBTs provided trainings to participating VSLAs and were the primary link to the suppliers of clean energy products. They facilitated collective pooling of orders from the VSLAs and distribution of the products upon supply. Financial institutions provided the much needed credit for investing in the clean energy business and CARE’s Chomoka platform enabled digital recordkeeping for the VSLAs.

Results
The project engaged 15 CBTs from 3 intervention Districts as trainers in entrepreneurship and business skills through a fee-for-service model where VSLAs paid for the services offered by the CBTs. The CBTs also supported linkages with the clean energy product distributors. The project worked with and linked the groups to 6 suppliers/distributors of clean energy (CE) products, but the groups chose to work closely with Sunking and Solar Sister based on their suitable terms of engagement. Clean energy products sold were primarily solar lamps and home systems. However, the women also sold energy saving cook-stoves and briquettes. As at March 2020, the project had cumulatively sold 28,733 clean energy products via 717 women in 76 VSL groups reaching an estimated 143,665 people. Cumulatively over the years, the groups and women earned a total of TZS 133,214,902 (approximately DKK 396,997) as net income from these sales.

The project has managed to reduce an estimated 8,965.59 tCO2 emission. To offer a soft entry, women entrepreneurs acquired an interest free loan from the their VSL groups to pre-finance their clean energy businesses. In addition, a total of 23 groups were linked to financial institutions were they acquired loans to invest in their clean energy business and other investments.

Go Green Actor Linkages

NGO facilitate training, linkages and digitization (CHOMOKA app)
- Suppliers of clean energy products
- CBT’s conduct training and support distribution
- VSLA’s sell products
- Government institutions provide credit
- Financial institutions provide credit
- Rural buyers of clean energy products
Lessons learned

1. VSLAs provide access to finances for soft entry into business

VSLAs can be a source of the much needed financial incentive for groups who want to invest in clean energy businesses. The VSLAs invest in the clean energy business and select a salesforce of women who are members of the group and who receive a commission based on the sales that they make. The VSLAs are able to borrow loans at no or very low interest rates to invest in business start up. VSLAs are a well established network in most of the countries CARE operates and has potential to invest collaboratively in green business opportunities.

2. Community based trainers serve as a useful resource for capacity building in the community

An end of project evaluation showed that VSLAs with strong CBTs were relatively more successful in implementing the project than others. CBTs served as the trainers on business skills and entrepreneurship and were the link between the women and the CE product suppliers.

3. Fee-for-service approach provide a good incentive for CBTs

The fee for service approach provides an incentive for the CBTs to support the VSL groups. In this approach the CBT is paid by the group at an agreed upon rate for services offered. However, it is important to have clear guidelines on how this is implemented. This should include the fees per training, payment modes and accountability mechanisms to ensure that the VSLAs pay the fees as agreed and that the CBTs deliver the services on their part. When guidelines on engagement are not clear, there’s a risk of CBTs competing with the women entrepreneurs by engaging in the businesses themselves.

4. Linkages to Financial Institutions and other funding mechanisms crucial for scale-up and sustainability

Whereas the VSLAs provided financing for business start-up, this was often limited and did not offer an opportunity for women entrepreneurs to scale-up their investments in CE businesses. Linkages to financial institutions with suitable financial products for small businesses is important. Also important is linkages to government and other financial granting opportunities.

5. Reliability and terms of engagement with CE product suppliers’ important criteria for women entrepreneurs

CE product suppliers that are reliable and offered suitable terms of engagement were more favored by the women entrepreneurs. For example, those offering a warranty on their products and a pay-as-you-go payment model (payment in installments) where found to be of importance to the women entrepreneurs.

6. Improved value chain efficiency through collective action and digitization

Logistics/transport are major obstacle in rural areas as the villages may be scattered and difficult to reach for suppliers. To reduce costs and improve supply logistics the project pooled orders from the various VSLAs through CBTs who then linked with the private sector suppliers to deliver to a central place where the CBTs could then distribute to the VSLAs based on the initial orders. Also, the Chomoka digital platform provided an opportunity for digital record keeping for the groups, making information on savings, loans, investments into clean energy and profits available to all members of the group. The use of this platform as a marketplace can be explored.

7. Incentives to invest in the clean energy business are important

Creating business incentives for the different actors along the value chain is important for sustainability of the enterprises. In the case of Go Green, the opportunities for collective action, linkages to financial institutions for credit and reduced costs of operations (transport costs) served as investment incentives by the VSLAs. The suppliers of clean energy products were able to tap into the large number of organized VSLAs as potential investors.

“Not only is my group’s enterprise flourishing but the group approach enables me to share my passion and knowledge for cleaner energy with other women entrepreneurs. Together, we can really make a difference in the communities where we live.”

Avelina Mallya (Tumaini Group)

“The specific support I got on capacity development, market development, mentorship support and access to finance from CARE Tanzania is splendid generally for myself and my VSL group. For the period of Go Green program, I have personally managed to finish my house and I’m now capable in paying tuition fee for my three children”

Beatrice Kachema (Moshi, Kilimanjaro)

“Not only is my group’s enterprise flourishing but the group approach enables me to share my passion and knowledge for cleaner energy with other women entrepreneurs. Together, we can really make a difference in the communities where we live.”

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