



Kazi Startfunding  
www.kazi-funding.org  
Whatsapp contact : +41 79 930 14 84  
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### **Demand of loan to KaziStartfunding**

This document will be send to the attribution committee of KaziStartfunding to validated or not the attribution of a loan. Please fill it carefully and as complete as possible.

#### **Name and personal contact of the borrower:**

Surname and other names : salma Rajabu msomi  
Phone number (normal call) : +255 784 76 45 92  
Whatsapp number : same  
Email : [msomisalma@gmail.com](mailto:msomisalma@gmail.com)  
Adress: Lipangalala/ Kiyongwike

#### **Name and personal contact of a close relative from the borrower: Husband**

Surname and other names : Ndende Said Omary  
Adress: lipangalala/kiyongwilwe  
Phone number (normal call) : +255687618795  
Whatsapp number : same  
Email : [ndendesaid@yahoo.com](mailto:ndendesaid@yahoo.com)

#### **Name and personal contact of the guarantee person for the loan:**

First Name: Geoffrey  
Middle Name: Isdory  
Surname: Ashery  
Phone Number: +255 713 884 424  
WhatsApp Number: Same as Phone #  
Email: [giasbery@gmail.com](mailto:giasbery@gmail.com)

Relation with the borrower (short description) : worked with her during a project. I was project coordinator, and she was community worker.

Mains reasons to trust the borrower: she was a trustful person during the project, and I know where she lives.

Type of guarantee that you offer : no guarantee

#### **Brief description of the borrower:**

Learn taylor work during 2 years, with an experenced taylor from 2006 to 2008. After I decided to start my own taylor business on 2008.

#### **Brief description of the project:**

Already taylor working at home, but doing with an used machine. Indeed when I started my business in 2008 I bought a normal sewing machine – which I'm still using - and have to rent by other people if I need embroidery or overlooking machine. I was able to live from that. Nevertheless with the KAZI loan I would be able to significantly increase my income, in a long term perspective. Indeed if I'm able to buy a second sewing machine, my small sister will be able to work with me. She already knows pretty much tailoring, but I could learn her better, we could work together. Like this she

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would be able to be independent and have an income. Furthermore, with our own embroidery and overlooking machine we would not need to rent it from other tailor. Even, we would be able to rent it (rent per hour or per specific job), and thus increase our income. The possibility of having our own embroidery and overlooking machine enable to significantly increase our income. I already discuss with at least 6 tailors friends of mine, who would be interested to rent us those machines sometimes.

Between my sister and me, we will technically be two independent business women, and she will help me to support the costs of the machine with a certain amount per month. But our income will be separated.

### **Compatibility of the project with the objectives of sustainable development:**

On the 3 aspects of sustainable development:

- 1) Economical sustainability: it is highly economical sustainable. Indeed after having paid back the money, I'll be the owner of the machines, nobody is going to take them back from me. I'll be able to use them, rent them, etc... I will be the owner of my production means.
- 2) Social empowerment: I'll give a job to my sister, and significantly increase my income, in a rural region of Tanzania. Furthermore it will enable other tailors friends of mine from Ifakara to rent our embroidery and overlooking machine - without needing to go to others town or something - and also increase their income.
- 3) Ecological sustainability: producing our own clothes, avoid buying clothes imported from somewhere else in the world (China, Bangladesh...), and thus reduce the global burden of international transportation for the environment.

### **Budget of the business, and concrete use of the loan:**

The total amount necessary to buy the 3 new machines (embroidery, overlooking, and a new normal machine) is 1'350'000 TSH. With transport, furniture, and a small margine (in case of an unexpected cost), I ask for a loan of 1'400'000 TSH. Nevertheless, in reality the total amount of the price of the business is at least 1'600'000 TSH. Indeed I bought the machine 250'000 TSH, but it is still fully usable, so his value it at least still of 100-150'000 TSH. Thus I have some tissues at home for a value of at least 20'000 TSH. Furthermore I have some clothes (called kanga, traditional clothes), with a value of at least 20'000 TSH. Those furniture are necessary to start, and are already invested by myself in the business.

About the income I'm going to generate, it is really at least 14'000 per day (5-10'000 per cloth is the regular price in Ifakara, plus colleagues will have to pay for the use of the machines (rent), plus small reparation/modification of clothes...). I calculate that I work 6/7 per week - although I work often on Sunday too. Finally some days I'm sure I can easily generate more that amount of income. And with property of those machines, in case a day I don't have client, I can always rent for a day those machines to colleagues to be sure to generate a regular income.

Finally for the amortization and reparation costs, I calculated an amount of 20'000 TSH of reparation costs per month (which is a lot, I use normally less). Furthermore, we calculated that after have paid back the loan, I'll put money on the side to be able to



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buy new machines in 10 years (I mention that most of the machines are more than 10 years old, so it is a short period of amortization). I promise that I will save that amount of money each month.

**So total business value (at least): 1'555'000 TSH**

Used sewing machine : 115'000 TSH (my investment)  
Kanga : 20'000 TSH (my investment)  
Tissue : 20'000 TSH (my investment)  
Loan : 1'400'000 TSH (KAZI investment)

#### **Concret use of the 1'400'000 TSH loan**

- 600'000 embroidery machine
- 400'000 overlooking machine (xxx sewing point)
- 350'000 normal sewing machine (---- sewing point)
- 50'000 service, furniture, transport

#### *Short term benefits:*

- 1) Minimum :  $26/30 * 14'000 = 364'000$  TSH
- 2)  $364'000 - 125'000$  (loan) = 239'000 TSH
- 3) Reparation : 20'000/month (saving) = **219'000 TSH/month net short-benefits** (during one year, time of refund of the loan)
- 4) NB: amount of saving first year : 220'000 TSH/first year

#### *Long term benefits:*

At least same amount of money but without having to pay back the loan (364'000 TSH)

- Reparation : 20'000 TSH/month saving for machines reparation
  - Amortization : 12'000 TSH/month to buy all the machines new after 10 years
  - Total amortization and costs : 32'000 TSH/months saving
  - Margine in case of trouble : 8'000 TSH/months saving
- 364'000 - 40'000 = 324'000 TSH/month net long-term benefits (at least 10 years)**
- NB : amount of saving each years : 480'000 TSH/year

#### **Concrete refund program, schedule and penalties:**

- I would pay back in 12 months (one year)
- First 3 months I don't pay anything back to start the business
- After 3 month I pay a first bulk amount of 275,000 TSH
- After I pay every month 1/9 of the rest amount, which means 125,000 TSH
- If I fail to pay back on time, KAZI will take the machines to pay him back (including my used machine). KAZI would be able to decide if you want me to sell the machines and give you back the amount of money cash, or if KAZI prefer to take the machines, to lend them to another KAZI borrower. If you include the investment that I've already done in my business – which are also engaged with KAZI (155'000 TSH) – it means that you have a (more than) 10% guarantee in case I don't pay back on time.



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#### Bank informations

- Name : Salma Msomi
- BANK : NMB
- NMB SWIFT CODE : NMIBTZTZX
- Account Number : NMB 21610013929
- My Adress : lipangalala/kiyongwilwe
- Bank Adress : ohio street/Ali Hassan Mwinyi road P.O. Box 9213, Dar-Es-Salaam.

#### Comments from the executive field director from KaziStartfunding

I personally strongly encourage that we support this project. Indeed 1) it seems like an extremely trustful person 2) she contacted us herself, asking to continue to prepare the business model, and seems really motivated 3) than loan is extremely economically sustainable, in the sense that after the loan **she owns the machines**. It means that she will always be able to make money from that – tailoring, or renting the machines. It really enables her to have a stable source of money, in the context of a remote rural area in Tanzania. For me it has no negative impact on the environment, and even a positive one (by reducing transport of imported clothes). The only aspect which is a bit less positive, it that it create directly only 1 job apart from herself.

Finally it seems really profitable. With really low, low estimation, INCLUDING the repayment of the loan, she will be able to make 200'000 TSH/month already the first year. This is the amount for her (Salma), and not for her and her sister, we discussed from that. Indeed the sister's income is apart (they are kind of two independent workers), the (more than) 200'000 TSH is the amount money for Salma, the borrower of KAZI. The amount of money that her sister will generate is more difficult to calculate at the moment, but probably also a reasonable amount for the Ifakara region of Tanzania. Furthermore on the next year she will reach more than 300'000 TSH, with almost 500'000 TSH of saving per year in case of problems/increase business/buy new machines in 10 years, which is a lot in comparison of the initial investment costs (in 10 years it is 5'000'000 TSH, more than 3 times the initial investment cost). Finally she lives in Ifakara, so it will be easy for me to monitor (has she bought the machine etc.. etc...).


Last but not least, we are at a starting phase, and we need to increase our experience. It is a good loan to start, small amount, good expected payment possibilities, not too complicated (especially because people buy and bring their tissue to the tailor (to her), she makes the clothes (or repair/modify the clothes if they bring already done clothes), and give it back to them, for a certain amount of price for her work (5-10'000 TSH for new cloth)). So it is really easy in costs calculations (and she works at home), so it is not really possible that we have done important mistakes in costs and benefits calculations...).

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**Date and signature (electronic signature are accepted)**

**Borrower :**

  
SALMA RAJABU MSOMI  
15/01/2020

**Guarantee person:**

  
GEOFFREY J. ASHERY  
15/01/2020

**Paul-Camille Genton, CIO of KaziStartfunding and executive field director in Tanzania.**

  
Paul Camille Genton  
15/01/2020

