

DSE Loan Inquiry (Stage I)

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| Submission Date | 2018-07-03 11:11:52 |
| Which organization told you about Kiva's Direct to Social Enterprise lending program? | Kiva |
| Name of the person who referred you to Kiva's DSE program | Newton Nthiga |
| What is their email? | newton@kiva.org |
| Social Enterprise Name | Sama Sama |
| Primary contact at your organization | Brian Kiger |
| Your Company Email | bkiger@ideglobal.org |
| Phone Number | 002330264981358 |
| Social Enterprise Website | www.ideglobal.org |
| In which country/countries are you legally incorporated? | Ghana |
| In which country/countries do you have operations? | Ghana |
| When did your social enterprise begin operations? | 2015 |
| What is your Social Enterprise's mission statement? | To deliver exciting and affordable sanitation and hygiene solutions to all Ghanaians. |

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| What is your Social Enterprise's social impact? | <p>We aim to increase the adoption of improved sanitation and hygiene practices among households in Ghana, decreasing the incidence of WASH-related diseases that impact health for women, men, girls and boys. This has a direct link to poverty alleviation as there are often high direct and indirect costs related to illness such as medicine, transportation to a medical facility, and lost income due to days away from work.</p> <p>Our immediate target is to sell toilets to 24,000 households in northern Ghana by 2020 benefitting more than 300,000 Ghanaians. To date, we have achieved the following related to the Sustainable Development Goals:</p> <p>SDG 6 Clean Water & Sanitation: We have increased access to improved household sanitation for 10,402 people through 1,090 toilets sold (826 installed to date). We have also increased the awareness of improved sanitation options across Northern Ghana through 20,598 sales presentations conducted to households across the Northern and Upper East Regions.</p> <p>SDG 1 No Poverty: We have increased financial inclusion for unbanked, underserved rural consumers by piloting the use of psychometric credit rating assessments, and have approved 902 customer applications for in-house financing with an overall repayment rate of 92% of expected payments.</p> <p>SDG 4 Quality Education: We have trained 116 local entrepreneur sales agents on problem-led selling, 65 of whom are still actively engaged in the market. We have trained 52 local concrete-producing businesses on how to produce a quality toilet, with 26 currently actively delivering orders.</p> <p>SDG 8 Good Jobs & Economic Growth: We have created 205 jobs for community-level actors, including Sama Sama employees and independent sales and sanitation entrepreneurs. We have generated USD 189,000 in increased income for local sales and sanitation entrepreneurs operating in Sama Sama stimulated sanitation markets.</p> |
| Check the primary sector your enterprise works in | Water |
| Select all area(s) that characterizes your work | Water and Sanitation |
| Please elaborate on your affiliation with the above organizations | N/A |
| Have you received any awards or notable press? (if so, please list/link below) | N/A |
| Currency of financials | GHS |
| What are your current total assets? | 749555 |
| What is your total sales revenue for the last 12 months? | 1069436 |

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| Do donations or grants fund the majority of your expenses? | Yes |
| If not donation or grant based, how would you describe your organization? | Revenue generating |
| Loan Size (Minimum USD 10,000. Maximum USD 50,000) | 50000 |
| Loan Maturity (Minimum 3 months. Maximum 12 months) | 12 |
| Grace Period (up to 6 months) | 6 |
| Please explain why you need that amount of grace period? | Our payment plans are for 12 or 18 month terms. |
| Repayment frequency and schedule | 1st tranche payment at 12 months, 2nd tranche payment at 18 months. |
| What is the loan use? One sentence explanation. | A loan of USD 50,000 helps Sama Sama purchase inventory for its rural toilet business entrepreneurs' network, and allows rural customers to buy a toilet and pay for it over time. |

Please breakdown and explain how you will budget the loan.

To ensure the cost of our toilets are within reach for our customers, Sama Sama sells toilets via an installment payment plan, with payment periods ranging from 12-18 months. At the same time, Sama Sama pays sanitation entrepreneurs for toilet installation immediately upon delivery, creating a working capital gap for Sama Sama. Since our customers typically do not qualify for traditional loans, Sama Sama manages the required financing internally. Together with the Entrepreneurial Finance Lab, we have developed an innovative psychometric credit assessment process to overcome traditional barriers to credit assessment for our customers who are mostly unbanked and unsalaried. Our repayment rates are impressive, with 90% of expected payments collected to date. In order to scale and generate further impact, Sama Sama requires a working capital loan for a revolving fund that would allow Sama Sama to cover its cost of sales and inventory needs, while collecting customer payments over time. Specifically, the working capital will have the following uses:

- Covering Sama Sama's cost of goods sold until revenue is received, including sourcing and stocking of toilet inputs such as squat pans and sitting toilets to strengthen the fragmented supply chain, enabling local sanitation entrepreneurs in northern Ghana access quality inputs at stable and affordable prices, as well as providing income for community-level sales agents selling toilets on commission for Sama Sama.
- Lowering barriers to entering the sanitation market by offering loans to sanitation entrepreneurs for start-up equipment such as cement block moulds and rings.
- Bridging the gap between low-income rural consumers and local sanitation entrepreneurs by allowing customers to pay for their toilet in affordable monthly increments, whilst facilitating sanitation entrepreneurs to get paid upfront by Sama Sama for toilets delivered. Inventory Financing; 30% of this loan will be used to acquire squat pans, sitting toilet and moulds.

Working Capital: 70% of the loan will be used in financing rural toilet business entrepreneurs toilet deliveries and sales commissions.

How exactly will this loan help you generate sales revenue?

This loan will allow us to install an estimated 1,000 toilets, enabling 13,000 people to have access to an improved toilet at home.

How will you pay back this loan?

By ensuring effective collections of monthly installments from customers through our automated mobile money collection channel, and through revenues earned from the sale of inventory items to local toilet entrepreneurs such as squat pans and sitting toilets. For inventory sales to sanitation entrepreneurs provided on credit, terms would be established such that the amount owing would be deducted over time from the sales revenue owed by Sama Sama to the entrepreneurs for each toilet installed.

Is your organization able to qualify for an unsecured loan (from a bank or other entities)?

No