



USAID
FROM THE AMERICAN PEOPLE

BUSINESS CREATION ALLIANCE

EXPANDING RURAL PRODUCTION IN TANZANIA

THE CHALLENGE

Tanzania is among the world's poorest countries: 70 percent of its population live on less than \$1 per day and 35 percent suffer from chronic hunger. Furthermore, 80 percent of Tanzania's poverty is in rural areas, where entire families barely survive on small subsistence farms. Tanzania has many entrepreneurial farmers, but limited exposure to life beyond their local villages makes it hard for them to know what type of businesses to start. Even with sound or innovative business ideas, would-be entrepreneurs do not have access to appropriate and affordable capital equipment.



THE APPROACH

USAID's Business Creation Alliance supports expansion of KickStart, a nonprofit business-creation social venture, from Kenya to Tanzania. By selling revenue-generating items at affordable prices, the alliance transforms rural smallholder producers living at subsistence levels into small business owners, employers, and wealth creators. One of the revenue-generating items is the Super MoneyMaker irrigation pump, which can retrieve water from up to 23 feet below ground and irrigate as many as two acres. Through use of the pump, farmers who once grew food only for their extended families can now grow high-value crops such as fruits and vegetables in as many as four cycles per year. Farmers then sell the surplus in the dry season, when prices are high and supply is low. The Nike and Case Foundations, in addition to providing cash resources, have contributed marketing and business planning expertise to the alliance.

PARTNERS

KickStart, Case Foundation, John Deere Foundation, The Lemelson Foundation, Mulago Foundation, Nike Foundation, SC Johnson

RESULTS

- KickStart business model created 50,000 new businesses or 800 new businesses per month, resulting in \$52 million a year in new profits and wages generated by the new businesses
- Estimated wealth generated by KickStart technologies equivalent to 0.6 percent of Kenya's and 0.3 percent of Tanzania's reported gross domestic product
- Tanzania expansion expected to result in 7,000 new businesses and \$5 million annual profit
- KickStart products mass produced by six engineering companies
- Over 650 retailers sell KickStart equipment in Kenya, Tanzania, and Mali



