



Agri and Cooperative Relations

Solar Water Pump Financing Guidelines

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Coopbank, Finfinnee



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1. Introduction

1.1. Background

Coopbank, in partnership with SNV Ethiopia, provides financing for Solar Water Pumps (SWPs) to empower farmers and agri-businesses with sustainable irrigation solutions. This initiative serves three primary objectives: reducing irrigation costs by transitioning from diesel pumps to solar energy, ensuring reliable year-round water access to enhance agricultural productivity, and promoting climate-smart practices by lowering carbon emissions and fossil fuel dependence. To ensure the program's effectiveness, this guideline is designed to help staff thoroughly understand and adhere to the loan procedures.

2. Product Features

- **Purpose:** Financing purchase and installation of Solar Water Pumps for irrigation.
- **Target Customers:** Individual farmers, groups (2-6 farmers), cooperatives, Agri-enterprises.
- **Loan Details:**
 - **Amount:** Based on pump capacity and installation costs.
 - **Equity:** 30% deposit by borrower; 70% financed by Coopbank
 - **Disbursement and payment mode:** The loan will be disbursed to borrower and paid directly to supplier.
 - **Interest Rate:** 15.25% annually.
 - **Repayment:** Up to 24 months, semi-annual payments.
 - **Collateral:** Group/personal guarantees and land use right (for individual farmers) and Solar Water Pump equipment.
- **Benefits:** Reduced fuel costs, reliable irrigation, low maintenance, year-round farming.

3. Eligibility Criteria

The credit policies and procedures will apply to all categories, including individual farmers, groups, cooperatives, and Agri enterprises. Along with the bank's standard credit guidelines, the following specific criteria must be followed for this particular loan.

1. Individual Farmers:

- Prior irrigation experience.
- Own/manage 0.5-4 hectares' irrigable land (or 3-years lease).
- Good credit history, no defaults.



- Proof of land use rights, Secondary Level Land Holding Certificate (SLLC).
- 30% of the Solar Water Pump total cost deposit capability as an equity contributions.

2. Groups:

- 2-6 farmers in a single farming cluster.
- ≥3 hectares' irrigable land (or 3-year lease).
- All members meet individual criteria, provide guarantees.
- Elect group leader, sign group contract,
- Open joint Coopbank account.
- 30% of the Solar Water Pump total cost deposit capability as an equity contributions.

3. Cooperatives:

- Approved bylaws, meeting minutes.
- ≥3 hectares' irrigable land (or 3-year lease).
- 30% of the Solar Water Pump total cost deposit capability as an equity contributions.

4. Agri-Enterprises:

- Business registration/license (valid for current year)
- ≥3 hectares' irrigable land holding certificate or 3-year lease agreement.
- Collateral documentation (Solar pumps and SLLC)
- Prior irrigation experience
- 30% of the Solar Water Pump total cost deposit capability as an equity contributions.

4. Technical Assessment Coordination

- **Schedule site visit** with SNV/technical partner within 5 working days of application.
- **Assess:**
 - ✓ Land slope and soil type (suitability for solar pumps)
 - ✓ Recommended pump size (using SNV Solar Pump Sizing Tool)
- **Deliverables:** Signed Technical Assessment Report with photos/GPS coordinates.



5. Loan Process Workflow

1. **Demand Creation:**
 - Collaborate with SNV and suppliers to conduct awareness sessions.
 - Promote via branches, customer service.
2. **Supplier Linkage:**
 - Connect farmers to verified Solar Water Pump suppliers.
 - Assist in selecting pump models and obtaining quotations.
3. **Group Formation (if applicable):**
 - Assist farmers in forming groups (2-6 farmers), electing leaders, and signing contracts.
 - Ensure joint account creation at Coopbank.
4. **Pre-Qualification & Assessment:**
 - Review expressions of interest for eligibility (land size, credit history).
 - Coordinate site visits with SNV/suppliers for technical assessments.
5. **Loan Application:**
 - Collect documents: group/individual details, guarantees, supplier quotation, and collateral agreement.
 - Ensure all members sign joint liability agreement (for groups).
6. **Appraisal & Approval:**
 - Evaluate creditworthiness, risk, and documentation.
 - Approves loans per bank's policy and procedures under their respective approval authority.
7. **Installation & Handover:**
 - Verify supplier delivery and installation.
 - Ensure training and handover report are completed.
8. **Disbursement and Payment Mode:**
 - Disburse 70% loan to the borrower loan account.
 - Directly made payment to the supplier.
9. **Repayment:**
 - Monitor semi-annual repayments.
 - Follow up on defaults promptly.
10. **Monitoring & Support:**
 - Provide financial literacy training and after-sales support with SNV.



- Track loan performance and compliance regularly.
- Provide technical support services to the beneficiaries on regular bases.

6. Staff Responsibilities

- **Business development team at HO:**
 - Coordinate and facilitate the overall partnership activities with relevant stakeholders.
 - Follow-up and monitor the overall milestone activities of the initiative.
- **Branch Managers:**
 - Guide and oversee on beneficiary selections, demand creations, group formations, joint account openings, and document fulfilments.
 - Coordinate and facilitate the required stakeholder engagements on this initiative under their respective operations areas.
 - Assign a dedicated contact personnel to facilitate the initiative activities with all stakeholders.
- **Customer Relationship Officers (CRO/CRM at District or HO):**
 - Guide farmers and other beneficiaries on eligibility and application steps.
 - Verify documents, conduct appraisals, and ensure compliance.
 - Coordinate with SNV/suppliers for assessments and installations.
 - Track repayments and loan performance.
 - Support farmers with technical guidance and issue resolution.

7. Partners Roles

Table 1: Partners Roles

SN	Partner	Responsibilities
1	Coopbank	Provides affordable financing, flexible repayment, and monitoring.
2	SNV	Conduct Technical Assessments, provide training, and installation verification
3	ESEDA	Supplier validation, farmer mobilization, and facilitate demand creations sessions
4	Suppliers	Supply and install Solar Water Pump, provide Technical trainings, Maintenance Services, Provide Warranty, Avail spare parts

8. Required Forms & Checklists (Attach as Annexes)

1. Solar Water Pump Loan Application Form
2. Loan contract agreements with the beneficiaries
3. Pre-forma invoices



4. Technical Assessment Form (with GPS/photo requirements)
5. Document Checklist (by applicant type)
6. Installation Verification Certificate
7. Repayment Monitoring Sheet .

9. Key Contacts

- **Technical Issues: SNV** : Alemayehu Zeleke, Phone number: 0911626207, Email: azeleke@snv.org
- **Supplier Coordination: ESEDA** : Yemissirach Sisay, Phone number: 0935314717, Email: Yemissirach.eseda@gmail.com
- **Business Development Team at HO** : Meditu Debela, Phone number: 0913342968, Email: Meditu.Debela@coopbankoromiasc.com

