ssnup
Smallholder Safety Net
Upscaling Programme

FINANCIAL INCLUSION AND SERVICES FOR AGRICULTURAL VALUE CHAIN CUSTOMERS IN KENYA

Africa Latin America Asia

Financial services Non-financial services Market building Internal management

CONTEXT

At the beginning of the pandemic, the Kenyan government unveiled measures to buffer against financial hardships, making available USD 95 million to vulnerable groups and the temporary suspension of the listing of loan defaulters. However, the travel restrictions reduced Kenya's hotel, tourism and flower industries. The slowdown in global trade and services because of the pandemic has shown a 30% decline expected in agribusiness exports (representing 3% of Kenyan GDP in 2019). In contrast to citizens in industrialized countries, some Kenyans could switch from their city jobs to rural labor for food, thus increasing the country's population in rural areas.

CURRENT STATUS OF THE INVESTEES

Family Bank is a medium-sized commercial bank in Kenya, founded in 1985 as a non-bank financial institution under the name Family Finance Building Society Limited (FFBSL). With the mission to serve the financial needs of smallholder farmers and MSMEs in the trade and agriculture sectors, largely excluded from mainstream formal financial services, they started operations in rural tea and coffee growing regions from central Kenya. With a good geographic diversification around the country, the bank opened its 93rd ‘brick-and-mortar’ branch in the country and maintains branches in 34 out of Kenya's 47 counties.

OBJECTIVE OF THE PROJECT

The objectives of the intervention are to support sustainable growth through reduced credit risk, internal processes and client information management improvement, product development improvement to increase outreach to agricultural value chain customers, financial literacy and reduce credit risk training to rural clients.

The expected outcomes of this project, by 2023, are:

- 18,205 additional active clients
- 6,707 are agricultural borrowers bringing the total amount to 25.612.
- Increased amount of new agricultural loans financed from € 21M to 34M.
- Improvement of PAR30 from 19.82% to 17.5%.

IMPACT INVESTOR

incofin
INVESTMENT MANAGEMENT

AGGREGATORS / INVESTEES

Family Bank, Kenya

TARGETED N° OF FARMERS

18,205 farmers by 2023

AGRICULTURAL VALUE CHAIN

Not limited to a specific AVC

STARTING DATE

April 2022

DURATION

1 year

TOTAL BUDGET

€ 116,128
Including € 87,096 (75%) contribution from SSNUP

ada

SSNUP c/o ADA asbl I 39, rue Glesener I L-1631 Luxembourg
T. +352 45 68 68 I www.ssnup.org I ssnup@ada-microfinance.lu