

# INCREASING THE PROFIT POTENTIAL FOR FARMERS IN KENYA

PROGRAM FOR RURAL OUTREACH OF FINANCIAL INNOVATIONS AND TECHNOLOGIES

## Synopsis

### Primary investors:

- Alliance for a Green Revolution in Africa
- Agricultural Finance Corporation
- Barclays Bank
- Government of Kenya
- International Fund for Agricultural Development

**Value chain or sector:** N/A

**Country:** Kenya

**Type of risk addressed:** Business model risks of lenders to agriculture.

### Type of blended finance instruments:

Guarantees  
Concessional loans  
Technical assistance

### Contributed by

Ezra Anyango, Alliance for Green Revolution in Africa (AGRA). Established in 2006, AGRA is an African-led alliance that works with partners across the continent to deliver solutions to smallholder farmers and agricultural enterprises.

## Executive summary

Without access to financial services, smallholder farmers cannot reach their productive potential. In Kenya, the Program for Rural Outreach of Financial Innovations and Technologies (PROFIT) aimed to open up access to capital and provide technical assistance so that small-scale rural enterprises could become more profitable and more capable of attracting private investment. During the project's design stage, a market assessment of the country's financial sector found that local commercial banks had considerable liquidity but were reluctant to lend to smallholders in agriculture because the risk was perceived to be too high. This was even more so for enterprises owned by women or youth, who tend to lack collateral. Microfinance institutions, meanwhile, were facing their own constraints.

Using two blended finance instruments (a risk sharing facility and a credit line), coupled with technical assistance, PROFIT created incentives for lenders to issue more agricultural loans and provide more services and support in rural areas. Participating financial institutions were able to increase the volume of their agricultural lending, diversify their services and products, focus on innovation to reduce the cost of services, and provide technical assistance for business services to producer groups.

One partner financial institution, the Agricultural Finance Corporation (AFC), received support to develop new models of lending to smallholder farmers. During a

two-year period, it loaned out \$23.7 million and brought down the percentage of its portfolio at risk to 9% from over 60%. Another partner, Barclays Bank of Kenya (BBK), was able to lend over \$9 million in a sector where it was not a major player before. Microfinance institutions have also increased their rural presence, reaching more than 234,000 smallholder farmers out of a target of 135,000 over the same period.

## Introduction

Agriculture is key to Kenya's economy, contributing 26% of GDP directly and another 27% indirectly through linkages with other sectors. The agricultural sector employs more than 40% of the total population—around 70% in rural areas—and accounts for 65% of the country's export earnings. It is not only central to people's livelihood and food security but also the main driver of the rest of the economy, providing inputs and markets in manufacturing, construction, transportation, tourism, education and other non-agricultural areas.

Despite the progress Kenya has made over the last decade in reducing poverty, a good proportion of the population still lives below the poverty line. Evidence indicates that in Kenya, agricultural-led growth is more than twice as effective as industry-led growth at reducing poverty. The key to better performance in agriculture is to rapidly increase smallholder productivity. Growing evidence also suggests the importance of rural non-farm activities in the ability of households in rural areas to generate income.

At design stage of PROFIT, a major constraint to increasing efficiency in smallholder enterprises in rural areas was the limited access to financial services for inputs. Lack of working capital for traders in rural areas inhibited the purchase, trade and processing of agricultural produce. This limited the amount of produce farmers could market, which created a disincentive to reaching their full potential. Furthermore, most microfinance institutions lacked a value chain approach to financing agriculture and were unable to remove financial constraints along the chain. PROFIT aimed to provide financing services along the value chain that could strengthen the productivity and profitability of various small-scale rural stakeholders.

In addition to finance, it was noted that technical assistance was needed so that business services could help target groups enhance their productivity and improve linkages with markets and market intermediaries. For their part, market intermediaries required help to expand the scope of their operations, which could then enable them to procure surpluses from farmers. A market assessment conducted prior to the PROFIT design in 2010 revealed that Kenya's financial sector faced some key constraints, despite its vibrancy and rapid growth.

Commercial banks had considerable liquidity, but their risk perception of small-scale agricultural and rural stakeholders was very high. This was especially true for women and youth, who were more likely to lack tangible collateral. There was thus a need to enhance the commercial sector's risk appetite for agricultural and rural lending. Deposit-taking microfinance institutions were still in the emerging stage and were unable to mobilize the deposits needed to fund expanded agricultural and rural financing. In the short to medium term, lack of funds proved a key constraint for these institutions, which had a strong commitment to expanding their services to rural areas.

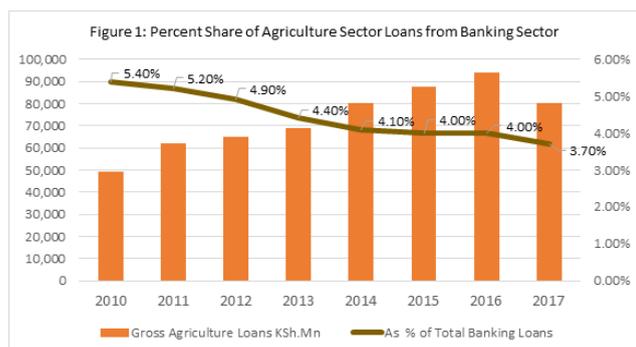
At the time, many of the existing financial products on offer were not able to remove the constraints along the value chain that require innovation in financial product development, flexibility in lending terms and collateral requirements, and reduction in the cost of rural lending through use of technologies. Most loan products failed to meet the varied needs along the value chain for different loan sizes, tenure, seasonality of cash flow matching and collateral requirements. Added to this, most microfinance institutions relied primarily on traditional lending models, as opposed to value chain financing models, which inhibited growth in rural agricultural lending. Thus, even when services reached the clients, they were costly and inappropriately designed and did not enhance productivity or employment in rural areas.

Hence the rationale for introducing innovative lending models to reduce the cost of delivering services to unserved and underserved rural areas. Over the course of nine years (2010-2019), the project sought to use innovation and technology development to help expand the provision of financial services to rural areas on a cost-effective, sustainable basis. The project is also expected to sequester 300,000 metric tons of CO<sub>2</sub> while avoiding emissions from deforestation and reducing pressure on a region with high deforestation rates and large amounts of degraded land. This will contribute to Brazil's targets of reducing land use change and agriculture emissions.

### Lending to the agricultural sector

Lending to agriculture from the banking sector increased marginally in absolute monetary terms from 2010 to 2016, when it dipped slightly. However, as a proportion of total banking sector loans, credit to the agricultural sector has been low and decreasing steadily over the years. The figure and table below show that the share of total credit for agriculture fell from 5.4% in 2010 to 3.7% in 2017, a significant decline for a segment of the economy that makes such a major contribution to GDP and employment. Certainly, such a low level of investment in agriculture and food production has grave implications for Kenya's long-term food and nutritional security, jobs and employment in rural areas, and ultimately the country's stability.

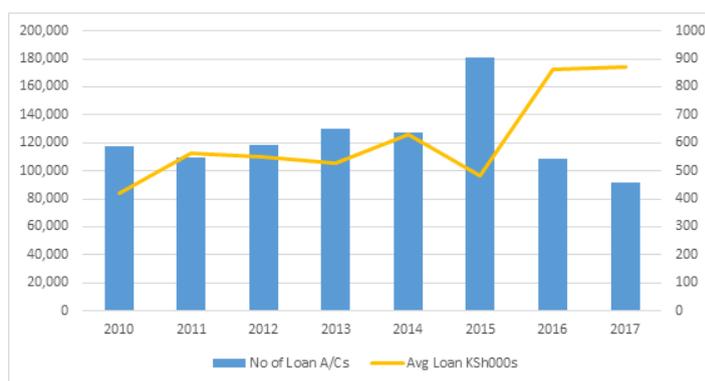
Figure 1. Share of agricultural loans from banking sector



Source: Central Bank of Kenya Statistics, 2018

Note: Left column in Kenyan shillings

Figure 2. Number of agricultural loans advanced by banks



Source: Central Bank of Kenya Statistics, 2018

Note: Loan A/Cs = loan accounts. Figures in Kenyan shillings.

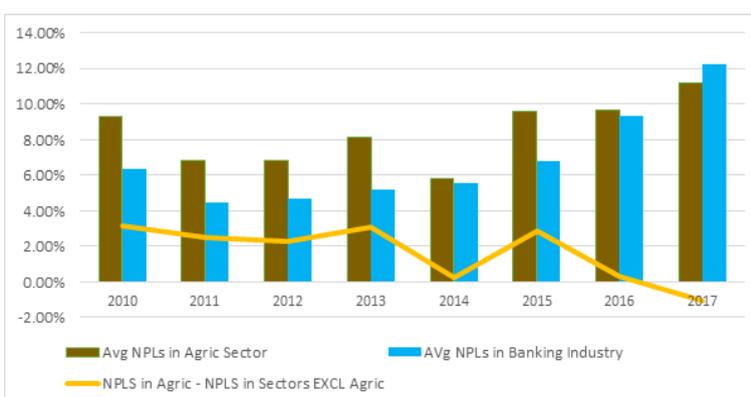
Table 1. Banking sector loans to the agriculture sector

	2010	2011	2012	2013	2014	2015	2016	2017
No of Loan A/Cs	117,371	109,873	118,508	130,211	127,518	180,533	108,530	91,940
Gross Agriculture Loans KES million	49,400	61,937	65,085	68,926	80,195	87,456	93,712	79,975
As % of Total Banking Loans	5.40%	5.20%	4.90%	4.40%	4.10%	4.00%	4.00%	3.70%
Average NPLs on Agriculture Loans	9.30%	6.80%	6.80%	8.10%	5.80%	9.60%	9.60%	11.20%
Average Loan KES in '000's	420.9	563.7	549.2	529.3	628.9	484.4	863.5	869.9

Source: Central Bank of Kenya Statistics, 2018.

Note: Loan A/Cs = loan accounts, NPLs = non-performing loans, KES = Kenyan shillings.

Figure 3. Non-performing loans (agricultural sector vs. banking industry averages)



Source: Central Bank of Kenya Statistics, 2018

Note: NPLs = non-performing loans.

Figure 2 shows that the number of agricultural loans advanced by the banking sector every year changed only minimally until 2015, when it increased sharply. However, by 2017, roughly 100,000 of those who benefited from agricultural loans appear to have exited from the arrangements or dropped out of borrowing. The average agricultural sector loan size doubled as a result; at the end of 2017, loans were made to just half the number of farmers as at the peak in 2015.

## Blended Finance Approach

The private and public sector share a growing interest in agricultural investment, primarily because this industry can address important constraints related to food security and rural development. Several factors make agriculture an attractive long-term investment, including higher food prices, population growth trends, natural resource scarcity and improved business climates. However, such investments still carry risks. Therefore, as the Food and Agriculture Organization has noted, agricultural investment funds are a means to channel investment to the sector while mitigating risks to investors.

The idea behind PROFIT was to help transform the smallholder agricultural sector and rural enterprises into profitable businesses capable of attracting commercial private investment. Working in partnership with several financial institutions, PROFIT sought to improve outreach to rural areas; help producer groups and market intermediaries access value chain and enterprise development financing; and provide innovative, affordable and sustainable financial products and services.

Through concessionary financing from the International Fund for Agricultural Development (IFAD), the government of Kenya and the Alliance for Green Revolution in Africa (AGRA), PROFIT used blended finance instruments to leverage additional commercial funds for rural investment by lowering financing costs and mitigating risk in the sector. It also injected appropriate liquidity to participating microfinance institutions in the short run to address their funding constraints and lower the cost of finance for expansion of their rural portfolios.

One of the main outcomes expected from PROFIT products was a systemic change in commercial banks' risk perception of agricultural and rural lending. The innovative lending approaches and models that were used led to sustainable financial products and services that should continue beyond the project. PROFIT also aimed to address the short-term capital constraints faced by deposit-taking microfinance institutions and set up structures for sustainably mobilizing deposits. Overall, one of PROFIT's underlying principles was to let the markets work for the poor. While the program invested in innovations and undertook experiments, its ultimate role was to catalyze the private sector and select which of the innovations and financial services was most cost-effective and able to be profitably scaled up.

Here are some of the principles that provided a rationale for blended finance and shaped the design of PROFIT:

- Investment made through the project should add value to the financial sector and should be leveraged as much as possible.
- The theory of change and assumptions should be firmly grounded in a market assessment and the key constraints faced by the major sector players, market intermediaries and primary producers.
- The focus should be on smallholder farmers, pastoralists, fishermen and rural entrepreneurs, as well as on women and youth. The participation of these target groups should be ensured through specific selection criteria in each area of investment.
- Implementation will be done through existing institutions and arrangements, without creating any parallel structures or new institutions.

- PROFIT will provide funds at the prevailing market rates. Cost reductions will be based on risk-adjusted lending rates, and no subsidies will be provided that will distort the market.
- Each area of investment will have a well-defined exit strategy to ensure sustainability beyond the life of the project.
- The project will encourage the participation of the private sector and build effective public-private partnerships.
- To capitalize on existing investments, links will be made with existing IFAD projects, such as those involving community mobilization, group formation and increase in productivity.

### **Risk Sharing and Business Support**

AGRA's role, carried out through a technical assistance agreement with the Kenyan government, was to manage the implementation of the risk sharing facility and business support services developed under PROFIT.

The risk sharing facility was expected to leverage commercial lending from commercial banks to enable farmers and other value chain actors to access loan capital. Two partner financial institutions, the Agricultural Finance Corporation (AFC) and Barclays Bank of Kenya (BBK), were recruited in 2014 and began implementation under the risk sharing facility in February 2017.

Business support services, meanwhile, were implemented by seven technical service providers that served partners on both the supply side and the demand side under the risk sharing facility and credit facility. On the supply side the recipients of technical assistance were financial service providers, while those on the demand side included small and medium-sized enterprises (SMEs), savings and credit cooperative organizations (SACCOs) and smallholder farmers, mainly in the dairy, livestock and horticulture value chains. On the demand side, the aim was to build the capacity of PROFIT target groups that had limited business experience and were unable to link to markets and financial services. For financial service providers, the aim was to help them develop tailored services and products to best meet the needs of the target groups.

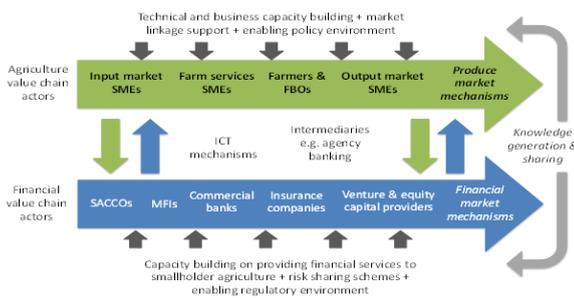
Through PROFIT, AGRA pursued the following three development outcomes:

- enhanced, sustainable access for poor rural households to a broad range of cost-effective financial services;
- effective management of assets, access to markets and increased employment among target groups and;

- efficient, cost-effective use of project and complementary donor resources to achieve the development objective.

AGRA's theory of change was based on the premise that effective financial inclusion works best with stronger value chains on both the supply side (financial services) and demand side (agricultural and rural), along with the necessary linkages to allow for synergies and leverage. Strengthening the financial and agricultural value chains, as well as the links between them, improves access to finance for farmers and others in the value chain, leading to increased food security and farm incomes. A critical aspect of this approach is also to address the delivery mechanisms that enable the financial and product value chains to engage with each other. This addresses a wide range of constraints, as depicted in the diagram below:

Figure 4. Capacity building



Source: AGRA

Note: SMEs = small and medium-sized enterprises, FBOs = farmer-based organizations, SACCOs = savings and credit cooperative organizations, MFIs = microfinance institutions, ICT = information and communication technologies.

Overall, AGRA offered exceptional overall value, based on its expertise and experience in strengthening agriculture and finance value chains in different countries and in establishing partnerships in the public and private sectors.

### Implementation Process

As the international development community has recognized, blended finance is a critical tool for attracting financial resources to support sustainable development in general, and agriculture and agricultural value chains in particular. In its efforts to mobilize financing and investments in smallholder agriculture, PROFIT used concessionary development finance from IFAD and the government of Kenya to deploy two blended finance instruments: a guarantee (risk sharing facility) and a credit line (credit facility).

### Risk Sharing Facility

The risk sharing facility was designed for commercial institutions that had access to liquidity but needed to enhance their appetite for delivering financial services to rural Kenya. The risk and loss sharing arrangement was established in a way that promotes best practices under the Blended Finance Principles, ensures healthy competition and generates the best returns for the beneficiaries. PROFIT funds were expected to introduce

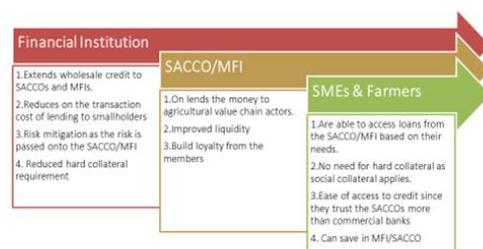
systemic changes in the way that banks view lending to the rural and agricultural sectors, in order to encourage a sustainable flow of resources that could continue after the end of the program.

Target groups for the risk sharing facility were: (i) smallholder farmers, pastoralists, fishermen, small rural enterprises, women and youth; (ii) small farmer cooperatives, small dairy cooperatives and other producer groups; and (iii) agricultural input suppliers, agro-traders and processors, wholesalers and transporters, and others adding value along agricultural value chains.

The credit guarantee was disbursed to each partner financial institution in two equal tranches. AFC received a total of \$3.7 million in two tranches of \$1.85 million in February and May of 2017. BBK received a total of \$3.2 million in two tranches disbursed in May 2017 and October 2018.

The financial characteristics and features of the risk sharing structures varied depending on the size of the borrower. Risk coverage ranged from 10% for large institutions to 50% for smaller and riskier actors. AGRA also structured competitive interest and other conditions to create incentives for banks to lend. The total liability for the risk sharing facility was limited to the risk sharing fund placed with the partner financial institutions. Technical assistance was established to help improve the capacity of AFC and BBK to effectively serve targeted beneficiaries and deliver affordable financial products at lower transaction costs.

Figure 5. Example of wholesale models- Agricultural Finance Corporation



Source: AGRA

Note: SMEs = small and medium-sized enterprises, SACCOs = savings and credit cooperative organizations, MFIs = microfinance institutions.

### Credit Facility

The credit facility, geared toward deposit-taking microfinance institutions and microfinance institutions transforming into banks, was designed to provide access to funds in the short to medium term for expansion of their rural and agricultural portfolios. This essentially consists of a line of credit which is used as an incentive for these lenders to deepen their outreach in neglected areas in Kenya. The microfinance institutions that accessed either of the facilities had to adopt a value chain approach to financing so that they could provide services across the value chain.

The targets were to include women, youth and smallholders. This was in addition to serving the more neglected sectors, including agriculture, livestock, fisheries and rural enterprises.

## Impact

The next three figures show different aspects of the risk sharing facility implemented by AFC and BBK from February 2017 to June 2019. The ultimate goal was to leverage commercial funds for on-lending to agriculture up to six times the amount of the investment. During a period of roughly two years, AFC surpassed that target, and the two financial institutions together were able to leverage about 4.75 times the original investment. Meanwhile, the program far exceeded the targets it had set for the number of smallholder farmers it reached, using innovative products and well-structured value chains.

Figure 6. Portfolio performance of risk sharing facility

	AFC	BBK	TOTAL
Loan disbursements	\$23.7 million	\$9.15 million	\$32.86 million
Number of borrowers	1,029	19	1,048
Beneficiary outreach	111,563	41,631	153,194
Leverage	6.4 times	2.9 times	4.75 times
Risk exposure	0.4 million	0	0.4 million
PAR	9%	0%	

- AFC was supported to develop demand driven models that include; Anchor model, Wholesale lending model and Alternative collateral.
- BBK adopted the value chain approach as more holistic and efficient way to lend contrary to individual based lending to smallholders. This has also increased its lending appetite to other value chains such as Dairy, Cereals and Horticulture in addition to the well established sectors such as cut-flowers and tea.

Source: AGRA

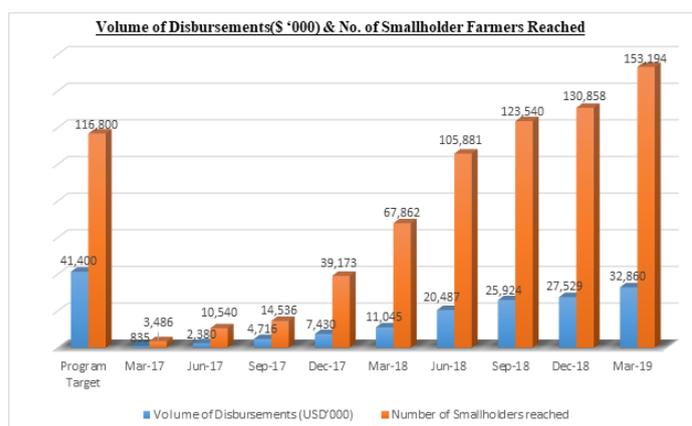
Note: PAR = portfolio at risk.

Figure 7. Performance of risk sharing facility by value chains

	AFC USD	BBK USD	Total USD	Portfolio size(%)	Beneficiary Outreach
Mixed Value Chains	5,629,000		5,629,000	17%	50,059
Cereals	9,065,025	1,000,245	10,065,270	31%	40,932
Dairy	2,285,369	1,700,000	3,985,369	12%	16,175
Horticulture	794,530	6,387,000	7,181,530	22%	29,011
Livestock	5,929,838	71,750	6,001,588	18%	17,017
Grand Total	23,703,762	9,158,995	32,862,757	100%	153,194

Source: AGRA

Figure 8. Performance of risk sharing facility in outreach and loan volume



Source: AGRA

## The Role of AFC

The Agricultural Finance Corporation, a government-owned development finance institution, was established in 1963 as a subsidiary of the Land and Agricultural Bank and became a full-fledged financial institution in 1969. Having grappled in the past with high non-performing loan portfolios (above 60%), with frequent government write-offs, AFC struggled to reach smallholder farmers profitably using its traditional collateral-based lending. In addition, its products were not aligned to the institution's mission or demand. PROFIT therefore proved to be a timely effort that helped AFC refocus its financial offering to the agriculture sector more specifically, focusing on the smallholder farmer.

PROFIT supported AFC in developing new lending models. Three products were created to reach different target groups: wholesale lending to microfinance institutions and savings and credit cooperative organizations; an anchor model focused on lending to agribusiness SMEs that offer services to smallholder farmers, particularly women; and a direct lending model using alternative collateral. With the three products, AFC was able to leverage its lending to reach 6.4 times the amount of the risk sharing facility amount—95% of the overall combined program target—and reach 111,563 final beneficiaries. And it brought its portfolio at risk down to about 9%, compared with more than 60% pre- PROFIT.

This experience shows that blended finance instruments, structured with technical assistance, can achieve significant outreach and transformation for smallholder farmers. AGRA has further supported AFC to develop a system that would enable it to leverage larger numbers and monitor performance and transformation at the final beneficiary level.

Based on the results that AFC achieved with support from PROFIT, it has been able to attract further funding from the African Bank for Development to use the same models to reach youth; it has also received technical support from UN Women to further develop the Women Affirmative Access Window, which was also developed with PROFIT support. AFC is now well poised to be a sustainable parastatal agency, based on the transformation it has achieved. It now figures into the government's strategy as a key partner in transforming the agriculture sector through mechanization and input delivery.

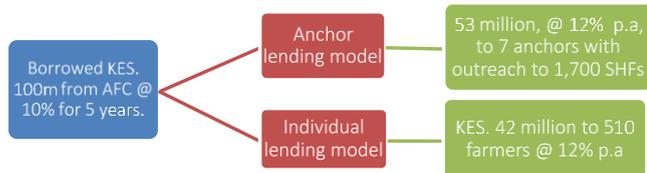
Through the technical assistance it received, AFC made strides in several areas. Results included:

- Refined innovative financing mechanisms, such as the anchor model, with a revised appraisal process to demonstrate an inclusive business model; partial drawdowns based on performance; post-disbursement evaluations; and documentation of the number of beneficiaries and the nature of the benefit to the smallholder farmer.

- Wholesale financing delivery models geared toward microfinance institutions and savings and credit cooperative organizations for greater outreach to smallholder farmers.
- Improved portfolio at risk ratio from a high of 60% to less than 8% by the closure of PROFIT.
- Promotion of affirmative products targeting youth and women borrowers. Notably, PROFIT enabled AFC to increase financing to this category. This is important, as these borrowers had been at a disadvantage due to lack of collateral.

Figure 10. Example from a client SACCO

- The SACCO previously experienced challenges in lending to smallholder farmers due to their small land holding, lack of tangible collateral and poor record keeping.
- With the PROFIT capacity interventions and loan from AFC, the SACCO has increased its lending portfolio to the target value chains.
- The SACCO has increased its risk appetite for lending to the PROFIT value chains by using unique AVCF products and Risk Management Framework.
- The loan from AFC has boosted the SACCO's liquidity and enabled them to de-risk lending to smallholder farmers by using innovative products offering technical services to the borrowers.



Source: AGRA

Note: KES = Kenyan shillings, SACCO = savings and credit cooperative organization

### Credit Facility Performance

Under the credit facility, PROFIT provided four microfinance banks with a soft line of credit of 600 million Kenyan shillings (KES) in 2012. This was repayable over a ten-year period with grace period of four years and a target outreach of 135,000 smallholder farmers. As of September 2018, their outreach was to 234,351 smallholder farmers, having disbursed the full amount to farmers and turned over at least twice. Loan reflows from the credit facility stood at KES 297,449,746.

### Performance of Business Support Services

The business support services component was an integral part of PROFIT's efforts to develop capacity on both the supply and demand side. On the supply side, it supported partner financial institutions in developing strategies and products for the agricultural sector. On the demand side, it provided technical assistance to help

SMEs and farmer groups become bankable. Technical service providers were contracted to deal directly with farmer groups, small-scale entrepreneurs, cooperative associations and other types of producer groups more generally, as well as women and youth, to help them address the constraints they faced. This subcomponent also helped to strengthen the management and business skills of member SACCOs in rural areas.

## Lessons learned

### Lessons learned through PROFIT

- Access to accurate, timely and relevant data is key to making agricultural lending decisions. This is currently lacking in the industry. Efforts should be made to develop a value chain data framework as a public good to support financial institutions in scaling up their operations in the agricultural sector. While financial institutions have a lot of data, several factors limit sharing, including cost, the legal framework and management information system capabilities.
- Blended finance initiatives that combine financing and technical assistance to both the demand and supply side remain relevant for Kenya. PROFIT tested the models in two very different cases: AFC, a government institution, and Barclays Bank of Kenya (now Absa). It is important to include more financial institutions and reach more SMEs and smallholder farmers.
- Technical assistance on the supply side was absolutely critical to the success of the anchor model. This is especially so in instances where de-risking mechanisms have been put in place, such as the PROFIT credit facility and risk sharing facility. The best-case scenario would be to not only match the facilities with technical assistance but also to ensure that the technical assistance precedes the de-risking or incentive mechanisms put in place. This will ensure that the participating institution is ready to take up the facilities and implement the right lending models, and that it has the capacity to track, document and report on them. This will minimize pilferage and diversion of funds to non-related sectors.
- The early design of PROFIT did not have a technical assistance component to the supply side; this was added when the need arose during the initial implementation phase. The program was flexible enough to make this necessary adjustment, in line with the overall desire to learn

and adapt. This study affirms the belief that indeed the supply side must try to understand the needs of the demand side, in both product development and delivery.

- The anchor lending model has been tested under PROFIT for two years and has proved to be effective in promoting financial inclusion. Opportunities exist for expanding and replicating a guarantee mechanism with a technical assistance component, using the blended finance toolkit.
- The challenges encountered with the anchor model include monitoring the impact on final beneficiaries, especially where the anchor was a private sector SME whose focus was on the bottom line rather than on impact on clients. In this case, the final beneficiaries did not know that the funds they received from the SME came from a guarantee mechanism with a commercial bank. If this information was released to them, it would create a moral hazard that could lead to default. However, there is still a need to collect data from them to measure impact.
- More innovation is required to improve the delivery models; this includes digitization, insurance and use of debentures as alternative collateral, among other examples.
- While banks have shown interest in serving smallholder farmers, they still have significant challenges in lending directly to them as individuals, as this is still considered too costly and risky. Innovative delivery channels such as anchor models or wholesale lending to institutions through structured and organized value chains are more appealing to banks.

### Broader policy lessons to increase credit to agriculture and food production

- Because commercial lenders will not be motivated on their own, there may be a need to create incentives through policies such as allocations to agriculture and food crops under the Banking Act. Until the early 1980s, the country had regulatory guidelines to provide 17% lending to agriculture, with mixed results. These were removed under the consensus policies championed by the World Bank and the

International Monetary Fund. Kenya therefore appears to be refraining voluntarily from policies of directed credit to the agriculture sector. Such policies are being used successfully in some Asian countries, although there is no guarantee that they would work in Kenya.

- It is widely accepted that introducing or enhancing credit guarantee schemes for the agricultural sector and expanding crop and livestock insurance options with appropriate technical assistance are among the most effective uses of limited public financial resources to de-risk agriculture and increase lending to agricultural and other small rural businesses.
- The need for crop and livestock insurance, as a way to augment risk mitigation and improve access to credit, cannot be overemphasized. This could take a public-private partnership approach to cushion farmers from risks, including disasters and effects of adverse weather and climate changes (floods, droughts).
- Subsidies that reduce the costs of agricultural credit should be channeled through blended finance tools and not through direct credit from the government.

Cover photo: IFAD/Barbara Gravelli

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#### About

This case study is part of an effort by the Smallholder and Agri-SME Finance and Investment Network (SAFIN), the Inter-American Development Bank (IDB) and the Organization for Economic Co-operation and Development (OECD) to document the use of blended finance to strengthen agri-SME finance supply.

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