



ssnup

Smallholder Safety Net
Upscaling Programme



IMPROVING RURAL OUTREACH BY OPTIMISING THE LENDING PROCESS IN KENYA



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

The agriculture sector in Kenya continues to play a vital role in the country's economy, contributing 26% to the Gross Domestic Product (GDP) with another 27% of the GDP indirectly linked through other sectors. The sector employs over 40% of the total population and more than 70% of Kenya's rural population (FAO).

CURRENT STATUS OF THE INVESTEE

BIMAS is a credit-only MFI that provides financial services, particularly credit to micro-entrepreneurs through group-based and individual lending methodologies and prides itself as a truly, rural microfinance institution. BIMAS headquarter is located in Embu County and is well positioned in the rural finance niche market with a focus on agri-lending and funding MSMEs within agricultural value chains as more than 90% of its borrowers are located in rural areas. BIMAS operates a network of 24 branches and 12 satellite offices with a presence in 15/47 counties, mainly concentrating in the Eastern and Central Regions of Kenya.

OBJECTIVE OF THE PROJECT

The main objective of the project is to plan and arrange all the activities of loan officers to increase the number of clients from rural areas, align interventions with the client's needs, decrease time spent to serve every client and improve quality of the services provided. For that purpose, a custom-built Field Travel Management and Group scheduling application will be developed and then integrated into the core banking system to allow easier tracking and monitoring of field activities, connect them with the costs incurred and reach more clients who operate in rural areas.

The main expected outcomes are:

- On board 7,068 clients in 2023 following travel optimisation.
- Reduce cost per borrower from KSH 1,299 (€ 8.3) to KSH 1,000 (€ 6.4).
- Improved loan officer performance and efficiency based on staff productivity (clients served per officer) - 147 clients to 200 clients per officer.

IMPACT INVESTOR



AGGREGATOR / INVESTEE

BIMAS KENYA LTD (MFI) – Kenya

TARGETED N° OF FARMERS

7,068 farmers

AGRICULTURAL VALUE CHAIN

Dairy, vegetables, poultry, pig, mangoes and passion fruits

STARTING DATE

April 2023

DURATION

4.5 months

TOTAL TA BUDGET

€ 13,057
Including € 10,446 (80%)
contribution from SSNUP

