

Digitised loan payments a boost for smallholder farmers in Kenya

A [case study](#) by the UN-based Better Than Cash Alliance shows how agriculture non-profit organisation One Acre Fund, supported by Citi Inclusive Finance, successfully digitised loan repayments for farmers in Kenya, significantly boosting transparency and efficiency, driving economic opportunity and financial inclusion for thousands of smallholder farmers and their families.



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One Acre Fund enabled farmers to easily make loan repayments via mobile money instead of cash, reducing the uncertainty, inefficiency, insecurity and high costs previously caused by cash transactions. One Acre Fund can now reach more farmers with greater reliability, and staff can spend almost half as much time collecting payments in cash, using that extra time to help farmers increase their incomes through training and educational programmes. With One Acre Fund's package of services, including training and inputs like seed and fertiliser, the average farmer participating in the programme earned nearly 50 percent more than peer farmers who do not participate.

Study findings include:

- Increased participant satisfaction due to transparency and convenience.
- 85 percent decreased instances of repayment fraud.
- Reduced processing time for each repayment from 12-16 days to 2-4 days - farmers now know immediately when their payment is received, eliminating the worry about whether it arrived.
- 80 percent decrease in repayment processing costs.
- 46 percent of time reduced for staff working on collections, allowing for more time helping farmers improve agricultural practices.
- Women farmers benefited especially, feeling safer about payment deliveries.

Digital payments, inclusive digital financial infrastructure contributes to productive agri-

sector



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“Mobile repayments have allowed us to increase our efficiency and provide better service to farmers,” said Mike Warmington, the director of microfinance partnerships at One Acre Fund. “We’re excited to be working at the forefront of this technology in the smallholder agriculture lending sector. In our experience, farmers were empowered to thrive in these communities. Clients receive immediate confirmation of payments as they happen, enabling them to better manage their businesses and family finances.”

“Citi’s footprint, track record in inclusive finance and transaction banking capabilities enable us to provide global support to leading social enterprises like One Acre Fund,” said Bob Annibale, global director, Citi Inclusive Finance. “Among other benefits, digitisation enables efficiency and security and drives innovative and inclusive business models. Citi is proud to play a part in enabling One Acre Fund and other organisations like them to improve the livelihoods of farming communities.”

One Acre Fund is an example of the significant benefits and impact that digital payments and inclusive digital financial infrastructure, as

developed in Kenya, can bring to agricultural value chains, contributing to a more sustainable and productive agriculture sector, a cornerstone of the UN's Sustainable Development Goals (SDG). These learnings can easily translate to poor farming communities in other countries and One Acre Fund is working on plans to expand in Rwanda, Tanzania, and Zambia in the future.

“For companies and nonprofit organisations who want to work in rural Africa, this success story is a must-read,” said Oswell Kahonde, Africa Regional Lead at the Better Than Cash Alliance. “Digital payments are essential to building sustainable business models and creating long-term impact. By enabling smallholder farmers to make and receive payments digitally, we are creating transparency and accountability which translates to numerous benefits and empowers people to take control of their finances.”

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