

ABD Rural Finance Loans

The Micro Enterprises Support Programme Trust (MESPT) is inviting expressions of interest from institutions delivering financial services to the small holder agriculture sector in selected Arid and Semi-Arid Lands (ASAL) of Kenya. MESPT will provide loans to selected institutions whose activities are in line with our objectives and mission.

The financing structure will be tailored to the developmental needs of agriculture sector. The level of support will vary according to the borrower financing needs and credit worthiness. The Agriculture Business Development (ABD) rural finance component will only cover the ASAL districts of Kwale, Kilifi, Malindi, Taita-Taveta, Makueni, Kitui, and Mwingi.

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Those eligible to apply

MESPT envisages working in partnership and collaboration with a full range of financial retailers such as commercial banks, building societies, NGOs, companies, Saccos, CBOs, FSAs, farmers associations, or any organization that makes loans to business oriented small holder farmers and viable agri-based micro and small enterprises in the target districts. The organizations must be Kenyan entities legally constituted in complete compliance with the laws of Kenya governing such entities. However, the Trust will seek to work with financial intermediaries that have been operating efficiently for at least two years and have a minimum of 300 active clients. The approved financial intermediaries will be required to provide acceptable security.

Types of loans

The ABD loans will be available in Kenya shillings for a period of 1-3 years depending on intended utilization of funds and include a grace period of up to 3 months on the interest and up to 6 months on the principal amount. Loans will be available at competitive rates of interest under the following credit lines:

- Farm production credit to finance agricultural inputs such as seeds, fertilizers, pesticides, labour, and transport.
- Agri-business equipment such as honey centrifuge, posho mills, milk coolers and processing equipment, juice processing and canning, fruit drying and packaging, and purchase of dairy cattle and goats.

How to apply

Interested financial intermediaries are invited to send an "Expression of Interest" to MESPT with the following information:

- Name, physical address and box number of the organization plus telephone, fax numbers, and email contacts
- Name and title of the contact person
- Year of establishment
- Institutional form and name(s) of principal(s) shareholders, directors and key personnel
- Type of economic activities that the institution finances
- Geographical spread of credit activities in ABD areas of operation
- Financial services (other than credit) that the institution provides
- Audited accounts for the last 2 years
- Number of small holder farmers and agri-business related enterprises with loans from the institution
- Institutions must be willing to have a stand alone credit programme / product for small holder farmers and agri-business related enterprises on which separate portfolio reports can be provided
- Any other information that would help the Trust in deciding whether to pre-qualify the financial intermediary

All the Expressions of Interest received will be acknowledged within two weeks of receipt. This will be followed by a desk review by the credit team to determine those that should be recommended to submit detailed loan applications.

For further information, please contact:

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