

Kenyan smallholder farmers to benefit from \$56m financing scheme from EU

Smallholder agribusinesses in Kenya are set to benefit from the European Union (EU)'s \$56m financing scheme. Through the Kenya Agriculture Value Chain Facility, farmers will now be able gain easier access to credit.



McKay Savage via [Wikimedia Commons](#)

The facility launched by the European Investment Bank in Nairobi will enable agricultural companies in Africa to get funding to deal with specific investment gaps that have made it difficult for investors in the sector. These were either forced to either go slow or quit altogether.

According to Catherine Collin, the European Investment Bank regional representative for East Africa, the programme will involve local lender and bank- Equity to implement the Kenya Agriculture Value Chain Facility to help firms in agriculture expand their business while adopting the latest technology.

Equity Bank Kenya Managing Director Polycarp Igathe said the lender is bringing into line its strategy with the national agenda. As such, it will be focusing on expanding the agribusiness from retail to large enterprises. As part of the national agenda, the government recently identified food security.

In a press statement, Mr Igathe said that under the new financing programme, agricultural companies across Kenya would now be able to access loans with maturities of up to 7 years, an option that is longer than the ones currently offered.

He went on to add that this move is expected to help companies to expand, upgrade and modernise their equipment. This will go a long way towards improving productivity and strengthening the integration of smallholders into the agricultural value chain.

Walter Tretton, Chargé d'Affaires of the European Union Delegation to Kenya, said the programme is the first in which the EU is directly funding the private sector in agriculture.

The Kenyan scheme is part of the European Investment Bank's ongoing support to boost private sector

investment and entrepreneurship across Africa through new financing and technical assistance aimed at institutional support.

Source: [Farmers Review Africa](#)

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