

A project by Juhudi Kilimo, Abler Nordic and NORCAP:

Empowering Kenyan Farmers: Building financial resilience

In 2024, NORCAP started a project, with Abler Nordic and Juhudi Kilimo, a microfinance institution in Kenya. The goal is to create an eco-system that supports small-scale farmers financially, helping them cope with climate change and boosting the agricultural sector's growth.

By giving farmers access to financial services, the project is enhancing farmers' adaptive capacities and making them more resilient to impacts of climate change.

The partnership resulted in a revamped app, **Juhudika**, that helps small-scale farmers with tools and information to handle climate change. It also allowed Juhudi Kilimo to create insurance and financial services specifically for farmers, helping them repay loans even in tough times. **This is important because climate change has severely affected the livelihood of rural, small-scale farmers in Kenya.**

- 75% of Kenyans live in rural areas, where farming is crucial.
- It employs 80% of the rural workforce and makes up 65% of the country's exports (KNBS, 2021).
- Many farmers face problems such as long droughts, unpredictable rainfall, pests, and crop diseases.
- A 2021 report by FinAccess highlighted that 37% of smallholder farmers lost crops due to drought, while 35% struggled with pests and diseases.
- Getting insurance and loans to build resilience is tough. Only 4-5 percent of loans in Kenya go to agriculture.

NORCAPs contribution

NORCAP has provided technical assistance to Juhudi Kilimo, to improve and develop their services for farmers and communities that depend on rain-fed agriculture.

As a result, Juhudi Kilimo now offers soil testing, weather and climate forecast with tailored agricultural advisories, micro-finance and weather-index based crop insurance – everything available through the Juhudika App.



Objectives

- Increase farmers access to finance: Help them invest in climate-smart agricultural practices, including purchasing flood-resistant or early maturing seeds, fertilizers and installing solar-powered irrigation systems.
- Build tools to enhance the resilience of rural smallholders and micro, small, and medium-sized enterprises (MSMEs).
- Protect farmers' investments: Develop affordable insurance for crops and livestock that pays out quickly after climate disasters, giving farmers a safety net
- Support JKL's lending: Reduce risks for JKL when lending to farmers, attract more agricultural clients and improve their ability to repay loans, even in tough times.

Results

An ecosystem for financial inclusion and resilience – all available through **the Juhudika app**. Together with strategic partners, we developed the app to provide **agricultural advice, climate information, financial products and insurance**.

- **Soil testing:** SGS provides soil testing services to help farmers maintain soil health and use the right inputs.
- **Weather forecasts:** Sprout DWS offers real-time, localised weather forecasts. The app gives farming advice based on these forecasts, helping farmers plan better. The pilot covers six types of crops: Dairy, Poultry, Maize, Beans, Potatoes, and Tea
- **Agricultural information:** JKL is finalising a partnership with the Kenya Agricultural and Livestock Research Organization (KALRO), to improve access to critical agricultural information and services.
- **Improved seeds and chemicals:** Partnerships with Yara East Africa and Sygenta ensure farmers get access to improved seed varieties and chemicals that are tailored to their crops and local environment.
- **Insurance:** Juhudi Kilimo offers a weather index-based crop insurance in partnership with ACRE Africa to protect farmers from climate risks. They made the insurance more accessible by requiring geo-location capture and negotiating lower insurance premiums.
- **Reduced risks for JKL and opening up for new clients:** The app allows JKL to attract new clients that are better equipped to repay their loans. These efforts led to a 10 percent increase in Juhudi Kilimo's customers and improved resilience for existing clients.

More features will be added.

