



# ssnup

Smallholder Safety Net  
Upscaling Programme

## ENHANCING THE FINANCIAL INCLUSION OF FEMALE SMALLHOLDER FARMERS IN RURAL CHINA



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

### CONTEXT

Ningxia remains one of the poorest provinces in China and rural women have historically been faced with a low social status and are often confined to housework. Despite these challenges, 71% of the workforce in the province is employed in agriculture/animal husbandry. This opens up a tremendous opportunity for poverty reduction through the provision of microcredit to small scale farmers who are unlikely to qualify for a loan at a bank. However, the growth of microcredit companies in China is constrained by funding, and only those MFIs that have foreign shareholders are able to borrow internationally.

### CURRENT STATUS OF THE INVESTEE

“Ningxia Dongfang Huimin Microfinance Ltd” (Huimin) is an agriculture-focused microfinance institution located in Ningxia province, China. The MFI is characterized by its strong focus on agriculture (100% of clients are small scale farmers) and on women (97% of clients). The company is among the leading institutions that serves the poorest segment of the population with group lending, based on the Grameen Bank model.

At the end of 2019, Huimin served 13.516 clients and had a gross loan portfolio of USD 48 million. In addition, Huimin has recently acquired USD 2.1 million equity investment from Incofin through its agri-fund agRIF and USD 2.1 million from the Danish Development Financial Institution (IFU).

### OBJECTIVE OF THE PROJECT

The overall objective of this TA project is to reinforce Huimin’s internal capacities and to strengthen its strategic and financial performance, thus contributing to the increase in financial inclusion among female smallholder farmers in rural China. The project will focus on enhancing:

1. **Financial and strategic performance** – to strengthen Huimin’s investment readiness, treasury and financial management and build its leadership and staff capacity.
2. **Social, environmental performance and good governance practices (ESG)** – to enhance Huimin’s corporate governance and decision-making.
3. **Risk management and mitigation measures** – to strengthen Huimin’s risk management and internal audit processes and policies.

By the end of 2023, Huimin aims to:

- Increase the number of clients to 32.737.
- Grow the agricultural portfolio volume to USD 141 million.
- Attract 3 new international investors.

### IMPACT INVESTOR



### AGGREGATOR / INVESTEE

Huimin (MFI) – China

### TARGETED # OF FARMERS

12 069 farmers trained  
20 668 additional farmers  
financially included by 2023

### AGRICULTURAL VALUE CHAIN

Vegetables and fruits (potatoes, corn, berries, licorice, grape)  
Livestock (mainly sheep and beef cattle)

### STARTING DATE

15/02/2021

### DURATION

1 year

### TOTAL BUDGET

€ 149.880  
(51%) from SSNUP

