

ssnup
Smallholder SustaiNability Upscaling Programme

project results

ENHANCING THE FINANCIAL INCLUSION OF FEMALE SMALLHOLDER FARMERS IN RURAL CHINA

Capacity building | Management system

Beneficiary organisation

Ningxia Dongfang Huimin Microfinance Ltd (Huimin) is an agriculture-focused microfinance institution (MFI) in Ningxia, one of China's poorest, most rural provinces. Nearly its entire portfolio (99%) serves farmers, with women making up 90% of clients, who grow crops (potatoes, corn, berries, licorice, grapes) or raise livestock (sheep, cattle) on a small scale. At end-2019, Huimin served 13,516 clients through a limited product offer as well as non-financial support like farming workshops, financial literacy training, policy information, and anti-desertification planting.

The challenge

In China, many MFIs lack a clear financial inclusion mandate and tend to focus on larger loans to small and medium-sized businesses, where loan sizes are more attractive and transaction costs are lower relative to the amount deployed. As a result, underserved segments – particularly smallholder farmers, rural households, and microenterprises – often remain less well served, despite their significant demand for tailored financial services. As an established institution with significant untapped market potential and greater maturity than many of its peers, Huimin is well positioned to attract foreign shareholders and scale, deepening financial inclusion among smallholder farmers in rural China, particularly women producers.

The proposed solution

A comprehensive set of interventions is designed to strengthen Huimin's capacity to grow sustainably while expanding its outreach to underserved women smallholder farmers. The support aims at enhancing financial, strategic performance and ESG performance, and risk management and mitigation measures. These pillars aim at setting strong foundations allowing Huimin to mobilise further capital towards agricultural value chain while providing stronger technical support and broader product offers to farmers. These priorities form part of a broader value creation plan encompassing product development – such as individual agricultural loans, agri-SME financing, and cooperative lending. Emphasis is also placed on Huimin's expansion and extension strategy, with resources directed towards scaling its operations and reaching more smallholder farmers sustainably.

The expected outcomes of the project were:

1. The **training of loan officers and management staff** in debt fundraising, treasury, financial management, leadership, governance, risk and agricultural techniques.
2. The **training of 12,069 smallholder farmers** on sustainable farming practices, productivity improvement, agricultural marketing and communication skills.
3. The **attraction of 3 new investors** to fund portfolio growth.

PRIORITY TOPICS

Environment and climate change

Gender equality

IMPACT INVESTOR

incofin invest for impact

BENEFICIARY ORGANISATION

Huimin

China

NUMBER OF FARMERS REACHED

9,778

AGRICULTURAL VALUE CHAIN

Multiple

START DATE

February 2021

END DATE

March 2024

TOTAL EXPENDITURE

€ 131,749

Including € 62,870 (48%) financed by SSNUP

Also co-financed by AGTAF

key results





Management

- **2** **new board committees** created
  Audit & Risk / Remuneration & Performance
- **1** **corporate risk assessment tool** developed
- **1** **Monitoring & Evaluation framework** designed
- **1** **action plan** developed
- **1** **ESG governance practices and structure** established

Training in debt fundraising, treasury, financial management, leadership, governance, risk and agricultural techniques

102 loan officers

76 managers

Farmer training

diagnostics developed

9,778 **smallholder farmers trained**

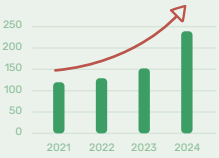
90% women

on sustainable farming practices, productivity improvement, agricultural marketing and communication skills

Growth

Loan officer productivity increased

loans per year



+2 **new foreign investors** attracted

+1 **domestic lender** attracted

SDGs supported by the project



1. No poverty

1.4 Access to basic services, including microfinance

1.5 Building the resilience of vulnerable people

2. Zero hunger

2.3 Improving agricultural productivity and increasing smallholder farmers' income

2.4 Adoption of productive, sustainable and resilient agricultural practices

5. Gender equality

5.a Equal access to economic resources, land control and financial services

8. Decent work and economic growth

8.10 Capacity building for financial institutions

lessons learnt

✓ **Staff capacity can be the engine behind operational gains**

Improvements in productivity and efficiency do not happen in isolation: they can follow from investment in staff training and stronger governance structures. Better-equipped staff, operating within clearer governance frameworks, may be able to work faster and handle larger caseloads, suggesting that efficiency gains can be a downstream effect of institutional strengthening rather than a standalone achievement.

✓ **Staff community-based engagement can drive broader social empowerment**

Strengthening staff capacity – particularly among front-line loan officers who combine monthly field visits with themed community training (family finance, elder and childcare, agricultural skills, cultural events) – extends impact beyond financial service delivery. These regular touchpoints can draw rural women out of household isolation into social and economic participation, building their confidence to communicate, access information, and plan more effectively for their families' financial future and children's education.

✓ **Institutional credibility helps unlock funding**

Attracting new investors can coincide with – and may partly depend on – demonstrated improvements in governance and risk management. Investors are more willing to commit capital to an institution that can show stronger oversight and management practices, suggesting that governance reform, while not sufficient on its own, can be a valuable factor in fundraising success.

Outlook

Following the project, and with its expansion strategy approved, **Huimin secured additional investment, continuing its track record of attracting new investors.** The institution strengthened its risk governance and integrated risk management into day-to-day credit operations. Huimin also strengthened its local workforce by developing and training staff from the communities it serves. These achievements contributed to Huimin's recognition as a global best practice in poverty reduction and as China's first foreign-invested MFI.