

# SME Impact Report

Powered by voices of East African agricultural SMEs receiving Aceli-supported loans



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# 01 Executive Summary

**Farming is challenging anywhere in the world.** For the 33 million smallholder farmers in Sub-Saharan Africa, it is especially difficult due to weather risks, informal market structures, and the absence of reliable support services.

**Running a small business, too, is challenging** in any context. Within Africa's agricultural sector, the obstacles are even greater: risks are high, access to finance and services is limited, and poor infrastructure constrains growth.

**Yet small and medium enterprises (SMEs) play a critical role in African economies:** they connect farmers to markets and services, create jobs, and power food systems.

**Aceli Africa (Aceli) believes that timely access to the right type of financing can help agri-SMEs fulfil this role effectively.** Since 2020, Aceli has offered incentives to lenders to unlock more credit for agricultural SMEs. In addition to these financial incentives, Aceli provides technical assistance to strengthen the business and financial management capacity of SMEs. This combined offering aims to improve SMEs' ability to access financing and use it effectively to grow, thereby deepening their impact on employees, farmers, and rural communities.

**Aceli's incentives are designed to improve the economics of lending to agricultural SMEs, making it more financially viable.** These incentives motivate lenders both to expand their reach to new borrowers and offer larger loans on more flexible terms to existing clients. Most of Aceli's lending partners are still early in their journey to becoming fully activated agri-SME lenders. The findings in this report reflect progress so far and the need for sustained engagement, including incentives, capacity building, and ongoing commitment from lenders.

**Aceli's long-term goal is to shift market behavior and bridge the gap between SME finance supply and demand.** To test its impact, Aceli uses a multi-pronged approach: the London School of Economics studies shifts in lender behavior, Aceli publishes its annual financial benchmarking report to measure progress, and 60 Decibels collects feedback from SMEs on their experience and perceived impact of Aceli-supported loans and lenders. 60 Decibels also surveys farmers

and workers on their experience with SMEs receiving these loans.

This report summarizes insights from interviews with 656 SME borrowers of Aceli-supported lenders. The sample covers 16% of all Aceli-supported SMEs as of September 2025 and includes borrowers from the largest lenders in Aceli's portfolio in Kenya, Rwanda, Tanzania and Uganda. Their experiences with Aceli-incentivized financing offer a glimpse into the impact potential of timely and appropriate financing, while highlighting ways that lenders can better support agricultural SMEs' needs. When combined with other strands of Aceli's evaluation and emerging evidence from other practitioners, these findings provide a more complete picture of the progress, opportunities, and ongoing challenges for finance to transform the agricultural SME sector in Africa.

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We come from a livestock-keeping community. Since taking this loan, I've been able to employ young people who assist me in fattening cattle, which has boosted my business and the quality of services I provide and also created [employment] opportunities for others in my community.

- Male SME leader, Tanzania

# 01 Executive Summary

**Aceli's incentives have enabled lenders to provide larger, growth-oriented loans to agricultural SMEs, addressing an unmet financing need.** 61% of SMEs were *first-time borrowers of sizable loans* ( $\geq$  \$25k, or  $\geq$  \$10k for women-, youth-, or climate-focused SMEs), highlighting how Aceli's incentives meet the underserved needs of agri-businesses.\* 37% of all SMEs had never borrowed from a financial institution before, showing that the incentives are expanding access to formal credit. The average loan size was \$65k, with half of the loans ranging between \$25k and \$50k.

**Aceli-incentivized financing has led to business growth and improvements for SMEs.** 94% of SME leaders reported improvements in their operations, including higher production volumes, investments in assets like equipment and vehicles, serving more customers, and purchasing more stock.

Two-thirds of them were able to hire more full-time employees, with SMEs hiring an average of four full-time workers due to Aceli-incentivized financing. One-third of SMEs (36%) reported that revenues 'very much increased' due to the Aceli-backed loan, and 46% reported a 'slight improvement'.

**The growth unlocked by Aceli's incentives is also translating into better services for farmers.** Of the 656 SME borrowers interviewed, 84% directly serve farmers through produce off-taking, input supply, or services like transport, land preparation, and processing. These SMEs are providing last mile access to farmers: 3 in 4 farmers access at least one farm-related service for the first time (most often a market to sell their produce) and 69% of farmers stated they had no viable alternatives.

42% of SME leaders self-reported that they have 'very much improved' the services they offer to farmers because of the Aceli-supported loan, and 76% said they are serving more farmers than before the loan.

**Farmers and employees of the SMEs are experiencing positive changes as well.** We spoke to 6,154 farmers and 229 workers about their engagement with the agri-SMEs that received Aceli-supported loans.

9 in 10 farmers stated that the SME has enabled them to improve their farming practices, primarily through the provision of inputs like fertilizer and agronomic training, which help manage pests, diseases, and better prepare their farms. When asked about their ability to cover a

large emergency expense, 57% said it would be more difficult without the SME, highlighting how SMEs are enhancing farmers' resilience.

The SMEs are also creating job opportunities in the communities where they operate. Half of the employees (75% of whom are female) did not have a job prior to working with their SME. Among those who were employed before, most (88%) say their SME provides much better benefits, and many have experienced an increase in earnings due to their employment.

## Conclusion

SMEs cannot solve all the problems farmers face, just as access to finance cannot address all the challenges SMEs encounter. Among the farmers we spoke to, 41% reported that their income was insufficient to cover both household and farm expenses, and 77% had not saved money in the past year, underscoring the challenges farmers face.

SMEs also report mixed experiences with their lenders, which is not surprising given the historic gap in lending to agricultural SMEs and the regulatory environment in which commercial banks operate. These challenges point to the need for ongoing engagement with lenders, including both incentives and capacity building, as well as regulatory reforms to address constraints.

Nevertheless, 60 Decibels' interviews with 656 SMEs, 6,154 farmers, and 229 workers of agricultural SMEs validate that these businesses provide access to essential agricultural products and services for smallholder farmers. They provide clear evidence of the value of Aceli-incentivized financing on SMEs and their ability to support farmers and rural workers. These insights strengthen confidence in Aceli's impact thesis and highlight the critical role of access to finance in driving inclusive agricultural growth.

\* Data point from Aceli records.

## 02 About this Report

In 2021, Aceli Africa began partnering with 60 Decibels (60dB) to assess the effects of Aceli-incentivized loans on key stakeholders: SMEs, their employees, and the farmers they serve. This report presents detailed insights from data collected from SME leaders between October 2021 and August 2025, covering 656 SMEs, 19 lenders, and 4 countries (note that Zambia was not included, as Aceli had recently expanded there when we began conducting the final round of surveys).

The report also provides a preview of insights from interviews with 6,154 farmers and 229 workers, with detailed findings from these interviews to be made available separately.

The 656 SMEs sampled for this research represents 16% of all SMEs that received Aceli-supported loans as of September 2025. We oversampled the largest lenders in the Aceli portfolio. The sample aligns with the Aceli portfolio in terms of status, that is, gender, country, value chains, and key characteristics like the number of returning borrowers. See the table below for a comparison with Aceli's full SME portfolio. A breakdown of key sample characteristics can be found on page 6.

Characteristic	60dB Sample (n=656)	Aceli Portfolio (n=4,751)
% Kenya	20%	19%
% Tanzania	45%	41%
% Uganda	25%	27%
% Rwanda	10%	12%
% women owned	24%	20%
% first time of a substantial loan (>25k)*	61%	62%
% borrowing from commercial banks	78%	82%
% borrowing from non-banking financial institutions	22%	14%

\* Data point from Aceli records.

This report offers insights into the following themes:

- > **SME Profile:** What type of SMEs are accessing financing?
- > **Loan Access:** Are SMEs accessing substantial finance for the first time? Are they accessing finance from a formal source for the first time?
- > **Experience:** How satisfied are SMEs with the loans? Have they experienced any challenges?
- > **Business Impact:** Do businesses report changes in their operations, earnings, and resilience?
- > **Farmer Impact:** Has the number of farmers reached, or quality of the services provided by SMEs changed? Are farmers reporting changes in their farm and livelihood because of the SME?

The survey has iterated over the years based on emerging questions and insights, meaning that the sample size may differ between metrics. Sub-sample analyses or trends were highlighted when they were found to be statistically significant.

When interpreting the findings, it's important to consider the unique macro-level factors in each country where Aceli operates, such as economic conditions, policies, poverty rates, and demographic factors like landholding size, all of which shape how SMEs and smallholder farmers engage with financial opportunities.



### A Note on Methodology

The aim of this study is to give SME leaders a voice in sharing their experiences with Aceli-backed loans and the impact they perceive on their businesses. This is not a representative sample or an analysis intended to establish causal relationships. Instead, the focus is on understanding the SME leaders' perspectives after receiving their loan.

The insights can be combined with other data sources to provide a more comprehensive understanding of the impact of Aceli-backed financing on the agricultural SME sector.

# 03 Who We Spoke To

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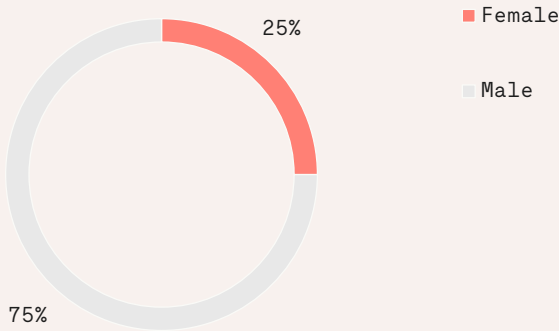
Years of SME Operation (Median)

9

Months Since Receiving Loan (Average)

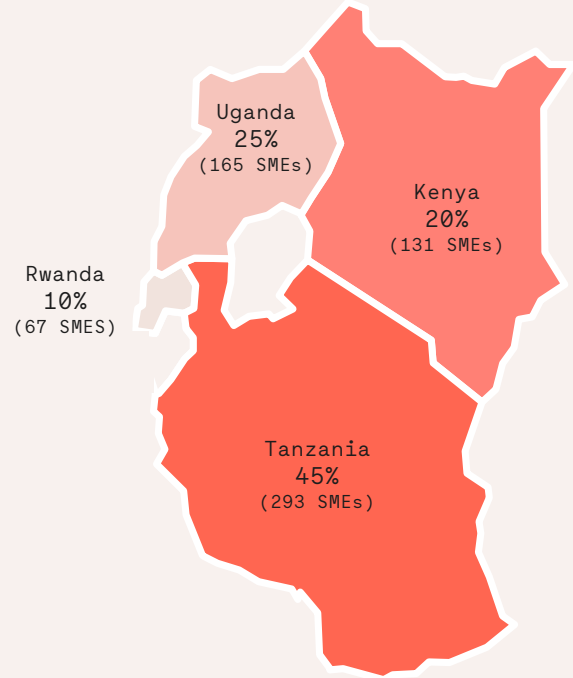
## Gender of SME Leader\*

Aceli records (n = 656)



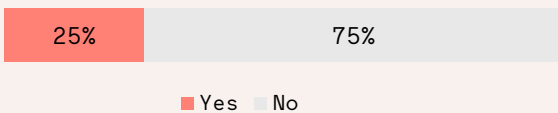
## SME Sample by Country

(n = 656)



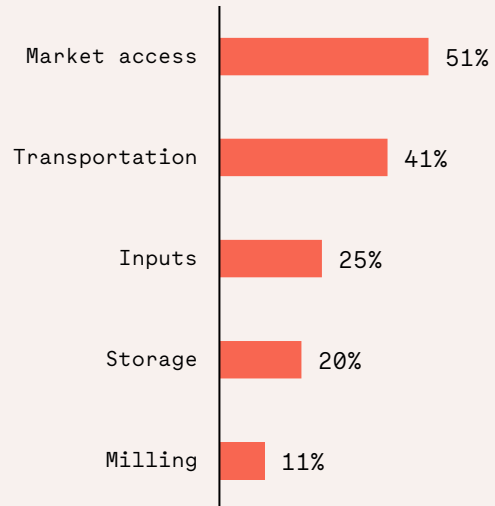
## Post-Investment Advisory to SME

Did you receive any business development support such as training, record keeping, financial management from the lender? (n = 645)



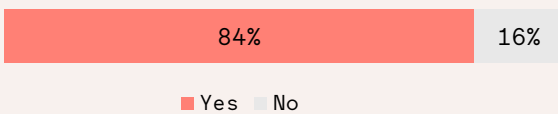
## Top 5 Services Provided to Farmers by SMEs

What are the top three services your business provides to farmers? Multi-select question. (n = 370)



## SME Engagement with Farmers

Does your business products/services target farmers? (n = 443)



\*In the Aceli portfolio, 10% of SME leaders have an equal shareholding between male and female leaders. As a result, female ownership is likely underrepresented in this breakdown.

# SME Leader Insights

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This section summarizes the key metrics captured through SME surveys. We spoke to 656 SME leaders from 19 lenders utilizing Aceli's incentives.

## Insights captured in this report include:

- > Access and utilization of Aceli-supported loan
- > SME experience and satisfaction with the loans and the lender
- > Impact of the loan on business operations and revenue
- > Impact of the loan on farmers served



“

The loan from [Kenyan bank] has helped my business offer credit to farmers so they can rent more land to plant their crops. This has led to an increase in the volume of their produce and, as a result, an increase in their revenue.

- Female SME leader, Kenya

# Access enabled by Aceli-supported lenders

## Loan Access, Size and Utilization

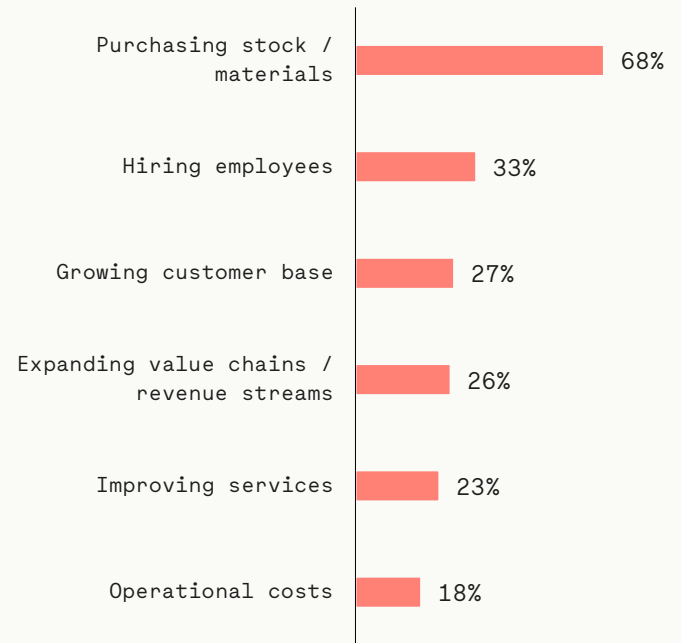
Aceli's incentives are enabling lenders to provide larger loans to agricultural SMEs. In our sample, 61% of respondents are 'first-time' borrowers of loans over \$25k, with the threshold lowered to \$10k for women-led SMEs, those under 35, or businesses eligible for climate loans.

The incentives are also helping SMEs access formal credit. 37% of all respondents reported never borrowing from a financial institution before. Newer firms (less than 5 years old) benefit the most, with 55% of these SMEs being first-time borrowers of formal loans, compared to 26% of more established firms.

While the average loan size in our sample was \$65k, almost half of the loans were between \$25k and \$50k. SMEs use their loan for purchasing stock, materials, and inputs. At the time of the survey, only 7% of SME leaders had a second loan of similar size from another lender.

## SME Loan Utilization

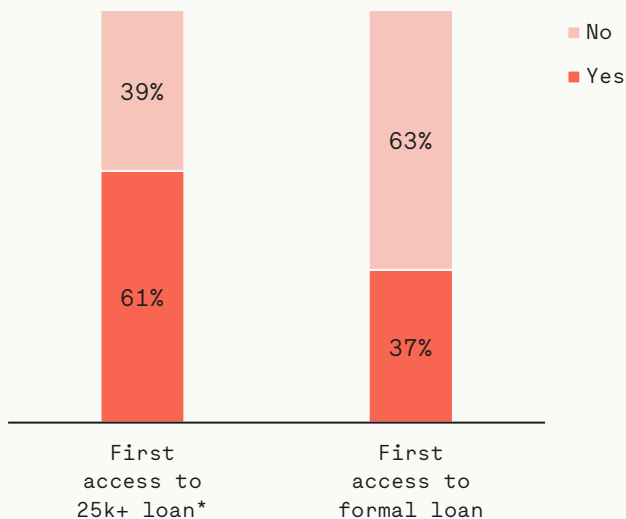
Please describe how you are using the current/latest loan from the lender in your business. Multi-select question. (n = 656)



## SME Access to Finance

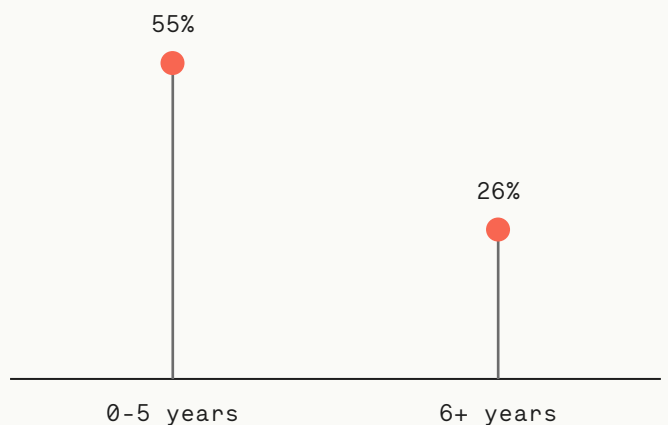
First Loan of \$25,000 or more (n = 518, Aceli records)

Is this your first loan for your business from a financial institution? (n = 638, 60 Decibels)



## First Formal Access by Years of Operation

Is this your first loan for your business from a financial institution? (n = 638, 60 Decibels)



\* Data point from Aceli MIS

# SME Experience with Aceli-Supported Lender

Aceli’s incentive model aims to make agricultural SME lending more attractive to financial institutions and improve lending quality over time. Since most participating lenders are still in the early stages of building their agri-SME portfolios, the findings in this report highlight both progress and the ongoing need for incentives, capacity building, and long-term commitment to unlock sustainable, scalable lending.

## Mixed Experiences with Lenders

Net Promoter Score® (NPS) gauges SME satisfaction and loyalty, helping assess lenders’ performance as experienced by agricultural SMEs. SME experiences varied widely across lenders, with scores ranging from a poor -12 to an excellent 65. Half of the 13 lenders scored below 50, indicating room for improvement and reflecting the nascent nature of the agricultural SME lending space.

SMEs are generally satisfied with loan terms and requirements: 61% are “very satisfied” with the loan amount, 55% find documentation “very easy,” and 51% find collateral requirements “very easy.” However, 42% of SME leaders reported difficulties during the loan process, with processing delays (48%) and high interest rates (27%) being the most common challenges.

## Drivers to Improve Experience

Aceli hypothesizes that a positive borrowing experience leads to better SME performance, which in turn results in better outcomes for the farmers they serve. Our data supports this hypothesis, showing that SME satisfaction and their ability to use loans for business improvement are positively correlated. However, the direction of causality remains unclear and could go both ways. SMEs reporting significant improvements in business outcomes give lenders a higher NPS compared to the rest of the sample. For example, the NPS for SMEs who stated that their business operations ‘very much improved’ was 63, compared to just 16 for the rest of the sample. See the table on the right for other business outcomes

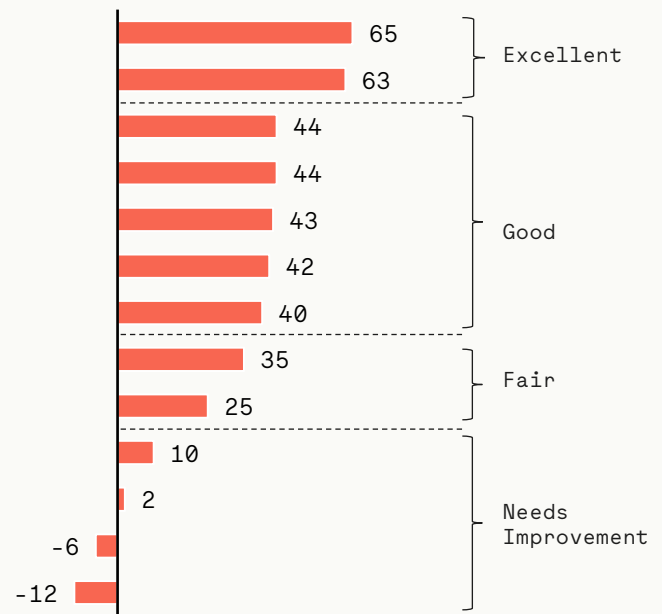
To make these insights actionable, we explored the key drivers of high SME satisfaction and self-reported business improvement. The aspect of lender service delivery most closely linked to SME experience is processing time—the faster the processing, the higher the SME satisfaction.

Our data also shows that SMEs’ experience improves with repeated engagement and multiple loan cycles. SMEs borrowing \$25k+ for the first time report lower NPS compared to returning borrowers with similar loan amounts (NPS: 38 vs. 49).

## Net Promoter Score® (NPS), by Lender\*

On a scale of 0-10, how likely are you to recommend taking a loan from [lender] to another SME, where 0 is not at all likely and 10 is extremely likely? (n = 656)

NPS = x% Promoters (9-10) - % Detractors (0-6)



\* We excluded lenders that have a sample size of less than 10.

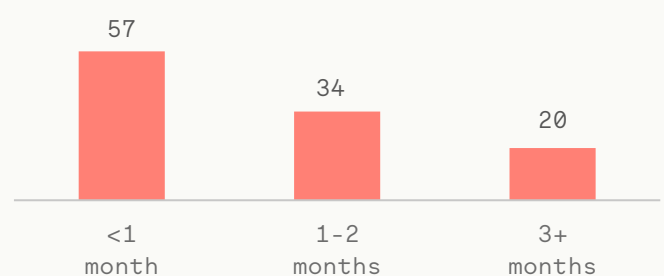
## Relationship: NPS & Improved Business Outcomes

n = 654

	% very much improved / increased	Rest of the Sample
SME Operations	63	16
Paid employees	48	28
SME Revenue	65	23
Farmers served	47	33

## Lender NPS by Loan Processing Time

n = 654



# Impact on SME Growth

To measure the success of Aceli-supported loans, we asked SME leaders if the loans had changed their operations, impacted their workforce, and influenced business outcomes like revenue. We also asked about changes in their farmer base and the services they provide. These insights are covered on page [12](#).

## Business Growth

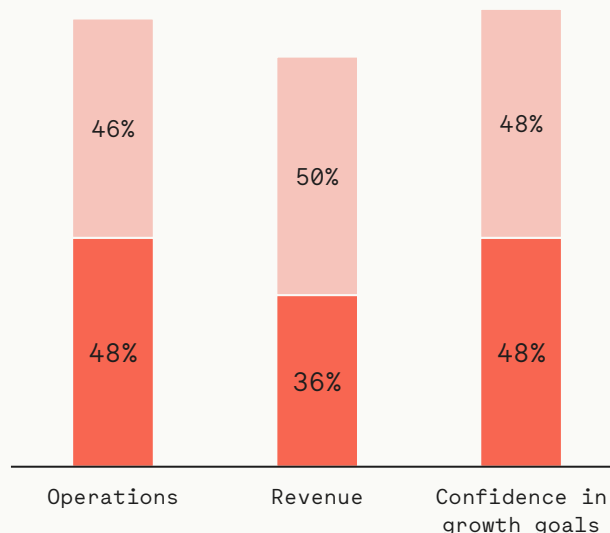
Half of the SME leaders we spoke to attributed significant improvements in their business operations to Aceli-incentivised loans. The most common improvements mentioned include higher production volumes (44%), investment in assets like equipment and vehicles (41%), serving more customers (40%), and purchasing more stock (39%).

Two-thirds of SMEs hired more employees with the loan, with an average increase of four full-time employees due to support from Aceli-backed lenders.\* Additionally, 86% of SMEs reported higher revenues because of the loan, with 36% stating their revenues 'very much increased.'

\*This question referred to all paid employees, including both seasonal and full-time staff. To calculate the average proportion of full-time workers, we used ACELI data on the typical split between full-time and casual employees and applied these proportions to the reported totals. Outliers were removed from the analysis.

## Impact on SME Growth

Has your [business revenue / operations / confidence in ability to achieve growth goals] changed because of the lender? (n = 547 - 654)



- Slightly 'improved' / 'increased'
- Very much 'improved' / 'increased'

## Early Results: Post Investment Advisory to SMEs Can Improve Loan Use and Impact

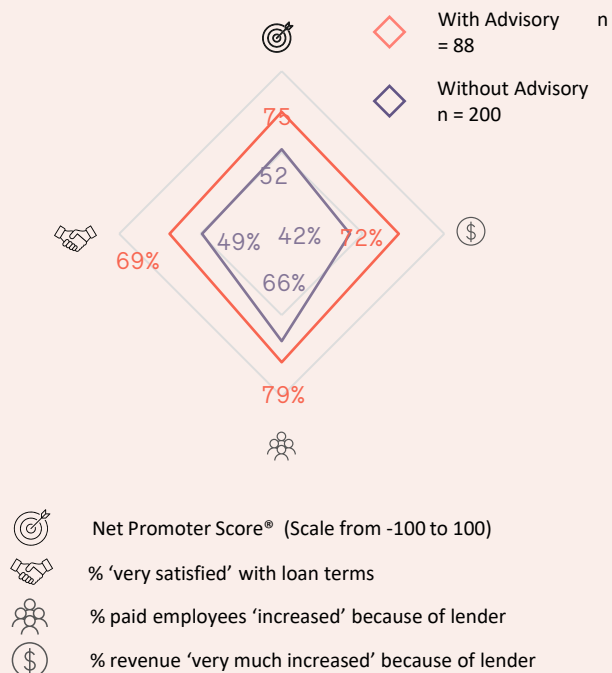
Three of the higher-volume mature lenders in our sample offered post-investment advisory services to SMEs to help them use the funds most effectively. 31% of all the 288 SMEs served by these lenders received advisory support.

SMEs that received advisory support reported a better experience and greater impact from the loan and lender compared to those who did not receive this support (NPS of 75 vs. 52). They also experienced stronger outcomes, including higher revenue growth (72% vs. 42%) and a greater likelihood of increasing employees (79% vs. 66%).

These significant differences in SME satisfaction and performance make a strong case for SMEs and lenders to invest in post investment business development support as a means to improving the financial and social returns on agricultural lending.

## SME Leader Experience with Advisory and Without

n = 288



# Impact on SME Growth

## Resilience and Optimism

While Aceli-supported loans are helping agricultural SMEs grow, these businesses remain vulnerable to external market, climate, and policy shocks. 67% of the SMEs we surveyed experienced a shock to their business in the year prior to the survey. The most common shocks were weather-related, with 38% of SMEs reporting issues such as droughts, heavy rainfall, and unpredictable weather patterns, which led to crop failures, livestock deaths, and infrastructure damage. In addition to weather-related shocks, some SMEs faced increased costs, including rising fuel, feed, and fertilizer prices, as well as expensive machinery repairs and maintenance.

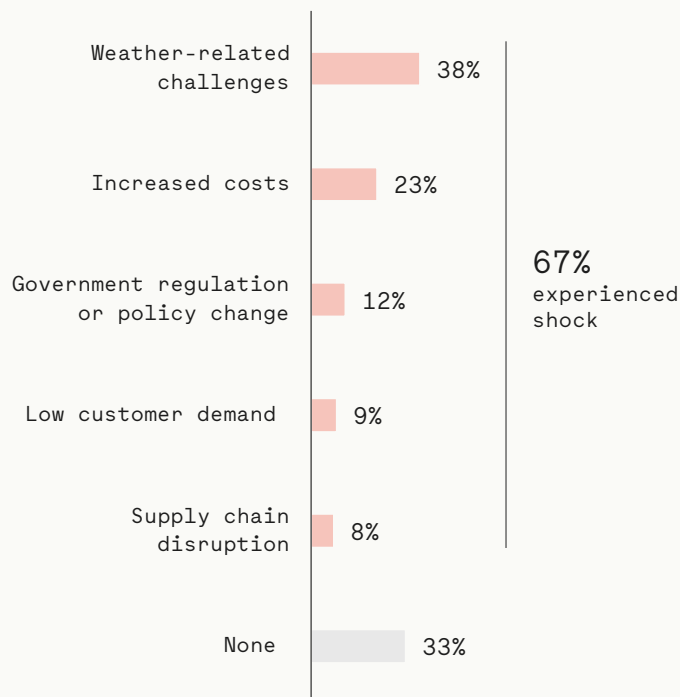
Nearly half of the SMEs that experienced a shock found it difficult to cope, and almost 40% of these SMEs felt that their lender offered no support.

When asked what lenders could do to help during such events, SMEs suggested grace periods or income-smoothing repayment plans to reduce repayment stress during seasonal or climate-related income gaps. These suggestions are grounded in the real challenges SMEs face and offer valuable insights for lenders to improve product design. However, these suggestions may conflict with financial constraints on lenders, which would require regulatory reforms to address.

Despite these challenges, Aceli-supported loans are helping SMEs feel more confident about achieving their growth goals for the next year (see page 10). These goals include expanding into new markets (57%), diversifying revenue streams (38%), paying off debt (36%), investing in equipment (35%), and improving services for farmers (35%). Returning borrowers were more likely to report increased confidence, highlighting the positive impact of repeated loans.

## Challenges in the Business Environment

Which of these have affected your business in the last 12 months, if any? (n = 443)



“

Sometimes, when the weather is extreme, farmers tend to leave their farms untilled until the next season for fear of incurring losses. This leads to low customer demand, which also hinders our work.

- Male SME leader, Kenya

# Impact on Farmers Served

## SMEs improve service and reach more farmers

Our data validates the critical role SMEs play for smallholder farmers. 84% of SMEs we spoke to work directly with farmers. Of these, half are off-takers of produce, 41% offer transport, and 25% are input suppliers (see [page 7](#)).

Aceli-incentivized loans are helping SMEs reach a broader farmer base. 76% of SMEs report that their services now benefit more farmers, with an average increase of 130%, growing from 80 to 180 farmers.

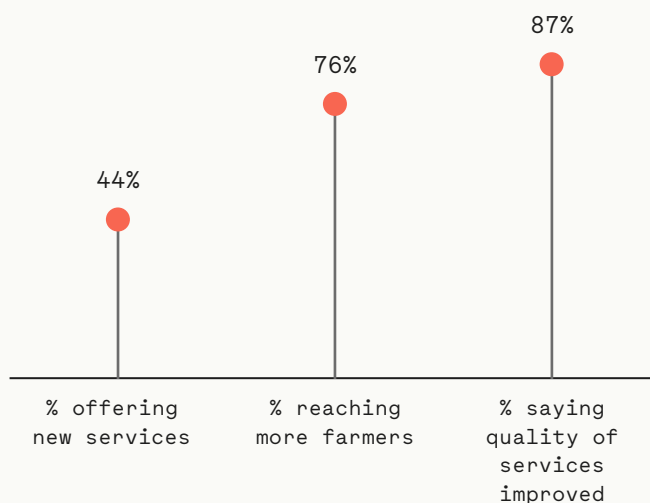
44% of SMEs used the loan to introduce new services for farmers, primarily in transport (44%), agricultural inputs (22%), and harvesting support (21%). Additionally, 42% of SMEs said they were able to ‘very much improve’ their service quality. This includes market expansion, more timely service delivery, increased cultivation capacity, improved transportation efficiency, a wider range of services for farmers, and enhanced storage solutions.

## Impact on Farmers Served

Did you start offering new services to farmers because of the current/latest loan from the lender?

Has the number of farmers you serve changed because of the current/latest loan from the lender?

Has the current/latest loan from the lender changed the quality of services you are providing to your farmers overall? (n = 410-520)



## Impact in farmers’ own words

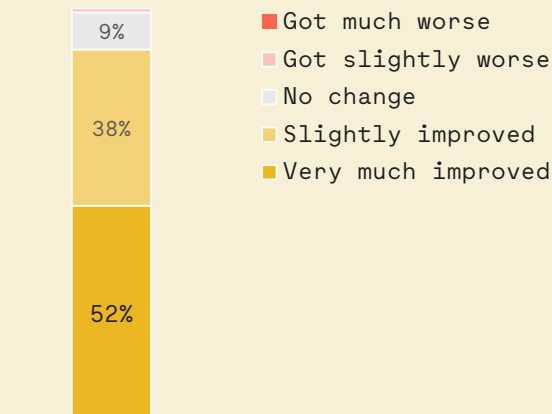
We conducted interviews with 6,154 farmers receiving services from Aceli-supported SMEs between 2021 and early 2025. These interviews focus on the impact of the SME itself, rather than the impact of the financing, as farmers may not know whether the SME providing inputs or purchasing their crops is receiving a loan.

SMEs provide last mile access to farmers: 3 in 4 farmers access at least one farm-related service for the first time (most often a market to sell their produce) and 69% of farmers stated they had no viable alternatives to their current SME. But SMEs’ roles does not stop at access.

A notable 9 in 10 farmers reported improved farming practices due to the SME, particularly through better fertilizer use, pest management, and the adoption of soil or water conservation methods. 57% of farmers stated that covering large emergency expenses would be more difficult without SME support, indicating an impact on resilience.

## Change in Way of Farming

Has your way of farming or managing livestock changed because of the SME? (n = 5,288)



This loan is very friendly  
Because it has easy terms  
and it has helped me grow  
my business.



## About Aceli Africa

Launched in August 2020, Aceli Africa is a market catalyst designed to support agricultural lenders in East Africa. Aceli provides financial incentives to lenders, enabling them to offer loans to small and medium-sized enterprises (SMEs). Additionally, Aceli offers technical assistance to SMEs, helping them build staff expertise, tailor products to meet SME needs, and improve lending systems and processes. To learn more, visit [aceliafrica.org](http://aceliafrica.org).

A special thanks to Eddah Nang'ole for her ongoing support throughout the execution and delivery of this work, which was commissioned by Aceli Africa with funding from several of its donors.

## About 60 Decibels

60 Decibels is a global, tech-enabled impact measurement company that brings speed and repeatability to social impact measurement and customer insights. We provide genuine benchmarks of impact performance, enabling organizations to understand impact relative to peers and set performance targets. We have a network of 1,200+ researchers in 80+ countries, and have worked with more than 1,000 of the world's leading impact investors, companies, foundations, corporations, NGOs, and public sector organizations. 60 Decibels makes it easy to listen to the people who matter most.

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