

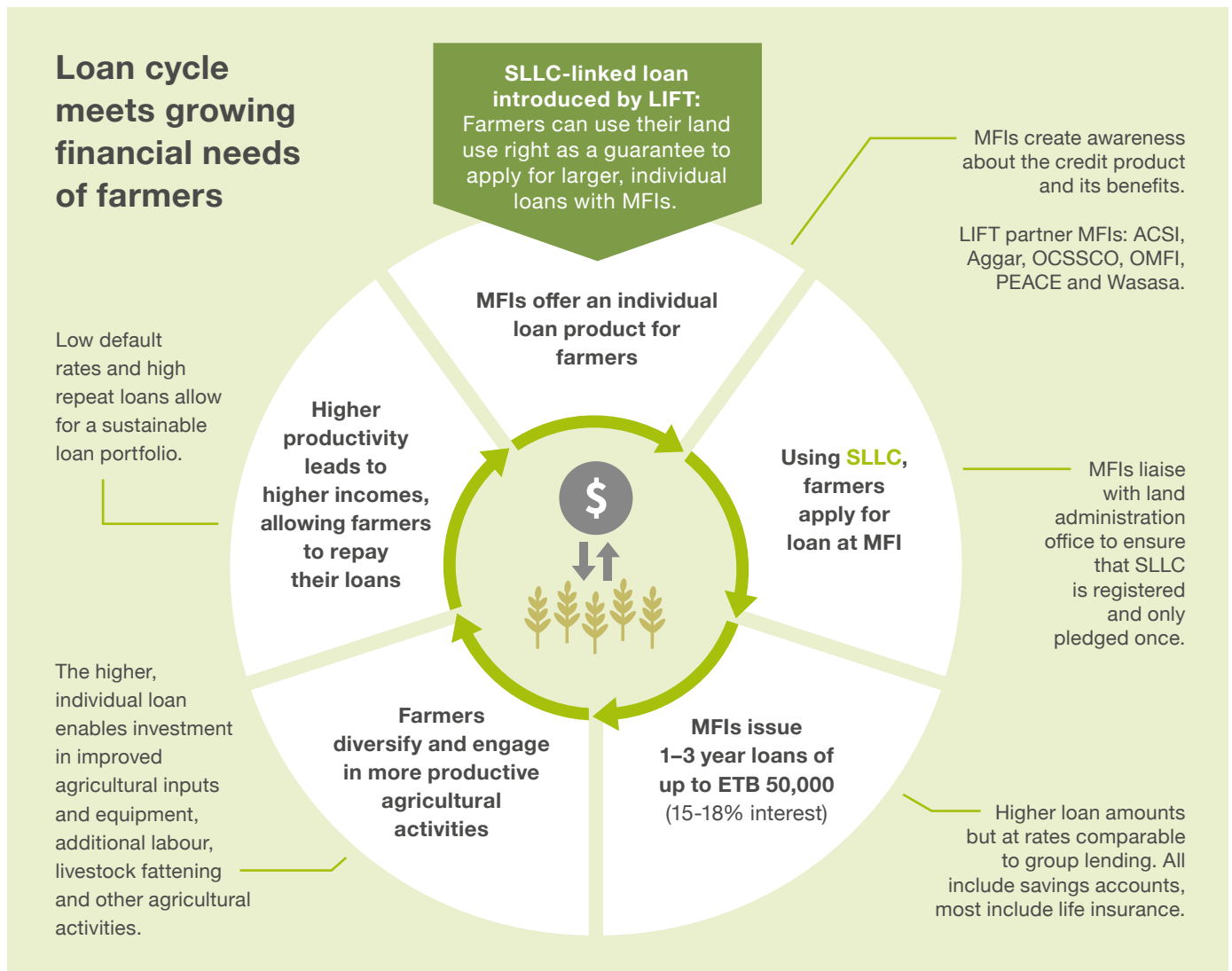
SLLC catalyses inclusive finance

Innovative loan product promotes productive investments in agriculture

LIFT has innovated the first individual, **SLLC-linked loan product** that allows rural farmers in Ethiopia to go beyond income smoothing and invest in productive agriculture. LIFT is partnering with MFIs, who are adapting the new loan product and are proactively investing in its expansion.

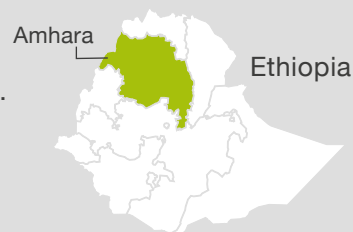
The Land Investment for Transformation Programme (LIFT) supports the Government of Ethiopia to provide 14 million **Second-Level Land Certificates (SLLC)** to farmers in Oromia, Amhara, SNNPR, and Tigray.

With increased security of tenure, farmers are more willing to invest in their land in sustainable and productive ways.



Partner MFIs expand beyond LIFT target areas

Partner MFI ACSI has expanded the SLLC-linked loan to 50 branches in Amhara. Five of the new branches are outside of LIFT's target areas and use other land certificates as a guarantee (not SLLC). This is an example of MFIs taking ownership by expanding and adapting the loan product.



Repayments are timely and loans offer resilience

Our partner MFIs are experiencing timely repayments with only a few farmers delaying payments and many demanding repeat loans.

In Selti woreda, **Seman** explained how he used his loan to diversify into sugarcane, maize, and vegetable production. Diversifying in different crops offers Seman resilience: even as flooding damaged part of his crops, he was still able to repay his loan.



Demand stays strong and investments are productive

Many farmers have voiced the need for longer loan periods and loans larger than the current ETB 50,000 limit.

In Bora woreda, **Mattheos** utilised the SLLC-linked loan to invest in irrigated vegetable production and employ 10 additional, permanent labourers. His revenue increased promptly, allowing him to pay back his loan in four months. Mattheos acquired two more loans within the same year to expand his agri-business further.

Vulnerable groups can access SLLC loan

The individual SLLC loan offers vulnerable groups, who struggle to access finance, new opportunities.

Female-headed households can diversify their income. For example, **Endenat** from Gozamin woreda in Amhara, 65, used her loan to hire labour and diversify her production from only cereals to high value vegetables and coffee.



MFIs' and farmers' uptake of the SLLC loan product has increased significantly over the last two years, with overwhelming satisfaction of users, high repeat loans and low defaults.

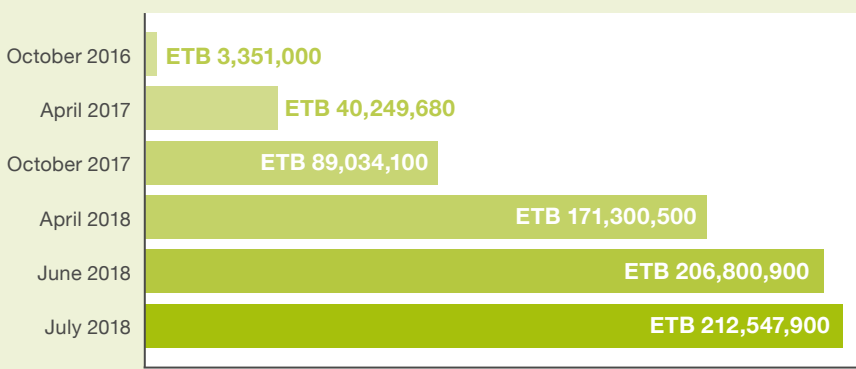
High demand for SLLC-loans

An MFI branch manager stated that the SLLC-linked loan is the most demanded product. As a result it has become the second largest credit product in their portfolio.

Policy Impact

In response to public demand, the Amhara regional government enacted a new land proclamation in 2017, allowing the land use right to be utilised as a guarantee.

Total value of SLLC loans disbursed (in ETB) taking off...



Land Investment for Transformation (LIFT) Programme

Bole Sub-city, Kebele 12/13, House No. 539, Addis Ababa, Ethiopia
 Tel: +251 166 76777 | Fax: +251 166 76776
 For further information, please contact Solyana.Amsalu@liftethiopia.com

LIFT is a UK-Aid funded project implemented by a consortium led by DAI Europe that includes Nathan Associates, NIRAS and GIRDC. The EEU component is implemented by Nathan Associates.



UKaid
 from the British people