

 Early Warning System

DFC-2024-CINCHMARKETSL

Cinch Markets Limited



Quick Facts

Countries	Kenya
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	B
Borrower	Cinch Markets Limited
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 1.00 million
Project Cost (USD)	\$ 1.00 million



Project Description

According to the Bank's website, the Project plans to combat the challenges associated with land fragmentation in Kenya by aggregating smallholder plots into larger "mosaic farms" through land lease and licensing agreements. Cinch can significantly increase land productivity and return resulting profits to smallholder farmers through this innovative model. Cinch also provides employment opportunities for smallholders and tailors training opportunities for women employees to help them move into management positions. The Project aims to onboard 874 Kenyan smallholders and operate 1,876 hectares of additional land under this model by 2027.

Cinch's solution to land fragmentation in Kenya is to aggregate smallholder plots into larger "mosaic farms," through land lease and licensing agreements and to make high-return investments in the land, significantly increasing land productivity. Through a licensing agreement, farmers are guaranteed a fixed monthly licensing fee, a variable dividend payment based on a percentage of the company's revenue, and the opportunity to work on Cinch's farms for additional income. The Borrower currently operates in six locations in Kenya, representing approximately 304 hectares of land under cultivation and 200 landowners, reaching approximately 12,000 beneficiaries when family members of Cinch's landowners are included. DFC's loan will provide working capital for expansion of Cinch's operations in Kenya, to include recruitment of staff, purchase of inputs, and land lease negotiations. The Borrower plans to onboard 874 new smallholders and operate 1,876 hectares of additional land under this model by 2027.



Early Warning System Project Analysis

The Project has been screened as Category B because impacts are site specific and readily mitigated. Key environmental and social issues include soil conservation and nutrient management, crop residue and solid waste management, water use and management, agro-chemical use and management, occupational health and safety, management of labor and working conditions for farm workers, management of risks related to land acquisition and restrictions on land access, and the need for strong stakeholder engagement, including with leaseholders and communities near farms.



Investment Description

- US International Development Finance Corporation (DFC)

\$1,000,000 DFC USD Principal & Interest loan, senior/unsecured



Private Actors Description

Cinch is a mosaic farming model that addresses agriculture/food security by making smallholder farming and agriculture supply chains more efficient.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Cinch Markets Limited	Client	-



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)