

LENANA INNOVATIVE SOLUTIONS LIMITED

This Impact Report was produced by IIX on 06 August 2022 and is valid till 06 February 2023. The information in this report was provided by Lenana Innovative Solutions Limited and has been verified by its customers.

Lenana Innovative Solutions Limited is a Financial Inclusion organization operating in Kenya.

COMPANY OVERVIEW

	KEY FACTS		IMPACT SCORE
YEAR FOUNDED: ENTITY TYPE: LEGAL REGISTRATION: COUNTRY OF OPERATION(S): SECTOR:	2014 Financial Institution For Profit Kenya Financial Inclusion	7.7	out of 10 VERIFICATION LEVEL* Low High Verified by 100 customers

* The verification level represents the voices of the customers and reflects the extent to which customers agree with the company's impact score.

IMPACT OVERVIEW

Our mission is to offer integrated financial services that socially and economically empower smallholder farmers within rural communities

 22,000 beneficiaries	 70-89% female	 USD 26,158,155 gross loans	 3% avg. interest
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Impact

Lenana Innovative Solutions Limited has achieved the following impacts for its customers and beneficiaries, leading to direct impacts, including Beneficiaries are able to buy more/ better food for themselves, Beneficiaries have increased skills and knowledge, Income of beneficiaries has increased, Beneficiaries have better relationships with the people around them, Beneficiaries have access to more information, Beneficiaries are more confident and Beneficiaries are able to think beyond their immediate needs and plan for their future:

- Increased income
- Increased productivity
- Climate change mitigation
- Increased productivity
- Increased skills and knowledge/ education
- Women's empowerment
- Agricultural/ livestock productivity
- Increased time savings
- Increased access to finance
- Air pollution management
- Increased assets ownership

The impacts that Lenana Innovative Solutions Limited creates extend to their customers' and beneficiaries' families and community as well. Some of the indirect impacts include:

- Children are able to eat more/ better food
- Children are going to school
- Daughters are going to school and have more time to study
- Family/ community members are able to access more information

Lenana Innovative Solutions Limited's Contribution to the SDGs:

- SDG 1: No Poverty
- SDG 5: Gender Equality
- SDG 8: Decent Work and Economic Growth
- SDG 12: Responsible Consumption and Production





ORGANIZATION IMPACT & RISK MITIGATION SCORING

Lenana Innovative Solutions Limited’s products & activities

Lenana Innovative Solutions Limited provides certain products/ services to its customers/ beneficiaries, including:

- Agriculture loans

To create positive impact, Lenana Innovative Solutions Limited strives to:

- Create employment opportunities
- Facilitate access to goods and services
- Conduct climate adaptation activities
- Provide trainings
- Ensure women are part of the impact goal
- Conduct climate transformation activities
- Provide goods and services
- Conduct climate mitigation activities

Lenana Innovative Solutions Limited provides training (i.e. Financial literacy training, Agricultural training, Life skills training and Job skills training). It has conducted 12 training session(s) in the last 12 months, equipping 22,000 people with new skills and knowledge. The duration of each session is 1 hours on average. Customers are required to practice their learnings after receiving training.

Lenana Innovative Solutions Limited’s overall score

IIX Values™ assesses impact across two dimensions:

- (1) Impact Performance: IIX Values™ emphasizes poverty alleviation and social and environmental sustainability
- (2) Risk Mitigation: IIX Values™ encourages risk mitigation to reduce the likelihood of customers/ beneficiaries falling back into poverty (and undertaking undesirable environmental practices) due to shocks and stresses

The overall impact score is derived from taking an average of the impact (1) and risk mitigation (2) scores.

See Appendix 1 for more information about the IIX Values™ impact assessment approach and scoring methodology.

Impact Performance

Intention	1.4 / 2	 IMPACT SCORE	7.4 / 10
Activities	1.8 / 3		
Outputs/Outcomes	4.2 / 5		

‘Impact Performance’ measures the extent to which Lenana Innovative Solutions Limited is contributing towards social and/or environmental good. Based on the above scoring, the intention of Lenana Innovative Solutions Limited to do good is translated into its activities, which have contributed significantly to impact creation.

This has directly improved the **physiological** needs of customers/ beneficiaries, enabling them to experience improvements in their personal wellbeing. Moreover, the products/ services provided by Lenana Innovative Solutions Limited have also indirectly contributed towards family and community well-being through improvements in **education and food**.

Lenana Innovative Solutions Limited also ensures women are part of the impact goal by **providing them with access to resources, treating them with respect and empowering them to make decisions in their home/ community**.

Risk Mitigation

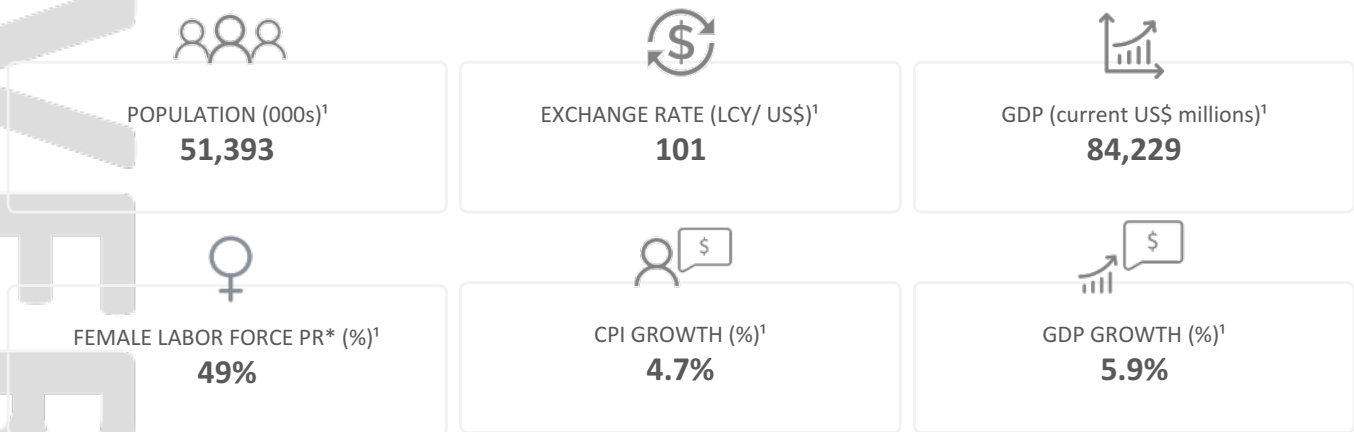
Exposure to Harm	3.0 / 5	RISK SCORE	8.0 / 10
Coping Capacity	5.0 / 5		

‘Risk Mitigation’ assesses the extent to which Lenana Innovative Solutions Limited is reducing the micro and meso risks facing individuals, households, and communities. Specifically, the main types of risks mitigated by Lenana Innovative Solutions Limited are **social, economic and natural-disasters** risks. This is done by reducing both the sources of hazards as well as the vulnerability of customers/ beneficiaries to prevalent hazards.

Additionally, to enhance the ability of customers/ beneficiaries to adapt or respond when disasters strike, Lenana Innovative Solutions Limited contributes towards their **financial, social, human and natural** capital. Possession of these assets (or capital) gives households a wider range of options and livelihood opportunities in times of crisis, and it can speed up their recovery from shocks (although the most extreme events may still be highly destructive).

BACKGROUND: KENYA | FINANCIAL INCLUSION

General overview of Kenya



¹ 2018 data; *PR = participation rate
Source: UNCTAD STAT (2018), The World Bank (2018)

Country SDG Assessment



■ Major challenges ■ Significant challenges ■ Challenges remain ■ SDG achieved ■ Information unavailable

Direction of Country SDG Performance



↓ Decreasing → Stagnating ↗ Moderately improving ↑ On track or maintaining SDG achievement •• Information unavailable

Performance of Kenya on Key SDG for Financial Inclusion

<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Adjusted Growth (%)	-3	●	••	<p>Rating</p> <ul style="list-style-type: none"> ● Major challenges ● Significant challenges ● Challenges remain ● SDG achieved ● Information unavailable
	Prevalence of Modern Slavery (victims per 1,000 population)	6.9	●	••	
	Adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider (%)	81.6	●	↑	
	Fatal work-related accidents embodied in imports (deaths per 100,000)	0.8	●	••	
	Employment-to-Population ratio (%)	NA	●	••	
	Youth not in employment, education or training (NEET) (%)	NA	●	••	




Source: Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G. (2019): Sustainable Development Report 2019. New York: Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN).



SECTOR-SPECIFIC INFORMATION: FINANCIAL INCLUSION

Overview

Lenana Innovative Solutions Limited operates within the Financial Inclusion sector. This organization provides agriculture loans. As a result, 22,000 people have experienced improved access to finance, of which 70-89% are women.

 LOANS	 SAVINGS ACCOUNTS	 INSURANCE
GROSS LOAN PORTFOLIO: US\$ 26,158,155	NEW ACCOUNTS OPENED: (last 12 months) N/A	% OF BENEFICIARIES PURCHASING INSURANCE: N/A
AVERAGE INTEREST RATE: 3%¹	VALUE OF NEW DEPOSITS: (last 12 months) N/A	
AVERAGE TENURE: 10 months		

Products

Loans

Customers are better able to take care of their basic/intermediate needs after receiving a loan from Lenana Innovative Solutions Limited. Moreover, Lenana Innovative Solutions Limited has special loan provisions for women.

Outcomes

Through Lenana Innovative Solutions Limited’s provision of agriculture loans, customers/ beneficiaries have experienced an increase in:

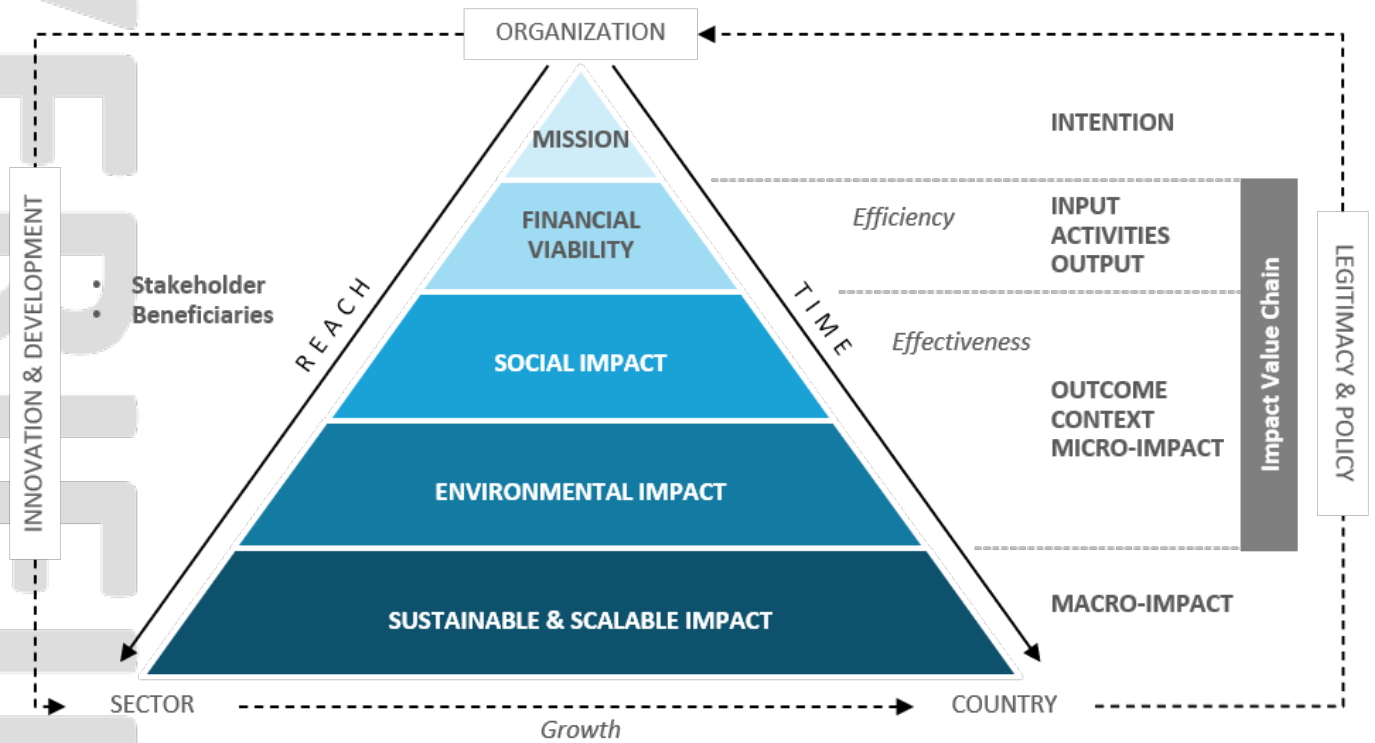
- Income levels
- Assets ownership
- Productivity
- Time savings

¹Compared to the industry average of between 2% and 4% on a monthly basis and 20% to 80% per annum, depending upon the package, in emerging countries

APPENDIX 1: IIX VALUES™ IMPACT ASSESSMENT APPROACH

IIX Values™ utilizes the IIX Sustainability Pyramid™ which takes into consideration the organization’s mission, financial viability, and positive social and environmental impact to assess its contribution toward the United Nation’s Sustainable Development Goals. The Pyramid is built on the information reported by the organization.

IIX Sustainability Pyramid™



Mission

The bottom-up approach of IIX’s analytical framework begins by considering the goal and objectives of the organizations (e.g., its central purpose, strategies, and values). Highlighting the basic principles that guide the actions of employees, partners, and management, the mission statement offers a point of reference to examine the strategy that the organization uses to accomplish its goal and objectives.

Activities

The framework investigates the intricacies of the organization’s business/ operational model and how its activities align with the mission of creating social and environmental outcomes. This involves understanding the products and services provided by the organization as well as the stakeholders and the type of target customers it serves. The survey ensures the link between the mission to impact customers and the model used to deliver this impact.

Outcomes

It is key to link outputs to outcomes. The survey employs a broad set of sector-, country-, and enterprise-specific indicators to assess the social and environmental impact of the organization, its contribution to the Sustainable Development Goals (SDGs), and the resultant empowerment of stakeholders. Outcomes can then be verified amongst the organization’s customers/ beneficiaries to confirm actual positive impact is created.

IIX VALUES™ SCORING METHODOLOGY

Organizations are scored on a scale of 0-10. Points are allocated to certain positive answers, and every point reflects incremental positive impact; or an ESG standard or sub-standard complied with for the Impact and ESG scores respectively.

An Impact Score of 0 suggests a traditional business that does not create any social and/ or environmental change while an Impact Score of 10 denotes an all-rounded impact enterprise creating maximum social and environmental impact. Similarly, a Risk Mitigation Score of 0 implies that the organization’s operation does not contribute towards risk reduction while a Risk Mitigation Score of 10 denotes maximum risk mitigation, i.e. the organization is reducing exposure to harm and increasing coping capacity in most, if not all, aspects. The overall impact score is derived from taking an average of the impact (1) and risk mitigation (2) scores. The organization’s impact score is weighted across three dimensions – Mission (20%), Practices (30%), and Outputs & Outcomes (50%). The risk score is weighted across two dimensions – Exposure to Harm (50%) and Coping Capacity (50%).

For ESG+, an ESG Score of 0 suggests unsatisfactory ESG performance, no ESG standards are incorporated and that the organization is not aligned to key ESG criteria. An ESG Score of 10 denotes the organization is aligned to majority of ESG standards and criteria and has satisfactory ESG performance. A positive score means the organization has incorporated the required ESG policies, activities, roles & responsibilities and risk management strategies in place to do good socially or for the environment.

Key Findings of Lenana Innovative Solutions Limited’s Customer Surveys

As part of the verification on its impact creation, Lenana Innovative Solutions Limited has obtained customer feedback on the affordability, accessibility and equity of its products and services.

Statistics Profile

100

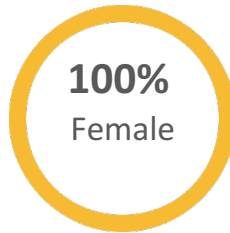
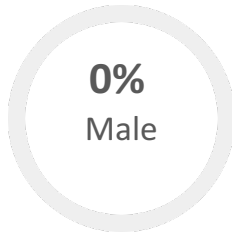
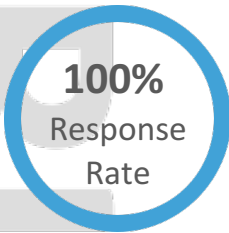
Surveys Sent

GENDER

*0% of respondents selected “Other” or “Prefer not to say”

100

Respondents



Sector-specific: Access to Finance

26,158,155 USD

The gross amount of loans received by its customers



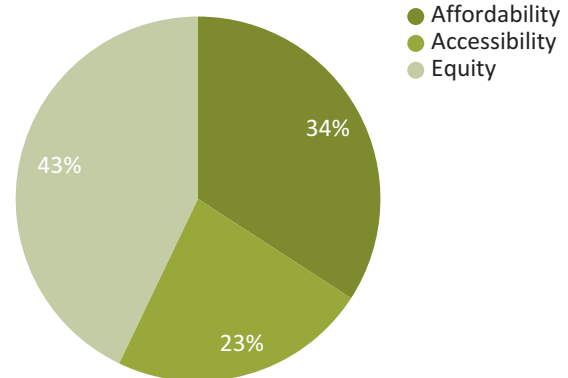
Women Empowerment



100% of female customers

Have better access to resources, treated with respect by their family/community and participate more actively in decision making at home and in the community

Customer Feedback on products/ services offered



Affordability Feedback was obtained from Lenana Innovative Solutions Limited’s customers that through the affordable loan terms and other product/service offerings provided by Lenana Innovative Solutions Limited, it has benefited both the customers as well as their families and communities through increased income/ savings/ asset ownership and productivity, etc.

Accessibility Feedback was obtained from Lenana Innovative Solutions Limited’s customers on the ability to pay back the loan, the ease on obtaining the loan from Lenana Innovative Solutions Limited and whether Lenana Innovative Solutions Limited’s has improved accessibility for women.

Equity Feedback was obtained from Lenana Innovative Solutions Limited’s customers that they were treated with respect and dignity, obtained satisfaction and value from Lenana Innovative Solutions Limited’s products and services and experienced a sense of empowerment as a result.

VERIFIED

ABOUT IIX VALUES™

Impact is the change experienced by people or the environment due to certain product, service or activity. Impact Assessments measure that change. IIX Values™ is a platform solution that values it all. Building on our decade of experience in impact measurement and data analytics, IIX Values™ is about giving value to impact.

ABOUT IIX

IIX is a global organization dedicated to building a more inclusive world by changing financial systems and innovating solutions for women empowerment, climate action, and community resilience. Over the past decade, we have built the world's largest crowdfunding platform for impact investing (Impact Partners), created innovative financial products such as the Women's Livelihood Bond, operated award-winning enterprise technical assistance programs such as IIX ACTS, and established an Impact Institute for training and education. To date, our work has spanned 46 countries, unlocked US\$200+ million of private sector capital to support 150+ enterprises, avoided over a million tons of carbon and impacted over 80 million direct and household lives. The foundation of IIX's work is its proprietary Impact Assessment which effectively measures the social and environmental impact of the investment and gives value to the voices of the underserved. IIX has received numerous awards for its work including the Oslo Business for Peace Award, the 'Nobel Prize for Business.'



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